



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Consider Budget Modification No. 34 in the amount of \$200,000 for the Peery Park Specific Plan Housing Study, and Find that the Action is Exempt from CEQA

BACKGROUND

In September 2016, the City Council adopted the Peery Park Specific Plan (PPSP). The Council approval included an alternative that stated: *“Direct staff to undertake the appropriate environmental analysis and community outreach and return to Planning Commission and City Council to consider whether the Peery Park Specific Plan should be amended to include additional housing opportunities. Further direct that the PPSP housing amendment study for the California Avenue and Hermosa Court sites be completed within three years of PPSP approval and that, if formal applications to amend the Plan to include housing have not been submitted by either of the owners of the two properties within one year, staff will return to City Council for a Budget Modification for staff to proceed with the housing amendment study.”*

Since the adoption of the PPSP, staff has discussed the potential of studying housing within the two opportunity areas with the property owners; however, no formal application has been received for either area. Attachment 1 contains a map of the PPSP area with the housing opportunity sites shown in red.

EXISTING POLICY

Sunnyvale Charter

Pursuant to Sunnyvale Charter Section 1305, at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by affirmative votes of at least four members so as to authorize the transfer of unused balances appropriated for one purpose to another, or to appropriate available revenue not included in the budget.

Sunnyvale General Plan

Land Use and Transportation Element

Goal LT-4: An Attractive Community for Residents and Businesses

Policy LT-4.2: Encourage nodes of interest and activity, public open spaces, well-planned development, mixed-use projects, signature commercial uses, and buildings and other desirable uses, locations, and physical attractions

Goal LT-7: Diverse Housing Opportunities

Policy LT-7.4: Promote new mixed-use development and allow higher-residential density zoning districts (medium and higher) primarily in Village Centers, El Camino Real nodes, and future industrial-to-residential areas.

ENVIRONMENTAL REVIEW

There are no changes to the development requirements for the PPSP associated with this budget modification. Subsequent work on the housing study will include environmental review pursuant to the California Environmental Quality Act (CEQA). Therefore, the action being considered now is exempt from CEQA requirements pursuant to Section 15061(b)(3) where proposed amendments to the Zoning Code do not require review under the CEQA when it can be seen with certainty that there is no possibility that the action may have a significant effect on the environment.

DISCUSSION

Housing Opportunity Sites

The two areas that were identified as potential mixed-use housing sites in the PPSP are a portion of the site on California Avenue (Sunnyvale Business Park), and four parcels on Hermosa Court. These sites are both *outside* of the Noise and Safety contours of the Comprehensive Land Use Plan (CLUP) for the Moffett Federal Airfield (where residential uses are not allowed). Attachment 2 is a map that shows the noise and safety contours from the CLUP on the PPSP area map.

California Avenue Site (Sunnyvale Business Park)

The portion of the California Avenue site that is located outside of the noise and safety zones of the CLUP is the western side of the property and is approximately 9.5 acres in size. It is currently developed with two multi-story office/R&D buildings. This site is adjacent to the Downtown Sunnyvale Caltrain Station (north and west of the Mathilda Avenue overcrossing of the rail road). There are Medium Density Residential Zoning (R-3) parcels to the north and west, PPSP parcels to the north, Low Medium Density Zoning (R-2) across Mathilda Avenue to the east, and the Caltrain tracks to the south.

The property owners of the Sunnyvale Business Park submitted a preliminary review application in 2016 to redevelop the site to increase the floor area ratio (FAR) on the site to at least 100% (a potential increase of approximately 500,000 s.f.). The application was submitted after the development pool for PPSP was fully assigned in other planning applications; staff discussed with the applicant the possibility of including housing on the property. Subsequently, no application for an amendment to the PPSP for a housing project has been received, and it is uncertain what the property owners interest is in providing a feasible housing project for the area. A specific plan amendment would be required to enable redevelopment of the site with either scenario (mixed housing and office or 100% FAR office).

Hermosa Court Site

The four parcels on Hermosa Court that are outside the noise and safety zones on the CLUP map combine for a total of approximately 16 acres and are currently developed with one to two-story office/R&D buildings, and the property owner is the same for all four parcels. These four parcels are surrounded by PPSP zoning to the north and east, Medium Density Residential Zoning (R-3) to the west, and Central Expressway to the south.

Although the current leases the property owner has with the tenants of the buildings on these parcels minimize opportunities for redevelopment soon, the property owner has indicated interest in exploring a mixed-use master plan for this site with higher density housing, retail and office, in the future. Timing is not known for this potential change.

Housing Study

Study Parameters and Consultants

The evaluation of the housing opportunity sites within the PPSP would require environmental review, community outreach, and site design/development planning. The study would include additional environmental review beyond the PPSP Environmental Impact Report (EIR) that was certified in September 2016. In the new study, staff would evaluate both housing opportunity areas to determine what the potential minimum and maximum densities, and create appropriate mixed-use development standards for the sites. The Hermosa Court sites are located within the main Activity Center area for the PPSP; therefore, development on this site must also include retail/commercial uses.

The City would likely work with AMEC Foster Wheeler on the environmental review and Hexagon for the traffic analysis component of the housing study because of their work on the original PPSP. These firms have extensive background knowledge of the PPSP area. The development standards/site design would be completed by staff, and would incorporate existing policy, design guidelines for mixed-use development, the environmental reviews, and the results of community outreach. It is anticipated that staff would take the lead on incorporating any Council approved changes into the PPSP, once the study is completed.

Density

The PPSP Housing Study would consider potential minimum and maximum housing densities for the opportunity sites. In addition, a maximum overall density would be established to complete the environmental review. Potential units based on existing maximum densities allowed in Title 19 (Zoning) are shown in the table below (these do not include potential density bonuses). Staff also included the maximum density that was studied in the recently adopted Lawrence Station Area Plan because it goes above what is allowed in the standard residential zoning districts. If the Council approves the budget modification, direction to staff is needed on the maximum density to study. It is important to understand that the maximum density would be used for testing purposes, and the Council would be able to modify the maximum once the draft plan amendments and environmental documents are prepared. The 215 units that were previously studied in the PPSP area were adopted with a density allowance similar to the range in the Medium Density Residential (R-3) Zoning District, and were located adjacent to a single-family neighborhood.

PPSP Housing Study		R-3 (24 du/acre)	R-4 (36 du/acre)	R-5 (45 du/acre)	LSAP Max (68 du/acre)
Site	Size				
California	9.5 acres	228	342	427	646
Hermosa	16 acres	384	576	720	1,088
Total	25.5 acre	612	918	1,147	1,734

Timing and Cost

If the budget modification is approved, staff will work on the details of the study and create a timeline for the project. It is anticipated that if work commences in early 2018; the environmental review, community outreach, and efforts by staff could be completed by Summer 2019.

If there is not an applicant, the City would be responsible for funding the costs of this study. If the plan is amended to allow housing, it is anticipated that the expenses to amend the PPSP would be

recouped by the adoption of fees specific to future housing applications. Therefore, when individual development projects on the housing opportunity sites are reviewed and approved in the future, they would pay a portion of the housing study costs prior to obtaining building permits. If the plan is not amended to allow additional housing, the existing Peery Park Specific Plan fees would apply, however the costs for the housing related study would not be recouped.

FISCAL IMPACT

Budget Modification No. 34 has been prepared to appropriate funds to the Peery Park Specific Plan Housing Study from the General Fund Budget Stabilization Fund.

Budget Modification No. 34

FY 2017/18

	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Reserves</u>			
Budget Stabilization Fund	\$32,837,331	(\$200,000)	\$32,637,331
<u>Expenditures</u>			
New Project - Peery Park Specific Plan Housing Study	\$0	\$200,000	\$200,000

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.

Staff also sent a courtesy e-mail to the property owners of the housing opportunity sites.

ALTERNATIVES

1. Do not approve Budget Modification No. 34 in the amount of \$200,000 for the Peery Park Specific Plan Housing Study.
2. Find that the action is exempt from CEQA and approve Budget Modification No. 34 in the amount of \$200,000 for the Peery Park Specific Plan Housing Study and direct staff to the appropriate maximum density to study for the housing opportunity sites.

STAFF RECOMMENDATION

Alternative 1: Do not Approve Budget Modification No. 34 in the amount of \$200,000 for the Peery Park Specific Plan Housing Study.

Creating new locations for housing within the City is important; however, there are several housing-related studies (e.g. Land Use and Transportation Element, Precise Plan for El Camino Real,

Lawrence Station Area Plan) and housing projects that were approved/adopted after the PPSP adoption, or are currently under review or projected for 2018, that have the potential to create opportunities for several thousand new housing units.

In addition, most of the allowable square footage for the PPSP area has already been allotted to approved development projects. Therefore, if the property owners of the housing opportunity sites wished to significantly redevelop their properties in the future, they would be required to apply for a PPSP amendment along with their development application, and housing could be studied at that time with funding from the applicant(s).

Prepared by: Amber Blizinski, Principal Planner

Reviewed by: Andrew Miner, Planning Officer

Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Tim Kirby, Director, Finance Director

Reviewed by: Teri Silva, Interim Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Peery Park Housing Opportunity Sites Map
2. Peery Park Specific Plan with the Noise and Safety Zone Overlays from the Moffett Federal Airfield Comprehensive Land Use Plan