



16-0548

Agenda Date: 10/10/2016

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**REPORT TO PLANNING COMMISSION**

**SUBJECT**

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

**GENERAL PLAN AMENDMENT:**

- To change the land use designation from Residential High Density to Residential Low-Medium Density (Sunnytrees townhomes complex), a 5.05-acre site; and
- To change the land use designation from Residential Low Density to Residential Low-Medium Density (838 Azure Street), a 0.34-acre site

**REZONE:** Introduction of an Ordinance to rezone the 838 Azure Street site from Low Density Residential (R-0) to Low-Medium Density Residential with a Planned Development combining district (R-2/PD), 0.34-acre site.

**File #:** 2016-7078

**Location:** 838 Azure Street/842 Sunnyvale-Saratoga Road (APN: 211-18-030) and Sunnytrees townhomes complex [821-836 Azure Street (APNs: 211-41-013 through 211-41-032), 103-180 Brahms Way (APNs: 211-41-001 through 211-41-059), and 817-827 Cezanne Drive (APNs: 211-41-050 through 211-41-055)]

**Zoning:** R-0 (838 Azure Street) / R-2/PD (Sunnytrees townhomes complex)

**Applicant / Owner:** Xin Lu (838 Azure Street), City of Sunnyvale/Multiple property owners (Sunnytrees townhomes complex)

**Environmental Review:** Mitigated Negative Declaration

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

**REPORT IN BRIEF**

**General Plan:** Residential Low Density (838 Azure Street) and Residential High Density (Sunnytrees townhomes complex)

**Zoning:** R-0 (838 Azure Street) and R-2/PD (Sunnytrees townhomes complex)

**Existing Site Conditions:** Single-family home and accessory living unit (838 Azure Street) / 59 townhomes (Sunnytrees townhomes complex)

**Surrounding Land Uses:**

**North:** Shopping center

**South:** Single-family residential

**East:** Multi-family and single-family residential

**West:** Small-lot single-family residential (across Sunnyvale-Saratoga Road)

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

**Staff Recommendation:** Recommend to City Council to Make the Findings Required by CEQA and Adopt the Mitigated Negative Declaration; Amend the General Plan from Residential Low Density to Residential Low-Medium Density (838 Azure Street) and Residential High Density to Residential Low-Medium Density (Sunnytrees townhome complex); Make the Findings that the zoning amendment

(rezoning) is deemed to be in the public interest; and Introduce an Ordinance to rezone the 838 Azure Street site from R-0 to R-2/PD.

### **BACKGROUND**

On October 13, 2015, a General Plan Amendment Initiation study (RTC No. 15-0185) was approved for 838 Azure Street/842 Sunnyvale-Saratoga Road (referred to hereafter as 838 Azure Street). The City Council authorized a study to consider amending the General Plan land use designation of 838 Azure Street from Residential Low Density, 0-7 dwelling units per acre (du/ac) to Residential Low-Medium Density (7-14 du/ac), and to consider residential low-medium zoning designations of R-1.5 (up to 10 du/ac), and R-2 (up to 12 du/ac). The other low-medium density zoning district, R-1.7/PD, requires a minimum 2-acre site, which eliminates it from consideration for the 838 Azure site.

The City Council's motion also included expanding the study area to the adjacent Sunnyside townhome complex (Sunnyside) to the north to make its General Plan and Zoning designations consistent. Although the zoning of the townhome complex is R-2/PD, the General Plan still reflects a high density designation. Council's direction was to consider changing the General Plan designation so that it reflected existing conditions.

The City Council also discussed providing pedestrian access through the Azure site, removing the existing driveway on Sunnyvale-Saratoga, and land use compatibility with the existing neighborhood.

The property owner of 838 Azure Street subsequently applied for the General Plan Amendment and Rezoning on February 2, 2016.

### **History of Land Uses**

Both the 838 Azure Street and Sunnyside sites were agricultural uses prior to their existing development. The 838 Azure Street site was developed around 1948 with a single-family home and eventually an accessory living unit. The Sunnyside site was annexed into the City in 1971 and developed with 59 townhomes in 1973. At some point in the past, the Sunnyside site was designated as Residential High Density General Plan designation, even though its existing unit count and zoning reflect a low-medium density.

Aside from various tree removal permits over the years and the recent General Plan Amendment Initiation study, there have not been any significant planning permits on either of the two sites since their original development.

### **EXISTING POLICY**

The General Plan is the primary policy plan that guides the physical development of the City. When used together with a larger body of City Council policies, it provides direction for decision-making on City services and resources. The General Plan contains long-term goals and policies for the next 10-20 years and strategic actions for the next 5-10 years. Primary goals and policies pertaining to residential development that are relevant to the proposed amendment include the following:

**General Plan Goal LT-3** Appropriate Mix of Housing - Ensure ownership and rental housing options in terms of style, size and density that are appropriate and contribute positively to the surrounding area.

Policy LT-3.4 - Determine appropriate density for housing based on site planning opportunities and

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proximity to services.

*Action LT-3.4b* - Locate lower-density housing in proximity to existing lower-density housing.

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

Policy LT-4.1 - Protect the integrity of the City's neighborhoods; whether residential, industrial or commercial.

*Action LT-4.1a* Limit the intrusion of incompatible uses and inappropriate development into city neighborhoods.

Policy LT-4.2 Require new development to be compatible with the neighborhood, adjacent land uses and the transportation system.

*Action LT-4.2a* Integrate new development and redevelopment into existing neighborhoods.

Policy LT-4.4 Preserve and enhance the high quality character of residential neighborhoods.

*Action LT-4.4a* Require infill development to compliment the character of the residential neighborhood.

**Council Policy 1.1.11** To develop specific guidelines regarding the intended circumstances and appropriate use of the PD Combining District. Justifications and benefits of applying the PD Combining District:

1. To facilitate development or redevelopment of a site to improve the neighborhood.
2. To allow for a proposed use that is compatible with the neighborhood but requires deviations from development standards for a successful project.
3. To facilitate desirable development of properties at significant intersections.
4. To allow for the development and creation of lots that are less than the minimum size required in the base zoning district.

## **ENVIRONMENTAL REVIEW**

A Mitigated Negative Declaration has been prepared and published in compliance with California Environmental Quality Act (CEQA) provisions and City guidelines (see Attachment 7). An initial study was prepared and found the General Plan Amendment and rezoning for both sites and the reasonably foreseeable development project at 838 Azure Street would not create any significant environmental impacts with implementation of standard construction mitigation measures pertaining to noise, biological and cultural resources, and air quality. A traffic study was not required since the project would not result in a significant increase in peak hour vehicle trips. There would also not be any significant environmental impacts resulting from a lower density General Plan designation for Sunnytrees, since the change reflects the current use of the site and there are no physical changes associated with the proposed amendment.

In addition to describing the impacts of the project on the environment, the initial study also discusses "planning considerations" that relate to City policies pertaining to existing conditions, such as existing traffic noise, air quality, and soil contamination from previous agricultural uses. The planning considerations identified in the initial study include interior and exterior noise mitigations to be consistent with General Plan standards, air filtration systems within units nearest Sunnyvale-Saratoga Road, and soil remediation. These may be required as conditions of approval as part of the future development permit for the 838 Azure Street site.

## **DISCUSSION**

### **Present Site Conditions**

838 Azure Street: The site is a double frontage lot with Sunnyvale-Saratoga Road on the west side and Azure Street on the east side. The site is located just north of the terminus with Cirrus Street. There is an existing masonry sound wall and driveway gate along the Sunnyvale-Saratoga Road frontage and an existing wood fence along the Azure Street frontage. The only vehicular access is from Sunnyvale-Saratoga Road; there is a pedestrian access gate on Azure Street.

Two one-story housing units in the Minimal Traditional style are currently located onsite, consisting of a main single-family home and a detached accessory living unit. A historic evaluation provided by the applicant indicated that the buildings have no historic significance. There are 18 trees onsite and two City street trees in the park strip along the Azure Street sidewalk. Ten of the onsite trees are considered protected trees per the Sunnyvale Municipal Code.

Generally, the surrounding uses are:

North: Sunnyside townhomes

South: Detached single-family residential [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0]

East: Detached single-family residential [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0]

West: Small-lot single-family residential across Sunnyvale-Saratoga Rd [General Plan: Residential Low-Medium Density (7-14 du/ac)/Zoning: R-2/PD].

See the maps in Attachments 4 and 6 for surrounding General Plan and zoning designations.

Sunnyside: This site borders the north side of the 838 Azure Street parcel and is generally located between Sunnyvale-Saratoga Road to the west and Cezanne Drive to the east. Brahms Way runs through the center of Sunnyside in an east-west direction, and then turns into Azure Street towards the southwest.

Sunnyside consists of 59-townhome units in a mix of one- and two-stories. Vehicular access is obtained from several driveways on Brahms Way and Azure Street. There are also pedestrian walkways accessed from these streets and Cezanne Drive. There is a main common area off of Brahms Way with a community pool. There are various onsite and street trees throughout the development.

The surrounding uses are:

North: A shopping center anchored by Safeway and 24-Hour Fitness

South: 838 Azure Street and other detached single-family residential [General Plan: Residential Low Density (0-7 du/ac)/Zoning: R-0]

East: A mixed-use shopping center and apartments [General Plan: Residential High Density (27-45 du/ac)/Zoning: C-2/ECR]

West: A small-lot single-family residential across Sunnyvale-Saratoga Road [General Plan: Residential Low-Medium Density (7-14 du/ac)/Zoning: R-1.5/PD]

See the map in Attachment 5 for surrounding General Plan and zoning designations.

**General Plan and Zoning**

The following table summarizes the existing and proposed General Plan and Zoning designations for each subject site:

Site	Current General Plan Land Use	Current Zoning	Proposed General Plan Land Use	Proposed Zoning
838 Azure Street (one parcel)	Residential Low Density	R-0	Residential Low-Medium Density	R-2/PD
Sunnytrees (59 individual parcels and one common area parcel)	Residential High Density	R-2/PD		R-2/PD ( <i>No change</i> )

The project proposes to amend the 838 Azure Street site land use designation from Residential Low Density to Residential Low-Medium Density and rezone it from R-0 to R-2/PD in order to facilitate an intended four-lot residential development project. Four units would be the maximum number of units allowed under these designations. R-2 development standards are similar to single-family R-0 parcels in the neighborhood. A Planned Development (PD) combining district provides flexibility in establishing zoning standards for this infill lot to help achieve superior community design and public benefit. The proposed PD combining district is consistent with Council Policy 1.1.11 (PD Combining District Use Guidelines) since it would facilitate a project that would improve and be compatible with the neighborhood but requires deviations from development standards. The PD combining district also allows the City to modify, add or make other limitations to the underlying zoning standards. The proposed R-2/PD zoning is compatible with the density established by the proposed Residential Low-Medium Density General Plan land use designation.

Pursuant to City Council direction, staff is proposing to amend Sunnytrees' land use designation from Residential High Density to Residential Low-Medium Density. The purpose of this change is to bring the General Plan designation in line with the existing zoning and use on site. There is no foreseeable development proposal for the Sunnytrees site. A lower density land use designation would have no immediate impact in the physical development of the Sunnytrees site and would only affect future redevelopment proposals. If the General Plan Amendment for Sunnytrees is not approved, there would still be no change in its physical development, but there would be the future potential to rezone the site to high density residential to be consistent with its General Plan designation.

If the amendments are approved for both sites, both would have identical, contiguous General Plan and Zoning designations (R-2/PD). R-1.5/PD is the other zoning designation considered for the Azure site; this designation allows a development pattern not found elsewhere in the neighborhood and would result in a potential development of one less unit.

Staff sees the additional ownership unit allowable under the proposed R-2 zoning as an important contribution toward community housing issues, as noted in General Plan Policy LT-3.2. The

surrounding neighborhood is characterized by single family homes, duplexes, apartments, and townhome development, where there is no dominant type of land use. There is a General Plan/Zoning mix of Residential Low Density/R-0; Low-Medium Density/R-2 and R-2/PD; and High Density/R-4/PD General Plan and Zoning designations in the area. The proposed project at 838 Azure Street would not create a precedent. For example, a similar low-medium density General Plan Amendment and R-2/PD Rezoning request two blocks south of the site on Debussy Terrace was approved in 1999 for a 13-single-family home development.

Staff finds that the proposed Residential Low-Medium General Plan Amendments at both sites and R-2/PD rezoning at 838 Azure Street are compatible with their surroundings, where there is a mixture of residential land use designations. The density proposed for the site will serve as a transition and buffer between the existing low-medium density Sunnyside site to the north and the low density single-family homes to the south and east.

### **Balanced Growth Profile**

The proposed changes to the land use designations will not materially change the Balanced Growth Profile. The 838 Azure Street site would only result in a net increase of two units. A lower density designation for the Sunnyside site would more closely reflect its existing unit count and would not change the Balanced Growth Profile.

### **Conceptual Development Project at 838 Azure Street**

If the General Plan Amendment and Rezoning application is approved, a Special Development Permit (SDP) and Tentative Map (TM) would be required for the formal project review, since the site would be located within a Planned Development combining district and involves subdivision for ownership lots. Subsequent environmental review would also be required to analyze the project details and any new information since recordation of this initial study. Deviations from the Sunnyvale Municipal Code (SMC) may be considered with the SDP. The conceptual plans are presented only to assist in understanding the potential redevelopment of the site. The property owner of 838 Azure Street is requesting the General Plan Amendment and Rezoning to allow future consideration of their intended related project to demolish the two existing units and construct four, two-story single-family homes on individual ownership lots (see Attachment 8 for conceptual plans). The conceptual plans show a common area lot in the middle portion of the development with an open space area along Sunnyvale-Saratoga Road. A common vehicular driveway would be accessed from Azure Street, with branching individual driveways for each unit. The existing driveway gate and access to Sunnyvale-Saratoga Road would be removed and filled in with a continuation of the existing sound wall. A pedestrian access gate for the residents of the development would be provided on Saratoga-Sunnyvale Road. Staff will work with the applicant on the ultimate design to ensure compatibility and to lessen the removal of existing trees.

### **PUBLIC CONTACT**

#### **Neighborhood Outreach Meeting**

The property owners of 838 Azure Street and City staff held a community outreach meeting on August 10, 2016. Property owners and residents within 1,000 feet of the site were notified, as well as the Stratford Gardens and Cherry Orchard neighborhood associations (See Attachment 9 for the City's and the applicant's outreach letters). The 838 Azure Street owners introduced their proposal

with conceptual plans. City staff also explained the reason for amending Sunnyside's General Plan designation.

The meeting was designed in an open house format and approximately 15-20 community members attended the meeting. The comments received were general support for the proposal, request for traffic calming in the neighborhood, and concerns about privacy and property value impacts, parking, blockage of views, and public safety with the proposed pedestrian gate to Sunnyvale-Saratoga Road. There were no objections to changing the Sunnyside's General Plan designation.

Staff received a follow-up comment from one of the meeting attendees (Attachment 10) not in support of the proposed project at 838 Azure Street due to concerns with the future related project's effect on property values; blockage of views; and traffic, parking, and construction-related impacts. The related four unit project will be considered at a separate hearing.

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

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

### **Notice of Public Hearings**

- Published in the Sun newspaper
- Posted on the 838 Azure Street and Sunnyside sites
- 1,546 notices were mailed to property owners and tenants within 1,000 feet of the project as shown in Attachment 2
- Stratford Gardens and Cherry Orchard neighborhood associations

See Attachment 1 for a map of the vicinity and mailing area for notices.

### **Staff Report**

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

### **Agenda**

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

### **ALTERNATIVES**

#### **Recommend to City Council:**

1. Make the findings required by CEQA in Attachment 3 and adopt the Mitigated Negative Declaration.
2. Adopt a resolution amending the General Plan land use designation from Residential Low Density to Residential Low-Medium Density for 838 Azure Street (Attachment 4) and from Residential High Density to Residential Low-Medium Density for Sunnyside (Attachment 5).
3. Make the finding that the zoning amendment (rezoning) is deemed to be in the public interest (Attachment 3) and introduce an Ordinance to rezone 838 Azure Street from R-0 to R-2/PD (Attachment 6).
4. Provide direction on additional environmental review.

5. Deny the requests for General Plan Amendments and Rezoning.

**STAFF RECOMMENDATION**

Recommend to City Council Alternatives 1, 2 and 3: 1) Make the findings required by CEQA (in Attachment 3 of the report) and adopt the Mitigated Negative Declaration, 2) Adopt a resolution amending the General Plan land use designation from Residential Low Density to Residential Low-Medium Density for 838 Azure Street and from Residential High Density to Residential Low-Medium Density for Sunnyside; and 3) Make the finding that the zoning amendment (rezoning) is deemed to be in the public interest in (Attachment 3 in the report) and introduce an ordinance to rezone 838 Azure Street from R-0 to R-2/PD.

Staff supports the General Plan amendments for both sites and rezoning for the 838 Azure Street site given that there will be an appropriate transition between low-medium and low residential densities in the neighborhood, there is an established mix of residential densities in the neighborhood, potential environmental impacts can be mitigated to a less than significant level, and because both sites will result in consistent General Plan and Zoning designations. Site and architectural review for the 838 Azure Street future related project will be reviewed using City codes and design guidelines at a separate hearing.

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Reviewed by: Trudi Ryan, Community Development Director  
Reviewed by: Kent Steffens, Assistant City Manager  
Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Not Used (for use with Report to Council)
2. Noticing and Vicinity Map
3. Recommended Findings
4. 838 Azure Street General Plan Resolution and Map
5. Sunnyside General Plan Resolution and Map
6. 838 Azure Street Rezoning Ordinance and Map
7. Initial Study - Mitigated Negative Declaration
8. Conceptual Plan Set
9. Staff and Applicant Outreach Letters
10. Public Comments