

July 5, 2023

Ms. Trudi Ryan
Director of Community Development
City of Sunnyvale
456 W. Olive Avenue
Sunnyvale, CA 94086

RE: SB 330 Full Planning Application Re-Submittal, 1150-1170 Kifer Road

Dear Ms. Ryan,

Prometheus Real Estate Group respectfully and formally submits this Project Description Letter and associated materials for the Project proposal located at 1150-1170 Kifer Road. Please be advised that the application is submitted pursuant to SB 330, which amended the Housing Accountability Act (Gov. Code § 65889.5), the Permit Streamlining Act (Gov. Code § 65920 *et seq.*), and created the Housing Crisis Act of 2019 (Gov. Code § 66300). On November 3, 2021, Prometheus submitted its preliminary development application pursuant to Government Code section 65941.1. This document consists of a resubmittal of the March 17, 2022 full development application for the Project, and is provided in response to the City's April 28 September 15th, December 9th, and April 21, 2023 incompleteness letters.

This Project Application is consistent with the standards and guidelines of the Lawrence Station Area Plan (LSAP) in proposing a 225-unit residential development. It will convert the rear 2 acres of an office-focused parking lot into much needed market rate and affordable rental housing within walking distance to the Lawrence Caltrain Station.

We believe that this request is fully consistent with Sunnyvale's vision and goals of providing housing opportunities near transit in the Flexible Mixed-Use I (MXD-I) area of the LSAP, as this 2-acre site is situated just two blocks from the Lawrence Caltrain Station. This proposal supports guiding language of the LSAP "to promote a diversity of land uses and densities that will support transit usage and neighborhood services" as well as address the area's great need for housing. The Project supports the nearby multimodal transportation network, as it will improve access to the Lawrence Caltrain station.

I. Project Description

The Project will consist of eight stories of residential units comprised of studio, one-bedroom, two-bedroom, and townhome units over a mostly internal parking garage. The garage will sit within the first three floors and have two entrances, one for the residential users of the building and one for use by the adjacent offices. Residential units will wrap a portion of the garage along with the leasing office and amenity spaces. The upper floors of the building will be home to the residential units oriented around two southern facing courtyards which will include a pool, BBQ, planting, seating options, and other recreational activities. This building will be situated on approximately 2 acres and will face San Zeno Way. We anticipate a Project address on San Zeno Way and look forward to using this as a means to create a sense of identity and connection to the Lawrence Caltrain station.

As mentioned above, the garage will provide parking for both the users of the residential building and that of the existing adjacent office buildings. It is intended for the office users to access the garage from the western edge of the building off the existing drive aisle and parking area for the office buildings. The office users will use the parking available on the ground floor of the parking structure (designed to supplement the parking for the office) and have direct walking access to the office buildings through a pedestrian connection on the north edge of the garage. It is also intended for the Residential users of the building will have direct access to the residences through elevator and stair corridors. The Residential automobile users of the building will access the garage through an entry on San Zeno. This entry will connect directly to the second and third floors which will hold 204 parking spaces. As detailed further below, the Project requests a statutory cap of 0.5 spaces per unit as the Project is within a half mile of a major transit stop with unobstructed access. Unused residential parking spaces can be used by office users and vice versa. All parking areas will be gate secured with controlled FOB access.

Please find the included Parking Management Summary and Shared Parking Analysis which address the City plan check comments and LSAP Guidelines regarding shared parking on the site. We support the LSAP guideline language that, ‘rather than providing distinct parking supplies to meet these complementary uses, the same parking supply can be used by employees during the day and residents in the evenings and at night, significantly reducing parking requirements for both land uses and making their development more economically feasible” (Page 78). As described in the Parking Management Summary, the shared parking solution will benefit the users of the existing office and the future residential buildings and will be overseen by our onsite management staff while meeting the intent of the LSAP guidelines.

The architectural design of the Project contributes to the Lawrence Station Area Plan’s vision by bringing rich and varied pedestrian-scaled architecture to the Project site, as well as engaging with the wider pedestrian and cycle pathway network that connects neighboring developments. At the ground level, the building is defined by rich materiality and architectural rhythm to bring interest and scale to the pedestrian realm. Adding to the pedestrian energy, the north townhomes are accessed directly from the exterior of the building. The upper stories of the building steps back from the building base to modulate the overall scale of the building. The upper portion of the building is shaped to allow for two generous elevated south-facing courtyards. The courtyards will provide access to nature and varied amenities for the building residents. The Project is transit-oriented in design as the site plan shows, including the perimeter improvements containing a walkable design that prioritizes pedestrians.

II. LSAP

The LSAP is an incentive-based area plan. Development incentives (in the form of local density bonuses) allow property owners to develop their properties beyond the base maximum densities in residential development in exchange for providing community benefits such as mixed-use development, connectivity enhancements, access easements, public open space, additional affordable housing, and other features that advance the goals of the Plan. For residential developments, community benefits are assigned a defined amounts of dwelling units per acre points. Project applicants are required to identify each proposed incentive in their application submittal materials. As such, the 1150-1170 Kifer proposal includes the following items and the associated points are added to the base density which in the Flexible Mixed-Use I (MXD-I) area is 45 units per acre.

1) Defined LSAP Incentives

a.	Access Path (Transportation)	
i.	Total Points	10
ii.	LSAP: The Project includes the Secondary Bicycle/Pedestrian Pathways	
iii.	Plans: Please see pages 23, 51, 74, and 77	
b.	Landscape Area	
i.	Total Points	5
ii.	LSAP: Landscaped Area Exceeding minimum requirement (25-35% of site area)	
iii.	Plans: 40% Achieved (See Page 25)	
c.	Streetscape and Wayfinding	
i.	Total Points	7
ii.	LSAP: Gateway Signage 5 and Street Furniture or Wayfinding Signage 2	
iii.	Plans: See Page 4 for location	
d.	Bike Parking	
i.	Total Points	2
ii.	LSAP: Bicycle parking, Publicly Accessible, at least 20% more Class I spaces and 10 more Class II spaces beyond minimum requirement	
iii.	Plans: See Pages 3, 78, 79, and 80	
e.	Bike Repair Station (Transportation)	
i.	Total Points	2
ii.	Plans: See Pages 79 and 95	
f.	Green/Sustainability	4
i.	Please Find included Green Point Checklist (Level 2 Charging Station Installation)	
Total base Incentive Points:		30
See below for additional information on complete density and unit totals calculation.		

III. Density Bonus Law

The Project incorporates the use of the State Density Bonus Law (Gov. Code § 65915 [“DBL”]). The DBL has four distinct primary components: (1) Density Bonuses; (2) Incentives; (3) Development Standard Waivers; and (4) Parking Standard Waivers. Although interrelated, each component serves a different purpose and is governed by unique standards.

A. Density Bonus

Section 65915(b)(1) of the DBL provides that requests for a density bonus must be granted “when an applicant for a housing development seeks and agrees to construct a housing development” that meets one or more of the statute’s thresholds, including at least 5% of the units for very low income households.

The Project is located within the Flexible Mixed-Use I (MXD-I) land use district of the LSAP, which allows a base maximum density of 45 dwelling units/acre and “because of this proximity to the station and commensurate abundant transportation access, high base maximum density is required for future development in this district.” The total dwelling units/acre incentive points available in MXD-I are 45. As outlined above, the Project proposes the inclusion of 30 Incentive points bringing the total maximum allowable residential density to 75 units per acre.

As stated in the LSAP Plan Vision, “Projects with residential uses that propose to include affordable units pursuant to State Density Bonus Law, the bonus percentage that must be provided under state law is added to the highest density obtained with incentive points for the particular Project.”

Applying the 75 units per acre base density, identified above, to the two-acre site, results in 150 units. By allocating 24% (36 units) of the base units for Low Income households, the Project is entitled under the Density Bonus Law to an additional 50% bonus, which equates to 225 total units for the Project. Moreover, the Project will also provide 5% (8 units) of the base units for Very Low Income households per the requirements of the City of Sunnyvale Inclusionary Zoning Ordinance (IZO).

B. Incentives

The number of incentives is derived from the percentage of affordable units that are provided. In this case, by providing at least 24% of the units for Low Income households, the Project applicant is entitled to three incentives. (§ 65915(d)(2)(C).) This Project Application requests no incentives at this stage, yet we reserve our right to identify and pursue incentives in response to feedback from City staff during the entitlement process.

C. Development Standard Waivers

In addition to, and separate from, requests for incentives, a density bonus applicant may request a waiver or reduction of development standards that would have the effect of physically precluding the construction of the Project as proposed at the densities or with the incentives permitted under the statute. (Gov. Code § 65915(e)(1).) The definition of a “development standard” includes a site or construction condition, including, without limitation, local height, setback, floor area ratio, onsite open space, and parking area ratio requirements that would otherwise apply to residential development pursuant to ordinances, general plan elements, specific plans, charters, or other local condition, law, policy, resolution, or regulation. (Gov. Code § 65915(o)(1).) A request for a development standard waiver neither reduces nor increases the number of incentives to which the developer is otherwise entitled. (Gov. Code § 65915(e)(2).) Furthermore, there is no limit on the number of waivers that may be issued.

The applicant seeks waivers or reductions from the following development standards identified in the referenced planning or zoning documents. We reserve our right to identify and pursue additional waivers in response to further feedback from City staff during the remaining entitlement process.

- Lot width for the residential parcel - approx. 188' when 200' is required by Table 19.35.070
 - Staff has confirmed the use of a DBL Waiver for this requirement as noted in the April 2022 Project comments
- Building setback to secondary shared use path – less than 10', when 10' is required by Table 19.35.070
 - Staff has confirmed the use of a DBL Waiver for this requirement as noted in the April 2022 Project comments
- PL-37 (LSAP RB-UDG6) - reduced floor plate sizes on floors above 75'
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-52 (LSAP BMA-UDG4) – Horizontal Building Modulation and Lower floor recesses
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-53 (LSAP BMA-UDG1) – Vertical Building Modulation
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-66 (BMA-UDG1, BMA-UDG4, BMA-UDG5, BMA-UDG6, BO-UDG11, PK-UDG17, PK-UDG22) – Building Modulation
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-75 (LSAP BMA-P1, BMA-UDG2, RB-UDG5, BO-UDG10, RB-UDG3) – Upper Floor Setbacks
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-76 (LSAP BMA-P1, BMA-UDG2, BMA-UDG1, BO-UDG10, RB-UDG3) – Vertical modules
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.

- PL-77 (LSAP BMA-P1, BMA-UDG2, BMA-UDG4, BO-UDG10, RB-UDG3) - Wall Recesses on Horizontal Wall Plane
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-78 (LSAP BMA-P1, BO-UDG1, BO-UDG10, BO-UDG11, PK-UDG15, PK-UDG16, PK-UDG17, PK-UDG20, PK-UDG21, PK-UDG22) - South Facade Treatment at Parking Structure
 - The development standard referenced would reduce square footage in the noted area and physically preclude development of the Project if the waiver was not provided.
 - Staff confirmed the use of a DBL Waiver for this requirement in the 5.27.2022 Project meeting between Staff and the applicant team.
- PL-3 (SP-UDG9) - Parking Access Location
 - A Waiver is being used to address this development standard. The project is designed with two separate vehicular entrances in a manner which provides the most efficient use of space, resulting in the greatest number of stalls as well as providing a secure environment for all garage users.
- Trash Collection and Program Requirements
 - A Waiver is being applied to address this recent comment. The project is designed in a manner that expedites trash collection. The current layout facilitates the efforts of property management staff and waste collection staff in the most efficient manner following a layout and design that is in keeping with other projects where a similar design has led to choreographed trash management. In recent communication with City Staff (July 5, 2023) a residential waste staging area has been added to the plans at the NW corner of the project as shown on Page 132. Three existing at grade parking spaces can be used for this staging area (20' x 27') which is confirmed to be appropriate for the required bins. The final details of waste collection operations will be formalized in line with a Condition of Approval in the final Trash Management Plan.
- PL-9 Mechanical Equipment/Roof (SMC 19.38.020)
 - A Waiver is being used to address this comment. As shown on Pages 140-142, any mechanical equipment that sits higher than the perimeter wall will not be seen as the site line diagrams show. Also, as mentioned in the plans, the few pieces of equipment that are higher than the parapet wall will be painted the same color as the parapet.

D. Parking Standard Waivers

Parking ratio reductions are separate from the incentives and waivers identified above. By providing more than 24% LI units, the Project requests a cap of 0.5 spaces per unit because the Project is within a half mile of a major transit stop with unobstructed access. (Gov. Code § 65915(p)(2).)

IV. Miscellaneous Items

As identified in the Submittal Requirements and other Project application materials, the following items are noted herein:

- Tentative Vesting Parcel Map (see attached in plan set)
- Point Sources (air or water): No point sources are proposed
- Species of Special Concern: None are known to occur
- Historical or Cultural resources
 - The included Archaeological Report did not find any resources within or adjacent to the development Project.

As a brief re-introduction to our firm, Prometheus Real Estate Group owns and/or manages over 12,000 apartment homes on the west coast and is the largest private owner of apartments in the Bay Area. Prometheus is a long-term owner and operator, having built its first Project in Sunnyvale back in 1968 – Shadowbrook on Bernardo Avenue. Prometheus' most recent Project in the City of Sunnyvale is the Ironworks North and South Apartments, located at the corner of Evelyn and Bayview on the North side of Downtown Sunnyvale, and which we believe were some of the first density bonus Projects approved in Sunnyvale. Prometheus Real Estate Group is a local firm with its headquarters in San Mateo.

We appreciate your consideration of this request and look forward to working with the City on this proposed Project. Please contact me or Jonathan Stone at jstone@prometheusreg.com (650.931.3448) should you have any questions regarding our proposed application or our firm.

Respectfully submitted,



Don Peterson
Senior Vice President
Prometheus Real Estate Group
1900 South Norfolk Street, Ste. 150
San Mateo, CA 94403
(650) 931-3569

CC:
George Schroeder
Jonathan Stone