

3. [19-0529](#) **Proposed Project:** General Plan Amendment Initiation request to study changing the General Plan designation of the site from Low Medium Density Residential to High Density Residential.

Location: 828 Morse Avenue & 560 E. Ahwanee Avenue (APN: 204-08-027 & 204-08-029)

File #: 2019-7301

Zoning: R-3/PD

Applicant / Owner: FNZ Architects Inc. (applicant) / Sia Vassoughi (owner)

Environmental Review: The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a).

Project Planner: Ryan Kuchenig, (408) 730-7431, rkuchenig@sunnyvale.ca.gov

Assistant Director Andrew Miner presented the staff report.

Commissioner Weiss asked if all the current tenants would be transitioned to the new housing once it is available. Assistant Director Miner stated that if City Council approves initiating the General Plan Amendment, Planning and Housing staff would work with the Office of the City Attorney at how to ensure that happens.

Commissioner Rheume confirmed with Assistant Director Miner that there are 124 housing units at the current site and the proposed development would produce a total of 193 housing units after potential state density bonuses, a gain of 69 units. Commissioner Rheume confirmed with Assistant Director Miner that the proposed development could provide up to 60 Below Market Rate (BMR) units.

Chair Howard asked about the small piece of land off Carolina Avenue and between the single-family homes and the GPI request area. Assistant Director Miner stated that he believes the land belongs to the nearby mobile home park and not the owner applying for the GPI request.

Chair Howard opened the Public Hearing.

Queen Mein Foo, architect representing applicant FNZ Architects, presented information about the GPI request.

Commissioner Howe confirmed with Ms. Foo that the development is proposed to be zoned as R-4 and being rebuilt to add more units. Commissioner Howe asked Ms. Foo if the relocated BMR tenants would need to move several times as the construction phases take place. Ms. Foo responded that the owner needs to establish a plan for the residents but that intends to keep as many of the existing

tenants as possible.

Commissioner Howe asked staff how the construction phasing could accommodate as many BMR tenants as possible and minimize the number of times they would need to relocate. Assistant Director Miner stated that the development agreement would probably be necessary with the goal to maintain housing for as many of the existing tenants as possible, adding that all the affordable housing units cannot be in one building.

Commissioner Howe confirmed with Assistant Director Miner that a development agreement would address how the BMR tenants could be housed during the first phase of construction and then moved to the affordable housing units as they become available.

Commissioner Harrison confirmed with Ms. Foo that the conceptual development plan includes outdoor play areas.

Commissioner Harrison asked staff what percentage of affordable housing units a developer needs to provide in order to receive the state density bonus. Senior Assistant City Attorney Rebecca Moon responded that there is a sliding scale that determines the density bonus amount depending on how many moderate, low, and very low income affordable housing units are provided. Commissioner Harrison confirmed with

Assistant Director Miner that it is unlikely that more than half of the development would be dedicated to affordable housing. Senior Assistant City Attorney Moon stated that depending on a rental or for sale property, typically 5-20% of a development is dedicated to affordable housing in conjunction with a density bonus and anything greater normally requires public support to be financially viable.

Blanca Quiteno, resident of Sunnyvale, stated her interest in seeing an outdoor play area and better parking as part of the new development and expressed her desire to be kept informed throughout the process.

Commissioner Howe and Assistant Director Miner explained the process if the City Council approves the GPI. Assistant Director Miner stated that a series of outreach meetings would be held if the initiation moves forward where the community's questions would be addressed.

Yann-Herng Liu, resident of Sunnyvale, stated his concern with a potential increase in traffic on Ahwanee Avenue from the proposed development's additional housing units and the loss of privacy the nearby single family homes would experience with a multi-story development.

Pedro Ortega, resident of Sunnyvale, stated that he would prefer to stay at the site and live in the new development or receive assistance to move and avoid living there during the construction.

Chair Howard confirmed with Mr. Ortega that the current residents have month-to-month leases. Assistant Director Miner stated that the City can connect residents to Project Sentinel, a non-profit organization that provides information and dispute resolution services regarding housing.

Richard Mehlinger, Chair of the Bicycle and Pedestrian Advisory Commission speaking on his own behalf, praised the owner for working towards keeping as many of his existing tenants as possible. He stated that any new development on the site should guarantee housing at the current rental rates for all existing tenants and that it is the City's responsibility to ensure that no residents are displaced.

Rick Hosey, a resident near the subject property, stated his interest in the new development providing adequate parking as cars are currently overflowing into the streets because of the current site's inadequate parking.

Behrooz Nemati, architect representing applicant FNZ Architects, presented additional information about the GPI request.

Chair Howard closed the Public Hearing.

MOTION: Commissioner Howe moved and Commissioner Weiss second the motion for Alternative 1 with conditions - Recommend that the City Council: Initiate the GPI request to analyze changing the land use designation from Low Medium Density to Medium or High Density Residential for the subject properties located at 828 Morse Avenue and 560 E. Ahwanee Avenue, provided an application for a Development Agreement is filed at the same time as the General Plan Amendment application. Applicant to pay all application fees and for any studies.

1. Direct staff to include a study for how to maximize the opportunities for current residents to move on site with the goal of reducing the number of times they would relocate.

Commissioner Howe stated that he likes the GPI request and that it is great that the owner plans to modernize the housing for the existing tenants which will be a benefit

to the residents, city, and surrounding area.

Commissioner Weiss stated that studying the possible change in land use is reasonable given that the existing development is legal non-conforming. She also stated that if the GPA initiation is approved and the site is developed according to the applicant's plans, the site would set a precedence for other developers to recognize the importance of maintaining existing residents. She urged the Commissioners to support the motion.

Commissioner Rheume stated that he will support the motion because of the usefulness of at least studying the possible re-zoning. He added that he is pleased that the owner has promised to accommodate the existing residents as much as possible but cautioned against promising them too much at this stage.

Chair Howard stated that he will support the motion and that he appreciates Commissioner Howe and staff's efforts to ensure that the developer agreement is as fair and equitable as possible for the existing tenants.

The motion carried by the following vote:

Yes: 5 - Chair Howard
Commissioner Howe
Commissioner Harrison
Commissioner Rheume
Commissioner Weiss

No: 0

Absent: 2 - Commissioner Olevson
Vice Chair Simons

Assistant Director Miner stated that this recommendation will be forwarded to the City Council for consideration at the August 13, 2019 meeting.