



# City of Sunnyvale

## Agenda Item

17-0129

Agenda Date: 3/13/2017

### REPORT TO PLANNING COMMISSION

#### SUBJECT

**Proposed Project:** Related General Plan Amendment and Rezoning applications:

**GENERAL PLAN AMENDMENT:** Proposed land use designation change from Industrial to: Residential Low-Medium Density (7-14 du/ac), Medium Density (14-27 du/ac), or High Density (27-45 du/ac); or Commercial Neighborhood Shopping for 210 W. Ahwanee Avenue, a 0.41-acre site; 214 W. Ahwanee Avenue, a 0.31-acre site; and 220 W. Ahwanee Avenue, a 1.18-acre site.

**REZONE:** Introduction of an Ordinance to rezone 210 W. Ahwanee Avenue, a 0.41-acre site; 214 W. Ahwanee Avenue, a 0.31-acre site; and 220 W. Ahwanee Avenue, a 1.18-acre site from Industrial and Service with a Planned Development combining district (M-S/PD) to Low-Medium (R-2/PD), Medium (R-3/PD), or High (R-4/PD) Density Residential with a Planned Development combining district; or Industrial and Service with a Planned Development combining district (M-S/PD) to Neighborhood Business with a Planned Development combining district (C-1/PD).

**File #:** 2016-7082

**Location:** 210, 214, and 220 W. Ahwanee Avenue (APNs: 204-03-003, 204-03-002, and 204-03-043).

**Current Zoning:** M-S/PD

**Applicant / Owner:** M Designs Architects/Tapti LLC - Kishore Polakala (210 W. Ahwanee Avenue), City of Sunnyvale/Multiple property owners (214 and 220 W. Ahwanee Avenue)

**Environmental Review:** Mitigated Negative Declaration

**Project Planner:** George Schroeder, (408) 730-7443, gschroeder@sunnyvale.ca.gov

#### REPORT IN BRIEF

**General Plan:** Industrial (all properties)

**Zoning:** M-S/PD (all properties)

**Existing Site Conditions:** Automobile repair facility (210 W. Ahwanee Avenue) / Single-family home (214 W. Ahwanee Avenue) / Self-storage facility (220 W. Ahwanee Avenue)

**Surrounding Land Uses:**

**North:** US Route 101 (with sound wall across the street to the north along the entire block)

**South:** Single-family residential

**East:** Multi-family residential

**West:** Multi-family residential

**Issues:** Land Use Compatibility, Future Redevelopment Potential

**Staff Recommendation:** Recommend to City Council to Make the Findings Required by CEQA and Adopt the Mitigated Negative Declaration; Amend the General Plan from Industrial to Residential High Density (27-45 du/ac); Make the Findings that the zoning amendment (rezoning) is deemed to

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be in the public interest; and Introduce an Ordinance to rezone all three properties from M-S/PD to R-4/PD.

### **BACKGROUND**

On August 26, 2014, a General Plan Amendment Initiation study (RTC No. 14-0193) was granted for 210 W. Ahwanee Avenue to study a change from its current General Plan land use designation of Industrial. The City Council's motion also included expanding the study area to the 7.15-acre block on the south side of W. Ahwanee Avenue between San Aleso and Borregas Avenues to result in a coherent long-term plan. The City Council authorized staff to study the Commercial Neighborhood Shopping, Residential Low-Medium Density (7-14 du/ac), Residential Medium Density (14-27 du/ac), and Residential High Density (27-45 du/ac) General Plan land use designations on the block. See Attachment 6 for a comparison of the development standards associated with these land use designations.

The City Council also discussed parking availability, gentrification, ability of existing infrastructure to accommodate increased development, and land use compatibility with the existing neighborhood.

The property owner of 210 W. Ahwanee Avenue subsequently applied for the General Plan Amendment (GPA) and Rezoning (RZ) on February 3, 2016.

### **Conceptual Development Project at 210 W. Ahwanee Avenue**

If the GPA and RZ application is approved, an SDP and Tentative Map (TM) would be required for any formal residential project review on the subject properties. The property owner of 210 W. Ahwanee Avenue is requesting the subject GPA and RZ to allow future consideration of Planned Development application project to demolish the existing automobile repair building and construct a four-story, 14-unit residential condominium building with a one-level underground parking structure. Consistent with Council policy, the specific project would be considered at a separate hearing from the legislative action on the GPA and RZ.

### **History of Land Uses**

All sites on the block were agricultural uses prior to their existing development. The block currently has a mix of land use designations and existing uses. The three sites in the middle of the block (210, 214, and 220 W. Ahwanee Avenue) form a small pocket of industrial land (1.9 total acres) and are all currently zoned M-S/PD - Industrial and Service with a Planned Development combining district. This industrial pocket is bordered on the east and west sides by high-density residential apartments (4.19 total acres) and abuts a low-density single-family residential neighborhood to the south outside of the study area. There are two smaller commercial sites at Ahwanee and Borregas Avenues totaling 1.06 acres. US Route 101 is immediately north of Ahwanee Avenue.

Below is a table of each site in the study area, when they were developed, their current use, and significant planning approvals since their original development. The sites are listed in west to east order.

<b>Address APN</b>	<b>Use/Development</b>	<b>Year Built</b>	<b>Major Planning Permits</b>
870-898 San Aleso Ave (APN 204-02-007)	2-story apartments 60 units (at 26 du/ac)	1964	None

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220 W. Ahwanee Ave (subject property)	3-story self-storage facility	1987	1987 - Storage facility and PD combining district 1990 - Rooftop telecom. facility 2004, 2010 - Additional telecom. facilities 2012, 2014 - Expansions of existing telecom. facilities
214 W. Ahwanee Ave (subject property)	1-story single-family home	1946	None
210 W. Ahwanee Ave (subject property)	1-story warehouse building (historically for automobile repair uses)	1950	None
126 W. Ahwanee Ave (APN 204-03-004)	2-story apartments 69 units (at 36 du/ac)	1964	None
883 Borregas Ave (APN 204-03-044)	1-story retail building	2008	1987 - Demolition of the existing automobile service station to a vacant site with groundwater treatment equipment
821-829 Borregas Ave (APN 204-03-045)	1-story retail building	1955	1984 - PD combining district 2010 - 1,400 sq. ft. building expansion

The 1957 General Plan identified this block and the larger neighborhood area as Single-Family Residential (10 du/ac or less), even though industrial uses existed on the block prior to adoption. The 1972 General Plan then designated the area along US Route 101 as Medium Density Residential (7-14 du/ac). At some point between 1972 and the 1997 General Plan, the sites within this block were changed to their current General Plan land use designations. The only zoning actions found on this block were for the addition of Planned Development combining districts for the 220 W. Ahwanee Avenue and 821-829 Borregas Avenue sites.

### **EXISTING POLICY**

The General Plan is the primary policy 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 contains several goals and policies about distinct neighborhoods for residential, commercial, and industrial uses. The General Plan also addresses neighborhood preservation and protection from incompatible uses, providing an adequate and diverse housing stock and providing a strong and balanced economic base.

See below for key General Plan goals; a list of relevant policies is in Attachment 8.

**General Plan Goal LT-2: An Attractive Community** - Preserve and enhance an attractive community, with a positive image and sense of place that consists of distinctive neighborhoods, pockets of interest, and human-scale development.

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**General Plan Goal LT-4: Quality Neighborhoods and Districts** - Preserve and enhance the quality character of Sunnyvale's industrial, commercial and residential neighborhoods by promoting land use patterns and related transportation opportunities that are supportive of the neighborhood concept.

**General Plan Goal LT-6: Supportive Economic Development Environment** - Sustain a strong local economy that contributes fiscal support for desired City Services and provides a mix of jobs and commercial opportunities.

### **ENVIRONMENTAL REVIEW**

A Mitigated Negative Declaration has been prepared and published in compliance with California Environmental Quality Act (CEQA) provisions and City guidelines (see Attachment 9). An initial study was prepared and found the GPA and RZ for the central industrial sites and the reasonably foreseeable development project at 210 W. Ahwanee Avenue would not create any significant environmental impacts with implementation of standard construction mitigation measures pertaining to noise, biological and cultural resources, and air quality. A traffic study was not required since the change in land use designation and density for the central industrial sites would not result in a significant increase in peak hour vehicle trips.

In addition to describing the impacts of the project on the environment, the initial study also discusses "planning considerations" that relate to City policies pertaining to existing conditions, such as existing traffic noise, air quality, and soil contamination from previous agricultural uses. The planning considerations identified in the initial study include interior and exterior noise reduction requirements to be consistent with General Plan standards, air filtration systems within units, and soil remediation. These may be required as conditions of approval as part of the future development permit for the 210 W. Ahwanee Avenue site.

### **DISCUSSION**

#### **Present Site Conditions**

Below are detailed descriptions of the existing site conditions for the study area. Attachment 7 is a map of the area showing all the sites.

#### **Industrial Zoned sites (referred to as the "central industrial sites").**

210 W. Ahwanee Avenue: The site is located mid-block on the south side of Ahwanee Avenue between San Aleso Avenue and Borregas Avenue. The lot size is 18,164 square feet (0.41 acres) and 65 feet wide at the front setback line. There is an existing chain link fence and driveway gate along the frontage. Vehicular access is from Ahwanee Avenue and there is no separate pedestrian path from the public sidewalk.

A one-story warehouse building is currently located onsite, previous occupied by an automobile repair facility. The building is located towards the rear of the site with a paved parking lot along the frontage. There are no private trees onsite, but there are seven protected trees located immediately adjacent to the east side of the site. There are no City street trees along the frontage.

To the south there are detached single-family homes [General Plan: Residential Low Density (0-7

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du/ac)/Zoning: R-0], and to the east is a 69-unit apartment building at 126 W. Ahwanee Avenue [General Plan: Residential High Density (27-45 du/ac)/Zoning: R-4].

214 W. Ahwanee Avenue: The site borders the west side of 210 W. Ahwanee Avenue. The lot size is 13,800 square feet (0.31 acres) and 50 feet wide at the front setback line. There is existing fencing on the side property lines that extend to the frontage. Vehicular access is from Ahwanee Avenue and there is no separate pedestrian path from the public sidewalk.

A one-story single-family residential home with ancillary storage and parking structures is currently located onsite. The home is located closer to the frontage than the adjacent automobile repair facility at 210 W. Ahwanee Avenue and there is a paved driveway that leads to the rear of the site. There are a few private trees onsite, and a City street tree along the frontage. Detached single-family residential homes [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0] are located south of the property.

220 W. Ahwanee Avenue: The site at 220 W. Ahwanee Avenue borders the east side of 214 W. Ahwanee Avenue. The lot size is 51,401 square feet (1.18 acres) and slightly over 306 feet wide at the front setback line. There are two driveway gates near the frontage. Vehicular access is from Ahwanee Avenue and there is a separate pedestrian path from the public sidewalk to the building entrance.

A self-storage facility consisting of two three-story buildings is currently located onsite. The facility building is located closer to the frontage than the single-family home at 214 W. Ahwanee Avenue and automobile repair facility at 210 W. Ahwanee Avenue. There is a paved driveway and surface parking on the sides and rear of the main building. There are a few trees along the perimeter of the site and more trees near the frontage.

Detached single-family residential homes [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0] are located south of the property and a 60-unit apartment building is located west at 870-898 San Aleso Avenue [General Plan: Residential High Density (27-45 du/ac)/Zoning: R-4].

### **Other Sites**

Below are detailed descriptions of existing conditions for the other sites in the study area and why no General Plan changes are recommended.

870-898 San Aleso Avenue: The site at 870-898 San Aleso Avenue borders the west side of 220 W. Ahwanee Avenue and is located on the east side of San Aleso and Ahwanee Avenues and is zoned R-4. The lot size is 100,014 square feet (2.29 acres) and 106 feet wide at the front setback line. Vehicular access is from San Aleso Avenue and there are several pedestrian paths on the San Aleso and Ahwanee Avenue frontages from the public sidewalk to the building entrances.

An apartment complex consisting of 16 two-story buildings (60 units) is currently located onsite. Current density of the site is 26 units per acre on the lower end of the R-4 allowable density, however in excess of the density allowed for R-3. The buildings along Ahwanee Avenue are consistent with the setback of the self-storage facility at 220 W. Ahwanee Avenue. There is a paved driveway and surface parking on the sides and rear of the apartment buildings. Street trees line both street frontages, and there are several trees located in the interior courtyards and site perimeter.

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A one-story industrial warehouse building [General Plan: Peery Park Specific Plan/Zoning: PPSP-NT] is located south of the property. Another 60-unit, two-story apartment complex under the same ownership [General Plan: Residential High Density (27-45 du/ac)/Zoning: R-4] is located across San Aleso Avenue to the west.

No changes are proposed for this site because it already has high-density residential General Plan and Zoning designations. The City does not typically lower the density of existing residential projects if the site is consistent with the zoning density; the apartments have demonstrated compatibility with the neighborhood for over 50 years.

126 W. Ahwanee Avenue: The site at 126 W. Ahwanee Avenue borders the east side of 210 W. Ahwanee Avenue and is zoned R-4. The lot size is 81,984 square feet (1.88 acres) and is 302 feet wide at the front setback line. Vehicular access is from Ahwanee Avenue and there are three separate pedestrian paths from the public sidewalk to the building entrance.

An apartment complex consisting of six two-story buildings (69 units) is currently located onsite. Current density of the site is 36 units per acre, the maximum permitted in the R-4 zoning district (before any allowable density bonuses). The buildings along Ahwanee Avenue are consistent with the setback of the self-storage facility at 220 W. Ahwanee Avenue and apartment complex at 870-898 Borregas Avenue. There is a paved driveway and surface parking on the east side of the apartment buildings. There are several trees located along the frontage, in the interior courtyards, and site perimeter.

Detached single-family residential homes [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0] are located south of the property.

No changes are proposed for this site because it already has high-density residential General Plan and Zoning designations. The City does not typically lower the density of existing residential projects if the site is consistent with the zoning density; the apartments have demonstrated compatibility with the neighborhood for over 50 years.

883 Borregas Avenue: The site at 883 Borregas Avenue borders the east side of 126 W. Ahwanee Avenue and is located on the west side of Borregas and Ahwanee Avenues and is zoned C-1. The lot size is 16,979 square feet (0.39 acres) and 100 feet wide at the front setback line. Vehicular access is from Ahwanee and Borregas Avenues and there is a separate pedestrian path on Ahwanee Avenue from the public sidewalk to the building entrance.

A one-story commercial building is currently located onsite. The building is oriented to face Borregas Avenue and is slightly closer to the Ahwanee Avenue frontage than the apartment complex at 126 W. Ahwanee Avenue. There is a surface parking lot along both frontages. There are a few trees along both frontages and within the parking lot.

A 55-unit, one-story apartment complex [General Plan: Residential High Density (27-45 du/ac)/Zoning: R-3/PD] is located across Borregas Avenue to the east.

No changes are proposed for this site because it is in use and provides valuable walkable shopping opportunities and personal services to the surrounding neighborhood.

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821-829 Borregas Avenue: The site at 821-829 Borregas Avenue borders the east side of 126 W and is zoned C-1. Ahwanee Avenue and south side of 883 Borregas Avenue. The lot size is 29,014 square feet (0.66 acres) and 170 feet wide at the front setback line. Vehicular access is from Borregas Avenue and there is no separate pedestrian path from the public sidewalk to the building entrance.

A one-story commercial building is currently located onsite. The building is oriented to face Borregas Avenue and is slightly closer to the Borregas Avenue frontage than the commercial building at 883 Borregas Avenue. There is a surface parking lot along the frontage. There are a few trees along the frontage and within the parking lot.

Detached single-family residential homes [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0] are located to the south and across Borregas Avenue to the east.

No changes are proposed for this site because it is in use and provides valuable walkable shopping opportunities and personal services to the surrounding neighborhood.

See the maps in Attachments 4 and 5 for surrounding General Plan and zoning designations for all properties above.

This staff report focuses on the central industrial sites because these are the only sites on the block where General Plan land use designation changes are recommended. See Attachment 7 for a map of the study area with the proposed land use changes.

### **Proximity to the Peery Park Specific Plan Area**

The subject central industrial sites are located within 0.1 miles of the boundary of the Peery Park Specific Plan area on San Aleso Avenue. The Peery Park Specific Plan (PPSP) was adopted by the City Council on September 20, 2016 and covers a 450-acre primarily office and industrial area at the junction of US Route 101 and State Route 237. Most of the plan area is reserved for office and industrial uses, with residential uses (at 16-21 du/ac) allowed at the edge of the district along San Aleso Avenue. A residential development application has been submitted for five parcels nearby at 728-814 San Aleso Avenue. That project (2016-7962) proposes to demolish the existing industrial buildings and construct 118 two- and three-story residential units at a proposed density of 18 du/ac (medium density). The project has not yet been deemed complete or scheduled for public hearings.

The proximity of the central industrial sites to the PPSP area presents an opportunity to consider residential uses within walking distance of a major workplace district on sites that are not constrained by airport safety zones or within the industrial area.

### **Access to Transit, Neighborhood Services, and Employment**

The central industrial sites are located within 0.4 miles walking distance of a VTA bus stop at Mathilda Avenue and Almanor Avenue. The nearest VTA light rail station (Fair Oaks) is located beyond normal walking distance at 1.4 miles away at Fair Oaks Avenue and Tasman Drive. The light rail station could be accessed from the Borregas pedestrian and bicycle bridge over US Route 101 (located near the study area), which goes through the John W. Christian Greenbelt and by Seven Seas Park. Columbia School/Park (including the Columbia Neighborhood Center) are within 0.4 miles walking distance.

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There are small retail uses located nearby on Borregas, which includes smaller retail and personal service uses. The nearest neighborhood shopping center including a major grocery store, restaurants, and other neighborhood serving uses is located 0.8 miles away at the southeast corner of Mathilda and Maude Avenues. There are several standalone commercial and restaurant uses along Mathilda Avenue. As discussed in the previous section, the sites are located within walking distance to the PPSP area. Major employment centers in Moffett Park are located one mile to the north.

## **LAND USE OPTIONS**

### **Analysis of Commercial Neighborhood Shopping Land Use Designation**

The Commercial Neighborhood Shopping General Plan designation and its associated zoning designation of C-1 (Neighborhood Business) would allow for expanded commercial retail and service uses to the adjacent residential neighborhood. Residential and mixed residential/retail could also be considered with a Special Development Permit (SDP) under these designations.

Retail uses typically require a location in high-visibility, high-traffic areas on sites along arterial streets with ample parking and proximity to other retail sites. The existing sound wall along US Route 101 would limit visibility to potential one- or two-story commercial buildings. Ahwanee Avenue is classified as a residential collector street, which does not have the daily traffic that businesses benefit from. Increased commercial uses on the block could also generate higher traffic and parking demand. For these reasons, additional commercial General Plan and Zoning designations are not recommended in the study area.

### **Analysis of Residential Land Use Designations**

The following policy questions have been used to consider amending industrial land use designations to residential designations in the past:

#### **Does the City desire the sites to stay industrial to meet General Plan goals for a healthy and diverse economy?**

The City has approximately 2,200 acres of property with industrial General Plan and zoning designations. The combined two-acre central industrial sites are a small area and relatively isolated adjacent to a single-family residential neighborhood. This could limit potential tenants and activities on site with operational noise or contain hazardous materials. The nearby PPSP area offers a wider range of options for larger industrial uses than the central industrial sites. There is also a 100-foot rear yard setback requirement (1/3 of the depth of the sites) for new industrial buildings that adjoin residential zoning districts. For these reasons, staff finds that the loss of the industrially-designated land area on the central industrial sites would not be detrimental to General Plan goals for a healthy and diverse economy.

#### **Are the sites physically suitable for residential uses?**

A common consideration for conversion of industrial sites to residential is whether there is soil/groundwater contamination from previous industrial and agricultural uses. As a standard practice, upon redevelopment, the City requires Phase I, and if needed, Phase II Environmental Site Assessments (ESAs) to identify these concerns. The Phase I ESA for 210 W. Ahwanee Avenue concluded that the site is suitable for residential use and the residual contamination from the previous automobile repair use is below recognized screening levels for residential uses. There are recommended site cleanup measures that would be required as conditions of approval for the subsequent permit.



Another consideration specific to the study area are the potential negative impacts of the adjacent US Route 101 on future residents. The City requires noise and air quality studies for residential projects near major roadways to ensure planning measures are identified for consistency with General Plan standards. The noise study for 210 W. Ahwanee Avenue identified existing noise levels near US Route 101 to be within the normally acceptable through unacceptable levels for residential projects as identified in the General Plan, with noise levels increasing from the first to fourth floor level. The noise study identified preliminary planning measures to reduce interior and exterior noise exposure to acceptable levels.

The air quality study found that US Route 101 is the only toxic air contaminant affecting the study area, but it contributes to cancer risks above the Bay Area Air Quality Management District's (BAAQMD) threshold of significance. The study notes that maintained ventilation systems with high-efficiency air filtration of the fresh air supply could reduce overall concentrations and cancer risks below screening levels.

The sites are primarily rectangular in nature, but 210 and 214 W. Ahwanee Avenue (the two eastern industrial properties) have substandard lot widths per the development standards required for R-2, R-3, and R-4 zoning districts. The lot areas for each of the sites exceed the minimum required in those residential districts. 210 and 214 W. Ahwanee Avenue also have substandard lot widths and lot area per the M-S zoning district development standards. The Sunnyvale Municipal Code allows consideration of lot widths that are less than the minimum required with an SDP provided the project's overall density is consistent with the zoning district. The narrow width of these sites also pose site planning challenges to provide the area required for parking and landscaping improvements. However, a residential designation may encourage provision of below-grade parking, which is included in the conceptual proposal for 210 W. Ahwanee Avenue. Additionally, if the central industrial sites have the same General Plan and Zoning designation as the adjoining apartment sites, there would be the increased likelihood of a future development project to merge the parcels together.

Staff has not identified any concerns with the ability of existing infrastructure to support residential development. Each project site would be responsible for off-site improvements as identified through the SDP review process. Water and sewer capacity analyses would also be required during the SDP phase. If the conceptual project at 210 W. Ahwanee Avenue is approved, anticipated improvements include a new curb, gutter, and sidewalk; new City street trees; upgrading existing streetlight fixtures along the project frontage to LED fixtures; slurry seal along the project frontage; utility undergrounding; and new domestic water, sewer, and fire service lateral lines.

Are the adjacent uses (and General Plan designations) compatible with residential use and at what density?

The central industrial sites' adjacent land uses are low-density single-family residential to the rear (south), high-density apartments on either side (east and west) and US Route 101 to the north. The requested Residential High Density General Plan designation is the same as the adjacent apartments. The presence of the single-family neighborhood to the rear requires sensitivity in future high-density residential site planning, privacy considerations, massing and height, and architectural design. There are adequate controls in the Sunnyvale Municipal Code, design guidelines and the public discretionary review required with the permit process to ensure these concerns are properly

addressed. Moreover, fire code requirements typically require buildings on narrow lots to be located closer to the street, which would reduce massing towards the rear.

Exposure of residents to noise and air quality impacts from US-101 presents concerns, but through appropriate planning measures (including siting of buildings and construction techniques), it is possible to locate residential uses close to freeways. Other examples of high-density residential projects in the City along US Route 101 include several apartments across the study area on E. Weddell Drive and apartment projects under construction at Fair Oaks and Weddell Avenues. High-density residential projects along State Route 237 include apartments on Lawrence Station Road and condominiums on Persian Drive.

*Residential land use option: Residential Low-Medium Density/R-2*

The Residential Low-Medium Density General Plan category allows 7 to 14 du/ac, and is implemented by the R-1.5 (10 du/ac), R-1.7/PD (14 du/ac), or R-2 (12 du/ac) zoning districts. The category is typically used for small-lot single-family homes and duplexes, constructed at heights of one to two stories, up to 30 feet. Townhouse developments at this density were built primarily in the 1970s. Out of the three low-medium density zoning districts, R-2 would be more fitting for the central industrial sites because R-1.5 is not found elsewhere in the greater neighborhood and R-1.7/PD requires a minimum two-acre site. See Attachment 6 for the R-2 development standards. Preliminary calculation of the maximum allowable residential density under this designation would allow 22 units (14 for 220 W. Ahwanee Avenue, 3 for 214 W. Ahwanee Avenue, and 5 for 210 W. Ahwanee Avenue). General Plan Policy HE-4.3 requires new developments to build to at least 75% of the maximum density, which would be 16 total units. The narrow and deep properties create limitations in laying out low-density homes.

There are small R-2 pockets in the greater neighborhood, but none in the study area vicinity. While this density category more closely matches the single-family residential neighborhood to the south, it would be considerably lower than the adjoining high-density residential apartments on Ahwanee and would not create a consistent zoning pattern on the block. Small-lot single-family and duplex uses are also less likely to locate next to a freeway.

*Residential Medium Density/R-3*

The Residential Medium Density General Plan category allows 14 to 27 du/ac, and is implemented by the R-3 zoning district, which allows up to 24 du/ac. The category is typically used for condominiums, townhomes, and apartments, constructed at heights up to three stories and 35 feet. See Attachment 6 for the R-3 development standards. Preliminary calculation of the maximum allowable residential units under this designation would be 45 (28 for 220 W. Ahwanee Avenue, 7 for 214 W. Ahwanee Avenue, and 10 for 210 W. Ahwanee Avenue). 75% of the maximum allowable units would be 33 total units.

Several attendees at the outreach meeting (discussed later in the report) felt that R-3 is a more appropriate density, primarily because buildings could not exceed three stories in height. There is also more neighborhood precedent for R-3, such as apartments that span two-and-a-half blocks of Ahwanee Avenue between Borregas Avenue and the Fair Oaks Mobile Home Park, and apartments on Maude Avenue and condominiums on Fair Oaks Avenue. Medium densities are also allowed on San Aleso Avenue as part of the PPSP, and are proposed as part of the development project at 728-814 San Aleso Avenue. While this density category would be consistent with the neighborhood, it would not be consistent with adjoining properties along Ahwanee Avenue. This density would be

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appropriate for the area if the interest is maintaining a lower density for the adjoining single-family residential area.

#### *Residential High Density/R-4*

The Residential High Density General Plan category allows 27 to 45 du/ac, and is implemented by the R-4 zoning district, which allows up to 36 du/ac. The category is typically used for condominiums and apartments, constructed at heights up to four stories and 55 feet. See Attachment 6 for the R-4 development standards. Preliminary calculation of the maximum allowable residential units under this designation would be 68 (42 for 220 W. Ahwanee Avenue, 11 for 214 W. Ahwanee Avenue, and 15 for 210 W. Ahwanee Avenue). 75% of the maximum allowable units would be 51 total units. As noted in previous sections, there are two existing R-4 apartment sites on either side of the central industrial parcels and there are existing R-4 zoning districts along US 101. See the below section for staff's recommendation for Residential High Density/R-4 for the central industrial parcels.

#### **Proposed General Plan Amendment and Rezoning**

The following table summarizes the existing and proposed General Plan and Zoning designations for each site within the study area (from west to east with the subject central industrial sites in **bold**):

Site	Current General Plan Land Use	Current Zoning	Proposed General Plan Land Use and Maximum Allowable Residential Units	Proposed Zoning
870-898 San Aleso Avenue (2.29 acres)	Residential High Density (27-45 du/ac)	R-4	Residential High Density (27-45 du/ac) ( <i>No change</i> ) Max. allowable residential units - 82 ( <i>No change</i> ). NOTE: Allows up to 22 units more than existing development.	R-4 ( <i>No change</i> )
<b>220 W. Ahwanee Avenue (1.18 acres)</b>	<b>Industrial</b>	<b>M-S/PD</b>	<b>Residential High Density (27-45 du/ac) Max. allowable residential units - 68 (42 for 220 W. Ahwanee Avenue, 11 for 214 W. Ahwanee Avenue, and 15 for 210 W. Ahwanee Avenue)</b>	<b>R-4/PD</b>
<b>214 W. Ahwanee Avenue (0.31 acres)</b>				
<b>210 W. Ahwanee Avenue (0.41 acres)</b>				

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126 W. Ahwanee Avenue (1.90 acres)	Residential High Density (27-45 du/ac)	R-4	Residential High Density (27-45 du/ac) ( <i>No change</i> ) Max. allowable residential units - 69 ( <i>No change</i> ).	R-4 ( <i>No change</i> )
883 Borregas Avenue (0.39 acres)	Commercial Neighborhood Shopping	C-1/PD	Commercial Neighborhood Shopping ( <i>No change</i> ) Max. allowable residential units - None. NOTE: Residential uses may be considered with an SDP in the C1-PD zoning district.	C-1/PD ( <i>No change</i> )
821-829 Borregas Avenue (0.67 acres)				

The applicant has requested to amend the General Plan land use at their property at 210 W. Ahwanee Avenue from Industrial to Residential High Density (27-45 du/ac) and rezone it from M-S/PD to R-4/PD. Staff has studied the one-block area that was directed by Council and recommends a change to High Density and R-4/PD for the central industrial sites. This would provide a contiguous Residential High Density General Plan and nearly identical R-4 zoning designation (existing R-4 sites do not have the PD combining district) on the block next to the commercial sites at 821-829 and 883 Borregas Avenue.

A rezoning to R-4 would facilitate consideration of the applicant's intended 14-unit residential condominium project for the property at 210 W. Ahwanee Avenue, as well as the allowance for high-density residential uses at 214 and 220 W. Ahwanee Avenue. Residential supporting uses such as places of assembly or child care centers under high-density residential designations can also be considered with approval of an SDP. Staff does not believe the land use change would be considered "spot zoning" because the change in use for the central industrial sites would be consistent with the designations for the apartment sites on either side. As a result, all the high-density residential property owners on the block would enjoy the same development privileges in terms of density and allowable uses. Staff finds that these General Plan and Zoning designations would create a more cohesive long term development plan for the block, and there are also measures in place to ensure neighborhood compatibility.

The existing Planned Development combining district for the central industrial sites would be retained, which provides flexibility in development standards to help achieve superior community design and public benefit. The PD combining district also allows the City to modify, add or make other limitations to the underlying zoning standards to better address site-specific and neighborhood conditions.

There is no foreseeable development proposal for the 214 and 220 W. Ahwanee Avenue sites, and the General Plan Amendment and Rezoning would only affect future redevelopment proposals. If approved, multi-family residential uses would be permitted and new industrial/service uses and buildings would be prohibited. Existing legal non-conforming uses may continue if no enlargement of the area, space, or volume occurs, and that the use has not been discontinued for more than one year. Existing legal non-conforming industrial buildings that were legally permitted cannot be

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expanded or increased in height but can be maintained and repaired subject to City building permit requirements.

### **FISCAL IMPACT**

Changing the General Plan and Zoning of the central industrial sites may encourage their sale and earlier redevelopment. The sale and redevelopment of the sites would result in an increase to property tax revenues to the City, school districts and the County. New construction would also provide construction tax. Nonresidential uses could generate sales taxes for the city, and the proposed land use change to residential would eliminate this potential revenue. However, new residents generate sales tax revenues for the City through retail and restaurant expenditures.

Future residential projects, such as the potential redevelopment of 210 W. Ahwanee Avenue would be subject to fees such as Park In-lieu, transportation impact, housing impact or provision of below market rate units, and school fees, sewer and water connection fees, and building permit fees.

### **PUBLIC CONTACT**

#### **Neighborhood Outreach Meeting**

The property owner of 210 W. Ahwanee Avenue held a community outreach meeting on January 11, 2017. Property owners and residents within 1,000 feet of the site were notified, as well as the SNAIL and Morse Park neighborhood associations (see Attachment 10 for the applicant's outreach letter). The 210 W. Ahwanee Avenue owners introduced their proposal with conceptual plans. City staff also explained the potential change in land use designations for other parcels on the block.

Approximately 15-20 community members attended the meeting. The property owner of 214 W. Ahwanee Avenue and property manager of 220 W. Ahwanee were in attendance. The comments received were general support for a change in land use from industrial to residential with mixed opinions on the appropriate residential density; desire for pedestrian safety measures and increased onsite parking due to concerns with existing traffic and limited on-street parking on Ahwanee Avenue; and concerns about building height and associated privacy and shading impacts, and proximity of buildings to existing residential uses.

Staff received three written comments from members of the public after the neighborhood meeting (Attachment 11). One cited limited on-street parking in the neighborhood and requested that the City study neighborhood parking. Another commented that R-3 zoning was a more appropriate density given existing traffic conditions and because only three stories are allowed in R-3. The third felt that the R-4 zoning density proposed is appropriate for the project area.

#### **Native American Tribal Outreach per State of California SB 18 and AB 52**

As required by State law and CEQA, the City sent letters via certified mail to local Native American tribes on June 22, 2016. No requests for consultation were received within the State-specified timelines.

#### **Notice of Public Hearings**

- Published in the Sun newspaper
- Posted at the 210 W. Ahwanee Avenue site and study area block corners

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- 604 notices were mailed to property owners and tenants within 1,000 feet of the project as shown in Attachment 2
- Notices were sent to the SNAIL and Morse Park neighborhood associations

### Staff Report

- Posted on the City of Sunnyvale's web site
- Provided at the Reference Section of the City of Sunnyvale's Public Library

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- Posted on the City's official notice bulletin board
- Posted on the City of Sunnyvale's web site

### ALTERNATIVES

#### Recommend to City Council:

1. Make the findings required by CEQA in Attachment 3 and adopt the Mitigated Negative Declaration.
2. Adopt a resolution amending the General Plan land use designation from Industrial to Residential High Density (27-45 du/ac) for 210, 214, and 220 W. Ahwanee Avenue (Attachment 4).
3. Make the finding that the zoning amendment (rezoning) is deemed to be in the public interest (Attachment 3) and introduce an Ordinance to rezone 210, 214, and 220 W. Ahwanee Avenue from M-S/PD to R-4/PD (Attachment 5).
4. Provide direction on additional environmental review.
5. Do not amend the General Plan Amendment or Zoning in the study area.

### STAFF RECOMMENDATION

Recommend to City Council Alternatives 1, 2 and 3: 1) Make the findings required by CEQA (in Attachment 3 of the report) and adopt the Mitigated Negative Declaration, 2) Adopt a resolution amending the General Plan land use designation from Industrial to Residential High Density for 210, 214, and 220 W. Ahwanee Avenue; and 3) Make the finding that the zoning amendment (rezoning) is deemed to be in the public interest in (Attachment 3 in the report) and introduce an ordinance to rezone 210, 214, and 220 W. Ahwanee Avenue from M-S/PD to R-4/PD.

Staff recommends approval of the proposed high-density residential General Plan and Zoning designations for the central industrial sites at 210, 214, and 220 W. Ahwanee Avenue as it would provide a contiguous General Plan and nearly identical zoning designation on the block next to the commercial sites. The conversion of industrial to high-density residential on these sites is appropriate because the loss of industrial land would not be detrimental to General Plan goals for a healthy and diverse economy, the sites are physically suitable for residential use, and the General Plan and Zoning designations will be more compatible with the neighborhood. The sites are also located close to transit, neighborhood services, and employment centers. Residential uses are feasible because there are recognized environmental planning measures in place to clean up soil and groundwater contamination and reduce potential negative noise and air quality impacts from US Route 101. There are adequate controls in the Sunnyvale Municipal Code, design guidelines and the public discretionary review process required with future site-specific development proposals to ensure neighborhood compatibility is properly addressed.

Prepared by: George Schroeder, Associate Planner

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Reviewed by: Gerri Caruso, Principal Planner  
Reviewed by: Andrew Miner, Planning Officer  
Reviewed by: Trudi Ryan, Community Development Director  
Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Not Used (for use with Report to Council)
2. Noticing and Vicinity Map
3. Recommended Findings
4. 210, 214, and 220 W. Ahwanee Avenue General Plan Resolution and Map
5. 210, 214, and 220 W. Ahwanee Avenue Rezoning Ordinance and Map
6. Table with Comparison of Development Standards
7. Study Area Map
8. General Plan Goals and Policies
9. Initial Study - Mitigated Negative Declaration
10. Applicant's Outreach Letter
11. Public Comments