



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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**File #:** 17-0640, **Version:** 1

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### REPORT TO THE PLANNING COMMISSION

**File #:** 2017-7140

**Location:** 603 Old San Francisco Road (APN: 209-19-020)

**Proposed Project:**

**GENERAL PLAN AMENDMENT INITIATION:** A request to initiate a General Plan Amendment study to change the land use designation from Neighborhood Commercial to Residential High Density for an existing 0.74-acre parcel located at 603 Old San Francisco Road.

**Applicant / Owner:** Carrasco & Associates (applicant) / GORUBA LLC (owner)

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

**Project Planner:** Cindy Hom, (408) 730-7411, [chom@sunnyvale.ca.gov](mailto:chom@sunnyvale.ca.gov)

### **BACKGROUND**

The process for reviewing changes to the General Plan requested by property owners or project applicants is a General Plan Amendment study (Attachment 4). The process for considering a General Plan amendment begins with a written request from a property owner or applicant for a General Plan Amendment Initiation (GPI). The GPI requests are heard on a quarterly basis beginning with a recommendation from the Planning Commission and then action by the City Council. If the Council approves the GPI, a formal application for a General Plan Amendment (GPA) can be filed by the property owner/applicant. While staff is processing the GPA application, the applicant may also file a project application and related items for concurrent processing. City Council practice is to consider the GPA before the project is scheduled for a Planning Commission hearing.

The proposed General Plan Amendment Initiation (GPI) request is to change the Commercial land use designation to Residential High Density on a 0.74-acre site currently developed as an auto service station with a convenience store. The applicant made the same GPI request in 2011 but it was not supported by City Council because the request did not provide a compelling reason to substantiate the change to residential. The Council's comments included:

- The desire for residential can be accomplished with the existing zoning which allows residential development with a use permit. A mixed-use development would be a viable option and needed to be explored.
- The proposed zone change would not be consistent with the General Plan policy that emphasizes retaining Neighborhood Commercial areas throughout the city and supporting pedestrian-friendly, walkable places.
- There are sufficient areas in the city to build high density residential to meet housing goals.
- Other commercial uses need to be explored.

The City Council is scheduled to consider this current request on August 15, 2017.

### **EXISTING POLICY**

The following General Plan goals and policies were considered in the analysis of the General Plan Amendment Initiation:

### **LAND USE AND TRANSPORTATION ELEMENT**

*Goal H: Options for Healthy Living - Create a city development pattern and improve the city's infrastructure in order to maximize healthy choices for all ages, including physical activity, use of the outdoors, and access to fresh food.*

- POLICY 68: Promote compact, mixed-use, and transit-oriented development in appropriate neighborhoods to provide opportunities for walking and biking as an alternative to auto trips.

*Goal I: Supportive Economic Development Environment - Facilitate an economic development environment that supports a wide variety of businesses and promotes a strong economy within existing environmental, social, fiscal, and land use constraints.*

- POLICY 82: Attract and retain a diversity of commercial enterprises and industrial uses to sustain and bolster the local economy and provide a range of job opportunities.
  - Action 1: Promote a variety of commercial, retail, and industrial uses, including neighborhood shopping, general business, office, clean technology, and industrial/research and development.
- POLICY 83: Encourage land uses that generate revenue while preserving a balance with other community needs, such as housing.
- POLICY 85: Maintain an adequate supply of land zoned for office, industrial, and retail development to meet projected needs.
- POLICY 86: Provide quality neighborhood, community, and regional retail centers/uses to meet the needs of residents.

*Goal K: Protected, Maintained, and Enhanced Commercial Areas, Shopping Centers, and Business Districts - Achieve attractive commercial centers and business districts and buildings that are maintained and allow a full spectrum of businesses that operate unencumbered.*

- POLICY 88: Identify valuable physical characteristics and business aspects, and protect the uniqueness and integrity of all business areas and districts.
- POLICY 90: Use density and design principles, such as physical transitions, between different land uses and to buffer between sensitive uses and less compatible uses.
  - Action 1: When making land use decisions, anticipate and avoid whenever practical the incompatibility that can arise between dissimilar uses such as the encroachment of residential uses into business areas.
  - Action 2: Require that commercial activities near or adjacent to residential uses be

conducted with minimally invasive exterior activity.

- POLICY 92: Support convenient neighborhood-serving commercial centers that provide services that reduce automobile dependency and contribute positively to neighborhood character.

## HOUSING ELEMENT

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

## DISCUSSION

### Site Location and Context

The subject site operates as an auto service station with a small convenience store, two auto service bays and one fueling canopy with four pump stations. Currently, the General Plan designates the subject site as Neighborhood Commercial and it is zoned as C-1 Neighborhood Business (see Attachments 2 and 3). Surrounding land uses are summarized in the Table 1 below:

**Table 1:  
Surrounding Land Uses**

| Direction | (E) Uses   | Zoning Designation  | General Plan Designation                    |
|-----------|--|---|---|
| North     | Residential  | Medium Density Residential (R-3)  | Residential Medium Density (RMED)           |
| East      | 2,400 s. f. commercial center that includes a 7-11 convenience store and dry cleaner/self-service laundromat | Neighborhood Business (C-1)   | Neighborhood Commercial (COM)               |
| South     | Residential  | High Density Residential with Planned Development Combining District (R-4/PD)   | Residential High Density (RHI) <sup>1</sup> |
| West      | Residential  | Medium Density Residential with Planned Development Combining District (R-3/PD) | Residential Medium Density (RMED)           |

Notes:

1. The General Plan and zoning of the corner site were changed from Neighborhood Commercial to Residential High-Density in 2002.

Other uses within the vicinity includes public facilities such as Ellis Elementary School, the First United Methodist Church of Sunnyvale, and St. Martin's Church and other commercial businesses such as Palo Alto Medical Clinic and other major retail and specialty outlets along El Camino Real (see map of nearby services in Attachment 8).

The applicant states that the existing gas station is no longer a viable use because of declining sales due to the prevalence of more fuel-efficient cars, changes to the work force, and driving habits. The applicant has also stated that the site is not suitable for retail or other commercial development and has made several attempts to pursue other commercial options for this site, but none have been realized. The applicant considers high density residential as the highest use for the site and would provide additional housing for the city. The application does not include the adjoining commercial property to the east.

#### Development Concept

If the GPI is approved, the applicant states an interest to pursue a residential development at the R-4 density which would allow a density of 27-36 dwelling units per acre. The applicant has provided several conceptual exhibits as information items to demonstrate potential building envelopes. Based on discussions with the applicant, the proposal would be designed with a podium garage and three stories of residential above (see Attachment 5, 6 and 7).

#### Land Use Analysis

Based on the existing land use patterns and the above General Plan goals and policies, staff identified the following study options:

1. Study residential medium and high density for the subject property;
2. Expand the study area to include the adjacent commercial parcel (7-Eleven and laundromat);
3. Study Mixed-Use commercial and residential; and
4. Maintain Neighborhood Business designation.

Provided below is discussion of each option.

#### **Study Residential Medium and High Density**

**Analysis:** A land use change to residential would meet the goals of the applicant and provide additional housing opportunities in the city. It would also, however, reduce retail and other commercial opportunities in the neighborhood. A key feature of the neighborhood business designation is that it provides goods and services to surrounding neighborhoods, and changing the designation would limit access to those services.

If the site is found suitable for residential use, there are two recommended densities to consider: medium or high-density residential. The subject site is bordered by properties with Residential Medium Density designations on the north and across the street (to the west) on Fair Oaks Avenue. The Residential High Density designation is limited to the south side of Old San Francisco Road and does not extend to the north side of the road. The Residential High Density designation would result in a maximum of 27 units on site, compared with a maximum allowance of 18 units with the Residential Medium Density designation. The site to the east is a commercial site with the same

general plan land use designation and zoning as the subject property. Sites further to the east have a general plan land use of Residential Medium Density and are zoned R-3.

Medium Density Residential would achieve a land use, density and massing that would be similar with the residential characteristics of the adjacent neighborhood that has density ranging of approximately 20-21 units per acre with two or three story buildings.

Residential High Density would parallel the same designation that already exists across Old San Francisco Road to the north side of the street. If the Residential High Density is approved for the site, the appropriate zoning designation would be R-4.

### **Expand Study Area with Adjacent Parcel**

**Analysis:** Any proposed changes to the subject property will impact development potential and future uses of the adjacent property located on 615 Old San Francisco Road (current uses are 7-Eleven and laundromat). That property is not a part of the proposal, and the owners have not expressed interest in a change to the land use. If the 615 Old San Francisco property is not included in the land use change, the approximately ½ acre site would maintain the Neighborhood Business land use designation, and the current building would potentially be set back behind a new higher density residential project at the corner of Fair Oaks Avenue and Old San Francisco Road.

An alternative is to include the neighboring property at 615 Old San Francisco Road into a General Plan Amendment study, if the Initiation request is granted. A larger study area could provide an opportunity for a more cohesive development and land use pattern. The properties currently function together as a commercial center given the shared access between the two properties. If residential development was to occur only on the subject service station property, the adjacent commercial site would be left isolated surrounded by residential uses.

If both properties are included in the amendment request, the number of units allowed under the Residential High Density designation would be 48; 32 units would be allowed under the Residential Medium Density designation.

### **Mixed-Use**

**Analysis:** Under existing zoning, a mixed-use project could be considered on the properties. Mixed use would allow a retail presence at the location while also allowing residential units. A mixed-use project can be considered under the existing Neighborhood Business and C-1 zoning with a Use Permit and does not require a General Plan amendment. The zoning code does not provide maximum densities for residential projects in a commercial zone, so any proposed project would be a completely discretionary decision and would rely on the C-1 zoning regulations, which limits building to two stories and 40 feet in height. Based on the small size of the site, and the limited height allowed with the existing zoning, mixed use is not likely to be feasible.

### **Maintaining Retail Designation**

**Analysis:** The subject site provides a commercial node along Old San Francisco Road (a residential collector street) and is primarily surrounded by medium and high-density residential uses. Commercial uses at this location are desirable given the proximity to residents. The General Plan designates the site as Neighborhood Business and it is not identified as a housing opportunity site. The General Plan identifies numerous other areas within the city for high density residential development.

While a service station may no longer be economically feasible in this location, it should not preclude other commercial enterprise. Corner lots are generally desirable for commercial uses due the maximum visibility on two street frontages. The site location has the potential to provide an interesting storefront and active street frontages. As noted above, there are specific General Plan policies that support the continuation of neighborhood commercial uses on this site.

The subject property is about ½ mile from several commercially zoned properties including Downtown Block 18; Camino Oaks Plaza and Pavlina Plaza on El Camino Real (C-2 Highway Commercial); and, the Wolfe/Reed Center (C-1 Neighborhood Commercial). Attachment 8 provides more detail about neighborhood services around 603 Old San Francisco Road, including a ½ mile radius from the subject site. Staff also notes that retail behaviors are changing, which could limit the types of uses interested in this site.

### **FISCAL IMPACT**

There is no fiscal impact for initiating a General Plan Amendment study. The applicant would be required to pay related City fees for the study. If the General Plan designation and zone change are approved for the site, and a residential project is approved and constructed, the city would lose tax revenue and business license revenue from the existing gas service station and any other future commercial use. The residential project would be subject to park in lieu fees and transportation impact fees as well as building permit fees. In the long term, the City would receive a portion of property taxes from the new residential project.

### **ENVIRONMENTAL REVIEW**

The decision to initiate a General Plan study does not require environmental review under the California Environmental Quality Act (CEQA). It does not constitute a project within the meaning of CEQA pursuant to CEQA Guidelines section 15378 (a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. If initiated, the proposed GPA and associated actions would be subject to the provisions of CEQA.

### **PUBLIC CONTACT**

As of the date of staff report preparation, staff has received no comments on the item.

### **Notice of Public Hearing, Staff Report and Agenda:**

- Published in the *Sun* newspaper
- 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

### **ALTERNATIVES**

1. Deny request to initiate a General Plan Amendment (GPA) study and retain the subject property as Neighborhood Commercial.
2. Initiate the GPA study to analyze changing the property from Commercial Business to Residential Medium Density and Residential High Density with and without mixed use development.
3. Initiate a GPA study on an expanded area that includes the subject property and the adjacent

property located at 615-621 Old San Francisco Road.

### **STAFF RECOMMENDATION**

Recommend to City Council Alternative 1: Deny request to initiate a General Plan Amendment study and retain the subject property as Neighborhood Business.

Based on staff's analysis of the land use patterns of the surrounding area and review of the General Plan policies and objectives, the commercial designation should be retained. Given the proximity to residents, commercial uses at this location are desirable and neighborhood serving. The site is not identified as a housing opportunity site. As such, high density residential development should be directed to the areas that are already designated for high density residential development in the General Plan.

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Reviewed by: Trudi Ryan, Director of Community Development

Approved by: Kent Steffens, Assistant City Manager

For: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Reserved for Report to City Council
2. General Plan Designation Area Map
3. Zoning Designation Area Map
4. Applicant's Letter General Plan Amendment Initiation request
5. Existing Site Plan
6. Building Envelope Diagram
7. Conceptual Site Plan
8. Map of Neighborhood Services within Two Mile Radius