City of Sunnyvale

Agenda Item

23-0932 **Agenda Date:** 10/9/2023

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on a 5.82-acre site:

SPECIAL DEVELOPMENT PERMIT: to demolish an existing surface parking lot at the rear of two existing office/R&D buildings and construct 225 apartment units at a density of 112.5 dwelling units per acre in an eight-story building inclusive of three levels of above-ground parking.

TENTATIVE PARCEL MAP: to relocate the existing lot line between the two office/R&D building lots, resulting in a 3.82-acre lot for the office/R&D buildings and a two-acre lot for the apartment development.

Location: 1150-1170 Kifer Road (APNs: 205-50-034 and 205-50-035)
File #: 2022-7168
Zoning: MXD-I (Flexible Mixed-Use I)
Applicant / Owner: Prometheus Real Estate Group (applicant) / 1150 Kifer LP (owner)
Environmental Review: No additional review required as per CEQA Guidelines 15162 and 15168(c)(2) and (4) - environmental impacts of the project are addressed in the 2016 Lawrence Station Area Plan Environmental Impact Report (EIR - State Clearinghouse No. 2013082030) and 2021 Lawrence Station Area Plan Update/Intuitive Surgical Corporate Campus Project Subsequent Environmental Impact Report (SEIR - State Clearinghouse No. 2019012022)
Project Planner: George Schroeder, (408) 730-7443, gschroeder@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Transit Mixed-Use
Existing Site Conditions: Two, two-story office buildings and surface parking
Surrounding Land Uses

North: Office/R&D across Kifer Road, and in the City of Santa Clara
South: Industrial/R&D
East: Wholesale retail and office building across Lawrence Expressway
West: Mixed-use multi-family residential and retail

Issues: Neighborhood compatibility and State Density Bonus waivers
Staff Recommendation: Alternative 1. Make the required findings to approve the CEQA determination that the project is consistent with the 2016 Lawrence Station Area Plan Environmental Impact Report and 2021 Lawrence Station Area Plan Update/Intuitive Surgical Corporate Campus Project Subsequent Environmental Impact Report and no additional environmental review is required pursuant to CEQA Section 15162 and 15168(c)(2) and (4) and approve the Special Development Permit and Tentative Parcel Map based on the Recommended Findings in Attachment 3 and Recommended Conditions of Approval in Attachment 4.

BACKGROUND

Description of Proposed Project
The project site is 5.82 acres in size and is currently developed with two, two-story office/research and development (R&D) buildings fronting Kifer Road with a surface parking lot to the rear and along San Zeno Way. The proposed project consists of retaining the existing buildings and constructing a new 225-unit, eight-story residential apartment building in place of the rear surface parking lot. Parking for the residential building and replacement parking for the existing buildings would be included in a three-level above-ground parking structure contained within the footprint of the residential building. The existing lot line between the two buildings would be relocated to create one lot for the office/R&D buildings and one lot for the new residential building. Easements between the two properties would facilitate shared access and parking. Associated onsite and offsite improvements are also proposed, which include a new east-west shared-use path in accordance with the Lawrence Station Sense of Place Plan (LSSOP). The project is also sited to accommodate the County of Santa Clara's future Lawrence Expressway Grade Separation project.

The project qualifies for reduced parking and consideration of incentives, concessions, and waivers under the California Density Bonus Law by providing 44 Below Market Rate (BMR) units.

See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 for the Project Data Table.

Special Development Permit
The project site is in the Lawrence Station Area Plan (LSAP) and zoned MXD-I (Flexible Mixed-Use I), which allows for higher intensities of development given the walking distance of these properties to the Lawrence Caltrain Station. The zoning allows a mix of land uses, including office and residential uses. Retail is encouraged but not required. New construction of permitted uses, such as multi-family residential, require a Special Development Permit (SDP) with review and approval by the Planning Commission. A SDP allows for consideration of deviations from specified development standards in exchange for superior design, environmental preservation, or public development.

Tentative Parcel Map
A Tentative Parcel Map is required prior to recording a Final Parcel Map to relocate the existing north-south lot line between the two office/R&D buildings to an east-west lot line which results in one lot for the office/R&D buildings (3.82 acres) and one lot for the residential building (two acres). The Tentative Parcel Map shows the location of the proposed lot lines and other improvements (see Sheet TM 1.0 in Attachment 6).

While typically this type of lot line relocation can be achieved through a staff-level Lot Line Adjustment application, staff finds that a Tentative Parcel Map is a more appropriate instrument because Zoning Code nonconformities would result with the lot line relocation, particularly the nonconforming lot width for the residential parcel (approximately 188 feet when 200 feet is required). Additionally, the original use permit for the development of the office/R&D buildings allowed each of them to exceed the 35% base floor area ratio (FAR) and be constructed at 41% FAR. With the relocated lot line, the nonresidential FAR would increase to 63%, which would currently require a Development Agreement (DA) per the LSAP. Staff does not find the need for a DA because the office building is not expanding, only the lot size is being reduced. The Tentative Parcel Map memorializes this change and also provides a clear method to establish the shared access easements between the two parcels and irrevocable offer of dedication for the future Lawrence Expressway Grade Separation

project. Further, condition of approval GC-11 specifies that a DA is required for expansion of net new area on the office/R&D site.

State Housing Legislation

The applicant is utilizing state law, including the Housing Accountability Act (HAA), Senate Bill (SB) 330, and the California Density Bonus Law. Together, these laws allow residential development throughout the City based on General Plan designations, even if the zoning has not been updated with residential development standards. These laws also limit the circumstances to deny a housing development project that is consistent with applicable "objective standards" and permit the applicant to propose modifications to applicable standards in exchange for affordable units. 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."*

The California Density Bonus Law (Government Code Section 65915) was created to incentivize the construction of affordable units and applies to rental housing projects that provide at least 10% of units as affordable to low-income households or five percent of units as affordable to very low-income households. These percentages are consistent with the minimum requirements for rental projects per Sunnyvale Municipal Code (SMC) Chapter 19.77. By providing eight very low-income units (five percent) and 36 low-income units (24%), the applicant is entitled to the following benefits under the Density Bonus Law:

Item	Requested
1. Up to 75 additional market rate rental units.	75 requested
2. Three "incentives or concessions" that will result in an actual and identifiable cost reduction.	None requested
3. Any number of waivers or reductions of development standards that would physically prevent the project from being built at the permitted density and with the granted concessions/incentives.	11 requested
4. Reduced residential parking (0.5 spaces per unit)	Yes

Previous Actions on the Site

The site was approved to be developed to its present state in 1984 (Use Permit 5363) and the two office/R&D buildings were completed in 1985. Staff-level planning permits have been issued over the years including waivers of rooftop screening, signage, landscaping and parking modifications, minor architectural modifications, and tree removal permits.

The site has been in the LSAP since its original 2016 adoption. Upon original LSAP adoption, the site was rezoned from M-S (Industrial and Service) to MXD-I (Flexible Mixed-Use I) which allow a flexible mix of uses including residential, office/R&D, and retail. The allowable residential density at the time was a minimum of 36 dwelling units per acre (du/ac), maximum of 45 du/ac, and maximum of 68 du/ac with inclusion of development incentives. The 2021 LSAP Update retained the existing zoning designation but increased the allowable density to a base maximum of 45 du/ac with 35 available density incentive points.

The applicant submitted an SB 330 Preliminary Application on November 3, 2021 (Planning permit # 2021-7828) after the effective date of the 2021 LSAP Update. Per state law, the project is only

subject to the City's fees, ordinances, policies, and standards adopted and in effect at that time. The formal application was submitted within state law's requisite 180 calendar days of the SB330 Preliminary Application submittal.

EXISTING POLICY

General Plan Goals and Policies: A complete list of goals and policies from the Land Use and Transportation Chapter and other elements of the General Plan which pertain to the proposed project are in the Recommended Findings in Attachment 3.

LSAP Goals, Policies, and Design Guidelines: A complete list of goals, policies, and design guidelines from the Lawrence Station Area Plan that pertain to the proposed project are also in Attachment 3.

ENVIRONMENTAL REVIEW

A Program-level EIR was prepared for the overall LSAP (State Clearinghouse No. 2013082030) upon original adoption in 2016 per the California Environmental Quality Act (CEQA), which identified broad environmental impacts resulting from the proposed development intensities. Certification of the 2016 LSAP EIR included a mitigation monitoring program (MMRP) with provisions to reduce the potentially significant impacts to a less than significant level, although some impacts of the LSAP were significant and unavoidable after mitigation. A Statement of Overriding Considerations was adopted in conjunction with the 2016 LSAP in acknowledgment of the presence of the remaining significant and unavoidable impacts. The City updated the LSAP in 2021 to include additional housing potential and a boundary expansion and prepared a Draft and Final Subsequent EIR (SEIR) (State Clearinghouse No. 2019012022). The SEIR included a program-level analysis of the LSAP amendments and included an updated MMRP and Statement of Overriding Considerations. The LSAP MMRP has been incorporated into the Recommended Conditions of Approval in Attachment 4.

The City's consultant, Ascent Environmental, prepared an environmental checklist (Attachment 5) to determine whether the environmental impacts of the proposed project are within the scope of the 2016 LSAP EIR and 2021 LSAP Update SEIR, or if changed environmental conditions result in new or substantially more severe environmental impacts, as compared to those considered in the LSAP EIR's. 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 LSAP EIRs. Several technical studies were prepared to analyze site and project-specific environmental conditions, such as a noise study, Phase I and II environmental site assessments, a geotechnical investigation, biological study, archaeological study, air quality and greenhouse gas modeling, and arborist report.

Review of the project, including technical studies, confirmed the project is consistent with the certified LSAP EIR analyses and did not reveal new impacts that warranted further environmental review pursuant to Section 15162 and 15168 of the CEQA Guidelines. Therefore, staff finds that the environmental impacts of the project are addressed in the 2016 LSAP EIR and 2021 LSAP Update SEIR and no additional review is required as per CEQA Guidelines 15168(c)(2) and (4). The existing EIR documents can be found on the LSAP webpage at <https://www.sunnyvale.ca.gov/business-and-development/projects-in-sunnyvale/long-range-planning-initiatives/lawrence-station-area-plan>.

DISCUSSION

Present Site Conditions

The site is bounded by Kifer Road to the north, San Zeno Way to the east, tilt-up industrial/R&D uses to the south, and a mixed-use development with 520 units (Savoy) to the west. Lawrence Expressway also runs parallel to San Zeno Way and is elevated above the southern portion of the site as it transitions down to grade level to the north towards Kifer Road.

The Lawrence Caltrain Station is located approximately 600 feet to the south of the site via pedestrian, bicycle, and automobile access on San Zeno Way.

The present combined site area is 5.82 acres consisting of two lots running north/south through the plaza between the office/R&D buildings. The lot for 1150 Kifer Road is 3.20 acres and the lot for 1170 Kifer Road is 2.62 acres. The site is developed with two, two-story office/R&D buildings totaling 104,698 square feet (1150 Kifer Road - 46,849 square feet and 1170 Kifer Road - 57,849 square feet). A wide plaza defines the space between the two buildings. The buildings are surrounded by double rows of surface parking, and a large surface parking lot with landscape islands and trees is located behind the office buildings as well as a loading space and existing solid waste and recycling enclosures.

Site Layout and Circulation

Site Layout

The applicant is proposing the 225-unit apartment building on an underutilized surface parking lot at the rear of the existing office/R&D buildings on the southern side of the site closest to the Lawrence Caltrain Station. The lot area for the apartment building would be two acres and the existing office/R&D buildings to remain would have a 3.82-acre lot area with the southern property line shifting halfway through the site to the north. The proposed apartment building footprint is rectangular in shape with the short end facing San Zeno Way. The apartment building would contain a 269-space, above-ground parking structure within the first three levels of the building. The residential units would wrap around a portion of the parking structure along with the leasing office, amenity spaces, internal circulation areas, and storage/utility rooms.

The proposed unit mix includes 30 studio, 125 one-bedroom, 62 two-bedroom, and eight three-bedroom units. There are 12 two- and three-bedroom units on the north side of the building in an attached townhome format. The average unit sizes range from 591 square feet (studios) to 1,359 square feet (three-bedroom) with a total unit average of 836 square feet. Every unit has access to individual lockable storage space in accordance with SMC requirements.

The apartment building would have amenities for residents including a fitness center and a clubhouse on the fourth floor and a second clubhouse on the eighth floor. Two large outdoor common spaces on the fourth floor break up the rectangular shape of the building and include pool, barbeque, and seating options. Most units also have private balconies or ground floor patio space. Ground floor landscaping surrounds the building on all four sides.

The south side of the apartment site includes a secondary shared-use path that is identified in the LSSOP. The intent of the path is not only to buffer the residential area from the adjoining industrial sites, but also to provide a key east-west connection to the adjacent apartment site to the west as a more direct path to the Lawrence Caltrain Station via San Zeno Way. The shared-use path would be

publicly accessible and connect to an existing public access easement on the adjacent site to the west.

Circulation

Pedestrian walkways are provided on three sides of the building and connect to the shared-use path on the south side which outlets to San Zeno Way. The walkways also connect to the public sidewalk on San Zeno Way. A wide pathway also links the office and residential lots together and provides safe access for employees walking from the parking structure to the office/R&D buildings. Bicycles have access on the shared-use path, vehicle driveways, and to the secured parking areas in the parking structure and bicycle racks on the ground floor along San Zeno Way.

Existing vehicular circulation is substantially retained on the office/R&D lot with driveway access to Kifer Road and San Zeno Way. A central driveway from San Zeno Way splits the two lots with an access easement running down the middle. Existing surface parking on three sides of the office/R&D buildings would remain as well as the three existing driveways on Kifer Road. The new parking structure within the residential building would have two entrances, one for use by the adjacent office/R&D buildings on the west side and one for residents on a relocated driveway on San Zeno Way that connects directly to the second level of the parking structure.

Architecture

The proposed architectural concept draws inspiration from the industrial history of Sunnyvale with timeless building forms and use of detailed, high-quality materials, similar to the apartment building currently under construction on the south side of the Lawrence Caltrain Station at Aster and Willow Avenues. The design uses a combination of natural warm and dark colors with brick veneer significantly cladding the building interspersed with cement and metal panels and stucco walls. The brick patterns and textures are varied with thicker brick around the building base which better distinguishes it from the middle portion of the building. The building form and materials create the feel of an urban factory that has been converted to residential lofts.

All building facades feature vertical modular elements that project in front of or recess behind the main wall plane. This is especially present on the south side of the building with two large building stepbacks at the fourth floor and above. The building top is articulated horizontally by building elements that project above or below the main roofline. The building top at the eighth floor also includes a distinctive architectural band that caps the building. Additionally, a wider cornice of almost two-and-a-half feet projects from the sixth and seventh floors where the brick veneer transitions to cement panel materials at the top floor. This cornice overhang allows the eighth story to recede in visual prominence.

Pedestrian entries are prominent and two-stories tall. A transparent glass storefront defines the main entry and leasing area along San Zeno Way and a recessed entry with projecting awing is provided on the north side facing the office/R&D lot. The north side is also defined by the two-story townhome elements with distinctive brick patterns. The building is well-fenestrated through an orderly arrangement of floor-to-ceiling windows. Windows are recessed at least three inches from the façade and there are inset wall and terra cotta balcony elements to add visual depth and articulation on the facades.

The buildings maintain the same level of design and detailing on all four sides. The parking structure is concealed on the north and east sides by building elements. The south and east sides of the

parking structure are comprised of alternative brick walls with openings and planted metal green screens along the south elevation. The screens and crash walls conceal parked vehicles from view and create a visually appealing pedestrian experience for the shared-use path, supplemented with a landscape buffer.

The applicant is requesting waivers from several objective design guidelines which are discussed later in the report. Even with the waivers, staff finds that the proposed architectural design is substantially consistent with the LSAP design guidelines through use of high-quality materials, attention to detail at focal points, urban forms that vary in height and depth, and interesting pedestrian-scale elements that define the ground floor.

Residential Density and LSAP Incentive Program

Density

The proposed density is 112.5 du/ac, which is achieved through participation in the LSAP Development Incentives Program and the California Density Bonus Law. The project achieves 30 LSAP density points by providing the following incentives:

- Secondary Bicycle/Pedestrian Pathway (10 points)
- Landscaped area greater than 35% of site area (5 points)
- Gateway signage (5 points)
- Installation of Level 2 Electric Vehicle charging stations (EVCS) for each of the required Level 2 EV-ready circuits per the Reach Codes - EVCS provided for 35% of parking spaces (4 points)
- Wayfinding signage (2 points)
- Bicycle parking, publicly accessible, at least 20% more Class I spaces and 10 more Class II spaces beyond minimum requirement (2 points)
- Bicycle repair station (2 points)

With the inclusion of the 30 incentive points, the base maximum density of 45 du/ac is increased to 75 du/ac. Additionally, per California State Density Bonus Law Section 65915 (f)(1), the project is entitled to a 50 percent State Density Bonus over the base maximum density due to the provision of 24 percent low-income units.

The LSAP Development Incentives Program includes examples of how residential densities and allowable units are calculated. The base maximum density is the starting point for where density bonuses are added. The top row of the table below starts at the base maximum density, then increases in each lower row depending on the LSAP incentives and State Density Bonus achieved.

Scenario	Density Calculation	Allowable Units
Base Maximum Density	2 (lot size in acres) X 45 (base max density)	90
Project achieves 30 LSAP incentive points	**DU/AC:** 45 (base max) + 30 (total incentive points) = 75 du/ac **UNITS:** 2 (lot size in acres) X 75 (density with incentives)	150[1]
Project achieves a 50% State Density Bonus	**DU/AC:** 75 (density with incentives) X 0.5 (50% state density bonus, rounded up) = 38+75 = 113 du/ac **UNITS:** 2 (lot size in acres) X 113	226

[1] The City's affordable housing requirement is based on the number of units proposed under this provision.

With participation in the LSAP Development Incentives Program and State Density Bonus, the project's allowable density is 113 du/ac or 226 allowable units. The proposed density of 112.5 du/ac and 225 units is therefore deemed to be consistent with the LSAP.

LSAP Development Incentive Program

The LSAP Development Incentive Program allows property owners to develop their properties beyond the base maximum densities in exchange for providing community benefits that advance the goals of the LSAP. The program is voluntary and property owners have the option to propose which incentives best suit their business plans and economic goals.

As noted above, the project proposes seven development incentives which help achieve the proposed project density and also benefit the site and surrounding area. The secondary shared-use path increases pedestrian and bicycle connectivity with more direct access to the Lawrence Caltrain Station. The wayfinding signage also improves access to the station and a new gateway sign near Kifer Road and San Zeno Way will provide a sense of place for the district. Enhanced sustainability features include landscaping above the minimum, publicly-accessible bicycle parking, a bicycle repair station for residents, and provision of electric vehicle charging stations for each of the Level 2 EV-ready circuits required by the Reach Codes. Conditions of approval GC-12, BP-9, PF-1, and AT-1 have been added to ensure provision of the proposed incentives in the final design and maintenance for the life of the project.

LSAP Residential Development Capacity

The LSAP allows for a maximum residential development capacity of 5,935 net new housing units. This buildout level was studied in the 2021 LSAP SEIR to ensure that long-term development within the plan area would not adversely impact the environment or exceed the carrying capacity of

infrastructure systems. As of the date of staff report production, a total of 1,437 residential units have been built or approved. The remaining balance is 4,498 units, and approval of this project would result in a balance of 4,273 units. Therefore, the project is within the allowable LSAP residential capacity and a subsequent EIR is not required.

Density Bonus Waivers

The California Density Bonus Law allows for unlimited waivers from development standards if a project provides at least 10 percent of the units as low-income units or five percent of the units as very low income units. The project includes 36 units (24 percent of the base density) as affordable units for low-income households and eight units (five percent of the base density) as deed-restricted affordable units for very low income households. The California Density Bonus Law Section 65915 (e)(1) permits waivers or reduction of development standards that will have the effect of physically precluding the construction of the specified percentage of affordable units. The applicant's density bonus letter (Attachment 7) requests the following 11 waivers to accommodate the proposed project with inclusion of 44 affordable units:

1. Reduced lot width under the minimum of 200 feet as required by SMC Section 19.35.070. A lot width of 188 feet is proposed.
2. Reduced building setback to a secondary shared use path under the minimum 10 feet required by SMC Section 19.35.070. A six-foot setback is proposed.
3. Reduced Floor Plate Sizes above 75 feet per LSAP guideline RB-UDG6. The building floor plate above 75 feet is not reduced in length by a minimum of 10% from the floor below.
4. Horizontal Building Modulation per LSAP guideline BMA-UDG4. Every 175 linear feet of the façade does not have a minimum wall recess/opening of at least 15 feet wide by 15 feet deep.
5. Vertical Building Modulation per LSAP guideline BMA-UDG1. Each side of the building contains at least three vertical modules, but do not meet the criteria of 15 feet wide by 5 feet deep.
6. Height Variation within 15 feet of Height Limit per LSAP guideline BMA-UDG5. The building within 15 feet of the height limit does not reduce height by at least one story every 100 linear feet.
7. Upper Floor Setbacks above 50 feet per LSAP guideline RB-UDG5. Upper floor setbacks are not setback at least 15 feet from the shared-use path. Upper floor setbacks are setback 12 feet instead of 15 feet from San Zeno Way.
8. Six-Foot High Exterior Walls in Parking Structure per LSAP guideline PK-UDG22. Parking structure exterior walls are approximately four-feet high.
9. Parking Structure Wall Recesses along Shared-Use Path per LSAP guideline PK-UDG17. The parking structure walls along the shared-use path do not have a minimum recess/opening of at least 20 feet wide by 20 feet deep.
10. Blank Wall Restrictions Along Shared-Use Path per LSAP guideline BO-UDG11. There are blank walls along the shared-use path greater than 30 feet without being interrupted by a window or entry.
11. Parking Access from Side or Rear per LSAP guideline SP-UDG9. Parking access is proposed in the front for the new parking structure.

The applicant's justification letter notes the above standards and guidelines would reduce square footage and physically preclude development of the proposed project. Staff finds the requested waivers are reasonable to accommodate the requested density and product type, given the limited City's discretion due to the California Density Bonus Law and HAA. Moreover, the LSAP allows

consideration of deviations to its design guidelines on a case-by-case basis by the decision-making body. Deviations may also be considered through the SDP. The requested waivers still result in a well-designed project substantially consistent with LSAP design guidelines and are not impactful to adjoining properties or the greater LSAP district.

Development Standards
Aside from the requested state density bonus waivers, the project complies with zoning standards including, but not limited to, lot coverage, parking, landscaping and open space, building height, property line setbacks, and individual lockable storage. The Project Data Table in Attachment 2 summarizes the project's compliance with development standards.

Traffic and Off-Site Improvements
Traffic
Per Council Policy 1.2.8, Vehicles Miles Traveled (VMT) is used to identify potential transportation impacts of a proposed land use project to comply with CEQA. The project is exempt from VMT Analysis as it is considered a Transit Supportive Project located within a half mile of an existing stop along a high-quality transit corridor. Additionally, the project does not harm or hinder access to multimodal transportation and will make sidewalk improvements along its project frontage. The project layout is oriented towards the Lawrence Caltrain Station and includes walkable site features that prioritize pedestrian access, including a shared-use path, street trees, and pedestrian-scale street lights in accordance with the LSSOP.

The City's Traffic and Transportation Division has also determined a Local Transportation Analysis (LTA) for operational impacts is not required given the lower trip counts and site proximity to the Lawrence Caltrain Station.

Due to the site's location near Lawrence Expressway, the project is required to provide an irrevocable offer of dedication along portions of the San Zeno Way frontage to accommodate the County of Santa Clara's future Lawrence Expressway Grade Separation Project. The proposed building has been sited to meet the required 15-foot front setback from the future right-of-way line.

Transportation Demand Management
The project is subject to the City's multi-family residential TDM requirements, with a minimum of 10 points required from the adopted TDM strategies list. The project's proximity to the Lawrence Caltrain Station and commercial uses, affordable housing, bicycle facilities, wayfinding station, and TDM communication strategies totals 12 points, which exceeds the TDM requirements.

Parking
The proposed apartment building footprint and associated site improvements would require removal of 249 existing surface lot spaces serving the office/R&D buildings. A total of 145 existing surface lot spaces would remain for the office/R&D buildings.

The applicant proposes shared parking between the office/R&D and residential uses where office/R&D employees can park in the new parking structure within the residential building during business hours. The first two levels of the parking structure would allow shared access and the third level would be for the exclusive use of residents. There would be a total of 269 spaces in the parking structure. The parking breakdown consists of 85 shared spaces on the ground level, 71 shared

spaces and 23 exclusive residential spaces on the second level, and 90 exclusive residential spaces on the third level.

The office/R&D buildings require 288 parking spaces, based on the minimum rate of 2.75 spaces per 1,000 square feet per SMC Section 19.35.080. The combination of 145 existing surface spaces to remain and 156 shared spaces in the parking structure result in 301 total spaces for the office/R&D use, which exceeds the minimum standard and does not exceed the maximum of 418 spaces. Condition BP-39 requires the applicant to provide a temporary parking plan for the displaced office/R&D parking while the residential project is under construction.

The applicant proposes to utilize the California Density Bonus Law reduced parking standard of 0.5 spaces per unit, which is automatically granted based on the affordable units provided in the project and that the site is located within a half mile to a major transit stop with unobstructed access. The resulting residential parking requirement is 113 spaces which is met in the parking structure. Moreover, the applicant submitted a preliminary parking management plan and shared parking analysis conducted by Hexagon Transportation Consultants, Inc. (Attachment 8) which confirmed sufficient parking based on surveys conducted of apartments in the region.

Minimum bicycle parking requirements are exceeded for the office/R&D and residential uses. The office/R&D lot includes existing 15 Class I (secured locker) spaces when 14 are required and 29 Class II (bicycle rack) spaces when four are required. For the residential use, there are 357 Class I spaces within the parking structure when 57 are required and 22 Class II spaces when 15 are required.

Open Space/Landscaping and Tree Preservation, Removal, and Replacement

Useable Open Space

The LSAP requires a minimum of 50 square feet of useable open space for each residential unit. Although balconies with a minimum of six feet in any dimension and a total of 50 square feet can qualify towards the useable open space requirement, the balconies were not counted due to existing noise levels above General Plan standards and that the useable open space requirement is met elsewhere. Credit is also not given for the shared-use path because it is publicly-accessible and was included as a development incentive. The provided useable open space areas counted towards the requirement are on the ground level and fourth story courtyard area. The provided useable open space of 86 square feet per unit exceeds the minimum required.

Landscaping

The proposed plans show 40.5% of the residential project site to be landscaped, or 35,312 square feet where the LSAP requires a minimum of 20%, or 17,431 square feet. Landscaping is comprised of groundcover, shrubs, decorative paving, native grasses, and trees. Pedestrian-scale lighting is provided throughout the project site. The landscaped area for the office/R&D lot is being reduced due to the proposed lot line relocation, but still exceeds the 20% minimum through 47,333 square feet of landscaped area or 28%.

Tree Preservation, Removal, and Replacement

An arborist report was prepared and evaluated a total of 196 existing trees. The most common trees are Coast Redwood along the perimeter, followed by London Plane trees in the parking lot. The project includes the proposed removal of 94 trees - 12 of which are considered “protected” per SMC

Chapter 19.94 with trunks that are at least 38 inches in circumference four feet from grade. Most of the trees proposed for removal are within the footprint of the apartment building and proposed site improvements.

The City Arborist, Planning Division, and Public Works Department staff walked the project area with the applicant to verify the proposed removals. As a result of the walk, one additional protected tree along the proposed shared-use path was identified for preservation. Staff originally requested the four large Shamel Ash trees at the existing southern driveway to be retained given their prominent nature, but the project arborist identified them for removal due to poor suitability for preservation and conflict with emergency vehicle access. The City Arborist also confirmed removal action due to the trees being structurally compromised with their root collars destroyed in past asphalt and curbing work around them. The proposed tree preservation plan and final arborist report reflect the City Arborist's approved course of action.

The project is subject to the City's tree replacement policy and proposes to plant 42 trees on the ground floor and 47 trees on the fourth floor for a total of 89 trees.

Green Building and Reach Code Requirements
The project exceeds the minimum Green Building Program requirement of 90 points on the GreenPoint Rated checklist with 94 points targeted.

The project is also consistent with the City's Reach Codes through all-electric construction with no natural gas connection and a rooftop solar panel system. The proposed parking structure includes 174 spaces with electric vehicle-ready circuits (RC) and 95 spaces with electric vehicle charging stations (EVCS).

Solid Waste and Recycling Access
Solid waste and recycling service is provided through chutes on each floor that dispose into trash rooms within the parking structure, completely enclosed from ground level view. Solid waste and recycling bins will be staged by apartment management staff in a designated area along the west property line of the office/R&D parcel, but near the residential property line. An access easement will allow legal access on the adjoining office/R&D parcel. Additionally, screening details for the staging area will be provided at the building permit stage with review by City staff per condition of approval BP-8.

The two existing enclosures serving the office/R&D building would be removed and a new central enclosure would be built in the same general location. The new enclosure would include CMU walls with stucco finish and green screen, and a roof with wood boards.

SMC Section 19.38.030 (e)(1)(k) requires all residential units to be located within 150 feet of a solid waste and recycling enclosure. In the case of apartment units, the distance is measured from the trash room or chutes on each floor. All units meet the distance requirement.

Soil Vapor and Soil Contamination
The Phase II Environmental Site Assessment for the site identified soil vapor and soil contamination at concentrations slightly above residential screening levels. The Phase II ESA did not include any further project recommendations, but as a precautionary measure, condition of approval BP-47 requires the applicant to partner with a state or Santa Clara County oversight agency to review

remediation or effective site management controls appropriate for the use of the site to the satisfaction of the appropriate oversight agency prior to the initiation of construction activities.

Noise Attenuation
The project site is located near the noise sources of Lawrence Expressway and the Lawrence Caltrain Station. While the project is not anticipated to significantly increase noise levels in the area, a noise study was conducted to assess project design measures to meet General Plan interior and exterior noise goals for new residences and common useable open spaces. To achieve General Plan goals, the study includes recommendations for sound-rated windows and exterior doors in specified locations, and a solid barrier at the fourth floor common open spaces, which is included in the proposed plans. Condition of approval BP-30 requires the project noise consultant to review the construction plans and confirm their recommendations have been met. Follow-up field verification testing is also required prior to occupancy of the units per condition PF-6.

Rooftop Screening
Per SMC Section 19.38.020, all rooftop mechanical equipment which exceeds 16 inches in any dimension shall be screened so as not to be visible from public view unless a waiver of screening is granted through a staff-level Miscellaneous Plan Permit (MPP). In this case, the waiver of screening can be considered as part of the SDP. There are several nine-foot high rooftop exhaust fans and six-foot high supply fans that are higher than the screening parapet or not screened on all four sides. However, the line of sight drawings on Sheets 140-142 of Attachment 6 demonstrate that with the positioning of the units towards the middle of the roof, they will not be visible. As an added measure, condition of approval BP-12 requires the units to be painted to match the color of the parapet to minimize their view should they be visible further from the site.

FISCAL IMPACT
No fiscal impacts other than normal fees and taxes are expected. Additional fees include Park In-Lieu, Transportation Impact Fee, LSAP Sense of Place, and LSAP Residential Wastewater as noted in the Conditions of Approval.

PUBLIC CONTACT
Neighborhood Outreach Meeting
The applicant hosted an online neighborhood outreach meeting on December 15, 2022, that was attended by five people. The attendees asked questions about shared parking, construction timing, and whether retail or a public park would be provided.

Planning Commission Study Session
The Planning Commission reviewed the project plans at a study session on January 9, 2023. The Planning Commission was generally supportive of the project design and consistency with the LSAP goals. Two members of the public commented on remediating soil contamination from adjacent industrial uses, the building color palette, and the site’s ideal location near the Lawrence Caltrain Station.

Notice of Planning Commission Public Hearing
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 NOVA Workforce Services 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.

The City sent 1,526 notices to surrounding property owners and residents within 2,000 feet of the project site which is consistent with Council Policy 1.1.18 for expanded noticing of projects greater than six stories in addition to standard noticing practices, including advertisement in the Sunnyvale Sun Newspaper and on-site posting. As of the date of staff report preparation, staff has not received any letters, emails, or calls from the public.

ALTERNATIVES

1. Make the required findings to approve the CEQA determination that the project is consistent with the 2016 Lawrence Station Area Plan Environmental Impact Report and 2021 Lawrence Station Area Plan Update/Intuitive Surgical Corporate Campus Project Subsequent Environmental Impact Report and no additional environmental review is required pursuant to CEQA Section 15162 and 15168(c)(2) and (4) and approve the Special Development Permit and Tentative Parcel 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 2016 Lawrence Station Area Plan Environmental Impact Report and 2021 Lawrence Station Area Plan Update/Intuitive Surgical Corporate Campus Project Subsequent Environmental Impact Report and no additional environmental review is required pursuant to CEQA Section 15162 and 15168(c)(2) and (4) and approve the Special Development Permit and Tentative Parcel Map based on the Recommended Findings in Attachment 3 and modified Conditions of Approval.
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 2016 Lawrence Station Area Plan Environmental Impact Report and 2021 Lawrence Station Area Plan Update/Intuitive Surgical Corporate Campus Project Subsequent Environmental Impact Report and no additional environmental review is required pursuant to CEQA Section 15162 and 15168(c)(2) and (4) and approve the Special Development Permit and Tentative Parcel 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 LSAP by providing high density residential housing with a significant number of affordable units within close proximity of the Lawrence Caltrain Station. The site is located in the Transit Core West subarea of the LSAP intended for increased development to more transit-oriented uses. The project includes community benefits to enhance area connectivity, sustainability, and wayfinding in accordance with the LSAP Development Incentives Program. The applicant's justifications for the requested waivers are reasonable as they still result in a well-designed project and ensure the provision of affordable housing consistent with the framework of the California Density Bonus Law and HAA. No new significant environmental impacts would occur with implementation of the project and all approved mitigation in the 2016 LSAP EIR and 2021 LSAP Update SEIR would continue to be implemented.

Prepared by: George Schroeder, Principal Planner
Approved by: Shaunn Mendrin, Planning Officer

23-0932 **Agenda Date:** 10/9/2023

ATTACHMENTS

1. Noticing and Vicinity Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. CEQA Checklist
6. Site and Architectural Plans
7. Applicant's Project Description and California Density Bonus Letter
8. Preliminary Parking Management Plan and Shared Parking Analysis