



# City of Sunnyvale

## Agenda Item

16-0941

Agenda Date: 11/28/2016

### REPORT TO PLANNING COMMISSION

#### SUBJECT

**Proposed Project: REZONE:** Introduction of Ordinance to rezone 54 contiguous lots (53 single-family homes and a lot owned by the California Water Service) from R-0 (Low Density Residential) to R-0/S (Low Density Residential/Single-Story)

**File #:** 2016-7467

**Location:** Multiple properties bound by Panama Park on the west, Dartshire Way on the south, Mallard Way on the east and Carlisle Way on the north including Coventry and Cornwall Courts. 1403-1457 Mallard Way (APNs: 309-11-039 through 309-11-041, 309-11-053 to 309-11-055, and 309-11-022), 800-862 Carlisle Way (APNs: 309-11-036 through 309-11-038 and 309-12-013), 321-361 Dartshire Way (APNs: 309-11-023 through 309-11-025 and 309-12-029 through 309-12-032), 854-870 Cornwall Court (APNs: 309-11-042 through 309-11-052), 812-827 Coventry Court (APNs: 309-12-019 through 309-12-026), and 1402-1458 Kingfisher Way (APNs: 309-11-026 through 309-11-035, 309-12-014 through 309-12-018, and 309-12-027 through 309-12-028).

**Zoning:** R-0

**Applicant / Owner:** Paul Healy (plus multiple owners)

**Environmental Review:** The Ordinance being considered is categorically exempt from review pursuant to CEQA Guidelines Section 15305 (minor alteration in land use) and Section 15061(b)(3) (a general rule that CEQA only applies to projects that have the potential for causing a 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:** Aastha Vashist, (408) 730-7458, avashist@sunnyvale.ca.gov

#### REPORT IN BRIEF

**General Plan:** Residential Low Density

**Existing Site Conditions:** A cohesive residential neighborhood block consisting of 50 contiguous lots with single-story homes, three two-story home and a lot owned by California Water Service (800 Carlisle Way). The neighborhood consists of all Eichler single-family homes except one two-story Eichler home at 1439 Mallard Way and two existing two-story non- Eichler homes at 835 and 829 Dartshire Way.

#### **Surrounding Land Uses**

**North:** Single family homes across Carlisle Way

**South:** Single family homes across Dartshire Way

**East:** Single family homes across Mallard Way

**West:** Panama Park

**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.

## **BACKGROUND**

The application has been submitted by 37 property owners (68.5 percent) in the 54-lot project area (see vicinity and noticing map Attachment 2). An application for a Tentative Parcel Map permit at 835 Dartshire Way allowing subdivision of the existing 14,863 square foot lot into two lots - 7,299 square feet (Lot 1) and 7,564 square feet (Lot 2) was recently approved in May 2016. A new home is not currently proposed and will be reviewed with a separate permit at a later time. At the time of writing this report, the Final Parcel Map for the subdivision was under review and has not been recorded, therefore, the property is counted as a single lot in this application.

The proposed 54-lot rezoning area is a predominantly Eichler neighborhood that includes:

- 50 single-story Eichler homes
- 1 two-story Eichler home
- 2 two-story non-Eichler homes
- 1 lot owned by California Water Service

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

The request is to modify the current R-0 zoning designation (Low Density Residential) by combining it with an "S" single-story zoning designation for R-0/S. This would limit the existing single family homes in the project area to one story and 45 percent Floor Area Ratio (FAR). Other City site development standards and density would remain the same.

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

The staff recommended draft ordinance, with the recommended findings for CEQA and the zoning amendment (rezoning) is in Attachment 5.

This application represents the ninth Single-Story combining district (SSCD) 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 Eichler homes located between Fremont Avenue and Ticonderoga Drive and between Pome Avenue and Mary Avenue on May 15, 2007
- 36 Eichler homes on Dartshire Way and Devonshire Way on April 19, 2016
- 48 Eichler homes between Vanderbilt Drive and Torrington Drive on August 9, 2016 (adjacent to the subject site)
- 37 Eichler homes between West Remington Avenue, Templeton Drive, Spinosa Drive and Tangerine Way on October 4, 2016.

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- 28 homes bounded by Vanderbilt Drive on the north side and non-Eichler homes, several public and quasi-public uses to the south and to the east (Fremont Union High School District administrative offices, CalWater storage yard and well site, two child care centers and a church), and Conway Road to the west on October 4, 2016.

In addition, a 62 lot rezoning near Hollenbeck Avenue and Sheraton Drive will be considered by the City Council on December 6, 2016.

City Council is scheduled to consider this item on January 24, 2017.

### **EXISTING POLICY**

#### **Sunnyvale Municipal Code 19.26.200**

The intent of the Council's action creating the SSCD 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. Staff mailed a letter to each property owner asking to confirm the status of their participation in the application.

There have also been requests to analyze the effect of single-story rezoning on the citywide housing stock and property values. The SSCD 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 sixth single-story rezoning application the Planning Commission has considered this year (compared to three from 2000-2015) and three 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

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in an area with an average slope of less than 20% and will not result in any changes in land use or 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 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 SSCD to an existing R-0 single-family neighborhood. The following items must be met in order to consider an application for a SSCD:

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-0 neighborhood. There are 54 properties in the rezoning application, which exceeds the minimum of 20 properties. By using the City's GIS system and County Assessor information, staff has confirmed that 37 (68.5 percent) of the property owners have joined this application, exceeding the minimum 55 percent required. The proposed boundaries follow logical street boundaries creating a solid residential block. There are three existing two-story homes in the neighborhood (829 Dartshire Way, 835 Dartshire Way and 1439 Mallard Way, which make up less than 5.6% of the homes in the proposed district that is less than the 25% maximum allowed.

If adopted, the SSCD 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 new development limits for a single-story district (Attachment 7). 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.
- 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).

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Maximum Gross Floor Area

- The maximum floor area ratio (FAR) of each home will be 45 percent, the same for any one story home in the R-0 zoning district.
- No future home additions beyond 45 percent FAR will be permitted unless a Variance is granted.
- A basement is not considered a story unless it extends more than two feet above the ground; it would then be 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, the FAR of the entire home will be limited to 45 percent.

Neighborhood Density

- The proposed single-story rezoning area is an R-0 single-family zone where only one dwelling unit is allowed per lot. The new zoning designation will be R-0/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 property in the proposed neighborhood (California Water Service property). The two non-Eichler homes on Dartshire Way 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 to these two homes would not be subject to the Eichler Design Guidelines.

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**Rezoning Impact**

By rezoning the proposed district to R-0/S, no impacts are expected to other single-family homes in the neighborhood located outside of the street boundaries and in the vicinity of the proposed rezoning area.

Staff notified the California Water Service about the application and has not received any comments at the time of writing the report. The nearly 33,500 square foot (s.f.) lot with dimensions of 200 feet (width) by 169 feet (depth) has a capacity for five single-family dwelling units on 6,000 s.f. lots. However, considering that the lot shares two of the property lines with six Eichler single story homes in the rear and side, the staff recommends that the property is included in the proposed SSCD.

The application is different from a prior SSCD application (2016-7489) considered by the Planning Commission where the Staff recommended that the non-residential and Hollenbeck lots be removed from the proposed rezoning action. These three lots 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. The three lots located near the intersection of Hollenbeck Avenue and Sheraton Drive has a total development potential of 11 units. Two of these three lots only shared the rear property line with three Eichler homes that included one 2-story Eichler home. The lot at 1160 Hollenbeck Avenue, which shared two property lines with four Eichler homes, is almost 200 feet deep, allowing for future site design flexibility.

If the California Water Service lot is redeveloped, it could affect 6 potential lots and staff is recommending that it be rezoned with this application.

**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. There were 355 notices sent to the project area and surrounding property owners. The block was posted with hearing notices.

A neighborhood information meeting was conducted by staff on November 17, 2016 at the Community Center for the 54 property owners in the proposed single-story district. 18 people attended the meeting. An information letter outlining the restrictions of the SSCD was sent to the property owners in the proposed district so that those who did not attend the information meeting would have complete information (Attachment 7). Staff also mailed a letter to each property owner asking to confirm the status of their participation in the application. At the time of writing this report, staff received back 39 of the 54 letters sent to the property owners within the proposed district. 33 property owners support the application (85 percent of the received letters), four oppose the application and two have no position on the application.

**ALTERNATIVES**

Recommend to City Council:

1. Find the project exempt from CEQA pursuant to CEQA Guidelines Sections 15305 and 15061 (b)(3).

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2. Introduce an Ordinance to Rezone 54 contiguous single family home lots from R-0 (Low Density Residential) to R-0/S (Low Density Residential/Single-Story).
3. Introduce an Ordinance with modified boundaries to Rezone fewer properties.
4. Deny the rezone.

**STAFF RECOMMENDATION**

Recommend to City Council: Alternatives 1 and 2: 1) Find the project exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15305 and 15061(b)(3); and, 2) Introduce an Ordinance to Rezone 54 contiguous single family home lots from R-0 (Low Density Residential) to R-0/S (Low Density Residential/Single-Story).

Prepared by: Aastha Vashist, Assistant Planner

Reviewed by: Gerri Caruso, Principal Planner

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. *Not Used*
2. Vicinity and Noticing Maps
3. List of addresses and APNs within the proposed district
4. Applicant's letter
5. Draft Ordinance
6. Recommended Findings
7. Letter from the City to property owners in proposed district
8. Email from California Water Service
9. Letters of support to Single-Story overlay