



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO CITY COUNCIL

SUBJECT

Study of Accessory Dwelling Unit Development Standards: Introduce an Ordinance Amending Sunnyvale Municipal Code Section 19.68.040 Accessory Dwelling Units (ADUs), Adopt a Resolution Amending the Master Fee Schedule to Impose Transportation Impact Fees for Accessory Dwelling Units, and Find that these Actions are Exempt from CEQA.

SUMMARY OF COMMISSION ACTIONS

Planning Commission

The Planning Commission considered this item on September 11, 2017. Commissioners asked clarifying questions of staff before the public hearing. Six members of the public commented on this item. Most expressed support for more flexibility in ADU development standards, and some noted concerns related to off-street parking and owner-occupancy requirements.

After further questions and deliberation, the Planning Commission made several motions resulting in several votes to recommend the staff recommendation with one key difference:

- The owner-occupancy requirement should be made permanent (Alternative 6) vs staff recommendation for maintaining the 20-year requirement (Alternative 5).

In addition, the Commission did not make a separate motion on Alternative 12, as staff explained that no additional clarification was needed.

Complete details of the motions, votes, and public comments are provided in the Minutes (Attachment 12).

Housing and Human Services Commission (HHSC)

The HHSC considered this item on September 20, 2017. Two members of the public spoke on this item, one in favor of increased flexibility for ADUs, and the other in favor of making the owner-occupancy requirement permanent. The HHSC voted 6-0, with one commissioner absent, to recommend the same set of alternatives recommended by the Planning Commission, except as follows:

- Reduce the minimum lot size for ADUs to 8,000 square feet in the R-1 zoning district and to 6,500 square feet in R-0 zoning district (Alternative 3, vs. staff recommended Alternative 1 of 7,000 square feet in R-0).

Further details are provided in the Minutes (Attachment 13). A Public Comment letter received after the HHSC meeting are provided in Attachment 14.

PUBLIC CONTACT

In addition to the outreach efforts described in the Report to HHSC, 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

Minimum lot size:

1. Introduce an ordinance to reduce the minimum lot size for ADUs to 8,000 square feet in the R-1 zone and to 7,000 square feet in the R-0 zone (Attachment 7).
2. Adopt an ordinance to reduce lot size further than Alternative 1, if the lot is within ½ mile of high-quality transit.
3. Consider other minimum lot sizes than those shown in Alternative 1 (e.g., 8,000 sf for R-1 and 6,500 sf for R-0 as recommended by HHSC).
4. Make no change to minimum lot size.

Owner-occupancy requirement and deed restriction:

5. Retain the current 20-year owner-occupancy requirement and deed restriction.
6. Lengthen or make permanent the owner-occupancy requirement and deed restriction.
7. Eliminate owner occupancy requirement for ADU sites.

Other policies related to ADU development:

8. Adopt a Resolution amending the Master Fee Schedule to establish the TIF for ADUs to be same as the multi-family rate (Attachment 8).
9. Adopt a Resolution amending the Master Fee Schedule to establish the TIF for ADUs to be same as the senior housing rate, or other specific rate.
10. Adopt a Resolution amending the Master Fee Schedule to establish the TIF for ADUs to be zero and direct staff to return with an amendment to Chapter 3.50 of the Sunnyvale Municipal Code to expressly exempt ADUs from the payment of TIF.
11. Modify the requirement that the entry door of ADU not face the public street (included in proposed ordinance, Attachment 7).
12. Clarify the ADU requirements in the zoning code (included in proposed ordinance, Attachment 7).

CEQA

13. Find that the amendments to the Sunnyvale Municipal Code Section 19.68.040 are exempt from CEQA pursuant to Public Resources Code Section 21080.17 and CEQA Guidelines Section 15378(b)(4).
14. Find that amendments to the Master Fee Schedule are exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4).

STAFF RECOMMENDATION

Alternatives 1, 5, 8, 11, 13 and 14: 1) Introduce an ordinance to reduce the minimum lot size for Accessory Dwelling Units (ADUs) to 8,000 square feet in the R-1 zoning district and to 7,000 square feet in the R-0 zoning district; 5) Retain the 20-year owner-occupancy requirement and deed restriction; 8) Adopt a Resolution amending the Master Fee Schedule to establish the Transportation Impact Fee (TIF) for ADUs as the same as the multi-family rate (Attachment 8 to the report); 11) Modify the requirement that the entry door of ADU not face the public street (included in proposed ordinance, Attachment 7 of the report); 13) Find that the amendments to Sunnyvale Municipal Code

Section 19.68.040 are exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.17 and CEQA Guidelines Section 15378(b)(4); and 14) Find that the amendments to the Master Fee Schedule are exempt from CEQA pursuant to CEQA Guidelines Section 15378(b)(4).

The recommended alternatives would allow more homeowners to consider adding an ADU for extended family or a tenant. ADUs can help address local needs for housing at relatively affordable costs, and allow families to keep aging relatives out of expensive care facilities for as long as possible. ADUs are an efficient use of land and infrastructure in existing lower density neighborhoods. When ADU standards are too restrictive, law-abiding homeowners will not pursue this option, while other property owners may build them illegally or without permits, which can lead to unsafe conditions.

The recommendation of the HHSC to reduce the minimum lot size in the R-0 zoning district was considered by staff. The HHSC recommendation of 6,500 square feet would increase the number of eligible properties from 7% (current 8,500 square feet minimum) to 33% of R-0 lots; the staff recommendation of 7,000 square feet for the minimum lot size is an increase from 7% to 20% of the R-0 lots. While the HHSC minimum lot size recommendation would provide additional opportunities for ADUs, staff finds it advisable to assess the success of a 7,000 square foot minimum lot size before considering expanding the opportunities for ADUs in R-0.

The 20-year occupancy restriction has been implemented smoothly for several decades and has not generated many complaints. Staff is not opposed to a permanent requirement for homeowner occupancy on the site (as recommended by the Planning Commission and HHSC) and understands the rationale and concerns expressed by the public and commissioners about aggressive investing in single-family properties for speculative and rental uses, and other potential impacts. On the other hand, the permanent owner-occupancy requirement could potentially reduce interest in providing an ADU.

The TIF should be continued at a multi-family rate, which meets state legal requirements and establishes a fee significantly lower than fees for single family homes.

Prepared by: Shila Behzadiaria, Assistant Planner
Reviewed by: Suzanne Isé, Housing Officer
Reviewed by: Andrew Miner, Planning Officer
Reviewed by: Trudi Ryan, Director of Community Development Department
Reviewed by: Teri Silva, Interim Assistant City Manager
Approved by: Kent Steffens, Interim City Manager

ATTACHMENTS

1. Report to Housing and Human Services Commission No. 17-0888, September 20, 2017, without attachments, (incorporates Report to Planning Commission No. 17-0865)
2. Summary of Current ADU Codes
3. ADU Policies in Nearby Cities
4. Analysis of ADU Capacity and Transit Lines
5. Summary of Outreach Meetings and Survey Results
6. Summary of July 10, 2017 Planning Commission Study Session
7. Proposed Ordinance

8. Resolution amending the Master Fee Schedule to establish the Transportation Impact Fee for Accessory Dwelling Units
9. Accessory Dwelling Unit Survey - Portland, Eugene, and Ashland, Oregon
10. Accessory Dwelling Unit Survey - Sausalito
11. Public Comments

Additional Attachments for Report to Council

12. Excerpt of Minutes of September 11, 2017 Planning Commission Meeting
13. Excerpt of Draft Minutes of September 20, 2017 HHSC Commission Meeting
14. Additional Public Comment Letter