



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

---

File #: 14-0286, Version: 1

---

### REPORT TO CITY COUNCIL

#### **SUBJECT**

Approve Design Guidelines for Multi-Family Residential Projects to Address Size, Bulk and Scale; Find that the Project is Exempt Under CEQA Pursuant to Guideline 15061(b)(3). (Study Issue original title: City Policies Governing Housing Density)

#### **REPORT IN BRIEF**

This report addresses a Council Study Issue titled “Review City Policies Governing Housing Density and Bonus Density Calculations (Study Issue Paper, Attachment 1). The study considers criteria used to review higher density residential projects. Currently, planning review of multi-family residential projects includes density (dwelling units per acre), zoning regulations and various design guidelines. The City Council ranked this study issue high in order to determine if other reasonable methods are available to better evaluate and guide the design of new multi-family residential developments.

In completing this study issue, staff concluded that finding an ideal planning tool to regulate the size, bulk and scale of multi-family residential projects is problematic. Every tool used is useful, but has limited applicability. For instance, zoning standards (height limits, setback standards, or lot coverage) do not ensure a building will be appropriately designed. Density provides information about the number of dwelling units a project has, but does not necessarily provide a good indicator of a project’s physical size. Floor area ratio (FAR) standards are effective for office and industrial projects, but are difficult to apply to multi-family residential projects because of the variation in product types (apartments, ownership, townhouses, stacked condominiums). Specific design guidelines provide the best guidance for mitigating the size, bulk and scale of projects, but must be used in concert with other zoning tools, such as zoning regulations and density.

This study focuses on two approaches:

1. Adopt new high density multi-family design guidelines (Attachment 2) to address the building form and how it fits in with the surrounding area;
2. Adopt design guidelines and an FAR threshold to ensure greater scrutiny for projects with high FAR.

Staff recommends adopting the High Density Multi-family Residential Design Guidelines to address the issue. These Guidelines would apply to all multi-family residential projects in the R-4 and R-5 residential zoning districts as well as mixed used projects in the C-1, C-2 and DSP zoning districts. The City does not currently have multi-family design guidelines, and those proposed would be effective in new project review to supplement existing zoning standards. Good design has a significant effect on how a project fits into its neighborhood and community. Design guidelines, in conjunction with setbacks, height limitations and open space requirements, can improve the ultimate design. Staff is not recommending the establishing FAR thresholds at this time, in part because of the difficulty in finding the appropriate threshold levels for Sunnyvale. Staff could collect the information

necessary to establish FAR thresholds and return to the Council in several years to create FAR thresholds.

The Planning Commission considered this item on November 24, 2014, at which time the Commissioners voted unanimously to recommend to Council to approve the High Density Multi-family Residential Design Guidelines. The Commission also recommended Council direct staff to return in three years with an update of the effectiveness of the guidelines, and results of data gathered from future multi-family residential projects which could be used to guide possible future floor area ratio thresholds. The Commission also clarified specific language in the design guidelines, which have been incorporated in the attached document (Attachment 2).

## **BACKGROUND**

As stated in the study issue paper (Attachment 1), this study is intended to find appropriate zoning tools to characterize or measure the intensity of a multi-family residential project. The goal of the study was not to consider lowering or changing density or zoning standards. For purposes of this staff report, the term density refers to dwelling units per acre; the term intensity refers to the amount of building on a site: total square feet or floor area ratio.

All residentially-zoned properties are assigned a density designation which is calculated as the number of dwelling units per acre (sometimes expressed as minimum number of square feet of land per dwelling unit). Density is a common approach for guiding allowable residential development, and does not include the unit size or number of bedrooms. Density ensures buildings are developed to meet community expectations for the number of residential units in any given area and is based on the General Plan and zoning. Typically, the higher the residential density allowed, the smaller the individual dwelling units (in terms of number of bedrooms or square footage of the units, or both).

Design guidelines are used to ensure projects observe architectural and site planning principles so that new development is compatible with the surrounding neighborhood or the City overall. The combination of General Plan density, zoning and design guidelines provide the community, developers and decision-makers with the tools to understand and incorporate the community values into future changes to the physical environment of the city.

The zoning code allows the following density for the two multi-family residential zoning districts:

<b>Design Criteria</b>	<b>Units per Acre</b>	
	<b>R-4</b>	<b>R-5</b>
<b>Base Zoning Allowance</b>	36	45
<b>w/Affordable Housing Bonus Density of 35%</b>	49	61
<b>w/Affordable Housing 35% and Green Building density bonus of 5%</b>	50	63

Density is an effective tool for calculating the impact a project will have on traffic and if it addresses regional housing needs (the Regional Housing Needs Allocation-RHNA). It does not however, provide accurate information about the size, bulk or scale of a project. A multi-family project with all one-bedroom units will have the same density as one with three-bedroom units; however, the size and scale of the project would differ; a building with all one-bedroom units would be smaller than one with all three-bedroom units. For details of how building sizes change as bedroom sizes increase, see

Attachment 3 (Comparing Density to Floor Area Ratio). Generally, using a simple example, a property with 100 units zoned R-4 (High Density Residential) could have overall building sizes ranging from 80,000 to 150,000 square feet, depending on whether there are all one-bedroom units versus all three-bedroom units. Even though the density is the same, the look and feel of these types of buildings would be very different.

The City Council considered a proposed project in the downtown area in 2013; ultimately the Council approved a lower density for the site than was requested by the applicant. But when the project returned to Council, even though it had a lower dwelling unit count, it had the same building size as the higher density project because it had been redesigned from mostly one-bedroom units to mostly two-bedroom units. Following action on that project, Council sponsored this study to consider other effective zoning tools to address multi-family project size and scale, in addition to units per acre.

### **EXISTING POLICY**

**GOAL LT-2 ATTRACTIVE COMMUNITY** - Preserve and enhance an attractive community, with a positive image and a sense of place, that consists of distinctive neighborhoods, pockets of interest, and human-scale development.

**Policy LT-2.1** Recognize that the City is composed of residential, industrial and commercial neighborhoods, each with its own individual character; and allow change consistent with reinforcing positive neighborhood values.

**GOAL LT-3 APPROPRIATE 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 proximity to services.

**Policy CC-1.7** Encourage neighborhood patterns that encourage social interaction and avoid isolation.

**GOAL CC-3 WELL-DESIGNED SITES AND BUILDINGS** - Private Development: Ensure that buildings and related site improvements for private development are well designed and compatible with surrounding properties and districts.

**Policy CC-3.1** Place a priority on quality architecture and site design, which will enhance the image of Sunnyvale and create a vital and attractive environment for businesses, residents and visitors, and be reasonably balanced with the need for economic development to assure Sunnyvale's economic prosperity.

**Policy CC-3.2** Ensure site design is compatible with the natural and surrounding built environment.

**GOAL HE-3 MINIMIZED GOVERNMENTAL CONSTRAINTS ON HOUSING** - Minimize the impact of governmental constraints on the maintenance, improvement and development of housing.

**GOAL HE-4 ADEQUATE HOUSING SITES** - Provide adequate sites for the development of new housing through appropriate land use and zoning to address the diverse needs of Sunnyvale's residents and workforce.

**Policy HE-4.1** Provide site opportunities for development of housing that responds to diverse community needs in terms of density, tenure type, location and cost.

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

**GOAL HE-6 SUSTAINABLE NEIGHBORHOODS** - Maintain sustainable neighborhoods with quality housing, infrastructure and open space that fosters neighborhood character and the health of residents.

**Policy HE-6.1** Continue efforts to balance the need for additional housing with other community values, including preserving the character of established neighborhoods, high quality design, and promoting a sense of identity in each neighborhood.

### **ENVIRONMENTAL REVIEW**

Although modifications to ordinances may be considered a project under the California Environmental Quality Act (CEQA), staff has concluded that adopting the proposed ordinance is exempt from CEQA under Guideline 15061(b)(3) because it can be seen with certainty that it will not have a significant effect on the environment.

Projects that are subject to the requirements of the amended chapters will be environmentally evaluated on an individual basis.

### **DISCUSSION**

The goal of this study is to determine effective zoning tools for the size, bulk and scale of multi-family residential projects. Most planning tools, including zoning regulations, guidelines, density, etc., are useful in reviewing these types of projects, but may not provide all possible options. The most effective approach is using zoning regulations and design guidelines together.

As directed by the study issue, staff examined different options for regulating the size, bulk and scale of a project, and its impact on an area and the community.

### **Planning Tools**

Several planning tools can be considered to control building intensity and impact on the community. Here are examples of planning tools and their current use in Sunnyvale (an overview of these types of tools can be seen in Attachment 4):

#### **Currently in Use**

**Density:** Refers to the number of residential units per acre of land (units are typically defined as those that include a kitchen).

**Design Guidelines:** The City has different types of design guidelines for different areas and types of uses. There are City-wide guidelines that apply generally to all types of projects in the City, and Eichler and Single-family Design Guidelines for those specific uses. There are not design guidelines for multi-family residential projects.

#### **Currently Used in Other Contexts**

**Floor Area Ratio:** The ratio of a building or project's floor area to its land area. FAR is typically used to measure the intensity of commercial, office and industrial uses.

### Not Currently Used in Sunnyvale

Form-based codes: Uses physical form (rather than separation of uses) as the organizing principle for the development regulations. A form-based code is a regulation, not a guideline, and addresses the relationship between building facades and the public realm, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks.

Bedrooms per Acre: This approach uses the number of bedrooms per acre rather than units per acre. Not often used in planning, it would supplant density (units per acre).

After a full evaluation of these tools, this report focuses on two options: high density multi-family residential design guidelines and FAR thresholds.

### **Options to Address Building Mass**

The use of design guidelines is an effective tool to control the size, bulk and scale of development projects. Although other tools can also be effective, most still require the use of guidelines as a main component of the review. Guidelines can be used in conjunction with a zoning threshold (such as FAR). Guidelines provide the greatest flexibility in review of projects and would apply to all projects, whether thresholds are used or not. Guidelines are also necessary to ensure well-designed projects.

Another option is to include FAR thresholds to the zoning code to add an additional zoning tool for use in reviewing projects. Although FAR has limitations, using that in conjunction with other zoning criteria and design guidelines can be effective.

The following describes two main options:

#### Design Guidelines:

The City has city-wide design guidelines and various targeted guidelines (Eichler homes, single family residential), but no design guidelines specifically for high density multi-family residential projects. These types of projects have the greatest need for guidelines because they tend to be the largest, densest projects in the city, and have raised increasing concerns in city regarding land use compatibility and design. Guidelines work in tandem with zoning requirements, such as setbacks, height, parking and open space requirements to determine a project's conformity to city standards.

These design guidelines would specifically apply to high density projects in the R-4 and R-5 zoning districts to address the size, bulk and scale of projects and to ensure the design is appropriate and in scale with the area and compatible with community standards. Use of design guidelines would be consistent with the study issue intent because it would provide an effective tool to review the intensity of a project. Guidelines do not now exist that address high density multi-family residential projects.

The recommended High Density Multi-family Residential Design Guidelines (shown in Attachment 2) include the following concepts meant to provide guidance in the review of these projects:

1. Integrate new development into the surrounding community;
2. Provide variety and visual diversity;
3. Minimize the visual impact of parking areas from surrounding areas;
4. Emphasize entries and access to common areas in and around the building;
5. Reduce the apparent bulk of a building by breaking it into smaller masses;
6. Emphasize building entries with small entry plazas, vertical massing, and architectural elements such as awnings, arcades, or porticos; and

7. Design buildings with attention to the appearance of all sides of a building.

FAR Thresholds with Guidelines:

FAR standards can be used to address building intensity. It is an imprecise measurement for intensity, however, and should only be used in conjunction with other zoning standards and guidelines. A difficulty in establishing FAR standards is the variety in type of product seen in Sunnyvale. Apartments and rental units tend to have more common area than ownership units, and above-ground parking structures have more building area than underground garages. It is very difficult to find a uniform zoning standard for the purpose of regulating size, bulk and scale.

Given this difficulty, the use of thresholds rather than absolute zoning criteria would allow projects that exceed a threshold to provide justification for exceeding the amount. The following describes a potential approach:

- FAR thresholds for the R-4 and R-5 districts;
- Findings required to be made if a project exceeds the threshold;

If a project does not exceed the Residential FAR threshold, no specific action related to FAR would be required. If a threshold is exceeded, additional review would occur to ensure the project meets community expectations for more intense development types. The proposed High Density Multi-family Residential Design Guidelines would be used to support the necessary findings.

Defining the appropriate threshold for additional design review is challenging. Typically, cities use density along with building coverage, setback and height limits and not FAR to control multi-family residential project. A few cities have multi-family residential FAR standards, but the level depends on community expectations. Urban cities (such as San Francisco or Portland) may have much higher FAR standards than communities like Sunnyvale. As an example, Mountain View's 2030 General Plan allows up to a base intensity of 185 percent FAR, with up to 300 percent FAR permitted at key locations with significant public benefits and amenities.

Determining the FAR levels of past Sunnyvale projects has been difficult because that information has not been tracked and there is no consistent method of calculating FAR since it has not been a required metric (such as how to count common areas, parking, storage areas, etc.).

Regardless of the outcome of this study, staff can start tracking the FAR along with unit types for new projects. Having that information can be useful in future project reviews, and could also be used if the Council wants to revisit this issue in a couple of years.

A potential FAR threshold framework is shown in Attachment 7. The frameworks outlines a possible set of threshold levels for higher project review, methods of calculating FAR, and findings necessary to be made if a threshold is exceeded.

## Summary

Using zoning controls provide for a more defined set of expectations, but the wide variety of product types and locations makes it difficult to apply a "one-size fits all" standard that would adequately address the housing density issue. Both FAR and unit types have limitations for use in absolute-type zoning controls. FARs can be quite different for visually similar projects, with no certainty that higher FAR projects have more size, bulk or scale than lower FAR projects. Also, finding the appropriate

assumptions for calculating FAR is troublesome because determining which part of the project should be included in the FAR calculation can vary widely based on the type of project. For instance, rental projects tend to have more common area than for-sale units and could result in higher FAR. Projects with parking structures would be penalized because those structures can add 30-50 percent floor area to a project, where uncovered surface parking adds none.

Controlling design by using unit types (the number of bedrooms per unit) tries to predict market-driven choices by assuming a certain percentage of unit types should be included in each project. Plus, the location of the projects (distance from transit and commercial opportunities) can influence the number and size of units.

Whether thresholds are used or not, new design criteria for multi-family residential projects are necessary to better control the size, bulk and scale of these projects. Good design has more influence on a project's fit in the neighborhood and community than FAR or the number of bedrooms for each unit. Guidelines may not provide the same level of certainty that zoning controls do, but even zoning controls ultimately rely on guidelines to ensure the design is appropriate.

The City Council is scheduled to consider this item on December 16, 2014.

### **FISCAL IMPACT**

The discussion and consideration of a framework for considering using a FAR determination in reviewing multi-family projects will not have a fiscal impact to the City. Adoption of new standards of review may add to staff time to process projects that exceed the FAR threshold, if that option is chosen. Application fees should be adjusted to reflect this additional cost.

### **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. Notices were sent to the neighborhood associations, developers and design professionals involved in development in Sunnyvale and posted at the One-Stop Permit Center.

Several community outreach meetings were held in August and October 2014, as well as two Planning Commission Study Sessions. Attendees included community members, developers, architects, building industry representatives, and members of interest groups. Several individual and smaller meetings were also held with multi-family residential developers to best understand the issues and discuss the possible approaches.

At the Planning Commission hearing on November 24, 2014, a multi-family residential developer and a representative of the Building Industry Association spoke on the issue. Both voiced support for the recommended alternatives. Planning Commission minutes are presented as Attachment 8.

### **ALTERNATIVES**

1. Find that the project is exempt from CEQA pursuant to CEQA Guideline 15061(b)(3).
2. Approve design guidelines (Attachment 2) for high density multi-family residential and mixed use projects in the R-4, R-5, C-1, C-2 and DSP zoning districts.
3. Direct staff to return with zoning standards to implement Floor Area Ratio project review

thresholds (Attachment 7).

4. Direct staff to return within three years with data collected from upcoming planning applications to further evaluate appropriate zoning tools to address the issue.
5. Adopt one or several of the above alternatives with modifications.
6. Direct staff to return to the Planning Commission and City Council for further study with a different approach or solution.
7. Make no changes and rely on existing zoning standards and design guidelines.

### **STAFF/PLANNING COMMISSION RECOMMENDATION**

Alternatives 1, 2 and 4: Find that the project is exempt from CEQA pursuant to CEQA Guideline 15061(b)(3), approve design guidelines (Attachment 2) for high density multi-family residential and mixed use projects in the R-4, R-5, C-1, C-2 and DSP zoning districts, and direct staff to return within three years with data collected from upcoming planning applications to further evaluate appropriate zoning tools to address the issue.

While staff evaluated possible new zoning tools as part of this study, staff considers the use of design guidelines to be the most effective tool to address the size, bulk and scale of development projects. This action provides tools to give better design direction for reviewing and approving future higher density residential projects. Creating FAR thresholds in the zoning code, along with necessary findings, may provide a more defined expectation and review process. But given the wide variety of product types and different project settings, a threshold standard could be arbitrary and complex to administer without value added benefits. Staff recommends that it would be simpler and more straightforward to apply the design guidelines comprehensively to all proposed projects in the above zoning districts rather than limiting the application to only those projects that exceed a specific threshold. Design guidelines can be adapted to product types and locations, and provide specific guidelines for designing projects to minimize visual and compatibility issues. The original staff recommendation has been modified to include the Planning Commission request that data be collected and staff return in three years to report out on the effectiveness of the program.

Prepared by: Andrew Miner, Principal Planner

Reviewed by: Trudi Ryan, Planning Officer

Reviewed by: Hanson Hom, Director, Community Development

Reviewed by: Robert A. Walker, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Study Issue Paper
2. Design Guidelines for Multi-family Residential Projects
3. Comparing Density to Floor Area Ratio
4. Potential Zoning Tools
5. Sample List of Existing Projects
6. Pictures of Existing Multi-family Projects
7. Floor Area Ratio Threshold Framework
8. Planning Commission Minutes of November 24, 2014.