



City of Sunnyvale

Agenda Item

25-0523

Agenda Date: 5/27/2025

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: Related applications on the 0.69-acre site:

GENERAL PLAN AMENDMENT: Amend the General Plan land use designation from Low Density Residential (up to 7 du/acre) to Low-Medium Density Residential (7-14 du/acre).

REZONE: Rezone from Low Density Residential (R-0) to Low-Medium Density Residential (R-2) with a Planned Development (PD) combining district.

Location: 781 S. Wolfe Road (APN: 211-05-009)

File #: PLNG-2024-0344

Zoning: R-0 (Low Density Residential)

Applicant / Owner: Dahlin Group (applicant) / Forrest Mozart (owner)

Environmental Review: Negative Declaration

Project Planner: Aastha Vashist, (408) 730-7458, avashist@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Low Density Residential

Zoning: R-0

Existing Site Conditions: One-story single-family dwelling

Surrounding Land Uses:

	Existing Uses	Zoning District	General Plan Designations
North	Two-story single-family dwellings	R-2/PD	Low-Medium Density Residential (7–14 du/ac)
North	Two-story apartments	R-3	Medium Density Residential (15–24 du/ac)
South	One-story single-family dwelling	R-0	Low Density Residential (0–7 du/ac)
East	Single-family dwellings across Wolfe Road	R-0	Low Density Residential (0–7 du/ac)
West	Single-family dwellings	R-0	Low Density Residential (0–7 du/ac)

Issues: Land use compatibility

Staff Recommendation: Recommend to the City Council Alternative 1 for the parcel at 781 S. Wolfe Road:

- Make the Findings required by CEQA (Attachment 3 to the report) and Adopt the Negative Declaration (Attachment 8 to the report);
- Adopt a Resolution (Attachment 4 to the report) to Amend the General Plan Land Use Designation for the site from Low Density Residential to Low-Medium Density Residential;
- Make the Finding that the General Plan Amendment and Rezoning is deemed to be in the public interest (Attachment 3 to the report); and
- Introduce an Ordinance (Attachment 5 to the report) to Rezone the site from Low Density

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Residential (R-0) to Low-Medium Density Residential (R-2) with a Planned Development (PD) combining district.

Detailed recommendations are listed in the Alternatives section of the staff report.

The City Council is scheduled to consider this item on July 1, 2025.

BACKGROUND

On November 14, 2023, the City Council authorized a General Plan Amendment Initiation (GPI) study (RTC No. 23-0993) for the 0.64-acre parcel located at 781 S. Wolfe Road. The study was initiated to evaluate a potential change in the parcel's General Plan land use designation from Low Density Residential [0-7 dwelling units per acre (du/ac)] to Low-Medium Density Residential (7-14 du/ac), pursuant to the applicant's proposal. The Council specified in their motion that bicycle and pedestrian access from Wolfe Road to Lusterleaf Drive and vehicle access from Lusterleaf Drive be studied. The Council also directed that the study commence after completion of a similar land use study for a different, unrelated project at 1313 S. Wolfe Road (Wendy's site/Fremont and Wolfe). The Council approved the General Plan Amendment and Rezoning for 1313 S. Wolfe Road on May 7, 2024.

The applicant for 781 S. Wolfe Road applied for the General Plan Amendment (GPA) and Rezoning (RZ) on May 16, 2024.

See Attachment 2 for the noticing and vicinity map showing the project site.

Conceptual Development Plan

If the GPA and Rezoning are approved, the applicant will be required to submit a Special Development Permit (SDP) and Tentative Map application for the proposed redevelopment. The applicant's conceptual proposal involves demolishing the existing single-family home and constructing eight two-story single-family dwelling units on lots averaging approximately 3,100 square feet along with a commonly owned lot to be used as a private street. See Attachment 7 for the Applicant's Conceptual Site Plan.

In accordance with Council policy, if the General Plan and Zoning designation are amended, the development proposal will be subject to a separate public hearing during the SDP review process, which will also include additional opportunities for public input.

EXISTING POLICY

General Plan Goals and Policies: The General Plan is the primary plan that guides the physical development of the City. When used together with a larger body of City Council policies, it provides direction for decision-making on City services and resources. The General Plan Land Use and Transportation Element (LUTE) includes an integrated set of policies to guide land use, development, and transportation choices with a horizon year of 2035.

The LUTE has several policies to promote increases in housing development. The relevant General Plan policies with key goals and policies are as following:

GOAL LT-4. An attractive community for residents and businesses

Policy LT-4.4. Avoid monotony and maintain visual interest in newly developing neighborhoods and promote appropriate architectural diversity and variety. Encourage appropriate variations in lot sizes, setbacks, orientation of homes, and other site features.

GOAL LT-6. Protected, maintained, and enhanced residential neighborhoods. Ensure that all residential areas of the city are maintained and that neighborhoods are protected and enhanced through urban design which strengthens and retains residential character.

Policy LT-6.2. Limit the intrusion of incompatible uses and inappropriate development in and near residential neighborhoods but allow transition areas at the edges of neighborhoods.

GOAL LT-7. Diverse housing opportunities. Ensure the availability of ownership and rental housing options with a

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variety of dwelling types, sizes, and densities that contribute positively to the surrounding area and the health of the community.

Policy LT-7.2: Determine the appropriate residential density for a site by evaluating the site planning opportunities and proximity of services (such as transportation, open space, jobs, and supporting commercial and public uses).

Policy LT-7.3: Encourage the development of housing options with the goal that the majority of housing is owner-occupied.

Existing General Plan Land Use and Zoning Designations

The Low Density Residential land use designation that applies to the project site primarily preserves existing single-family neighborhoods designed around parks or schools and located along neighborhood streets or residential collector streets. The R-0 Low-Density Residential zoning district is reserved for the construction, use and occupancy of not more than seven dwelling units per acre.

Attachments 4 and 5 include General Plan land use and Zoning maps of this area.

ENVIRONMENTAL REVIEW

A Negative Declaration has been prepared and published in compliance with California Environmental Quality Act (CEQA) provisions and City guidelines (Attachment 8). The City's environmental consultant, David J. Powers & Associates, Inc., conducted an initial study and concluded that the proposed GPA, Rezoning, and construction of the reasonably foreseeable development project would not have any potentially significant environmental impacts.

The City's General Plan also includes policies to protect a development project from existing conditions, such as existing traffic noise, air quality, and soil contamination from previous agricultural uses. The policies require implementation of measures, including interior and exterior noise controls, air filtration systems within units, and soil remediation. These measures will also be incorporated as conditions of approval during the future development permit process.

A traffic study was not required since the proposed land use changes would not result in a significant increase in net new peak hour vehicle trips (less than the threshold of 100 AM and PM peak hour trips per the City's Transportation Analysis Guideline). Additionally, a Vehicle Mile Traveled (VMT) analysis is not required under Council Policy 1.2.8, as the project site is in the area where average VMT per capita is 15% below the Countywide VMT Baseline Average.

DISCUSSION

Present Site Conditions

The 0.69-acre (or 29,980 square foot) project site is located on the west side of South Wolfe Road between Old San Francisco Road and Iris Avenue. It is currently developed with a one-story single-family residence built in 1965, with a circular driveway access from South Wolfe Road. The site is a through lot with frontage on two parallel streets- South Wolfe Road and Lusterleaf Drive. Gladiola Drive ends on the Lusterleaf Drive side of the property.

The surrounding area consists of a mix of single-family homes and apartment buildings. Directly north of the site are eight single-family homes that were developed in 2005 as part of the Firethorn Terrace subdivision. A commercial shopping center is located at the southwest corner of Old San Francisco Road and South Wolfe Road approximately 300 feet north of the project site.

The site has a total of 35 trees of which 14 qualify as protected trees per Sunnyvale Municipal Code (SMC) Section 19.94.030 due to their significant sizes.

Attachments 4 and 5 include site and vicinity maps of the current General Plan land use designations and zoning districts.

Applicant's Request

The applicant has submitted a conceptual site plan (Attachment 7) to illustrate the development potential under the proposed residential density designation. The proposal envisions a density consistent with the Low- Medium Density General Plan land use designation (7-14 du/ac) and R-2 zoning (7-12 du/ac) with a Planned Development (PD) combining district to allow a greater design flexibility.

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As outlined in the applicant's GPA request letter (Attachment 7), the applicant intends to develop the subject site as follows, contingent upon GPA and rezoning approval:

- Construct eight two-story, single-family homes with a common driveway accessible from Lusterleaf Drive. Each home would be approximately 2,500 square feet and include three to four bedrooms with two car garages.
- Create eight individual lots with one commonly owned parcel.

The applicant notes that the proposed density would be consistent with the adjacent development on Firethorn Terrace, located immediately north of the project site. If the GPA and rezoning are approved, a separate SDP and Tentative Map will be required to review the specifics of the redevelopment project.

Residential Land Use

The City's General Plan and zoning designations aim to maintain a balanced mix of uses to serve the community's needs. Therefore, General Plan Amendments are typically considered when there is an identified imbalance in land uses, or a community need not anticipated at the time of the Plan's adoption. A key consideration for the subject request is whether it is appropriate to increase the allowable residential density on a relatively larger lot located at the edge of a predominantly single-family neighborhood.

The City has a strong track record of facilitating housing production, supported by updates to area plans near major transit stops such as the Downtown Specific Plan, El Camino Real Specific Plan, Lawrence Station Area Plan, and Moffett Park Specific Plan. The General Plan also includes several policies that promote a variety of residential housing types, from single-family homes to higher density multi-family residential and mixed-use development, consistent with the City's goal of providing diverse ownership and rental opportunities.

The subject site is an approximately 0.68-acre (29,850 square feet) site that was developed more than 50 years ago with a single-family home. The lot is nearly four times larger than those of neighboring homes (which averages 6,000 to 7,000 square feet). Although located within a single-family neighborhood, the property sits at the edge of a transition zone leading to low-medium and medium density residential development.

The proposed Low-Medium Density Residential designations would match the adjacent Firethorn Terrace development immediately to the north, helping create a more cohesive neighborhood character. Additionally, the site is within walking distance of a shopping center located at the southwest corner of Old San Francisco Road and South Wolfe Road. The proposed development consisting of eight small-lot single-family homes would be compatible with the surrounding neighborhood and would not disrupt the existing single-family home character.

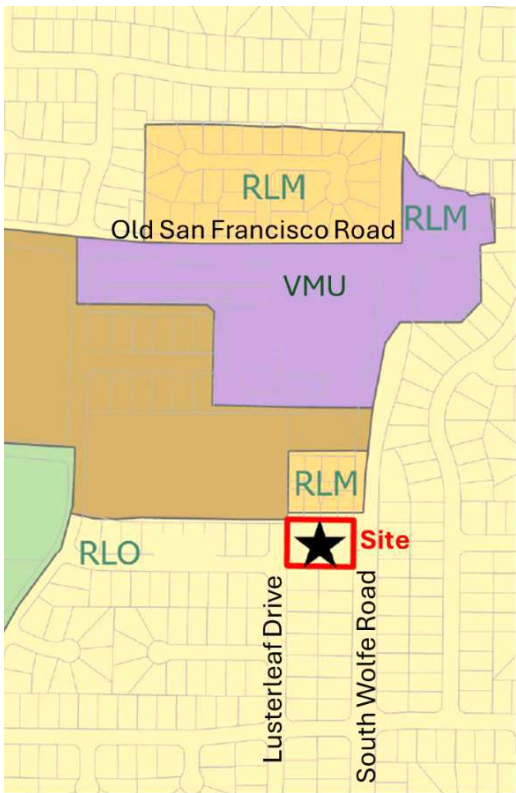
A Phase I Environmental Site Assessment (ESAs) was conducted to determine whether the site has contamination from past agricultural uses. The ESA concluded that the site does not have any Recognized Environmental Conditions (RECs), Historical Recognized Environmental Conditions (HRECs), Controlled Recognized Environmental Conditions (CRECs), Vapor Encroachment Conditions (VECs) or Business Environmental Risks (BERs). However, a Site Management Plan (SMP) and pre-demolition building material survey will be required as conditions of approval to address potential residual agricultural chemicals, oil staining, asbestos and lead paint.

Staff has not identified any infrastructure constraints that would preclude the proposed residential development. The developer will be responsible for constructing off-site improvements that will be determined during SDP review process. Anticipated improvements include a street dedication to construct a new curb, gutter, sidewalk, tree wells, driveway approach, and streetscape improvements. Additionally, the developer will be responsible to underground utilities and install new domestic water, sewer, and fire service lateral lines.

General Plan Designations and Zoning Districts

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The adjoining land uses surrounding the project site consist of low-density single-family homes to the south and west, and a mix of low-medium density single-family homes (Firethorn Terrace) and medium-density apartments to the north. The below subsections analyze potential development scenarios if no change is made and if the designations are changed as proposed by the applicant.

Low Density Residential (no change) (0-7 du/ac)

This land use designation primarily supports single-family home neighborhoods. Typical zoning districts are R- 0 and R- 1, which allow up to seven dwelling units per acre and two stories with up to 30 feet height. Where feasible and appropriate, the number of units in these districts can be increased without a GPA through:

- Accessory Dwelling Units (ADU) (up to three are currently allowed per lot) or
- Dual Urban Opportunity (DUO) Housing (which allows a maximum of two main dwelling units and two ADUs on each lot).

The current R-0 zoning district would enable up to four single-family dwelling units on the site through subdivision.

Low-Medium Density Residential (7-14 du/ac)

This land use designation, as requested by the applicant, supports small lot single-family, duplex, and smaller multifamily neighborhoods. These developments are typically designed around parks or schools and situated along neighborhood streets or residential collector streets. The designation allows for residential densities between seven and 14 units per acre. Typical zoning districts consistent with this designation are:

- R-1.5 (which allows up to 10 du/ac)
- R-1.7/PD (which allows up to 14 du/ac)
- R-2 (with up to 12 du/ac).

All three zoning districts share a maximum height limit of two stories and 30 feet.

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Prior to applying any density bonuses, R-1.5 zoning would allow up to 7 dwelling units, R-1.7/PD zoning up to 11 dwelling units and R-2 zoning would enable up to 8 dwelling units on the site (based on the higher of the General Plan or zoning allowances, with fractional units rounded up per state law). Additional units through a density bonus may be available based on the number and income level of affordable units provided.

In accordance with General Plan Policy H-1.4, new residential developments must achieve at least 75% of the maximum zoning density which requires a minimum of five main units for R-1.5 zoning, eight main units for R-1.7/PD zoning and six main units for R-2 zoning on site. See Attachment 6 for comparison of development standards. In addition, single-family properties would be allowed to add up to three ADUs per lot.

Staff finds the proposed Low-Medium Density Residential and R-2/PD designations are compatible with the neighborhood because the adjacent Firethorn Terrace Development (formerly 775 S Wolfe Road) has the same General Plan and zoning designations. On February 15, 2005, the City Council approved a GPA to change the land use designation for the Firethorn Terrace site from Medium to Low-Medium Density Residential and rezoning from R-3/PD to R-2/PD. The subsequent development permits also included approval of deviations from building setback standards. The development was completed in November 2006.

Conclusion

Staff has evaluated potential land use scenarios for the site in accordance with City Council's direction related to the GPI. Through collaboration with the applicant, staff has identified a General Plan and Zoning designation that aligns with both City objectives and the applicant's development goals.

The recommended amendments include:

- General Plan land use designation from Low Density Residential (up to 7 du/ac) to Low-Medium Density Residential (7-14 du/ac)
- Rezoning from Low Density Residential (R-0) to Low-Medium Density Residential (R-2) with a Planned Development (PD) combining district.

The Planned Development combining district offers flexibility in development standards to support improved site design, better integration with the existing neighborhood, and more efficient land use, particularly for the proposed smaller lots for that average approximately 3,100 square feet in size. Additionally, the PD combining district allows the City to tailor zoning standards to better address site-specific and neighborhood conditions, while ensuring compatibility with the surrounding residential context. Staff finds that the proposed General Plan and zoning designations would support a more cohesive, long-term development vision for the project site. Additionally, the proposed designations align with existing residential densities and land use patterns in the surrounding area and provides a suitable transition from medium and low-medium densities to the lower- density single-family neighborhood to the south.

Driveway Access

The City Council direction in 2023, when the GPI was considered, specified study of vehicular access on Lusterleaf Drive. Lusterleaf Drive is a neighborhood street that connects to the residential collector streets of Iris Avenue and Gail Avenue. The segment of South Wolfe Road along the project site is a Class II Arterial, which provides access to all transportation modes, with a focus on local access. South Wolfe Road has significantly higher traffic volumes than Lusterleaf Drive with a posted speed limit of 35 miles per hour. Given the proposed lower density development, width of South Wolfe Road and its higher traffic volumes and speeds, staff finds it is appropriate to access the site from Lusterleaf Drive and close off existing driveway access on South Wolfe Road. The proposed density on the project site is not

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expected to significantly increase traffic on Lusterleaf Drive.

Pedestrian and Bicycle Connection

The Council direction also included evaluation of a pedestrian and bicycle connection between Lusterleaf Drive and South Wolfe Road. However, the City's Transportation and Traffic Division advised against a bicycle connection due to significant safety concerns, particularly the risk associated with requiring northbound bicyclists on South Wolfe Road to cross four lanes of traffic without a protected crossing.

In response, the applicant proposes a publicly accessible pedestrian pathway that will provide a direct connection between the surrounding neighborhood and South Wolfe Road, enhancing walkability while maintaining safety.

FISCAL IMPACT

Changing the General Plan and Zoning may encourage the redevelopment and/or sale of the subject site. This would result in an increase in property tax revenues to the City, school districts and the County and could also result in a corresponding increase in demand for public services. New construction would also provide construction tax.

In addition, the new residents would generate sales tax revenue by patronizing retail and restaurants in the area. Redevelopment would also be subject to the City's below market rate requirements. The proposed redevelopment would be subject to park dedication in-lieu and transportation impact fees in addition to school fees and normal permit fees and taxes.

PUBLIC CONTACT

Environmental Review

The City posted a Notice of Intent (NOI) to Adopt a Negative Declaration (ND) from April 28 to May 18, 2025, in compliance with the provisions of CEQA. No comments were received as of the date of publication of the staff report.

Native American Tribal Outreach per Senate Bill 18 and Assembly Bill 52

In compliance with State law and CEQA, the City sent consultation letters to nine local Native American tribes on July 25, 2024. Responses were received from the Tamien Nation Tribe and Muwekma Ohlone Tribe, both requesting a consultation meeting.

City staff held a consultation meeting with Tamien Nation Tribe representatives on November 12, 2024. The tribe requested information from the Initial Study and related appendices, specifically for cultural resources, tribal cultural resources, biological resources, and project-specific and standard environmental mitigation measures.

Muwekma Ohlone Tribe representatives met with City staff for a consultation meeting on November 11, 2024. They also requested information from the Initial Study and related appendices, specifically regarding cultural resources and tribal cultural resources.

There are no known tribal cultural resources on-site. The project cultural resources study considers the site to have low sensitivity for both Native American and archaeological resources. Future development will be subject to standard conditions of approval, which include:

- Preserving archaeological resources;
- Halting all ground-disturbing activities if resources are encountered;
- Retaining a qualified archaeologist to evaluate the significance of the encountered resources pursuant to existing regulations;
- Notifying the Santa Clara County Coroner and California Native American Heritage Commission (NAHC) as applicable; and
- Implementing measures to protect the remains (if discovered).

Neighborhood Outreach Meeting

The applicant hosted a virtual community outreach meeting on February 26, 2025, to present the proposed project and gather community input. Notices were sent to property owners and tenants within 300 feet of the project site. During the meeting, the applicant shared conceptual plans and City staff provided an overview of the review process.

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The meeting was attended by two community members, including a representative of neighboring Firethorn Terrace Homeowners Association. Attendees raised questions about the construction timelines and potential impacts, privacy concerns, on-site parking availability, and tree removals. One attendee also expressed concern about homeless activity near the terminus of Lusterleaf Drive and recommended incorporating landscaping or other streetscape enhancements to improve safety and aesthetics of the area.

Notice of Public Hearings, Staff Report, and Agenda

Public contact was made by posting the Planning Commission meeting agenda on the City's official-notice bulletin board at City Hall. In addition, the agenda and this report are available at the City Hall reception desk located on the first floor of City Hall at 456 W. Olive Avenue (during normal business hours), and on the City's website.

As of the date of staff report preparation, staff has received no comments from members of the public (other than those raised at the outreach meeting).

ALTERNATIVES

Recommend to the City Council actions related to the General Plan Amendment and Rezoning for the parcel at 781 S. Wolfe Road:

1. Take the following actions:
 - a. Make the Findings required by CEQA (Attachment 3 to the report) and Adopt the Negative Declaration (Attachment 8 to the report);
 - b. Adopt a Resolution (Attachment 4 to the report) to Amend the General Plan Land Use Designation for the site from Low Density Residential to Low-Medium Density Residential;
 - c. Make the Finding that the General Plan Amendment and Rezoning is deemed to be in the public interest (Attachment 3 to the report); and
 - d. Introduce an Ordinance (Attachment 5 to the report) to Rezone the site from Low Density Residential (R-0) to Low Medium Density Residential (R-2) with a Planned Development (PD) combining district.
2. Do not amend the General Plan or Zoning designation for the site.
3. Do not make the CEQA Findings and direct staff as to where additional environmental review is required.

STAFF RECOMMENDATION

Recommend to the City Council the following actions for the parcel at 781 S. Wolfe Road, Alternative 1:

- a. Make the Findings required by CEQA (Attachment 3 to the report) and Adopt the Negative Declaration (Attachment 8 to the report);
- b. Adopt a Resolution (Attachment 4 to the report) to Amend the General Plan Land Use Designation for the site from Low Density Residential to Low-Medium Density Residential;
- c. Make the Finding that the General Plan Amendment and Rezoning is deemed to be in the public interest (Attachment 3 to the report); and
- d. Introduce an Ordinance (Attachment 5 to the report) to Rezone the site from Low Density Residential (R-0) to Low Medium Density Residential (R-2) with a Planned Development (PD) combining district.

Staff recommends a Low-Medium Density Residential General Plan designation and R-2/PD zoning to maintain consistency with the existing land use and development pattern of the site immediately to the north, while also providing a gradual transition from medium and low-medium densities along South Wolfe Road to the surrounding single-family home neighborhood. This recommended

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residential density would support development of more ownership dwelling units that are comparable in both scale and character of the adjacent residential neighborhood.

The inclusion of a Planned Development (PD) combining district will allow for greater flexibility in site planning and enable a higher quality, context sensitive design. Furthermore, the Sunnyvale Municipal Code (SMC), the City's Single-Family Home Design Techniques, and the public review process provide oversight to ensure that neighborhood compatibility is appropriately addressed in any future development proposal.

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
<<http://www.fppc.ca.gov/learn/pay-to-play-limits-and-prohibitions.html>>

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

SUBJECT TO THE LEVINE ACT

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

EXEMPT FROM THE LEVINE ACT

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

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

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Reviewed by: George Schroeder, Principal Planner Reviewed by:

Shaunn Mendrin, Planning Officer

Reviewed by: Trudi Ryan, Director of Community Development Reviewed by:

Connie Verceles, Deputy City Manager

Approved by: Tim Kirby, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Noticing and Vicinity Map
3. Recommended Findings
4. Draft Resolution and Map
5. Draft Ordinance and Map
6. Table with Comparison of Development Standards
7. Applicant's Conceptual Site Plan
8. Initial Study - Negative Declaration
9. Public Comments Received