



File #: 19-0462, Version: 1

REPORT TO COUNCIL

SUBJECT

Proposed Project: Approve related applications on a 34.7-acre site:

REZONE: the site from M-S/ITR/R-3/PD (Industrial and Service/Industrial-to-Residential/Medium Density Residential/Planned Development) and M-S/ITR/R-3/PD (Industrial and Service/Industrial-to-Residential/High Density Residential/Planned Development) **TO** R-3/PD (Medium Density Residential/Planned Development) R-4/PD (High Density Residential Planned Development) and P-F (Public Facilities).

SPECIAL DEVELOPMENT PERMIT: Demolish existing industrial/office buildings (formerly AMD campus) and construct 1,051 residential units, including 944 units in three to five-story apartment buildings and 107 units in three-story townhome style buildings. The unit count includes 45 apartment units for very low-income households and 13 below market rate townhome units. Public improvements include the dedication of a 6.5-acre public park, extension of Indian Wells Avenue to the east to connect with the Duane Avenue/Stewart Drive intersection, and associated public improvements. Requested deviations include reduced private useable open space and front setbacks on Indian Wells Avenue and Stewart Drive.

VESTING TENTATIVE MAP: Lot line adjustment between two existing lots and subdivide one lot into six lots, to create a total of seven lots.

Park Agreement: Approve an agreement for the design and development of a 6.5-acre park.

Location: 1 AMD Place (APNs: 205-22-024, 205-22-025), 975 Stewart Drive (205-22-028)

File #: 2016-8035

Zoning: Industrial Service/Industrial-to-Residential/Medium Density/Planned Development Zoning District (MS/ITR/R-3/PD) and Industrial Service/Industrial-to-Residential High Density Zoning District (MS/ITR/R-4/PD) Zoning District

Applicant / Owner: Irvine Company (applicant /owner)

Environmental Review: Adopt a resolution to make findings required by CEQA, certify the Environmental Impact Report (EIR), and adopt a Statement of Overriding Considerations and Mitigation Monitoring and Reporting Program.

Project Planner: Margaret Netto, (408) 730-7440, mnetto@sunnyvale.ca.gov

SUMMARY OF COMMISSION ACTION

The Planning Commission considered this item on April 8, 2019.

The Planning Commission voted 7-0 to recommend approval of the Rezoning, Special Development Permit and Vesting Tentative Map with additional Conditions of Approval related to roadway design, architectural features and TDM Plan. The Planning Commission provided the following requirements to the project approval:

1. Recommend the roadway design of Indian Wells Avenue regarding bicycle facilities be presented to the Bicycle and Pedestrian Advisory Commission for a courtesy review - *staff*

- made no changes to recommended Conditions of Approval for this item.*
2. Increase and improve architectural elements in the final design - *added as part of new recommendation Condition of Approval PS-1 k).*
 3. Provide colored concrete in specific hardscaped areas design - *added as part of new recommendation Condition of Approval PS-1 k).*
 4. Modify the draft transportation demand management plan (TDM) to include language that the applicant actively solicit input from the Silicon Valley Bicycle Coalition - *added as recommended Condition of Approval GC-26.*
 5. Tile roofing material be variegated -- *added as part of new recommendation Condition of Approval PS-1 k).*

The Report to Planning Commission is Attachment 1 and draft minutes is Attachment 21.

Twelve members of the public spoke; several expressed concerns with traffic, increased residential density and project deviations requested by the applicant. An attorney for the Laborers International Union of North America reiterated previously submitted correspondence (Attachment 17) critiquing the analysis of the following resources contained in the draft EIR: air quality, biological resources, and noise. Others spoke in support of inclusion of affordable housing, the applicant's additional contribution to the Santa Clara School District more than the required school impact fees, and hiring local union labor for project construction.

Information on the main deal points of the park dedication and development were presented to the Planning Commission as background information; no recommendation on the Park Agreement deal points were requested of the Planning Commission. More information on a Park Agreement is provided in this staff report.

Public Comment letters received after the Planning Commission report was prepared are provided in Attachment 23 to the report.

PARK AGREEMENT

The developer has proposed to fulfill a portion of their park dedication requirement by dedicating 6.5 acres to the City. The remainder of the park dedication requirement would be satisfied with the payment of an in-lieu fee (currently approximately \$14 million), which would include utilizing \$8 million toward the construction of the park and a cash payment to the City for the remainder of the requirement. The draft Park Agreement, included as Attachment 22, includes the specific requirements for bonding for the park improvements, payment of the funds and construction of the park. The developer has also agreed to pay an additional \$4 million toward the construction of the park, which is above their required park dedication amount.

The City will conduct the community engagement process for designing the park, with the help of the designer hired by the developer. The City Council will ultimately approve the design for the park. The park will be designed to maximize the \$12 million budget (which includes design fees) for the park amenities. The developer will construct the park, then it will be dedicated to the City after it is completed. The Park Agreement allows for the opportunity to meet and confer if there are cost estimates or bids that exceed the \$12 million, in order to find resolution through value engineering or one or both parties paying the difference.

The anticipated completion date for the park is December 2021; however, delays in the engagement

process or design process could change that date. A park of this size will not be able to be absorbed with existing staffing and budget. Ongoing costs will be evaluated and provided during the design process for the park.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

ENVIRONMENTAL IMPACT REPORT

1. Adopt a Resolution to Certify the Environmental Impact Report including the modified mitigation measures in Attachment 20 to this report; Make the Findings required by the California Environmental Quality Act; and, Adopt the Statement of Overriding Consideration and Mitigation Monitoring Report Program.
2. Do not certify the Environmental Impact Report and direct staff as to where additional environmental analysis is required.

REZONING

3. Introduce an Ordinance to rezone the site from M-S/ITR/R-3/PD (Industrial and Service/Industrial-to-Residential/Medium Density Residential/Planned Development) and M-S/ITR/R-3/PD (Industrial and Service/Industrial-to-Residential/High Density Residential/Planned Development) to R-3/PD (Medium Density Residential/Planned Development) R-4/PD (High Density Residential Planned Development) and P-F (Public Facilities).
4. Deny the Rezoning and provide direction to staff and applicant on where changes should be made.

SPECIAL DEVELOPMENT PERMIT AND VESTING TENTATIVE MAP

5. Approve the Special Development Permit and Vesting Tentative Map, and Sense of Place Fees subject to Findings in Attachment 4 to this report and recommended Conditions of Approval in Attachment 7 to this report.
6. Approve the Special Development Permit and Vesting Tentative Map, and Sense of Place Fees subject to Findings in Attachment 4 of this report with modified conditions of approval.
7. Deny the Special Development Permit and Vesting Tentative Map and provide direction to staff and applicant on where changes should be made.

PARK AGREEMENT

8. Approve the Park Agreement (Attachment 22 to this staff report) and authorize the City Manager to execute the Park Agreement in substantially the same form.
9. Approve the Park Agreement (Attachment 22 to this staff report) with modifications and authorize the City Manager to execute the Park Agreement as modified.
10. Do not approve the Park Agreement and provide direction on desired modifications.

STAFF RECOMMENDATION

Alternatives 1, 3, 5 and 8: 1) Adopt a Resolution to Certify the Environmental Impact Report including the modified mitigation measures in Attachment 20 to the report; Make the Findings required by the

California Environmental Quality Act; and, Adopt the Statement of Overriding Consideration and Mitigation Monitoring Report Program; 3) Introduce an Ordinance to rezone the site from M-S/ITR/R-3/PD (Industrial and Service/Industrial-to-Residential/Medium Density Residential/Planned Development) and M-S/ITR/R-3/PD (Industrial and Service/Industrial-to-Residential/High Density Residential/Planned Development) to R-3/PD (Medium Density Residential/Planned Development) R-4/PD (High Density Residential Planned Development) and P-F (Public Facilities); 5) Approve the Special Development Permit and Vesting Tentative Map, and Sense of Place Fees subject to Findings in Attachment 4 to the report and recommended Conditions of Approval in Attachment 7 to the report; and 8) Approve the Park Agreement (Attachment 22 to the staff report) and authorize the City Manager to execute the Park Agreement in substantially the same form

Staff recommends that the project be approved as proposed with the recommended Conditions of Approval. Approval would include deviations for reduced front yard setbacks in some areas as well as the acceptance of adequate useable open space that does not include required, private, useable balconies. A concession for building height limits is also allowed by the State Density Bonus Law. A final solid waste management plan will be required to assure that all units, even those that do not meet the City's distance requirement, are adequately served by appropriately managed solid waste techniques.

Although large, the site has some constraints including large perimeter protected trees, pockets of protected redwood groves and the provision of a 6.5-acre park. The plan also includes extension of Indian Wells Avenue, completing a portion of the circulation plan identified in the East Sunnyvale General Plan Amendment (2007) and installation of features of the related Sense of Place Plan. The project proposed, includes deviations to protect natural site features and provides a variety of housing types including both rental and ownership. The applicant makes use of density bonuses by creating building to a higher level of green standards and by including 45 Very Low Income (VLI) dwelling units.

The applicant has worked closely with staff to improve the site layout and architecture, with the result being a high-quality project that provides a sense of place for this portion of the City.

Prepared by: Margaret Netto, Planner
Reviewed by: Andrew Miner, Assistant Director of Community Development
Reviewed by: Trudi Ryan, Director of Community Development
Reviewed by: John Nagel, City Attorney
Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to Planning Commission 18-1118, April 8, 2019 (without attachments)
2. Site, Vicinity and Public Notice Mailing Map
3. Project Data Tables (updated)
4. Recommended Findings (SDP, Tentative Map and Lot Line Adjustment)
5. Draft Rezoning Ordinance
6. Draft Resolution to Certify the EIR and EIR Findings and Statements of Overriding Considerations
7. Recommended Conditions of Approval (updated)
8. Proposed Site and Architectural Plans and Tentative Map (available at

<https://sunnyvale.ca.gov/business/projects/amd.htm>)

9. Draft TDM Plan
10. DEIR (available at <https://sunnyvale.ca.gov/business/projects/amd.htm>)
11. FEIR with Responses to Comments
12. Mitigation Monitoring and Reporting Program
13. Letter from Applicant
14. Indian Wells Setback Deviations and Cross Section
15. Indian Wells Street Rendering
16. Summary of Environmental Impacts
17. Additional EIR Comment Letter (available at <https://sunnyvale.ca.gov/civicax/filebank/blobdload.aspx?t=50437.17&BlobID=26361>)
18. City's Response to Additional EIR Comment Letter
19. Letter of Support
20. Errata-Minor Edits to MMRP

Additional Attachments for Report to Council

21. Excerpt of Draft Minutes of the Planning Commission Meeting of April 8, 2019
22. Draft Park Agreement
23. Public Comments Received After PC Packet Delivery