



City of Sunnyvale

Agenda Item

17-0185

Agenda Date: 6/26/2017

REPORT TO PLANNING COMMISSION

SUBJECT

File #: 2016-7293

Location: 1008 E. El Camino Real (APN 313-03-011) and 1314-1320 Poplar Ave. (APN 313-03-013)

Proposed Project:

REZONE: Introduction of an Ordinance to rezone the property at 1314-1320 Poplar Ave. (APN 313-03-013) from R-1/ECR (Low Density Residential/Precise Plan for El Camino Real) to C-2/ECR (Highway Business Commercial/Precise Plan for El Camino Real); and

SPECIAL DEVELOPMENT PERMIT: Construct 108 residential units (rental apartment complex) on a 2.05-acre site, where 20% of units will be affordable to very low income households. The complex will consist of one five-story building facing El Camino Real (four stories above ground floor amenities and parking plus one underground level of parking) and one three-story building facing Poplar Ave. The project includes deviation requests from the required minimum distance between buildings on the same lot, maximum building height, parking requirements and maximum lot coverage. The project site is composed of a former mobile home park (Conversion Impact Report certified and closure approved in January 2016) and a duplex property.

VESTING TENTATIVE PARCEL MAP: Combine two lots into one lot.

Applicant / Owner: St. Anton Communities / Sunnyvale Park LLC; Alhambra Apartments LP

Environmental Review: Mitigated Negative Declaration

Project Planner: Rosemarie Zulueta, (408) 730-7437, rzulueta@sunnyvale.ca.gov

REPORT IN BRIEF

General Plan: Commercial General Business

Zoning: 1008 E. El Camino Real - C-2/ECR (Highway Business Commercial/Precise Plan for El Camino Real); 1314-1320 Poplar Ave. - R-1/ECR (Low Density Residential/Precise Plan for El Camino Real)

Existing Site Conditions: Vacant (former mobile home park); duplex (on Poplar site)

Surrounding Land Uses

North: Commercial (auto dealer and café)

South: Residential (single-family homes and townhomes)

East: Commercial (shopping center)

West: Commercial and residential

Issues: Land use and potential visual and privacy impacts

Staff Recommendation: Recommend that the City Council make the findings required by the California Environmental Quality Act (CEQA) in Attachment 4 and adopt the Revised Mitigated Negative Declaration; introduce an ordinance to rezone 1314-1320 Poplar Ave. (APN 313-03-013) to C-2/ECR; and approve the Special Development Permit and Vesting Tentative Parcel Map with the recommended conditions of approval set forth in Attachment 5.

BACKGROUND**Description of Proposed Project**

The project includes the full demolition of the existing buildings and mobile homes, removal of nine out of the 10 existing onsite trees, and construction of an apartment complex of 108 residential units with onsite and offsite improvements. The project consists of one main building with five stories and 99 units and a smaller three-story building ("Poplar Flats") with nine units. Twenty (20) percent of the proposed 108 units (22 units) will be restricted to very low income households (households earning 50 percent or less of area median income). The overall proposed density is approximately 53 units per acre. The units will be rental, with 10 studios, 53 one-bedrooms and 45 two-bedrooms, ranging from 608 square feet for studios and up to 1,260 square feet for two-bedroom units. The applicant's project description is in Attachment 7. The proposed site and architectural plans are in Attachment 8.

The project includes the following applications:

- **Rezone** - To accommodate the requested density, the applicant requests to rezone the property at 1314-1320 Poplar Ave. from R-1/ECR (Low Density Residential/Precise Plan for El Camino Real) to C-2/ECR (Highway Business Commercial/Precise Plan for El Camino Real), which is the same designation as the main portion of the project site. The C-2 Zoning District is consistent with the Commercial General Business general plan designation of the project site; therefore, no general plan amendment is required for the rezone. Residential uses may be considered on C-2 properties with a Special Development Permit. There is no minimum or maximum density allowance for residential uses in C-2 districts. The City Council may consider a rezoning based on the overall merits of the project and general consistency with relevant goals and policies (see required finding in Attachment 4).
- **Special Development Permit**
A Special Development Permit (SDP) is required for projects within the Precise Plan for El Camino Real (ECR) Combining District for use, site, and architectural review. A SDP also allows for consideration of deviations from specified development standards in exchange for superior design, environmental preservation or public benefit. The project includes deviation requests to minimum distance between buildings on the same lot, maximum building height, parking requirements and maximum lot coverage, which are discussed further in this report. The findings required to grant the SDP are in Attachment 4.
- **Vesting Tentative Parcel Map**
The Vesting Tentative Parcel Map must be approved prior to approval of the Final Map to combine the two lots of the project site into one and address any required dedications and easements. The Final Map is approved by the Director of Public Works and must be in substantial conformance to the Vesting Tentative Parcel Map. A Vesting Tentative Parcel Map vests the developer's right to build the project for the life of the map and secures the approved project against future Sunnyvale Municipal Code (SMC) amendments that might otherwise affect the project. The recommended conditions of approval are listed in Attachment 5 and the Tentative Parcel Map can be found in Attachment 8.

This item was continued from the Planning Commission hearings of April 24, 2017 and June 12, 2017. The applicant requested the continuance to address staff and community concerns regarding design and parking. The redesign of the project includes reduced building mass at the rear and additional onsite parking.

The City Council is scheduled to consider this item on July 25, 2017 (continued from the hearing on May 23, 2017).

See Attachment 2 for a map of the vicinity and mailing area for notices and Attachment 3 for the Data Table of the project.

Previous Actions on the Site

The project site consists of two lots. The larger lot (1008 E. El Camino Real) is a former mobile home park, known as Nick's Trailer Court, established in 1959 under County land use jurisdiction. Nick's Trailer Court contained 44 mobile homes/spaces and a single-family home. The Nick's property was annexed into the City in 1961 and zoned C-2. On January 5, 2016, the City Council approved a Conversion Impact Report ([RTC No. 15-0890](https://sunnyvaleca.legistar.com/LegislationDetail.aspx?ID=2537767&GUID=37D5A4EE-602B-4528-8625-22C104B309C1&Options=&Search=&FullText=1) <https://sunnyvaleca.legistar.com/LegislationDetail.aspx?ID=2537767&GUID=37D5A4EE-602B-4528-8625-22C104B309C1&Options=&Search=&FullText=1>), which included a detailed tenant relocation plan, in accordance with Sunnyvale Municipal Code (SMC) Chapter 19.72, for the closure of the mobile home park. Closure of the mobile home park is now complete.

The smaller lot of the project site (1314-1320 Poplar Avenue) currently contains a duplex, which was built in 1952. This property was annexed into the City in 1979 as part of the Raynor Park neighborhood, generally identified as the area bound by Bryant Way to the north, Wolfe Rd. to the west, Marion Dr. to the south, and Peterson Middle School to the east. The City Council rezoned most of the Raynor Park properties, including the smaller lot of the project site, from R-0 to R-1 in 1996. Duplexes are prohibited in the R-0 and R-1 Zoning Districts, rendering the duplex use of the smaller lot of the project site legal nonconforming.

In 1993, the City Council adopted the original Precise Plan for El Camino Real and created the Precise Plan for El Camino Real (ECR) Combining District to implement the vision described in the Precise Plan. As part of the update of the Precise Plan in 2007, properties along the El Camino Real Corridor, including both properties of the project site and the adjacent single-family property to the south on Poplar Avenue, were rezoned to include the ECR Combining District designation.

Application History

Two Preliminary Review requests were processed for the Nick's property prior to the approval of the Conversion Impact Report for the closure of Nick's Trailer Court and submission of the formal development application currently under consideration. Preliminary Review (PR) is an optional process for applicants to submit conceptual development plans for early staff review before submitting a formal development application. Both PR requests included residential-only development concepts for the Nick's site. Staff indicated that the Precise Plan for El Camino Real discourages residential uses on commercially zoned property on the corridor, except as part of mixed-use projects located within the "nodes" located at four major intersections of the corridor as delineated in the Plan. Given the residential history of the site, however, staff indicated that a mixed-use project could be considered.

EXISTING POLICY

General Plan Goals and Policies: The following are key goals and policies from the General Plan pertaining to the proposed project.

Land Use and Transportation (adopted April 2017):

Policy 2. Action 1: Promote transit-oriented and mixed-use development near transit centers such as Lawrence Station, Downtown, and El Camino Real and in neighborhood villages.

Policy 51: Enforce design review guidelines and zoning standards that ensure the mass and scale of new structures are compatible with adjacent structures, and also recognize the City's vision of the future for transition areas such as neighborhood Village Centers and El Camino Real nodes.

Action 3: Enforce local design guidelines that ensure buildings and monuments respect the character, scale, and context of the surrounding area.

Goal F: 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 57: Limit the intrusion of incompatible uses and inappropriate development in and near residential neighborhoods, but allow transition areas at the edges of neighborhoods.

Action 1: Where appropriate, use higher-density residential and higher-intensity uses as buffers between neighborhood commercial centers and transportation and rail corridors.

Action 2: Require appropriate noise attenuation, visual screening, landscape buffers, or setbacks between residential areas and dissimilar land uses.

Policy 61: 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 62: Encourage the development of housing options with the goal that the majority of housing is owner-occupied.

Policy 63: Promote new mixed-use development and allow higher-residential density zoning districts (medium and higher) primarily in Village Centers, El Camino Real nodes, and future industrial-to-residential areas.

Policy 64: Consider the impacts of all land use decisions on housing affordability and on the housing needs of special needs groups within Sunnyvale.

Policy 68: Promote compact, mixed-use, and transit-oriented development in appropriate neighborhoods to provide opportunities for walking and biking as an alternative to auto trips.

Community Character:

Goal CC-3: Well-Designed Sites and Buildings - Ensure that buildings and related site improvements for private development are well-designed and compatible with surrounding properties and districts.

Housing:

Policy HE-1.1. Encourage diversity in the type, size, price and tenure of residential development in Sunnyvale, including single-family homes, townhomes, apartments, mixed-use housing, transit oriented development and live-work housing.

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Policy HE-4.2. Continue to direct new residential development into specific plan areas, near transit, and close to employment and activity centers.

Precise Plan for ECR: The project site is subject to the Precise Plan for El Camino Real (Precise Plan), which contains goals, policies and design guidelines to guide development of private properties located within the plan area (parcels containing the ECR Combining District designation). The City is currently undertaking an update of the Precise Plan, which is anticipated to be completed in 2018. The purpose of the update is to refine the vision for the corridor and to provide a comprehensive strategy to address land use, economic vitality, building forms, multimodal connectivity and the streetscape.

The following are key goals and policies from the Precise Plan pertaining to the proposed project:

Goal 3.2.2. To maintain and enhance the retail sales tax revenue generated for the City.

Goal 3.2.5. To ensure that properties are developed and operated in such a manner as to minimize their negative impacts upon adjacent residential areas.

Goal 3.2.7. To require quality site design, architecture and landscaping which incorporate sustainable design principles.

Goal 3.2.8. To encourage development which supports the use of public transit.

Applicable Design Guidelines: The Precise Plan for El Camino Real and the City's *Citywide* and *High Density Residential Design Guidelines* provide recommendations for site layout, architecture and design compatibility with adjacent properties. These guidelines are referenced in the discussion and analysis below.

ENVIRONMENTAL REVIEW

A Mitigated Negative Declaration (MND) has been prepared in compliance with California Environmental Quality Act (CEQA) provisions and City guidelines (see Attachment 6). An Initial Study determined that the potential environmental impacts of the proposed project will be reduced to less than significant with implementation of the recommended mitigation measures pertaining to construction noise, air quality standards and potential disturbance of cultural resources. Revisions were appended to the Draft Initial Study/MND (IS/MND) after the public review period from March 24, 2017 to May 23, 2017 to reflect the subsequent minor changes in the project description, provide clarification on the adequacy of the IS/MND regarding tribal cultural resources and to correct a clerical error in the header information on pages 19 to 32.

Section 15073.5 of the CEQA Guidelines provides that the lead agency must recirculate the MND if the document must be "substantially revised" prior to adoption. A "substantial revision" means that either (1) a new, avoidable significant effect is identified and mitigation measures or project revisions must be added in order to reduce the effect to insignificance, or (2) the lead agency determines that the proposed mitigation measures or project revisions will not reduce potential effects to less than significance and new measures or revisions must be required. Section 15073.5 further provides that recirculation is not required if new information is added to the negative declaration which merely clarifies, amplifies, or makes insignificant modifications to the negative declaration.

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As discussed in the Revisions to the MND, the revisions to the MND merely clarify, amplify, and make insignificant modifications to the MND, do not result in any new significant effects or require new mitigation measures or project revisions in order to reduce a significant impact to less than significant. Therefore, recirculation of the MND is not required under Section 15073.5 of the CEQA Guidelines.

The Mitigation Measures and other recommended design considerations have been incorporated as conditions of approval in Attachment 5. Adoption of the Mitigated Negative Declaration requires the City Council to make the findings in Attachment 4. The letters received during the public review period for the MND from the Native American Heritage Commission and the California Department of Transportation (Caltrans) are in Attachment 12.

DISCUSSION

Present Site Conditions

The project site is located near the southeast corner of E. El Camino Real and Poplar Ave. The larger lot is the former Nick's Trailer Court (Nick's) site and is accessed off El Camino Real. The smaller lot runs perpendicular to the larger lot and faces Poplar Ave.

A dentist office and five-unit apartment building are located west of the Nick's site (north of the duplex) and a shopping center is located to the east-all zoned C-2/ECR. Across El Camino Real to the north of the project site are commercial uses, including an auto dealership and a drive-through café, also zoned C-2/ECR.

The properties immediately adjacent to the south include single-family homes and townhomes. The single-family home adjacent to 1314-1320 Poplar Ave. to the south is zoned R-1/ECR and the other single-family homes are also zoned R-1, and not subject to the Precise Plan for El Camino Real. The adjacent townhomes are zoned R-3/PD (Medium Density Residential/Planned Development), but were built at low-medium density.

Rezone

To merge the two lots and redevelop the project site into multifamily residential at the proposed density, the applicant is requesting to rezone the property at 1314-1320 Poplar Ave. from R-1/ECR to C-2/ECR. The property is within the boundaries of the Precise Plan for El Camino Real and the C-2/ECR designation is consistent with the commercial General Plan land use designation of both lots, and is the predominant zoning designation along the El Camino Real corridor. The adjacent properties to the east and northwest of the project site are also zoned C-2/ECR. Attachment 11 includes a draft rezoning ordinance and map showing the proposed zoning of the property as well as the current zoning of nearby properties.

The C-2 designation is primarily reserved for commercial uses; however, residential uses may be conditionally allowed in the C-2/ECR Zoning District with a Special Development Permit (SDP). Several sites with the C-2/ECR designation on El Camino Real have been developed into mixed-use, including residential uses. The Nick's portion of the project site is zoned C-2/ECR and has contained a residential use since the 1950s. The General Plan contains policies and action statements to locate higher-density housing with easy access to transportation corridors, such as El Camino Real, commercial services and activity centers.

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As previously noted, residential uses can be approved in the C-2/ECR zone with a Special Development Permit. The City has not adopted a minimum or maximum density for residential projects in C-2/ECR. The proposed density of 53 units per acre would be more comparable to a General Plan designation of Very High Density Residential (with density bonuses for affordable units and higher green building achievement) and an R-5 zoning designation. Staff discouraged the applicant from seeking a General Plan Amendment and rezone of the site to R-5 (there are currently no properties with the R-5 zoning designation on the El Camino Real corridor) while the update to the Precise Plan for El Camino Real is in progress.

Staff finds that rezoning the former duplex parcel at 1314-1320 Poplar Ave. from R-1/ECR to C-2/ECR is the most consistent zoning for the proposed project considering the Commercial General Business General Plan land use designation. The City Council may approve a zoning amendment upon finding the rezone is in the public interest.

Land Use and Precise Plan for El Camino Real

While residential uses can be considered in the C-2 Zoning District, the 2007 Precise Plan for El Camino Real generally discourages residential uses on commercially zoned properties that are not within a "Node." Nodes are located at the corners of major intersections throughout the Plan area (Bernardo Ave., Mathilda Ave., Fair Oaks Ave., and Wolfe Rd.) where higher density, pedestrian-oriented, high quality mixed use (residential-commercial) developments are encouraged due to the larger lot sizes and their locations away from adjacent single-family residential districts. The Node boundaries are only generally defined in the Precise Plan ([page 14 <http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Non-Residential/El-Camino-Real-Precise-Plan.pdf>](http://sunnyvale.ca.gov/Portals/0/Sunnyvale/CDD/Non-Residential/El-Camino-Real-Precise-Plan.pdf)), but typically encompass properties within approximately a quarter mile of the VTA 522 bus stops. One of the goals of the Precise Plan update is to specifically define the boundaries of the Nodes and to determine where residential uses could potentially occur outside of the Nodes. The project site is not located in a Node, although it is approximately 0.3 miles away from the VTA 522 bus stop at Wolfe and El Camino Real and directly in front of a VTA 22 bus stop.

The Precise Plan also limits potential locations for mixed-use to the node areas to maintain and enhance the City's retail sales tax revenue generated on the corridor. The Precise Plan and Zoning Code require mixed use projects on El Camino Real outside of the nodes to provide commercial space equal to at least 25 percent of the project lot area, or to strive to replace any existing commercial space that would be removed by the project. There would be no net loss of commercial space if the SDP for the use is granted as the site has historically been used as residential.

The Precise Plan also contains policies and design guidelines that focus on activating the El Camino Real frontage by providing commercial retail uses on the ground floor. To help activate the El Camino Real frontage, the main building is designed to include the resident amenities on the ground floor facing the street, including a fitness center, a bicyclists' lounge/repair facility, tech center and leasing office. A portion of this ground floor area has the potential to be converted into a commercial use in the future. The project also includes landscaping, seating and decorative paving within the 15-foot front setback along El Camino Real to encourage pedestrian activity.

Given the past residential use of the properties and the City's policies on locating higher density housing on transit corridors such as El Camino Real, and that the project includes 20% of the units affordable to very low income households, staff supports the proposed residential use. The additional

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housing at this location would help promote the use of transit and help support the retail tax revenues from the existing nearby stores, restaurants and other services. To help ensure that the El Camino Real building frontage remains active and engaged with the street, staff recommends condition of approval GC-15 to require the ground floor area of the main building facing El Camino Real remain common amenity space (cannot be converted to storage, etc.) with transparent storefront windows.

Affordable Housing

Although the project site is not located within a node nor is it a mixed-use development, the potential benefit to the community would be providing 20% affordable rental units restricted to very low income households (VLI units), for which community members have expressed a strong need. State law precludes cities from requiring below market rate units in rental projects. Affordable units in rental projects are typically gained only if the project applicant utilizes the state density bonus law (although a developer may voluntarily provide them in exchange for the affordable housing fee required for new residential development). In this case, the state density bonus law cannot be utilized as there is no specified maximum density allowed in the C-2 Zoning District. The applicant is providing the affordable units voluntarily. In a situation where a project uses the state affordable housing density bonus, the highest level of bonus is 35% above the maximum allowed by zoning if 11% of the *base* units are affordable to VLI households, effectively resulting in 8% of the total unit count. This project includes 20% of the total units as affordable.

If approved, the applicant will be required to enter an affordable housing agreement with the City to ensure the 22 units are restricted to very low income households for at least 55 years. Also, per the City's mobile home park conversion ordinance (SMC Chapter 19.72), the residents of the former mobile home park have the right of first refusal of the units to be constructed on the park site, subject to income eligibility requirements.

Some community members have expressed a growing desire to provide more housing opportunities (including more affordable housing choices), in the City's recent long-range planning efforts, including the Peery Park Specific Plan, Lawrence Station Area Plan, the Land Use and Transportation Element of the General Plan, and the pending update of the Precise Plan (El Camino Real Corridor Plan). The El Camino Real Corridor Plan Advisory Committee is recommending a land use alternative with potential housing opportunities outside of the nodes (Alternative "R"). Two of the three preliminary land use alternatives (Alternative "M" and "R") being considered for the El Camino Real Corridor Plan identify the properties at the corner of Poplar Ave. and El Camino Real as having mixed-use potential due to their proximity to transit stops and the potential size of the area, should the properties be assembled. These land use alternatives were in progress before the proposed project application was submitted, and may continue to change during the public review process. The preliminary land use alternatives can be found at <http://sunnyvale.peakdemocracy.com/4070>. City Council will consider a preferred land use alternative for the El Camino Real Corridor Plan in the coming months.

The project meets many of the City's existing and emerging goals and policies such as providing affordable housing and housing near transit; however, the potential benefits of the project must be balanced with the City's policies and design guidelines that aim to limit visual impacts and privacy intrusions to adjacent lower density homes.

Density

There is no residential density limit specified in the C-2 base zoning or ECR combining district zoning

designations, and the Precise Plan provides limited guidance for residential development. Allowable density for a project is considered on a case-by-case basis, and based mostly on compatibility with adjacent properties, especially those not subject to the Precise Plan. The more recently approved mixed use projects on El Camino Real have been approved with residential components at densities such as the R-3 or R-4 density.

The applicant has stated that the proposed density of 53 units per acre is needed to make the mixed income project with the inclusion of 20 percent affordable rental units feasible. The proposed density is greater than that of the adjacent properties or any project that has been approved on El Camino Real.

Density is a good measure of how many new units can be provided on a property, but it is not a good tool in regulating the form or mass of a building. For instance, a 100-unit residential building of all 600-square foot one-bedroom units would result in a much smaller structure than one with all 1500-square foot three-bedroom units. The proposed project is requesting a range of unit types, from studios to two bedrooms. Earlier iterations of the project included larger units and three-bedroom units. The applicant redesigned the project to include more studio/one-bedroom units and removed the three-bedroom units to reduce the building mass nearest to the adjacent existing homes.

Compatibility with Adjacent Properties

The interface between new development on El Camino Real and adjacent lower density properties is a continuing challenge for the City. Directly adjacent to the project site on Poplar is a one-story single-family home, and to the south are two-story townhomes zoned for medium density, but built at a low-medium density.

Site layout, architecture and building form/massing design are effective elements in minimizing potential visual, privacy, noise and light impacts to surrounding neighbors. The City's established design guidelines have been adopted by the City Council as tools to use in project review to provide a balance between protecting the existing neighborhood character and accommodating new developments. The Precise Plan (PPECR) and the *Citywide Design Guidelines (CDG)*, including the *High Density Residential Design Guidelines (HDR)* adopted in 2014, contain goals, principles, and design guidelines that aim to both reinforce the street edge and provide transitions to neighboring properties, which are referenced and discussed in the following subsections.

The following PPECR and HDR goals and principles provide a framework for the approach staff has taken to evaluate building form, massing and site layout of the project. Emphasis is added to highlight areas of particular interest for this project.

PPECR Goal 3.2.5. Ensure that properties are developed and operated in such a manner as to minimize their negative impacts upon adjacent residential areas.

HDR Community Expectation 1. Respect the scale and character of adjacent homes and neighborhoods.

HDR Design Principle 1. Design to reflect the uniqueness of Sunnyvale and the site. Sunnyvale wishes to maintain a unique sense of place that continues to improve over time as the community evolves. Prototypical architecture found in other cities may be acceptable only if it reflects high-quality design features, is visually appealing, and is compatible with and complementary to

existing neighborhoods and surrounding development.

HDR Design Principle 2. Integrate new development into the surrounding city fabric. New residential projects should fit comfortably into their surroundings with multiple pedestrian linkages to adjacent development and open spaces, and with height, scale and color sensitivity to nearby residential development.

HDR Design Principle 5. Provide visual variety in multifamily residential projects. A variety of floor plans, elevations, building heights, materials and colors will be expected. However, a unified design approach should be utilized to avoid visual chaos and promote visual cohesion.

HDR Design Principle 8. Respect Adjacent Neighbors. Every project should be respectful of adjacent residential neighbors. New development should avoid privacy, noise, light and visual conflicts with adjacent uses to the maximum degree possible. Special care should be given to avoiding tall blank walls and mitigating large building volumes immediately adjacent to smaller homes on adjacent parcels, and to the placement and treatment of windows and site landscaping to minimize views into neighboring residents' windows and private outdoor spaces. Building location and massing as well as landscape placement should also be sensitive to avoiding the blocking of sun exposure and sky views of adjacent neighbors' windows and private outdoor spaces.

Site Layout

Design guidelines relevant to the project's site layout include:

PPECR 4.1.1. Site buildings to reinforce the El Camino Real streetscape. Avoid building heights along El Camino Real that are either too small or too large. Generally, building heights up to 25 feet are acceptable for all buildings. Taller buildings should be set back from the front property line a distance generally equal to the building height except at nodes.

PPECR 4.3.1. Develop site plans to minimize impacts on adjacent residential neighborhoods.

HDR Site Layout 2. A minimum of 15 percent of the building facades should be stepped back to allow entry courts, public plazas, and building articulation at the ground level.

The main five-story building ground floor is placed 15 feet from the back edge of the sidewalk along El Camino Real. Placing a structure close to the frontage along El Camino Real allows the building to be located further away from the adjacent townhomes and to provide a pool/recreation area and landscaping buffer at the rear. Staff was concerned that the building would overwhelm the El Camino Real streetscape and create a significant mass along the street. To soften the front elevation of the building, the applicant shifted the upper floors back at the middle portion of the elevation.

Given the project site constraints, the applicant considers the proposed locations of the buildings as the best option. The three-story Poplar Flats building is located on the Poplar Avenue portion of the site as a transition to the adjacent single-family homes and is located nine feet away from the side property line shared with the adjacent single-family home. A shared access easement exists between the project site and the adjacent apartment building to the north. Although, per the applicant, the main building is located as far as feasible away from the townhomes at the rear, it is only 20 feet away from the shared property line of the adjacent single-family home. To minimize potential visual

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and privacy impacts to the neighboring home, staff has worked with the applicant to limit the southwest corner of the main building to three stories and step back the upper stories further away from the neighboring home.

Architecture

Design guidelines relevant to architecture include:

PPECR 4.2.3 Provide a well-integrated architectural design. Break up tall box-like structures with one-story volumes or elements such as pedestrian arcades. Design buildings with a distinctive base, middle and top.

PPECR 4.2.4. Provide well designed and articulated building facades. Design buildings that emphasize forms and details that are scaled and oriented to the pedestrian and to the parking lots, not to the street.

CD 2.C2. In areas where no prevailing architectural style exists, maintain the general neighborhood character by the use of similar scale, forms and materials providing that it enhances the neighborhood.

The proposed architectural style is Mission inspired that incorporates a mix of stone veneer, white and tan color palette, "S" tile concrete roofing, accent tiles and wooden elements including trellises and corbels. Similar styles can be found on El Camino Real, including the assisted living facility to the east and across the street from the project site. The style also lends itself well to transition to the traditional ranch homes in the neighborhood. The Mission style, however, can tend to have wide expanses or tall blank walls with minimal ornamentation, especially when applied to multi-story buildings. Staff has worked with the applicant to add the details and enhancements included in the final proposed design, including recessed windows, detailed window and doorway trim and decorative features at the front entries of the main building and around the ground floor. However, tall blank walls remain on the side elevations, particularly the west elevation, which would be the most visible side of the building to the public going eastbound on El Camino Real. Staff recommends condition of approval PS-1 to require additional architectural details to address the blank walls.

Building Form/Massing and Potential Privacy Impacts

Design guidelines relevant to the project's architecture, building form/massing and potential privacy impacts include:

PPECR 4.3.3. Respect the scale and character of adjacent residential neighborhoods.

PPECR 4.3.4. Limit privacy intrusions on adjacent residential properties. Avoid windows, doors or openings on facades which face residential uses whenever possible. Avoid windows which would provide views into residential windows and residential private yards. If windows or openings are necessary, keep sizes small on facades facing residences to minimize privacy and lighting intrusions.

CDG 2.B1. Break up large buildings into groups of smaller segments whenever possible, to appear

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smaller in mass and bulk.

CDG 2.B2. Adjacent buildings should be compatible in height and scale.

CDG 2.B5. Step back upper stories of buildings three stories or taller from public roads and adjacent low scale development to reduce the bulk impact.

HDR Building Form and Massing 3. Limit blank walls along streets and pedestrian ways to no greater than 20 linear feet without being interrupted by a window or primary entry.

HDR Building Form and Massing 4. Include features that add depth, shadow and architectural interest, such as balconies, recesses..., and step-backs at upper floors, consistent with the building's style and scaled for pedestrians.

HDR Building Form and Massing 5. Multifamily developments adjacent to smaller single-family housing should provide a transition in height between the smaller and the taller structures. Consideration should be given to varying the building heights within any single development in any case.

HDR Building Form and Massing 6. For larger projects, break up the mass to appear to be an assemblage of smaller buildings. This can be accomplished by deep insets in building planes, variations in height, and color or materials changes.

Throughout the review of this application, staff has expressed concerns regarding the mass of the proposed project's potential visual impacts and privacy intrusions on adjacent properties, and the project's inconsistency with the above-mentioned policies. Several residents from the adjacent properties and neighborhood have also echoed these same concerns. Staff worked with the applicant to develop design changes including:

- Rear elevation: The original design of the main building included five floors facing the rear of the property towards the existing lower density residential neighborhood. Staff encouraged the applicant to redesign this elevation to reduce the massing and window views from the upper stories. During review of that design iteration, staff requested the applicant provide drone photos from the second to fifth floors depicting the view of the adjacent properties from the upper floors of the proposed buildings to evaluate the potential privacy impacts. The drone photos showed that the potential impacts to the rear townhomes are minimized with the proposed rear setback of the upper floors. However, the earlier drone photos showed that even with the proposed 10-foot wall and screening trees, the windows and balconies of the main building's rear units would have direct views into to the adjacent single-family properties on Poplar Ave.

The applicant subsequently reconfigured the floor plans of the main building, reduced the number of bedrooms and unit sizes, and scaled down the southwest corner to three stories. By taking advantage of the recently reduced multi-family storage locker requirements, several units were relocated and replaced with storage lockers for almost the entire length of the

southern elevation. This reduces the mass of the building further, scaling it to essentially a four-story building at the rear. The Poplar Flats building was also reconfigured, resulting in only bedroom or clerestory windows facing the adjacent single-family home. Drone view renderings from the final proposed project design to the adjacent properties are included in Attachment 8.

- Front elevation: Staff has suggested changes to the front elevation of the main building to bring the massing to a more reasonable design. The applicant made an early modification to step back the middle portion of the second through fourth floors six feet from the wall plane of the ground/first floor to break up the massing on El Camino Real. The fifth story at this portion also contains a roof terrace, providing additional open space and another break in the vertical mass of the building.

Staff remains concerned that the front elevation may still feel too close to the street and sidewalk. Although the ground floor includes two-foot deep recesses for doors and windows, the wall plane extends across the entire width of the front elevation of the main building with minimal articulation. In addition, each end of the front elevation rises five stories up without step-backs, creating “tower” elements at each end of the building. These elements could potentially overwhelm the streetscape and pedestrian experience at the ground floor.

The applicant has not made additional changes to the front elevation beyond the upper floor step-backs at the middle portion of the elevation. Although those changes help soften the front elevation, staff recommends condition of approval PS-1 to require additional design changes to further reduce the massing at the El Camino Real frontage.

- Poplar Flats: The Poplar Flats building is two stories at the front and steps up to three stories towards the back. Staff has worked with the neighbors and the project applicant to revise the design to set the third story further away from the property line shared with the single-family residence, minimize potential window views and to include a 10-foot wall (instead of the minimum eight feet) and additional screening trees along the southwesterly property lines.

Development Standards

The Precise Plan area and the Zoning Code provide limited development standards for residential projects on C-2/ECR properties. In addition to the C-2/ECR zoning standards, projects have been evaluated based on the development standards of a zoning district of similar density if not otherwise specified in the Precise Plan or the Zoning Code. For example, the R-4 and R-3 Zoning District standards were applied to the mixed-use developments at 1095 W. El Camino Real and 803 W. El Camino Real, respectively. In this case, the project is being evaluated under the R-4/R-5 development standards.

Distance Between Buildings

The distance required between the main building and the Poplar Flats is 32 feet per SMC section 19.48.030, where only 20 feet is provided. The main building is 46 feet away from the east property line. This area includes the main access driveway, trash pick-up staging and loading areas, which is an appropriate location given the nonresidential use of the adjacent property to the east. Shifting the entire building closer to the east property line would cause the trash staging and loading areas to be relocated closer to the residential uses on the west side.

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Building Height

The project includes a deviation request from the maximum building height. The main building extends up to 67 feet 4 inches instead of the required 60 feet at the front tower elements, the southeast corner and at other portions surrounding the interior courtyard (see building height exhibit in Attachment 8). The front tower elements are located 15 feet from the back of the El Camino Real sidewalk.

The maximum building height is 35 feet for any portions of a building within 75 feet of a single-family zoning district (applies to the Poplar Flats building and the southwest corner of the main building), and 60 feet for all other portions. The Poplar Flats building, which is within 75 feet of single-family zoning, steps up from 27 feet tall at the front to 40 feet 10 inches (measured from the top of the nearest curb), 40 feet away from the front property line.

The proposed building heights provide the increased setback of the main building from the neighboring homes to the rear, allows the amount of landscaping and usable open space provided to exceed minimum requirements and add visual interest to the Mission style design. However, staff remains concerned that the front tower elements could overwhelm the streetscape and pedestrian experience as they are just 15 feet from the public sidewalk and rise to 67 feet 4 inches. While staff can support the building height deviation, staff recommends condition of approval PS-1 as discussed above to minimize the massing on El Camino Real.

Parking

The applicant requests a deviation from the parking requirements in SMC Chapter 19.46 to provide 200 total spaces in lieu of the required 201 spaces and to allow 33 compact spaces to be assigned spaces, where compact spaces are allowed only for unassigned/guest spaces. The project includes parking spaces in the parking podium of the main building, the enclosed garages of the Poplar Flats and on the surface, adjacent to the El Camino Real driveway. Thirty-three (33) of the two bedroom units would be assigned two spaces in tandem, with one of the tandem spaces compact (which is 3 ft. shorter than a standard parking space). All other units will have at least one covered and assigned space as required by SMC Chapter 19.46. The project includes 59 unassigned/guest spaces where 60 are required.

The Citywide Design Guidelines and SMC Chapter 19.46 allow for the consideration of tandem parking when the project satisfies either a) or b) below:

- a) Involves one or more of the following:
 - i. Increased on-site open space (or amenities) commensurate with the square foot reduction in the size of the parking area;
 - ii. Increased setbacks commensurate with the square foot reduction in the size of the parking area;
 - iii. Increased green point rating of at least 5% (above what would typically be required) with inclusion of other sustainable features, such as a green roof or photovoltaic system; or
 - iv. Inclusion of additional alternative transportation amenities, such as bikeshare, carshare, bike lockers or a residential TDM program that exceeds City requirements.
- b) Is located within ½ mile from a major transit station, such as Caltrain or VTA Light Rail.

The project meets a) above by exceeding landscaping and open space requirements and providing extensive bicycle amenities.

The applicant plans to program the on-site amenities to encourage a transit- and bicycle-oriented apartment community by providing 102 secured and 20 short-term/guest bicycle parking spaces and a Go Pro Bike Lounge at the El Camino Real frontage. The Go Pro Bike Lounge will be equipped with a repair station, a bike tool vending machine, bicycle parking and seating areas for residents and guests. A bike wash station will also be available for residents. There is a bus stop for VTA bus route 22 directly in front of the project, and a stop for VTA bus route 522 is approximately 0.3 miles from the project site. The project is also required to provide a Parking Management Plan per SMC Chapter 19.46 to ensure parking restrictions on site are enforced, and to meet at least 10 points in the City's Multifamily Residential Transportation Demand Management (TDM) Program.

Residential projects utilizing the state density bonus law are afforded reduced parking requirements, as the presence of affordable (restricted) units in a residential development located near transit have been found to have lower trip generation rates. Because there is no density limit in the C-2/ECR Zoning District, this project is unable to utilize the state density bonus law and the allowable parking reductions. If the state density bonus law reduced parking requirements were applied to the project, only 162 total parking spaces would be required.

Earlier design iterations of the project included a total of 168 spaces and with only one assigned space per unit (192 spaces were required per the previous bedroom per unit mix). Neighbors expressed concerns with the previous plan's deficiency in parking spaces and potential spillover parking on nearby neighborhood streets.

Staff can support the one-space deficiency given the project's location on a transit corridor and the provision of affordable housing. Staff can also support the request to provide one of the tandem spaces as compact as it increases the number of parking spaces provided for the units (in response to neighbor concerns regarding earlier design iterations) and maximizes the use of the available building area given the increased setbacks from the rear.

Traffic

The project is not expected to generate 100 or more net new peak hour trips; therefore, a comprehensive transportation impact analysis (TIA) was not required. The project is anticipated to generate 32 net new trips in the morning (AM) peak hours and 56 net new trips in the afternoon (PM) peak hours. A Transportation Operations Analysis (TOA) was prepared for the City by Kimley Horn, dated March 2017. The study includes an evaluation of level of service and queuing for 11 intersections during AM and PM peak hour traffic conditions. It also includes an evaluation of the vehicular site access and circulation, onsite parking requirements and potential pedestrian and bicycle access and circulation and transit impacts. The study concluded that all 11 intersections will operate at acceptable levels of service with the proposed project and that no queuing storage deficiencies would occur. The TOA included recommendations to enhance pedestrian safety and to restrict exiting vehicles to only right turns out of the Poplar Ave. project driveway to avoid vehicles being added to the local neighborhood streets. The TOA recommendations are included in the conditions of approval in Attachment 5.

Multifamily Residential Transportation Demand Management (TDM)

The project is subject to the recently-adopted multifamily residential TDM requirements, with a minimum of 10 points required from the adopted TDM strategies menu. The provision of 20% affordable housing and the project's proximity to two major bus stops (VTA 22 and 522) and to

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commercial uses alone earns 9 points. In addition, the applicant will commit to providing a bicycle repair station, a wayfinding station and TDM coordination and communication to future residents as part of the project, earning a total of 11 points in the City's residential TDM program (Attachment 9).

Lot Coverage

The proposed lot coverage is 39.4 percent, where 35 percent is allowed in the C-2 Zoning District; therefore, a deviation is requested. Staff finds that the deviation can be supported as the project provides podium/underground parking, exceeds the 20 percent landscaping requirement and provides total usable open space beyond what would be required in the R-4 or R-5 zoning district.

Landscaping and Usable Open Space

The project provides over 20 percent of the site area as landscaping at 22,362 square feet, which exceeds the requirement for the C-2 Zoning District. Although the project does not meet the amount of landscaping that would be required in the R-4 or R-5 Zoning Districts (375 square feet per unit), the project is designed to meet the usable open space requirements of those districts. Each unit has a private patio or balcony. Common usable open space is provided on the ground floor at the rear of the site, which includes a pool, spa, backyard game lawn and lounge areas. An additional courtyard is provided on the second level and a roof terrace on the top floor. In addition, the project will include enhanced permeable paving (a condition of approval requiring the permeable paving is included in Attachment 5).

A 20-foot landscaped buffer area and 8-foot tall masonry wall is required when adjacent to a residential zoning district without the ECR designation. Although the adjacent single-family home is within the ECR Combining District, the buffer requirements would be appropriate. In response to neighbor concerns, the project provides a 10-foot tall perimeter wall along the property lines shared with the adjacent lower density homes, and the rear recreational area was modified to provide additional screening trees and remove a small dog park. If the project is approved, staff recommends a condition of approval requiring 48-inch box screening trees be planted for more immediate effect.

Nine out of 10 trees are proposed for removal. Four of the nine trees proposed for removal are considered "protected" under Sunnyvale Municipal Code Chapter 19.94. The City's Tree Replacement Policy require a minimum of eight 36-inch box trees be planted to mitigate the loss of the existing protected trees. The project includes a proposal to plant at least 137 trees on the site, ranging from 24-inch box to 48-inch box trees, which will offset the loss of the existing trees.

Solar Access

SMC Section 19.56.020 states that new multi-story buildings cannot shade more than 10 percent of the total roof area of any adjacent property throughout the solar cycle. The applicant provided an analysis in Attachment 8 that shows a cumulative shadowing effect of less than 10 percent total of any adjacent roof area over the course of the 365-day solar cycle, which satisfies the requirement.

Green Building

The applicant proposes to utilize the City's green building incentive to earn an additional five feet above the maximum building height of 55 feet and 30 feet for any portion of a building within 75 feet of a property line of a single-family zoning district. A minimum of 110 points from the GreenPoint Rated Checklist is required to obtain this bonus. A condition of approval is included in Attachment 5 for the project to meet the minimum 110 points. The proposed building heights exceed the resulting maximum heights of 60 feet and 35 feet, therefore a deviation is still required.

Trash and Recycling Access

A trash management exhibit is included in the proposed plans. The project includes trash chutes on each floor within 150 feet of each unit and centralized trash rooms on the ground floor. A trash pickup staging area is designed on the east side of the property, next to the adjacent shopping center and away from the adjacent homes.

Easements

A 15-foot pedestrian realm is required along the El Camino Real frontage, which includes space for a 12-foot wide sidewalk with tree wells, six-inch curb, six inches at the back of the sidewalk, and a two-foot wide pedestrian realm easement.

FISCAL IMPACT

No fiscal impacts other than normal fees and taxes are expected. The project will also be required to pay school impact fees as required by the Santa Clara Unified School District. The project is subject to park dedication in-lieu fees and traffic impact fees. Fee estimates are noted in the Conditions of Approval. The City's rental impact fee also applies to the market rate units of the development; however, the provision of the affordable units would satisfy this requirement.

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 and on the City's website.

Notice of Public Hearing:

- Published in the *Sun* newspaper
- Posted on the City of Sunnyvale's Web site
- Agenda made available at the Reference Section of the City of Sunnyvale's Public Library
- Agenda posted on the City's official notice bulletin board
- 2,094 notices for the original hearing dates were sent to property owners and tenants within 2,000 feet of the project site
- Another 2,094 courtesy notices were mailed to notify property owners and tenants of the revised hearing schedule
- Email notice sent to the Raynor Park, Birdland, Ponderosa Park and Wisteria Terrace Neighborhood Associations
- Email notice sent to the Santa Clara Unified School District

Attachment 10 includes written letters from the public about the proposed project. Staff has also spoken with several neighbors on the phone and in person to discuss their concerns regarding traffic, availability of street parking, project scale and its compatibility with the existing neighborhood.

Neighborhood Meeting: A neighborhood meeting was held by the applicant on October 5, 2016 at the project site. Notices were sent to property owners, tenants/residents and neighborhood associations within 2,000 ft. of the project site. There were approximately 20 attendees, which included residents from the adjacent single-family home at 1332 Poplar Ave. and the townhomes on Bryant Way. Other attendees included members of the community interested in information on how to qualify for the proposed affordable rental units. The neighboring residents expressed concerns about

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privacy, the size of the proposed buildings, number of units and parking and traffic impacts on the surrounding neighborhood streets. Some expressed opposition to the project and felt that it is out of scale for the neighborhood. A suggestion was made to place both levels of parking underground to lower the overall height of the main building.

Planning Commission Study Session: A study session was held with the Planning Commission for this project on October 17, 2016. The Planning Commission commended the applicant for the affordable housing component and architecture of the proposed project. Commissioners, however, expressed concerns about the number of deviations being requested and the potential visual and privacy impacts to the adjacent homes. The project includes four deviations. One Commissioner expressed a preference for retail on the ground floor frontage. It was also suggested that large species, native trees be planted for privacy screening. The Planning Commission asked for line-of-sight drawings and drone photos from the proposed building to the adjacent homes, which the applicant has provided in Attachment 8.

Two members of the public spoke on the item during the study session, both of whom live next to the project site. The resident and owner of the adjacent single-family home (1332 Poplar Ave.) stated that the potential privacy and visual impacts on their home has not been addressed, and that the 10-foot wall and trees are not enough. Other concerns raised were regarding traffic and parking, size of the buildings and the potential noise impacts from the rear recreational area.

Other Agencies: Staff received letters from VTA and Caltrans (Attachment 12) commending the project for providing fewer parking spaces (in the previous design) and extensive bicycle facilities to help reduce single-occupancy vehicle trips and vehicle miles traveled, and encourage other active modes of transportation.

ALTERNATIVES

Recommend to City Council:

1. Make the findings required by CEQA in Attachment 4 and adopt the Revised Mitigated Negative Declaration in Attachment 6.
2. Do not adopt the Revised Mitigated Negative Declaration and direct staff as to where additional environmental analysis is required.
3. Introduce the ordinance in Attachment 11 to rezone 1314-1320 Poplar Ave. (APN 313-03-013) from R-1/ECR to C-2/ECR.
4. Do not introduce an ordinance to rezone 1314-1320 Poplar Ave. (APN 313-03-013) from R-1/ECR to C-2/ECR.
5. Approve the Special Development Permit and Vesting Tentative Parcel Map with the recommended conditions of approval set forth in Attachment 5.
6. Approve the Special Development Permit and Vesting Tentative Parcel Map with modified conditions of approval.
7. Deny the Special Development Permit and Vesting Tentative Parcel Map.

RECOMMENDATION

Recommend to City Council Alternatives 1, 3 and 5: (1) Make the findings required by the California

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Environmental Quality Act (CEQA) in Attachment 4 to the report and adopt the Revised Mitigated Negative Declaration in Attachment 6 to the report; (3) introduce the ordinance in Attachment 11 to the report to rezone 1314-1320 Poplar Ave. (APN 313-03-013) from R-1/ECR to C-2/ECR; and (5) approve the Special Development Permit and Vesting Tentative Parcel Map with the recommended conditions of approval set forth in Attachment 5 to the report.

The project represents the intersection of two broad goals for the City:

- Providing additional housing, specifically affordable housing; and,
- The impact on adjoining neighborhoods.

In reviewing the project, staff worked to find a balance between those goals. The initial plan reviewed by staff met the City's goals of locating higher density, transit-oriented housing along a major transit corridor such as El Camino Real, and additional rental housing opportunities would provide needed housing in the City. In addition, the project would provide 20 percent of the units restricted to very low income households voluntarily, where 11 percent is typically provided in projects utilizing the state density bonus law. Additional housing directly adjacent to existing businesses on El Camino Real could also contribute to the economic vitality of the corridor.

Staff has worked extensively with the applicant to design a project that meets City goals and policies and to address community concerns regarding building form/massing, privacy and parking. Staff recommends additional design changes to the main building, including breaking up the ground floor along El Camino Real and revising the front corner elements, to further reduce massing, but supports the project overall and the housing it would provide to the community.

Prepared by: Rosemarie Zulueta, Acting Principal Planner

Reviewed by: Gerri Caruso, Principal Planner

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Kent Steffens, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. *Not Used (reserved for Report to Council)*
2. Vicinity and Noticing Map
3. Project Data Table
4. Recommended Findings
5. Standard Requirements and Recommended Conditions of Approval
6. Initial Study-Mitigated Negative Declaration (Revised)
7. Applicant's Project Description
8. Site and Architectural Plans
9. Multifamily Transportation Demand Management Program
10. Letters from the Public
11. Draft Rezoning Ordinance
12. Letters from Other Agencies

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