

- B.** [23-0131](#) **Proposed Project:** Related applications on a 5.82-acre combined site:
- SPECIAL DEVELOPMENT PERMIT:** to demolish an existing surface parking lot at the rear of two existing office buildings and construct 225 apartment units at a density of 112 dwelling units per acre in an eight-story building inclusive of three levels of above-ground parking.
- TENTATIVE PARCEL MAP:** to relocate the existing lot line between the two office building lots, resulting in a 3.82-acre lot for the office buildings and a 2-acre lot for the apartment development.
- Location:** 1150-1170 Kifer Road (APNs: 205-50-034 and 205-50-035)
File #: 2022-7168
Zoning: MXD-I
Applicant/Owner: Prometheus Real Estate Group (applicant) /1150 Kifer LP (owner)
Environmental Review: No additional review required as per CEQA Guidelines 15168(c)(2) and (4) - environmental impacts of the project are addressed in the Lawrence Station Area Plan (LSAP) Subsequent Environmental Impact Report (SEIR)
Project Planner: George Schroeder, (408) 730-7443, gschroeder@sunnyvale.ca.gov

Adjourn Study Session

7 P.M. PLANNING COMMISSION MEETING

CALL TO ORDER

Pursuant to Government Code Subdivision 54953(e), the meeting was conducted telephonically; pursuant to state law, the City Council made the necessary findings by adopting Resolution No. 1089-21, reaffirmed on December 13, 2022.

Chair Pyne called the meeting to order at 7:30 PM.

ROLL CALL

Present: 7 - Chair Martin Pyne
Vice Chair Nathan Iglesias
Commissioner Daniel Howard
Commissioner John Howe
Commissioner Michael Serrone
Commissioner Neela Shukla
Commissioner Carol Weiss

ORAL COMMUNICATIONS

Jaime Vasquez, field representative for Carpenters Local 405, spoke of labor standards, such as livable wages and medical and retirement benefits, that will enable construction workers and their families to live in the communities where they work. He urged the City to rely upon the local workforce for developments to reduce commutes for workers and allow them to spend more time with their families after work. Mr. Vasquez also suggested that the City's establishment of an accredited apprenticeship program will produce an experienced workforce with the ability to complete high quality projects safely and in a timely manner. Lastly, he requested that the Planning Commission adopt area labor standards in all projects being built throughout the City.

CONSENT CALENDAR

There were no public speakers for this agenda item.

MOTION: Commissioner Howe moved and Commissioner Howard seconded the motion to approve the Consent Calendar.

The motion carried by the following vote:

Yes: 6 - Chair Pyne
Vice Chair Iglesias
Commissioner Howard
Commissioner Howe
Commissioner Serrone
Commissioner Shukla

No: 0

Abstained: 1 - Commissioner Weiss

1. [23-0132](#) Approve Planning Commission Meeting Minutes of December 12, 2022

PUBLIC HEARINGS/GENERAL BUSINESS

2. [23-0130](#) Forward Recommendation to City Council to Approve the Non-Residential Housing Mitigation Fee Nexus Study and Adopt a Resolution Amending the Housing Impact Fee for Non-Residential Development (Study Issue) and Find the Actions are Exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b)(4)

Housing Specialist Ryan Dyson and Stephanie Hagar, Principal at BAE Urban Economics, presented the staff report with a slide presentation.

Commissioner Weiss confirmed with Housing Specialist Dyson that the City Council already has the ability to approve alternative compliance options for mixed-use developments that incorporate affordable units in the project.

Commissioner Serrone questioned to what extent space per worker was considered, how current the data used for the study is, and to what extent remote work was incorporated into the study. Ms. Hagar answered that a variety of resources were used to examine employee density and noted that they were conservative when estimating the impact of new development when considering the fee amount to ensure that the maximum fee amount is legally justifiable.

Commissioner Serrone questioned the reason for two tiers for the mitigation fees. Housing Specialist Dyson responded that the lower tier fee is targeted for smaller developments.

Commissioner Serrone noted the high percentage of above-moderate-income employees in the Industrial/Warehouse land use category. Ms. Hagar explained that warehouses and industrial spaces are used for a wide variety of purposes and business types including tech start-ups. They considered the types of employees within each building type in the context of which industries occupy those spaces.

Commissioner Serrone proposed the idea of eliminating the housing mitigation fee for developments that serve as a strong source of revenue for the City. He added that doing so might encourage more of those development types within the City.

Commissioner Serrone inquired about whether it is concerning that retail, hotel, and industrial developments face feasibility challenges under the current fee structure and do not support a fee increase at this time. Housing Specialist Dyson and Ms. Hagar discussed other external economic and development factors that are posing challenges for retail, hotel, and industrial developments. These include increased land value and construction costs as well as uncertainty of the future due to the pandemic.

Commissioner Howe confirmed with Housing Specialist Dyson that fees for all land use categories are adjusted annually for inflation.

At Vice Chair Iglesias' request, Ms. Hagar explained income distribution across all land use categories and the impact this would have upon affordable housing need and the fee rate.

Vice Chair Iglesias confirmed with Housing Specialist Dyson that the mitigation fee rate does not intend to target a certain percentage of the affordable housing need. Instead, the aim is to offset the affordable housing need.

Chair Pyne commented that only three developers participated in the developer focus group session described in page 13 of Attachment 3. Housing Specialist Dyson stated that a low response rate is fairly typical, but discussions with those developers allowed great insight into the budgets associated with non-residential development.

Chair Pyne opened the Public Hearing.

Mason Fong, author of the study issue, advised that more time is needed to effectively address the study issue and advocated for lower fees for retail, hotel, and industrial developments.

Commissioner Howard asked whether Mr. Fong has a call to action for the Planning Commission at this time. Mr. Fong advised the Planning Commission to defer the study issue to allow more time to address Commissioner questions and thoroughly educate the Commission on all aspects of the study issue.

Chair Pyne closed the Public Hearing.

Commissioner Shukla agreed that a more comprehensive study of developmental impacts may be needed before considering increasing the fee.

Vice Chair Iglesias also shared that he would like more time to review the information that has been provided since he has questions about the impacts that the fee rates may have.

Commissioner Serrone noted that the city of Santa Clara does not impose a fee on retail developments below five thousand square feet and that the city of San Jose does not impose fees on retail developments altogether. He also asked whether

there is an urgency to complete the study issue and proposed the consideration of differentiating fees based upon City location or project type. Housing Officer Jenny Carloni responded by providing an overview of the nexus study, explaining why one is needed, and stated that this study includes the information and analysis required for a standard nexus study. Ms. Carloni noted that, historically, fees imposed by neighboring cities fall within a very comparable margin. She added that the urgency to adopt fees stems from the adoption of the Moffett Park Specific Plan in the near future.

Commissioner Howard spoke in overall support of recommending the staff recommendation to the City Council and explained why.

Chair Pyne stated that he is prepared to advocate for the recommendation that the Planning Commission approves when he attends the City Council meeting that is scheduled to review this study issue.

Commissioner Shukla voiced her support of staff's recommendations.

MOTION: Commissioner Shukla moved and Commissioner Weiss seconded the motion to recommend to City Council Alternatives 1 and 3: 1) Approve the Non-Residential Housing Mitigation Fee Nexus Study; 3) Adopt a Resolution Amending the Housing Impact Fee for Non-Residential Development for Office/R&D Development to Increase the Fee to \$11 per Square Foot for the First 25,000 Square Feet and \$22 per Square Foot for All Remaining Square Feet, Adjusted Annually for Inflation, with No Changes to the Fee Schedule for Retail, Lodging, and Industrial.

Commissioner Weiss spoke in support of the motion and urged her fellow Planning Commissioners to do the same.

Commissioner Howard expressed his support of the motion and shared his hope that the Planning Commissioners would arrive at a consensus.

Chair Pyne stated that he is in overall support of the motion.

The motion carried by the following vote:

Yes: 7 - Chair Pyne
Vice Chair Iglesias
Commissioner Howard
Commissioner Howe
Commissioner Serrone
Commissioner Shukla
Commissioner Weiss

No: 0

This recommendation will be forwarded to the City Council for consideration at the January 24, 2023 meeting.

3. [23-0134](#) **Proposed Project:** Related applications on a 0.93-acre site: **USE PERMIT** for a new six-story hotel with 152 rooms, and **VARIANCE** to allow 14.5% parking lot shading where a minimum of 50% is required.
- Location:** 1220 Oakmead Parkway (APN: 216-44-048)
File #: 2022-7080
Zoning: Industrial and Service (M-S)
Applicant / Owner: Arris Studio Architects (applicant) / BPR Properties UCSC LLC (owner)
Environmental Review: The project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and Public Resources Code Section 21083.3.
Project Planner: Kelly Cha, (408) 730-7408, kcha@sunnyvale.ca.gov

Associate Planner Kelly Cha presented the staff report with a slide presentation.

Commissioner Serrone confirmed with Associate Planner Cha that the project is exempt from public art requirements based on the size of the lot.

Commissioner Serrone commented that the proposed project's parking lot will largely be covered in shade due to the proposed building.

Commissioner Serrone received clarification from Associate Planner Cha that the proposed project's checklist is reflective of Leadership in Energy and Environmental Design (LEED) Gold Level.

Commissioner Serrone stated that he has additional questions regarding the proposed project's gas lines that he will follow up on later in the meeting.

Chair Pyne requested clarification on page A1.3 of Attachment 7 concerning the calculation for LEED level. Associate Planner Cha assured him that this clarification will be provided by the applicant.

Chair Pyne questioned whether updated Audible Pedestrian Systems (APS) will be included on the street opposite of the proposed project. Associate Planner Cha answered that the requirement improvement is limited to the project frontage.

Chair Pyne opened the Public Hearing.

Perry Patel (owner of Radiate Hospitality) and Adriana Cook (Architect at Arris Studio Architects) presented information about the proposed project.

Commissioner Weiss confirmed with Ms. Cook that the proposed project's meeting room accommodates approximately 113 individuals.

Commissioner Weiss questioned whether the proposed project has the capacity to supply enough parking to accommodate conference or meeting attendees. Ms. Cook assured Commissioner Weiss that the proposed project offers more parking spaces than the estimated demand and that other modes of transportation (i.e., ride share and public transportation) will be encouraged. Mr. Patel added that, in his experience, meeting and conference attendees are generally already hotel guests. He also mentioned that meetings are conducted during daytime hours when a greater amount of parking spaces is available.

Commissioner Weiss noted that page E-1 of Attachment 7 features bollard lights that do not appear to offer downlighting. Associate Planner Cha responded that, due to Recommended Condition of Approval PS-3, the proposed project's light fixtures must all be fully shielded to prevent unwanted glare or light spillage.

Commissioner Weiss proposed that a mosaic design be implemented for the blank white wall located on the proposed project's west elevation since such a design will offer long-lasting visual interest that will not experience wear over time.

Commissioner Howard shared his concerns about covering the blank white wall on the proposed project's west elevation with artificial plants. He suggested that a decorative metal panel or a mosaic design might be more suitable.

Commissioner Shukla commended improvements made to the proposed project since it was last reviewed at a Planning Commission study session. She also spoke

in support of the artificial plants that are being considered for the blank white wall located on the proposed project's west elevation.

Rani Fischer, Sunnyvale resident, expressed her gratitude for the proposed project's LEED Gold Level, the avian collision risk assessment that was conducted, and the proposed project's inclusion of glazed windows. She also voiced her opposition to the use of artificial plants for the blank white wall located on the proposed project's west elevation.

Ms. Cook presented additional information about the proposed project.

Chair Pyne closed the Public Hearing.

Commissioner Howard confirmed with Associate Planner Cha that Recommended Condition of Approval EP-29 has been corrected and may be found in Attachment 13 of the staff report.

MOTION: Commissioner Weiss moved and Commissioner Howard seconded the motion to Alternative 1 – Make the findings required to approve the CEQA determination that the project is consistent with the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Variance based on the Recommended Findings in Attachment 3, and Recommended Conditions of Approval in corrected Attachment 4 (Attachment 13 of the staff report).

Recommended Condition of Approval EP-29 of Attachment 4 has been corrected in Attachment 13 and reads as follows: "TRAFFIC SIGNAL – Developer shall install two (2) new Audible Pedestrian System (APS) push buttons with touchless feature at the southwest corner of the intersection of Oakmead Parkway and Lakeside Drive, including the required control unit in the traffic signal cabinet. Modifications requested at the intersection of Oakmead Parkway and Lakeside Drive that are signalized may require traffic signal improvements which shall be designed and constructed in accordance with current City design guidelines. [COA] [PUBLIC WORKS]"

Commissioner Weiss recognized the proposed project for being carefully thought out and incorporating such technology as CoolSeal for its parking lot. She also acknowledged the applicant's amenability to suggestions and stated that she looks forward to the seeing the proposed project's progress.

Commissioner Howard spoke in overall support of the proposed project and

anticipates seeing the art that will be showcased on the blank white wall located on the proposed project's west elevation.

Chair Pyne expressed his support of the proposed project. He also called attention to his ability to make the variance findings and the applicant's efforts to mitigate the proposed project's heat island effect.

The motion carried by the following vote:

Yes: 7 - Chair Pyne
Vice Chair Iglesias
Commissioner Howard
Commissioner Howe
Commissioner Serrone
Commissioner Shukla
Commissioner Weiss

No: 0

This decision is final unless appealed or called up for review by the City Council by 5:00 PM on Tuesday, January 24, 2023.

4. [23-0133](#) Selection and Ranking of Potential 2023 Study Issues

Principal Planner Amber Blizinski presented a brief overview on the study issue process and the procedures for dropping or deferring study issues before ranking them.

Commissioner Serrone asked if all of the Community Development Department's (CDD) study issues were on the list. Principal Planner Blizinski answered that only the CDD study issues that fall under the Planning Commission's purview are on the list, but that some CDD study issues that were sponsored by the Heritage Preservation Commission do not come to the Planning Commission for ranking.

Commissioner Shukla, regarding study issue CDD 23-03, inquired whether the City imposes an in-lieu fee for rental housing. Principal Planner Blizinski explained that this study issue would study an increase to the existing in-lieu fee for rental housing.

At Commissioner Howard's request, Principal Planner Blizinski provided details on study issue CDD 22-05.

Vice Chair Iglesias confirmed with Principal Planner Blizinski that the link to the study issue papers were included in the staff report and that the Planning Commissioners are required to verbally vote on each study issue.

At Commissioner Serrone's request, Principal Planner Blizinski explained what is meant by the asterisked sentence in Attachment 1 of the staff report.

Chair Pyne opened the Public Hearing.

There were no public speakers for this agenda item.

Chair Pyne closed the Public Hearing.

Commissioner Serrone shared that he is surprised that staff is not in support of study issue CDD 22-04 even though he would rank that study issue higher than others. He added that he thought that previous action to address study issue CDD 23-02 was taken by the Planning Commission. Principal Planner Blizinski explained that this is essentially a second Phase of an older study issue to rezone the properties.

Chair Pyne advocated for and spoke in support of study issue CDD 23-02 and offered his reasons why.

Together, the Planning Commissioners accepted the ranking of the Study Issues as follows:

- 1.) CDD 23-02: Consider General Plan Land Use Designation Amendments and Rezoning for 22 Legal Non-Conforming Single- and Two-Family Dwellings
- 2.) CDD 23-01: Consider Increasing Inclusionary Housing Requirements to 20% in New Residential Development
- 3.) CDD 22-04: Adopt Personal Electric Vehicle (PEV) Parking Standards
- 4.) CDD 23-03: Review and Potentially Update the Housing In-Lieu Fees for Rental and Ownership Housing
- 5.) CDD 22-05: Consider Modifications to the Sunnyvale Municipal Code Related to Underground Utilities
- 6.) CDD 23-04: Explore Expanding Sunnyvale Municipal Code Chapter 19.52 (Art in Private Development) to Include a Public Art Requirement for High Density Residential Developments (Including Affordable Housing)

This recommendation will be forwarded to the City Council for consideration at the

Study Issues and Budget Proposals Workshop on February 16, 2023.

STANDING ITEM: CONSIDERATION OF POTENTIAL STUDY ISSUES

None.

NON-AGENDA ITEMS AND COMMENTS

-Commissioner Comments

Commissioner Howard revealed that he is prepared to return to in-person Planning Commission meetings.

Commissioner Serrone mentioned a quote from the Land Use and Transportation Element (LUTE) regarding the City's lack of designated scenic vistas and shared that, in his opinion, this was a very sad thing.

-Staff Comments

Planning Officer Shaunn Mendrin announced that a virtual community on the draft plan and Environmental Impact Report (EIR) of the Moffett Park Specific Plan (MPSP) will be held on January 17, 2023. He added that this item will be reviewed by the Planning Commission on January 23, 2023.

Planning Officer Mendrin informed the Commissioners that at the City Council meeting of January 31, 2023, the City Council will conduct a community benefits prioritization workshop on the MPSP.

Planning Officer Mendrin stated that the City Council will consider the introduction of an ordinance to amend Chapter 19.36 of Title 19 of the Sunnyvale Municipal Code (SMC) on February 7, 2023. He explained that this item is also scheduled to be reviewed at the Planning Commission meeting of January 23, 2023.

Chair Pyne confirmed with Planning Officer Mendrin that the City Council will consider amendments to the Downtown Specific Plan for Block 20 on January 10, 2023.

ADJOURNMENT

Chair Pyne adjourned the meeting at 9:56 PM.