



City of Sunnyvale

Agenda Item

25-0058

Agenda Date: 1/13/2025

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project:

Forward to City Council recommendations related to Study Issue CDD 23-02 - Consider General Plan Land Use Designation Amendments and Rezoning for 27 Legal Non-Conforming Single- and Two-Family Dwellings, Housing Element Program H45, and Land Use and Transportation Element (LUTE) Policy LT-14.5d:

1. **Adopt a Resolution Amending the General Plan to:**
 - a. Change the General Plan land use designation for the property at 591 South Murphy Avenue (APN 209-30-012) with a legal nonconforming single-family use, from El Camino Real Specific Plan to Low-Medium Density Residential, and remove the property from the El Camino Real Specific Plan area;
 - b. Change the General Plan land use designation for the properties at 260 North Pastoria Avenue (APN 165-27-003), 280 North Pastoria Avenue (APN 165-27-004), 286 North Pastoria Avenue (APN 165-27-005) and 290 North Pastoria Avenue (APN 165-27-006) with legal nonconforming residential uses, from Peery Park Specific Plan to Low Density Residential, and remove the parcels from the Peery Park Specific Plan area; and
 - c. Change the General Plan land use designation for 22 legal non-conforming single-family and two-family dwelling sites at 411, 415 and 421 Charles Street, 433, 434, 437 and 440 Waverly Street, 572, 602, 656, 702 and 798 West Iowa Avenue, 428, 432 and 435 Florence Street, and 1301-1320 Oxbow Court, from Office to Low-Medium Density Residential.
2. **Introduce an Ordinance Amending the Zoning Districts Map, to:**
 - a. Rezone the property at 591 South Murphy Avenue from El Camino Real - Commercial (ECR-C) to Low Medium Density Residential/Office (R-2/O);
 - b. Rezone the properties at 260, 280, 286 and 290 North Pastoria Avenue from Peery Park Specific Plan/Mixed Industry Core (PPSP/MIC) to Low Density Residential (R-0);
 - c. Rezone the properties at 411, 415 and 421 Charles Street, 433, 434, 437 and 440 Waverly Street, 572, 602, 656, 702 and 798 West Iowa Avenue, 428, 432 and 435 Florence Street, and 1301-1320 Oxbow Court from Administrative-Professional Office/Planned Development (O/PD) to Low Medium Density Residential (R-2);
3. **Introduce an Ordinance Amending the Zoning Districts Map, to:**

Rezone sites within the Industrial to Residential (ITR) combining district that have redeveloped as residential uses from Industrial and Service (M-S), General Industrial (M-3) or the combined Neighborhood Business/Industrial-to-Residential/Medium Density Residential/Planned Development (C-1/ITR/R3/PD) zoning district, all to Medium Density Residential/Planned Development (R3/PD); the subject sites are spread throughout the city in five areas, generally bounded by (a) Tasman Drive, Morse Avenue, John W. Christian Greenbelt and Fair Oaks Avenue, (b) E. Duane Avenue,

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Lawrence Expressway, Stewart Drive and Britton Avenue, (c) E. Maude Avenue and N. Wolfe Road, Britton Avenue, E. Arques Avenue and Fair Oaks Avenue, and (d) Caltrain rail tracks, S. Wolfe Road, Old San Francisco Road and S. Fair Oaks Avenue, and (e) Caltrain rail tracks, Lawrence Expressway, Old San Francisco Road and Reed Avenue and Wolfe Avenue; and

4. Introduce an Ordinance Amending the Zoning Districts Map, and to:

Rezone any of the following future opportunity sites located at 455 and 920 De Guigne Drive, and 835, 845, and 935 Stewart Drive, in East Sunnyvale from Industrial and Service (M-S) to Industrial and Service/Industrial to Residential/Medium Density Residential/Planned Development (M-S/ITR/R-3/PD).

5. Introduce an Ordinance to Amend Title 19 (Zoning) of the Municipal Code to:

Amend Section 19.26.120 of Chapter 19.26 (Combining Districts) to provide that once a site zoned Industrial to Residential (ITR) has been converted to residential use, the site cannot be returned to a use not allowed in a residential zoning district.

Location: Citywide; see Attachments 7 and 8

File #: PLNG-2024-0460

Applicant: City of Sunnyvale

Environmental Review: Exempt per California Environmental Quality Act Guidelines Sections 15061 (b)(3) and 15183.

Project Planner: Wendy Lao, (408) 730-7408, wlao@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Various, including Medium Density Residential, High Density Residential, Office, Peery Park Specific Plan, and El Camino Real Specific Plan

Existing Site Conditions: Residential, including single-family, two-family, and multi-family homes

Surrounding Land Uses: Various

Issues: Compatibility with existing uses, and consistency with the General Plan

Staff Recommendation: Recommend to City Council Alternative 1:

Adopt a Resolution in Attachment 2, Introduce an Ordinance in Attachment 3, Introduce an Ordinance in Attachment 4, Introduce an Ordinance in Attachment 5, Introduce an Ordinance in Attachment 6, and Find that the Action is Exempt from the California Environmental Quality Act.

The City Council is scheduled to consider this item on January 28, 2025.

BACKGROUND

The proposed project addresses multiple City initiatives, including the implementation of General Plan Land Use and Transportation Element (LUTE) and Housing Element policies, and Study Issue CDD 23-02 - Consider General Plan Land Use Designation Amendments and Rezoning for 26 (actual number is 27) Legal Non-Conforming Single- and Two-Family Dwellings. The project includes amending the General Plan, amending the Zoning Code, rezoning properties to reflect the current residential land use, and rezoning sites to implement the Residential General Plan land use designation. The proposed actions to the properties include:

- **LUTE: Policy LT-14.5** Removing the industrial/commercial zoning designation on many transitioned residential properties in Industrial to Residential (ITR) combining districts to conforming residential zoning designations;
- **Housing Element Program H45** Rezoning future opportunity sites in East Sunnyvale to Medium Density Residential; and

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- **Study Issue CDD 23-02** Amending the General Plan land use designations and rezonings for 27 (mistakenly referred to as 26 in the Study Issue paper) legal non-conforming single-family and two-family residential properties with associated adjustments to two specific plan boundaries.

Transitioned ITR Rezoning (LUTE Policy LT-14.5d)

In 1993, the City Council established the ITR combining district following the completion of the Futures Study, which was aimed at addressing the jobs-housing imbalance and identifying underutilized parcels of land for potential redevelopment with housing. Certain sites were rezoned with an the ITR combining district, which include a base nonresidential and a residential zoning designation. The concept behind the ITR combining district was to allow industrial/commercial uses to operate as legal conforming uses until the site converted to residential use. In 2007 sites in the East Sunnyvale area were zoned with the ITR combining district. Over the years, many of the ITR sites (1993 and 2007) have been redeveloped, as planned, with multi-family residential dwellings. Additionally, LUTE Action Statement LT-14.5d is to “rezone transitioned neighborhoods from ITR to appropriate residential zoning after 75% of the land area has been redeveloped with residential use.” As a result, staff is proposing to remove the M-S/ITR, M-3/ITR, or C-1/ITR zoning designation and maintain the R-3/PD zoning designation for properties that have already converted to residential uses. This change aims to align the existing use with the appropriate land use and zoning designations in accordance with LUTE policy.

The LUTE also contains an Action Statement, LT-14.5a, to update the Zoning Code to indicate that once an ITR-zoned site has transitioned to residential use, or other use only allowed in a residential zoning district, it cannot be returned to industrial use. As a result, staff is proposing a Zoning Code amendment to reflect this change, as noted in Attachment 6.

East Sunnyvale ITR Rezoning (Housing Element Program H45)

In 2007, the City approved a change in the General Plan land use designation and zoning in the East Sunnyvale area for a portion of a 130-acre study area. Since 2007, the General Plan and zoning have changed on some of the original ITR-zoned properties in East Sunnyvale and additional sites have been designated for residential use. In 2017, the City adopted the Land Use and Transportation (LUTE) which reflected a Medium Density Residential General Plan Land Use designation that expanded the East Sunnyvale area to nearly encompass the entire 2007 study area (exclusive of two sites that were previously rezoned from M-S to C-2/PD).

In December 2023, the City adopted the General Plan 2023-2031 Housing Element. The Housing Element identified numerous sites that could be redeveloped with residential use based on their zoning or General Plan Land Use designations. The sites include the East Sunnyvale area at Stewart and De Guigne Drives of approximately 30 acres that are currently zoned Industrial-Service (M-S), yet, as noted above, have a General Plan land use designation of residential. The Housing Element includes a program to rezone these sites to Medium Density Residential, which would clarify allowable land uses that support a capacity of approximately 700 units. As recommended in the Housing Element Table 5-19, staff is proposing to rezone three of these six parcels from M-S to M-S/ITR/R-3/PD, Sites 1-3 as shown on Attachment 8. The other three sites (Sites 4-6) are not proposed for rezoning due to either contamination and/or an existing deed restriction that prohibits residential uses.

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Legal Nonconforming Amendments (CDD 23-02)

Study Issue CDD 23-02, started in 2024, addresses General Plan land use and zoning changes for 27 legal nonconforming single-family and two-family dwellings in nonresidential zoning districts. Ensuring consistency between the current use of a parcel and its General Plan land use designation/zoning district gives property owners the same development rights and opportunities as those available to neighboring properties with the same land use and zoning designations.

A related Study Issue (CDD 21-01), completed in 2022, resulted in modifications to the Zoning Code to allow both single- and two-family dwelling property owners the ability to expand and modify these legal non-conforming parcels (RTC No. 22-1133).

EXISTING POLICY

General Plan Goals and Policies: The following are key policies from the LUTE and Housing Element which pertain to the proposed project:

Land Use and Transportation Element

- LT-14.5a Update the Zoning Code to indicate that once a site zoned ITR has transitioned to residential use (or other use only allowed in a residential zoning district), it cannot be returned to industrial use.
- LT-14.5b During the transition from industrial to residential uses, anticipate and monitor compatibility issues between residential and industrial uses (e.g. noise, odors, and hazardous materials). Identify appropriate lead departments and monitoring strategies for each compatibility issue.
- LT-14.5d Rezone transitioned neighborhoods from ITR to appropriate residential zoning after 75% of the land area has been redeveloped with residential use.
- LT-14.5f Rezone industrial sites for conversion to residential uses only after environmental remediation sufficient to enable residential use of the sites is completed and any deed restrictions are removed from subject properties. Such sites may be counted toward RHNA obligations after environmental remediation is completed and any deed restrictions are removed.

Housing Element

- H45. East Sunnyvale Industrial to Residential Rezoning. Rezone the future opportunity sites in the East Sunnyvale Industrial to Residential area at Stewart and De Guigne Drives to Medium Density Residential zoning. Rezoning will clarify allowable land uses that support a capacity of approximately 700 units near areas at risk of displacement.
 - Objective: Clarify allowable residential capacity in the East Sunnyvale area (700 units).
 - Policy Implements: H-1.1 [Adequate Housing Sites. Provide adequate sites for housing development that responds to diverse community needs in terms of density, tenure, unit size, accessibility, location, and cost.]

ENVIRONMENTAL REVIEW

The proposed rezoning of the Future Opportunity sites (designation of the East Sunnyvale sites in the Housing Element) from M-S (Industrial and Service) to include the ITR Combining District, the R-3 Medium Density Residential and the Planned Development Combining District (M-S/ITR/R-3/PD), does not require additional environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan or Zoning), as it is consistent with the General Plan and the previously certified Land

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Use and Transportation Element (LUTE) Environmental Impact Report (EIR) that analyzed the land use change of these sites to medium density and East Sunnyvale Industrial-to-Residential Project EIR that analyzed the rezoning of industrial sites to residential. Since the proposed action falls within the scope of the previously approved EIRs, no additional environmental review is required.

The proposed rezoning and land use changes of the single-family and two-family dwellings and residentially-converted ITR sites also do not require environmental review under CEQA pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that there is no possibility that the action will have a significant environmental effect. Furthermore, new projects will be evaluated pursuant to CEQA on an individual basis as applicable. Single-family and two-family dwellings are typically categorically exempt from CEQA review under CEQA Guidelines Section 15301 (Existing Facilities) and/or Section 15303 (New Construction or Conversion of Small Structures).

The proposed zoning text amendment does not require environmental review under CEQA pursuant to CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that it is not a project which has the potential for causing a significant environmental effect.

DISCUSSION

Transitioned ITR Rezoning (LUTE Policy LT-14.5d) and Retaining ITR Zoning for Commercial and Community-Serving Uses

The existing ITR parcels identified in Attachment 8 were developed as multifamily dwellings in accordance with the allowable residential densities and zoning requirements of the R-3 zoning district, which allows for a maximum of 24 dwelling units per acre. These ITR parcels are currently zoned as M-S/ITR/R-3/PD (Industrial and Service/Industrial to Residential/Medium Density Residential/Planned Development), M-3/ITR/R-3/PD (General Industrial with the same combining districts), or C-1/ITR/R3/PD (Neighborhood Business with the same combining districts), and are highlighted in orange on the map in Attachment 8. Some of the developments exceed the 24 units per acre maximum of R-3; however, as this density was achieved by utilizing the provisions of the State Density Bonus Law the proposed rezoning to R-3/PD (Medium Density Residential with a Planned Development Combining District) is appropriate. The proposed rezoning is not expected to significantly impact adjacent properties, as the subject sites are already developed with a residential use. At the time of their redevelopment, the projects were subject to a comprehensive review including CEQA analysis prior to project approval, and any applicable mitigation measures were implemented during construction. For these sites, the existing General Plan land use designation would remain the same at Residential Medium Density.

Staff notes that although the LUTE action is to rezone an area if 75% of the area has transitioned to residential, staff is recommending preservation of the current zoning on approximately 14 ITR sites. These sites are currently developed with a commercial or community-serving use, such as shopping centers, storage units, and churches. These existing uses serve the surrounding community and removing the nonresidential zoning components would make them nonconforming. However, removing the R-3/PD zoning components is not a viable option because the Housing Crisis Act of 2019 (Senate Bill 330) includes a "no net loss" provision that prohibits cities from removing the existing potential for residential units to be developed without replacing the potential for residential units to be developed elsewhere in the city. See Attachment 8 for a list of the 14 sites. These non-residential ITR sites are highlighted in blue on the map.

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In accordance with LUTE Policy 14.5a, staff recommends amending the Zoning Code by adding the following text (new text underlined):

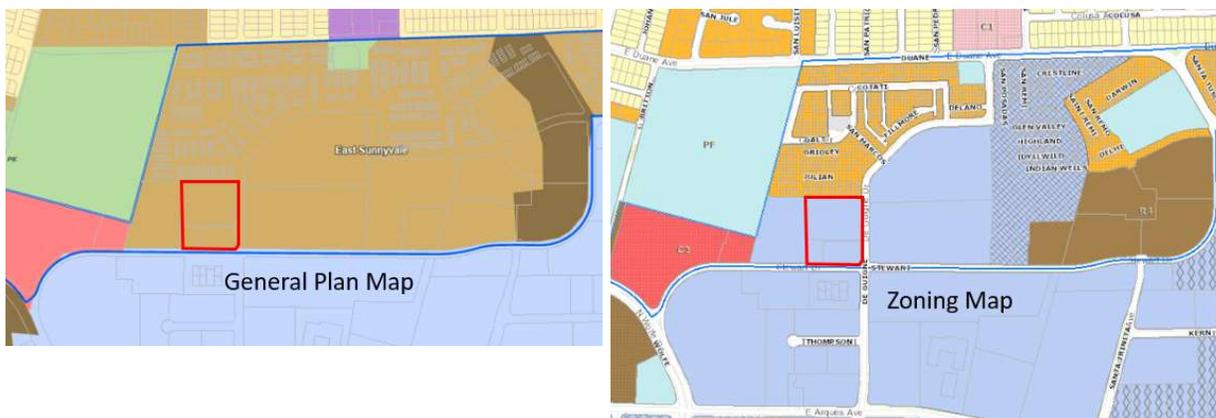
-§ 19.26.120 ITR combining district Residential uses. <<https://ecode360.com/42730053?highlight=industrial,industrial%20to%20residential,residential,to,to%>>
Residential uses shall be allowed in the ITR district in accordance with residential zoning districts as defined in and regulated by Chapter 19.18 <<https://ecode360.com/42729914>>, and as approved by the city council and shown on the city's precise zoning plan, zoning district map. Once a site in the ITR district has transitioned to residential use, the site cannot be reverted to use that is not allowed in a residential zoning district, notwithstanding Section 19.26.130, and the city's precise zoning plan, zoning district map, as approved by the city council, will be modified to remove the site from the ITR district and reflect the site's residential zoning district. "Transitioned to residential use" as used in this section means the completion of construction of the foundation or walls of a residential building or actual commencement of residential use, whichever occurs first.

East Sunnyvale ITR Rezoning (Housing Element Program H45)

The East Sunnyvale ITR area, located near Stewart and De Guigne Drives, includes six parcels currently zoned industrial (M-S) and are currently developed with office, restaurant, and manufacturing uses. The sites have a General Plan land use designation of Residential Medium Density (RMED) and total 29.59 acres.

Of the six sites, only three are proposed for rezoning to Industrial and Service/Industrial to Residential/Medium Density Residential/Planned Development (M-S/ITR/R-3/PD) due to either site contamination and/or an existing deed restriction that prohibits residential use.

Below is a comparison of the General Plan land use map and the zoning map that shows the sites Staff recommends be rezoned to include the ITR combining district, outlined in red.



There is an active application for a residential development at Sites 4 and 5 (see Attachment 8) at 920 De Guigne Drive and 935 Stewart Drive (also addressed as 510 De Guigne Dr). Preliminary environmental site assessments indicate contamination at both sites. The plan for remediation is currently unclear and therefore the sites are not proposed for rezoning to residential as part of this report. The development application can still move forward without a rezoning under the existing Residential Medium Density General Plan land use designation. If the project is built, staff plans to

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bring forward a rezoning of the properties to a conforming designation in the future.

Site No. 6 located at 825 Stewart Dr. is a U.S. Environmental Protection Agency (EPA) Superfund site with an existing deed restriction prohibiting future residential development. Should any of the sites not recommended for rezoning at this time be cleared for residential development they could be rezoned to residential in the future, which would allow an additional 595 units.

The proposed rezoning of three of the six sites to M-S/ITR/R-3/PD would allow for a maximum of approximately 116 units, based on the R-3 zoning's maximum allowable density of 24 dwelling units per acre. See Attachment 8 for a list of the three sites, which are highlighted in green on the map and indicated as Sites 1-3.

Summary of East Sunnyvale Sites

Site No. / Address	Size (acres)	Max. Units @R-3 (24 du/acre)	Staff Recommendation
1. 455 De Guigne Dr	2.98	71	Rezone
2. 835 Stewart Dr	0.71	17	Rezone
3. 845 Stewart Dr	1.17	28	Rezone
4. 920 De Guigne Dr	10.32	247	No
5. 935 Stewart Dr	10.21	245	No
6. 825 Stewart Dr	4.30	103	No
TOTAL East Sunnyvale Sites	29.59	711	ALL
TOTAL Not Recommended	24.73	595	NO
TOTAL Recommended	4.86	116	REZONE

The proposed rezoning is not expected to significantly impact adjacent properties, as the area is surrounded by a mix of residential, commercial, and industrial uses; the General Plan designation on all the sites is Medium Density Residential (RMED). Additionally, any redevelopment project would be subject to a comprehensive review including CEQA analysis and environmental oversight agency review prior to project approval and may require mitigation measures to address potential impacts, such as remediation of any soil, soil vapor, and groundwater contamination to acceptable residential screening levels. The proposed rezoning would not require a change to the existing General Plan RMED land use designation.

Legal Nonconforming Parcel Amendments (Study Issue CDD 23-02)

The parcels identified in Attachment 7 have existing legal nonconforming single- or two-family dwellings because the existing zoning does not allow for those types of uses. Some of the parcels are within either the Peery Park Specific Plan (PPSP) or El Camino Real Specific Plan (ECRSP), in areas where residential uses are not allowed. These parcels were first identified in Study Issue CDD 21-01 (RTC 22-1133), which analyzed the sites' existing conditions and neighborhood, and recommended changes to the zoning map and General Plan Land Use Map accordingly. The Study Issue paper for this report (CDD 23-01, Attachment 10) includes a detailed summary of the sites. The proposal to rezone the legal nonconforming parcels to either R-0 (Low Density Residential), R-2 (Low-Medium Density Residential), or R-2/O (Low-Medium Density Residential with an Office Combining District) aligns with the existing residential use of the parcels and brings the use of the parcels into a conforming status. The proposed rezoning is not expected to significantly impact adjacent properties,

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as the subject sites are already developed with residential uses and the proposed rezoning is compatible with the neighborhood.

The proposed actions to make these parcels conforming include:

- Changing the General Plan land use designation for 22 parcels from Office to Low-Medium Density Residential and rezoning from O (Office) to R-2;
- Changing the General Plan land use designation of four parcels from Peery Park Specific Plan to Low Density Residential and rezoning from PPSP-MIC (Peery Park Specific Plan - Mixed Industry Core) to R-0; and
- Changing the General Plan land use designation for one parcel at 591 South Murphy Avenue from El Camino Real Specific Plan to Low-Medium Density Residential and rezoning from ECR-C (El Camino Real - Commercial) to R-2/O (Low-Medium Density Residential with an Office Combining District). On June 28, 2022, during the process of Study Issue CDD 21-01, the ECRSP was adopted, changing the General Plan land use designation of the parcel to ECRSP and the zoning designation to ECR-C. Staff recommends removal from the ECRSP due to the existing residential use and small lot size. Moreover, the proposed R-2/O zoning would match the rest of the parcels on the west side of the 500 block of South Murphy Avenue.

Creating consistency between what is currently on a parcel and the land use designation/zoning district allows property owners the ability to remodel and create additions similar to property owners in the same residential zoning districts. The proposed land use and zoning changes would allow property owners the ability to redevelop the parcel fully with the same use, build both streamlined and non-streamlined accessory dwelling units, and give the potential for redevelopment under SMC Chapter 19.78 (Dual Urban Opportunity Housing) as appropriate.

FISCAL IMPACT

The proposed General Plan and Specific Plan amendments and rezonings would have minimal fiscal impacts to the City; the changes are largely to conform the land use designation and zoning with existing residential uses and to implement policies in the General Plan. Redevelopment of sites can result in an increase in property value and resultant property tax, however all except three of the sites already have residential uses on them and are not expected to redevelop.

PUBLIC CONTACT

Public contact was made by posting the Planning Commission meeting agenda on the City's official-notice bulletin board at City Hall, Sunnyvale Public Library and Department of Public Safety. Email notifications were sent to interested parties, and notices were mailed to property owners and tenants of the project sites, as well as neighbors within 300 feet of the project sites. A legal ad was published in the *Sunnyvale Sun* newspaper. 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.

As of the date of agenda report preparation, staff has received no public comments.

ALTERNATIVES

Recommend to City Council:

1. Take the following actions related to Study Issue CDD 23-02, Housing Element Program H45, and other associated modifications to Industrial to Residential (ITR) parcels:

A. Adopt a Resolution Amending the General Plan to:

- a. Change the General Plan land use designation for the property at 591 South Murphy Avenue (APN 209-30-012) with a legal nonconforming single-family use, from El Camino Real Specific Plan to Low-Medium Density Residential, and remove the property from the El Camino Real Specific Plan area;
- b. Change the General Plan land use designation for the properties at 260 North Pastoria Avenue (APN 165-27-003), 280 North Pastoria Avenue (APN 165-27-004), 286 North Pastoria Avenue (APN 165-27-005) and 290 North Pastoria Avenue (APN 165-27-006) with legal nonconforming residential uses, from Peery Park Specific Plan to Low Density Residential and remove the parcels from the Peery Park Specific Plan area; and
- c. Change the General Plan land use designation for 22 legal non-conforming single-family and two-family dwelling sites at 411, 415 and 421 Charles Street, 433, 434, 437 and 440 Waverly Street, 572, 602, 656, 702 and 798 West Iowa Avenue, 428, 432 and 435 Florence Street, and 1301-1320 Oxbow Court, from Office to Low-Medium Density Residential. (Attachment 2)

B. Introduce an Ordinance Amending the Zoning Districts Map, to:

- a. Rezone the property at 591 South Murphy Avenue from El Camino Real - Commercial (ECR-C) to Low Medium Density Residential/Office (R-2/O);
- b. Rezone the properties at 260, 280, 286 and 290 North Pastoria Avenue from Peery Park Specific Plan/Mixed Industry Core (PPSP/MIC) to Low Density Residential (R-0);
- c. Rezone the properties at 411, 415 and 421 Charles Street, 433, 434, 437 and 440 Waverly Street, 572, 602, 656, 702 and 798 West Iowa Avenue, 428, 432 and 435 Florence Street, and 1301-1320 Oxbow Court from Administrative-Professional Office/Planned Development (O/PD) to Low Medium Density Residential (R-2); (Attachment 3)

C. Introduce an Ordinance Amending the Zoning Districts Map, to:

Rezone sites (as noted in Attachment 4) within the Industrial to Residential combining district that have redeveloped as residential uses from Industrial and Service (M-S), General Industrial (M-3) or the combined Neighborhood Business/Industrial to Residential/Medium Density Residential/Planned Development (C-1/ITR/R3/PD) zoning district, all to Medium Density Residential/Planned Development (R3/PD); the subject sites are spread throughout the city in five areas, generally bounded by (a) Tasman Drive, Morse Avenue, John W. Christian Greenbelt and Fair Oaks Avenue, (b) E. Duane Avenue, Lawrence Expressway, Stewart Drive and Britton Avenue, (c) E. Maude Avenue and N. Wolfe Road, Britton Avenue, E. Arques Avenue and Fair Oaks Avenue, and (d) Caltrain rail tracks, S. Wolfe Road, Old San Francisco Road and S. Fair Oaks Avenue, and (e) Caltrain rail tracks, Laurence Expressway, Old San Francisco Road and Reed Avenue and Wolfe Avenue (Attachment 4); and

D. Introduce an Ordinance Amending the Zoning Districts Map, and to:

Rezone the three future opportunity sites located at 455 De Guigne Drive, 835 Stewart Drive, and 845 Stewart Drive in East Sunnyvale from Industrial and Service (M-S) to Industrial and Service/Industrial to Residential/Medium Density Residential/Planned Development (M-S/ITR/R-3/PD) (Attachment 5).

E. Introduce an Ordinance to Amend Title 19 (Zoning) of the Municipal Code to:

Amend Section 19.26.120 of Chapter 19.26 (Combining Districts) to provide that once a site zoned Industrial to Residential (ITR) has been converted to residential use, the site cannot be returned to a use not allowed in a residential zoning district (Attachment 6).

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F. Find that the Action is Exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15061(b)(3) and 15183.

2. Recommend the Actions in Alternative 1 with modifications provided the modifications are within the scope of the environmental review.
3. Do not take any action and provide direction on desired changes.

STAFF RECOMMENDATION

Recommend to City Council Alternative 1: Take the following actions related to Study Issue CDD 23-02, Housing Element Program H45, and other associated modifications Industrial to Residential (ITR) parcels:

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- a. Change the General Plan land use designation for the property at 591 South Murphy Avenue (APN 209-30-012) with a legal nonconforming single-family use, from El Camino Real Specific Plan to Low-Medium Density Residential, and remove the property from the El Camino Real Specific Plan area;
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rail tracks, S. Wolfe Road, Old San Francisco Road and S. Fair Oaks Avenue, and (e) Caltrain rail tracks, Laurence Expressway, Old San Francisco Road and Reed Avenue and Wolfe Avenue (Attachment 4); and

D. Introduce an Ordinance Amending the Zoning Districts Map, and to:

Rezone the three future opportunity sites located at 455 De Guigne Drive, 835 Stewart Drive, and 935 Stewart Drive in East Sunnyvale from Industrial and Service (M-S) to Industrial and Service/Industrial to Residential/Medium Density Residential/Planned Development (M-S/ITR/R-3/PD) (Attachment 5).

E. Introduce an Ordinance to Amend Title 19 (Zoning) of the Municipal Code to:

Amend Section 19.26.120 of Chapter 19.26 (Combining Districts) to provide that once a site zoned Industrial to Residential (ITR) has been converted to residential use, the site cannot be returned to a use not allowed in a residential zoning district (Attachment 6).

F. Find that the Action is Exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) and 15183.

The proposed changes to the General Plan, El Camino Real Specific Plan, Peery Park Specific Plan, and zoning map would further the City's goals of increasing housing units and clarify the intended long-range plan for those properties. The changes would address the General Plan Housing Element Program H45 and LUTE Policies LT-14.5a-f to rezone the future opportunity site at East Sunnyvale ITR area, and to rezone ITR sites to residential once they have transitioned to residential use. The changes would remove legal non-conforming situations for 27 single-family and two-family dwellings, allowing property owners to have the same development rights as those available to neighbors in the same land use and zoning designations.

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
- General policy and legislative actions

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

25-0058

Agenda Date: 1/13/2025

Prepared by: Wendy Lao, Associate Planner
Reviewed by: Julia Klein, Principal Planner
Reviewed by: George Schroeder, Principal Planner
Reviewed by: Shaunn Mendrin, Planning Officer
Reviewed by: Trudi Ryan, Director of Community Development
Approved by: Tim Kirby, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Draft Resolution - Amendment to the General Plan, El Camino Real Specific Plan, and Peery Park Specific Plan
3. Draft Ordinance - Zoning Map Amendment for Rezoning Legal Non-Conforming Single-Family and Two-Family Dwellings
4. Draft Ordinance - Zoning Map Amendment - Rezone from ITR or other Industrial to R3-PD
5. Draft Ordinance - Zoning Map Amendment - Rezone from MS to ITR Combining adding R-3 and PD
6. Draft Ordinance - Zoning Code Amendment
7. Map: Legal Non-Conforming Single- and Two-Family Dwellings - Zoning and Land Use Changes
8. Map: ITR Sites - Zoning Changes
9. ITR Brochure
10. Study Issue Paper CDD 23-02