

REPORT TO CITY COUNCIL

SUBJECT

CONTINUED FROM MAY 22, 2018 CITY COUNCIL MEETING

Amend the Lawrence Station Area Plan: Select a Preferred Housing Study and Direct Staff to Complete Required Environmental Review.

SUMMARY OF COMMISSION ACTION

The Planning Commission considered this item on May 14, 2018. Six members of the public spoke on the item. The speakers were property owners within the Lawrence Station Area Plan (LSAP), community members, and a real estate professional. All speakers supported the staff recommendation to study Option 3 - the method with the highest increase in housing units that includes expanded areas for housing. Some of the speakers requested consideration of higher densities beyond what was presented in Option 3, particularly in the M-S/LSAP area.

The Planning Commission voted 7-0 to recommend approval of Alternatives 1 and 2 as shown below:

1. Select Option 3 as the preferred alternative for study, which would increase the density allowance for MXD-I and MXD-II zoned areas and expand the area for housing as depicted in Attachment 7 to the report; and,
2. Direct staff to proceed with the study to amend the Lawrence Station Area Plan and the related environmental review.
3. The motion also included the following modifications beyond the staff recommendation:
 - a. The LSAP will include language to ensure coordination with the future pedestrian and bicycle improvements that will be included in the update of the Moffett Park Specific Plan;
 - b. Study a pedestrian/bicycle route from the area east of Calabazas Creek to the Lawrence Caltrain Station, potentially in the LSAP Sense of Place Plan study; and,
 - c. The maximum studied density in the M-S/LSAP zoning district (the area east of the Calabazas Creek) should be increased from 54 dwelling units per acre (du/ac) to 100 du/ac.

The Planning Commission stated higher densities may be appropriate near a major transit station, but concern was voiced about the potential for increased traffic and taller buildings. The Commissioners offered the following considerations to be included in the study (not included in the formal motion):

- Improve pedestrian, bicycle, and transit access to the Lawrence Caltrain Station.
- Safer pedestrian access across Lawrence Expressway.
- Ensure that density increases do not shift the focus away from Downtown Sunnyvale.
- Impacts of additional housing on public safety services.
- Ensure a reasonable tax base is maintained when nonresidential land is redeveloped to residential.

- Ensure compatibility between residential and industrial uses.
- Impacts of Santa Clara County's Lawrence Expressway Grade Separation project on area traffic and private property.

The Planning Commission's recommendation differs from the staff recommendation by increasing the density to be studied in the M-S/LSAP zoning district from 54 to 100 dwelling units per acre (du/ac). The M-S/LSAP zoning district is the 34-acre industrial area bordered by Kifer Road to the north, Caltrain right-of-way to the south, Calabazas Creek to the west, and Uranium Drive to the east. Staff does not recommend studying 100 du/ac because this area is beyond customary walking distance to the Caltrain station, and higher allowable densities may encourage more redevelopment of existing industrial properties to residential. The Planning Commission recommendation further differs from staff's recommendation with respect to coordination of future pedestrian and bicycle improvements between the LSAP and the Moffett Park Specific Plan, and a recommendation to study a pedestrian/bicycle route from the area east of Calabazas Creek. Coordination with other plans is a citywide effort and is more appropriately located in an update to the Citywide pedestrian and bicycle plan. Staff has incorporated the Planning Commission recommendation to study a pedestrian/bicycle route from the area east of Calabazas Creek to the train station.

If the City Council concurs with the Planning Commission recommendation for density, a potential for 1,682 units in M-S/LSAP would be studied, versus 909 units under a 54 du/ac scenario (i.e., study an additional 773 units). The potential for 100 du/ac in M-S/LSAP would result in a total of 3,612 net new units in Option 3 and an LSAP-wide development capacity of 5,935 units.

See Attachment 1 (May 14, 2018 Planning Commission staff report) for a detailed discussion and Attachment 11 for the meeting minutes.

After the Planning Commission hearing on the LSAP preferred housing scenario, Intuitive Surgical submitted a General Plan Amendment Initiation (GPI) application (file no. 2018-7447) to extend the boundaries of the Lawrence Station Area Plan (LSAP) to include two properties immediately west of the existing Plan boundary. Intuitive is interested in consolidating their Sunnyvale campus to the west side of Lawrence Expressway to create a more cohesive complex. If these properties were part of the LSAP, site development could be considered through participation in the LSAP programs for higher density buildings.

As there are potential cost and time savings to coordinate the Intuitive study (if initiated) with the subject LSAP amendments, staff will schedule consideration of the Intuitive Surgical GPI request for Planning Commission and City Council for August with a goal to not delay this subject study for potential additional housing in the LSAP.

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 e-mail notifications to interested parties.

ALTERNATIVES

1. Select Option 3 as the preferred alternative for study, which would increase the density

allowance for MXD-I and MXD-II zoned areas and expand the area for housing as depicted in Attachment 7; summarized as:

- a. Study an additional 2,839 housing units: increase the total number of allowable housing units in the LSAP to 5,162 and the maximum density allowed in the MXD-I and MXD-II-zoned areas to 100 dwelling units per acre;
 - b. Study an expanded area that allows residential uses to the M-S/LSAP areas east of Calabazas Creek and amend the zoning for the properties on Reed Avenue between Willow Avenue and Lawrence Expressway from O-R (Office/Retail) to a mixed-use residential designation with a maximum residential density of 54 dwelling units per acre; and,
 - c. Study a pedestrian/bicycle route from the area east of Calabazas Creek to the Lawrence Caltrain Station (*Recommended by Planning Commission*).
2. Direct staff to proceed with the study to amend the Lawrence Station Area Plan and the related environmental review.
 3. Option 1 or Option 2 as the preferred method to add housing opportunities.
 4. Consider one of the options with modifications such as total number of units, location or density.
 5. Planning Commission recommendation of Alternatives 1 and 2 with:
 - a. Include language in the LSAP to ensure coordination with the future pedestrian and bicycle improvements that will be included in the update of the Moffett Park Specific Plan;
 - b. *included in staff recommendation above*
 - c. The maximum studied density in the M-S/LSAP zoning district (the area east of the Calabazas Creek) should be increased from 54 dwelling units per acre (du/ac) to 100 du/ac.
 6. Take no action.

STAFF RECOMMENDATION

Alternatives 1 and 2: 1) Select Option 3 as the preferred alternative for study, which would increase the density allowance for MXD-I and MXD-II zoned areas and expand the area for housing as depicted in Attachment 7 of this report; summarized as:

- a. Study an additional 2,839 housing units: increase the total number of allowable housing units in the LSAP to 5,162 and the maximum density allowed in the MXD-I and MXD-II-zoned areas to 100 dwelling units per acre;
- b. Study an expanded area that allows residential uses to the M-S/LSAP areas east of Calabazas Creek and amend the zoning for the properties on Reed Avenue between Willow Avenue and Lawrence Expressway from O-R (Office/Retail) to a mixed-use residential designation with a maximum residential density of 54 dwelling units per acre; and,
- c. Study a pedestrian/bicycle route from the area east of Calabazas Creek to the Lawrence Caltrain Station (*Recommended by Planning Commission*);

and, 2) direct staff to proceed with the study to amend the Lawrence Station Area Plan and the related environmental review.

Staff supports Alternative 1 and 2 for several reasons:

- The option is consistent with the goals, policies and principles identified in the adopted LUTE and LSAP.
- The option retains the ability for flexible mixed-use development and allows other types of land uses, such as office/R&D, to be considered.
- The option responds to the need for more housing in Sunnyvale, and facilitates new residential development near transit which is also a strategy and goal of the Climate Action Plan to reduce

greenhouse gas emissions.

- Studying the larger area and densities provides the City Council maximum flexibility when deciding on potential amendments to the Lawrence Station Area Plan.
- Including the Planning Commission recommendation to study a potential pedestrian/bicycle route from the area east of Calabazas Creek reinforces a Circulation Framework Goal (CF-G2) in the LSAP: Create a balanced circulation system that is accessible to all modes of travel and does not favor one mode over another.

Studying both a higher density allowance for the MXD-I and MXD-II properties and expanding the allowable residential area (Option 3) achieves LUTE and LSAP goals of locating higher density residential uses in proximity to transit and workplace destinations to reduce single-occupant vehicle trips and encourage use of other modes of transportation. Option 3 may also help accommodate future population growth by allowing higher density residential development in an area that is not directly adjacent to lower-density neighborhoods. Although staff agrees that residential uses can be considered in the area east of Calabazas Creek (M-S/LSAP zoning district), staff does not support the Planning Commission recommendation of allowing the maximum 100 units du/ac to be considered for that area. The area is outside the ½ mile radius considered “walkable” from a transit stop, and does not allow a transition to the adjacent industrial area.

Selection of this alternative (or any other) does not require the Council to amend the LSAP to include the associated housing increases, it merely allows staff to study the full extent of the impacts associated with the increase in housing units. These impacts would then be disclosed to the community as an aid for deciding how best to amend (or not amend) the LSAP to include additional housing opportunities.

The City would initially fund the costs to prepare the plan amendment and associated environmental and traffic studies, but would recover the costs in the future with adoption of a Specific Plan Fee. This fee would be charged to all future development projects in the plan area for their pro rata share of the study preparation costs as well as ongoing maintenance costs.

Prepared by: George Schroeder, Senior Planner

Reviewed by: Amber Blizinski, Principal Planner

Reviewed by: Andrew Miner, Assistant Director of Community Development

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Timothy J. Kirby, Director of Finance

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Report to Planning Commission 18-0259, May 14, 2018 (*without attachments*)
2. Noticing Map
3. Key Goals and Policies from Existing Planning Documents
4. Existing LSAP Environmental Impacts and Mitigation Measures
5. LSAP Incentives Program
6. Existing LSAP Housing Allowances Map
7. Housing Study Alternatives Maps

8. Draft Proposal for Environmental, Economic, and Engineering Services
9. Draft Proposal for Transportation Impact Analysis
10. Public Comments

Additional Attachments for Report to Council

11. Excerpt of Minutes of the Planning Commission Meeting of May 14, 2018