



City of Sunnyvale

Agenda Item

16-0940

Agenda Date: 11/7/2016

REPORT TO PLANNING COMMISSION

SUBJECT

Proposed Project: REZONE: Introduction of an Ordinance to rezone 62 contiguous lots (61 single-family homes and a private swim club) from R-1 (Low Density Residential) to R-1/S (Low Density Residential/Single Story Combining District)

File #: 2016-7489

Location: Multiple properties bound by Hollenbeck Avenue on the west, Torrington Drive on the south, Spinosa Drive on the east and Sheraton Drive on the north and including Tiffany Court, Templeton Court and South Sage Court.

613-699 Torrington Drive (Assessor Parcel Numbers 202-09-001 through 202-09-017), 1160-1158 Hollenbeck Avenue (202-09-018 through 202-09-019), 696 Sheraton Drive (202-09-020), 674-683 Tiffany Court (202-09-021 through 202-09-026), 1130 -1150 Royal Ann Drive (202-09-027 through 202-09-032), 1127-1145 S. Sage Ct. (202-09-033 through 209-02-042), 602-654 Sheraton Drive (202-09-042 through 202-09-050) and 604-633 Templeton Court (202-09-051 through 202-09-062).

Zoning: R-1

Applicant /Owner: Erik Peterson (plus multiple owners)

Environmental Review: The ordinance being considered is categorically exempt from review pursuant to CEQA Guidelines Section 15305 (minor alterations in land use) and Section 15061(b)(3) (a general rule that CEQA only applies to projects that have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment, the activity is not subject to CEQA).

Project Planner: Gerri Caruso, (408) 730-7591, gcaruso@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Residential Low Density

Existing Site Conditions: A cohesive residential neighborhood block consisting of 62 contiguous lots: 61 single-family homes (including 4 two-story homes and 2 non-Eichler homes) and a private swim and racquet club.

Surrounding Land Uses

North: Single family homes across Sheraton Drive

South: Single family homes across Torrington Drive (recently zoned R-1/S)

East: Single family homes across Spinosa Drive (recently zoned R-1/S)

West: Single family homes across Hollenbeck Avenue

Issues: Preservation of a single-family neighborhood of predominantly single-story (Eichler) homes.

Staff Recommendation: Planning Commission recommend to City Council: find the project exempt from CEQA, introduce an ordinance and approve the rezoning with modifications to the Applicant's

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proposal (excludes Fairbrae Swim and Racquet Club and 2 non-Eichler homes on Hollenbeck).

BACKGROUND

The application has been submitted by 49 property owners (79%) in the 62-lot project area. As indicated on the vicinity and noticing map (Attachment 2), the project area consists of a cohesive neighborhood of multiple properties bound by Hollenbeck Avenue on the west, Torrington Drive on the south, Spinosa Drive on the east and Sheraton Drive on the north and including Tiffany Court, Templeton Court and South Sage Court. The proposed 62-lot rezoning area is a predominantly Eichler neighborhood that includes

- 55 single-story Eichler Homes
- 4 two-story Eichler homes
- 1 single-story non-Eichler home at 1160 Hollenbeck Avenue (0.38 acre)
- 1 single-story non-Eichler home at 1158 Hollenbeck Avenue (0.73 acre).
- the Fairbrae Swim and Racquet Club site at Hollenbeck and Sheraton (1.06 acres)

Attachment 2 includes maps of the larger neighborhood indicating: the hearing noticing area, other approved and pending single-story combining districts; existing two-story homes; and the two-story and non-Eichler homes in the project area. A list of all the properties included is in Attachment 3.

The request is to modify the current R-1 zoning designation (Low Density Residential) by combining it with an "S" single-story zoning designation for R-1/S. This would limit the existing single family homes in the project area to one story and 45 percent Floor Area Ratio (FAR) with a maximum height of 17 feet. Other City site development standards and density would remain the same.

A project description letter from the applicant is in Attachment 4.

A draft ordinance, based on the Applicant's proposal, with the recommended findings for CEQA and the zoning amendment (rezoning) and amendment to the zoning district map is in Attachment 6.

The staff recommended draft ordinance, with the recommended findings for CEQA and the zoning amendment (rezoning) and amendment to the zoning district map (which includes three fewer properties than application) is in Attachment 7.

This application represents the eighth Single-Story combining district application to be considered by the City since the enabling zoning code changes became effective January 1, 2001. The existing single-story districts include:

- 54 Eichler homes on Wright Avenue, Edmonton Avenue and La Salle Drive on July 31, 2001
- 25 homes on Bobolink Circle and Bobwhite Avenue on June 11, 2002
- 116 properties located between Fremont Avenue and Ticonderoga Drive and between Pome Avenue and Mary Avenue on May 15, 2007 (over 70 properties are Eichler homes)
- 36 Eichler homes on Dartshire Way and Devonshire Way on April 19, 2016
- 48 predominantly Eichler homes between Vanderbilt Drive and Torrington Drive on August 9, 2016 (adjacent to the subject site).
- 28 predominantly Eichler homes on Sesame Drive, Sesame Court and Winggate Drive south of Vanderbilt Drive on October 4, 2016.

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- 37 Eichler homes between Remington Drive and Spinosa Drive (adjacent to the subject site) on October 4, 2016.

The City Council is scheduled to consider this item on December 6, 2016.

EXISTING POLICY

Sunnyvale Municipal Code Section 19.26.200

The intent of the Council's action creating the Single-Story Combining District was to "modify the site development regulations of the R-0, R-1, and R-2 residential zoning districts to preserve and maintain single-family neighborhoods of predominantly single-story character."

Sunnyvale Municipal Code Section 19.26.200(b) states that the single-story combining district may be established at the discretion of the City Council to combine with the R-0, R-1 or R-2 zoning districts. Submittal of the minimum application requirements does not guarantee nor imply an automatic approval. The Planning Commission holds a hearing on each rezoning and makes a recommendation to the City Council. The City Council may approve a zoning amendment upon finding that the amendment, as proposed, changed or modified is deemed to be in the public interest. The language of the finding is broad and undefined and the City Council can take into consideration any aspect of the rezoning that it considers in the public interest.

Recently members of the public have questioned if the current application process is sufficient to assure residents understand the implications of single-story zoning. There is a suggestion that a more rigorous application process, such as an independent poll of property owners by staff, would better validate interest by property owners in the proposed zoning district. Based on the feedback, staff modified the administrative process and requested that property owners confirm with the City their interest or opposition to the rezoning request. Starting with this rezoning application, staff mailed a letter to each property owner asking to confirm the status of their participation in the application. The results will be presented at the Planning Commission meeting.

There have also been requests to analyze the effect of single-story rezonings on the citywide housing stock and property values. The single-story combining district was created in 2000 as part of a larger study to consider changes to single-family home design criteria and development standards. This is the fifth single-story rezoning application the Planning Commission has considered this year (compared to three from 2000-2015) and four other applications are pending. Staff recently conducted a study session for the Planning Commission about the history and current project review process. Due to the number of single-story applications this year and after hearing comments made by the public at the study session, the Planning Commission has forwarded a study issue for consideration in 2017 to relook at the process and to determine what factors should be considered as part of determining "in the public interest." City Council will consider potential study issues in February 2017.

ENVIRONMENTAL REVIEW

The action being considered is categorically exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline Section 15305 as it is a minor alteration in land use in an area with an average slope of less than 20% and will not result in any changes in land use of density. In addition, the Ordinance is exempt under the general rule that CEQA only applies to projects that have the potential for causing a significant effect on the environment. Where it can be

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seen with certainty that there is no possibility that the action may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines Section 15061(b)(3)).

DISCUSSION

The action under consideration is a rezoning to add a Single-Story combining district to an existing R-1 single-family neighborhood. The following items must be met in order to consider an application for a Single-Story combining district:

1. The zoning for the underlying district must be R-0, R-1 or R-2;
2. The application must be signed by at least 55 percent of the property owners in the proposed district;
3. The proposed district must be clearly delineated in the application and must consist of at least 20 homes;
4. At least 75 percent of the homes in the proposed district must be one-story; and
5. To the extent feasible, the proposed district shall follow a recognizable feature such as a street, stream, or tract boundary.

The proposed application meets all of the code requirements and is in an R-1 neighborhood. There are 62 properties, which exceeds the minimum of 20 properties. By using the City's GIS system and County Assessor information, staff has confirmed that 49 (79%) of the property owners have joined this application, exceeding the minimum 55% required. The proposed boundaries follow logical street boundaries creating a solid residential block. There are 4 existing two-story homes in the neighborhood which make up 6% of homes in the proposed district, less than the 25% maximum allowed.

If adopted, the single-story combining district will remain in effect unless district owners initiate a similar application process to request that it be removed.

A letter was sent to the property owners in the proposed district providing them with a detailed outline of the development limits for a single-story district (Attachment 8).

The following development regulations will apply:

Single Story Limit

- There will be a limit of one habitable floor (story). Habitable areas are interiors conditioned for human occupancy (e.g. meet standards for heat, insulation, light and minimum ceiling heights).
- Lofts, mezzanines and similar areas will be prohibited as well as attics that meet habitable standards.
- A basement is permitted provided it does not extend more than two feet above the ground.
- The one story limit will apply to all proposed structures on the property, including detached structures such as garages, accessory living units, etc.

Building Height Limit

- The maximum building height will be 17 feet (currently 30 feet).

Maximum Gross Floor Area

- The maximum lot coverage and floor area ratio (FAR) of each home will be 45 percent, the

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same for any one story home in the R-1 zoning district.

- No future home additions beyond 45 percent lot coverage and FAR will be permitted, unless a Variance is granted based on a hardship.
- A basement that does not extend more than two feet above the ground is not counted towards the floor area limit.

Legal Non-Conforming Homes

- Existing legally constructed homes that exceed 45 percent FAR or 17 feet in height will be considered legal and non-conforming if the properties are rezoned.
- Legal non-conforming homes can be maintained and repaired subject to City building permits as long as the non-conformity is not increased.

Existing Two-Story Homes

- Existing two-story homes that were legally constructed with City building permits will be considered legal and non-conforming.
- Existing second stories cannot be expanded or increased in height but can be maintained and repaired subject to City building permits.
- Additions can be made to the first floor; however, any ground floor addition that increases the FAR of the entire home over 45 percent requires Planning Commission review.

Neighborhood Density

- The proposed single-story rezoning area is an R-1 single-family zone where only one primary dwelling unit is allowed per lot. The new zoning designation will be R-1/S. The area will remain a single-family area with only one dwelling unit allowed on each lot. Accessory dwelling units are allowed on lots over 9,000 square feet, but must also meet the single story limitation.

Eichler Design Guidelines

The area proposed for rezoning is primarily an Eichler neighborhood and therefore most of the properties are subject to the Sunnyvale Eichler Design Guidelines that were adopted by the City Council in 2009. The Guidelines are used in support of the zoning code and provide guidance when absolute standards are inappropriate. The Guidelines focus on design issues, compatibility and privacy concerns and still allow creativity and individuality in architectural expression. Residential design review decisions in Eichler neighborhoods must be compatible with Guidelines.

The proposed rezoning request is unique from the most recently approved requests because it includes non-Eichler homes and a non-residential used property in the proposed neighborhood. The two non-Eichler homes on Hollenbeck Avenue proposed to be included in this rezoning would not be able to make any additions with a second story or over 45% FAR. Exterior modifications and additions to these homes may require Design Review, and would be evaluated for compatibility with the neighborhood based on the Citywide Single-Family Home Design Techniques. Future modifications or additions would not be subject to the Eichler Design Guidelines.

Rezoning Impact

By rezoning the proposed district to R-1/S, no impacts are expected to other single-family homes in the Fairbrae neighborhood located outside of the street boundaries and in the vicinity of the proposed rezoning area.

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The three large non-Eichler home properties could, however, be impacted by a single-story restriction. The swim and racquet club board and the owner of 1158 Hollenbeck Avenue have provided written notice that they are against the rezoning for their properties in order to preserve current development rights (Attachment 9). The third owner of 1160 Hollenbeck Avenue did not sign the application provided by the neighborhood.

Staff considers these parcels to be significantly different than the other 59 Eichler parcels in the rezoning area. Even though they are also currently zoned R-1, these non-Eichler properties are two to five times the required minimum 8,000 s.f. lot of the R-1 zoning district and have significant lot depth and area to allow a two-story home without infringing on neighboring Eichlers to the rear. They also have redevelopment potential to subdivide into smaller lots, which could be beneficial to the City in the future as infill development.

Singularly, without assemblage and without changing the R-1 designation, the three lots each have the capacity for two to five single-family dwelling units on 8,000 s.f. lots. Even without the swim club, the two large residential lots together have the capacity for two and three units if developed separately and six units if developed together. Although it is unlikely that the private swim and racquet club will redevelop in the near future, housing demand may make redevelopment desirable in the longer term. The club site's development capacity is 5 units. If the three lots were redeveloped together there is potential for a total 11 units.

Site	Current Use	Lot Size (acres)	Maximum Units (8,000 s.f. lots)	Rounded Units
696 Sheraton Dr.	Fairbrae Swim and Racquet Club	1.06	5.77	5
1158 Hollenbeck Ave.	Single-family, single story home	0.726	3.95	3
1160 Hollenbeck Ave.	Single-family, single story home	0.385	2.09	2
3 Lots Combined	Zoned single-family	2.17	11.81	11

Given the need for all types of housing in Sunnyvale, removing the capacity for additional infill dwelling units at this time is premature, given the upswing in housing prices and dwindling areas to create additional single-family homes

These lots are almost 200 feet deep, allowing for future site design flexibility. The City's Design Review guidelines and hearing processes are robust enough to take compatibility with adjacent properties into consideration without hamstringing design or housing opportunities prematurely. Property owners within 300 feet would be noticed and can comments during the review process.

A request for another low density zoning district (i.e. R-0) would require public hearings with both the

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Planning Commission and City Council. A request for additional density would entail a more detailed process that includes initiating a General Plan Amendment (GPI), and General Plan Amendment and Rezoning applications if the amendment process is accepted.

A similar situation occurred with the former Trinity Church property in 2007 when the Trenton Drive (mostly Eichler) neighborhood submitted a single-story combining district application that included the church property. The City Council decision was to require a 100 foot single-story area across the north church property, closest to the Eichler homes and a 45 foot buffer across the western boundary (closest to the Fremont Terrace West townhouses, also part of the single-story combining district rezoning application). The church property (several parcels) was about 4.9 acres with dimensions of approximately 650 x 330 feet. The two residential properties on Hollenbeck that are rectangular and just under 200 feet in depth; the Fairbrae Swim and Racquet Club site is irregular in shape roughly 120 x 320 feet. Six Eichler homes share a property line with these three properties, including one of the existing two-story homes which is adjacent to the Fairbrae Swim and Racquet Club (see map in Attachment 5).

Staff recommends that the non-residential and Hollenbeck lots be removed from the proposed rezoning action. To assure more control over future development options for these potential infill sites, the City Council may want to consider the Planned Development Zoning Combining District which would enable clustering of units and other modifications to better protect the adjacent single-story Eichlers. The staff recommended alternative is reflected in the draft ordinance in Attachment 7.

FISCAL IMPACT

There is no development related to this application. No fiscal impacts other than normal fees and taxes associated with owning a single-family home are expected.

PUBLIC CONTACT

Public contact was made through posting of the Planning Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report in the Office of the City Clerk. 207 notices were sent to the project area and surrounding property owners. The block was posted with hearing notices.

As a modification in the single-story rezoning request process, the City mailed a letter to each property owner in the proposed district attempting to confirm their position on the proposed rezoning application. An informational outline of the restrictions of the Single-Story Combining District (Attachment 7) was sent with the confirmation letter.

A neighborhood information meeting was conducted by staff on October 20, 2016 at the Community Center for the 62 property owners in the proposed single-story district. 14 people attended the meeting.

ALTERNATIVES

Recommend to City Council:

1. Find the project exempt from CEQA pursuant to CEQA Guidelines Sections 15305 and 15061 (b)(3) and find that the zoning amendment (rezoning) is deemed to be in the public interest and introduce an ordinance (as set forth in Attachment 6) to rezone 62 contiguous single family home lots from R-1 (Low Density Residential) to R-1/S (Low Density Residential/Single-Story) pursuant to the Applicant's proposal.

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2. Find the project exempt from CEQA pursuant to CEQA Guidelines Sections 15305 and 15061(b)(3) and find that the zoning amendment (rezoning) is deemed to be in the public interest and introduce an ordinance (as set forth in Attachment 7) to rezone 59 contiguous single family home lots from R-1 (Low Density Residential) to R-1/S (Low Density Residential/Single-Story) pursuant to staff's proposed modification.
3. Deny the rezone.

STAFF RECOMMENDATION

Recommend to City Council: Alternative 2: Find the project exempt from CEQA pursuant to CEQA Guidelines Sections 15305 and 15061(b)(3) and find that the zoning amendment (rezoning) is deemed to be in the public interest and introduce an ordinance (as set forth in Attachment 7 of the staff report) to rezone 59 contiguous single family home lots from R-1 (Low Density Residential) to R-1/S (Low Density Residential/Single-Story)

Staff supports rezoning the majority of the proposed properties in the application to the R-1/S district, but recommends the properties at 1160 and 1158 Hollenbeck Avenue and 696 Sheraton Drive not be included in the rezoning and be considered in the future either when they are collectively redeveloped or when the individual owners decide to reinvest in their properties. These parcels are significantly different than the other 59 Eichler parcels in the rezoning area, and include non-Eichler homes and a non-residential use. Even though they are also currently zoned R-1, these non-Eichler properties are 2-5 times the required 8,000 s.f. lot of the R-1 zoning district and have significant lot depth and area to allow a two-story home without infringing on neighboring Eichlers to the rear. They also have development potential that could be beneficial to the City in the future.

Prepared by: Gerri Caruso, Principal Planner

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. *Not Used (for Report to Council)*
2. Maps - Noticing, 2-story & Non Eichler homes, Proposed & Approved SSCD
3. List of addresses and APNs within the proposed district
4. Applicant's letter
5. Map showing swim club and Hollenbeck properties
6. Draft Ordinance - Applicant's Proposal with recommended CEQA and Rezoning Findings
7. Draft Ordinance - Staff Recommended Alternative with CEQA and Rezoning Findings
8. Letter from City to property owners in proposed district
9. Letters from Fairbrae Swim Club and Owner of 1158 Hollenbeck Ave.
10. Letter regarding Process
11. Letters from Property Owners supporting Single-Story Overlay
12. Letters of Support to Single-Story Overlay