



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 18-0984, Version: 1

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### REPORT TO PLANNING COMMISSION

#### SUBJECT

**Proposed Project:** Related applications on a 16.82-acre site:

**SPECIAL DEVELOPMENT PERMIT:** Demolish seven existing industrial buildings, two commercial buildings, and construct a new mixed-use project. Project consists of a three-to-five-story apartment/commercial building with a wrapped seven-level parking structure (including one underground level); two two-to-seven-story condominium buildings above podium parking structures; and 20 two-to-three-story townhome buildings with individual garages.

Residential: 741 total units (412 rental /329 ownership) at a density of 44 du/ac.

Commercial: 1,500 sq. ft. on the ground floor of the apartment building.

Publicly-Accessible, Privately-Owned Open Space: 2.3 acres

**VESTING TENTATIVE MAP:** Create two lots for condominium purposes (and associated common areas) and one lot for the apartments/commercial space.

**Location:** 1155-1175 Aster Avenue (APNs: 213-01-032; 213-01-033; 213-01-034)

**File #:** 2018-7513

**Applicant / Owner:** Olympic Residential Group / JJ & W LLC

**Environmental Review:** No additional review required as per CEQA Guidelines 15168(c)(2) and (4) - environmental impacts of the project are addressed in the Lawrence Station Area Plan (LSAP) Program Environmental Impact Report (EIR).

**Project Planner:** George Schroeder, (408) 730-7443, gschroeder@sunnyvale.ca.gov

#### REPORT IN BRIEF

**General Plan: Lawrence Station Area Plan-** Transit Mixed-Use (TMU)

**Specific Plan:** Lawrence Station Area Plan (LSAP)

**Zoning:** MXD-III (Flexible-Mixed Use III)

**Existing Site Conditions:** Building materials manufacturing and storage with retail sales buildings.

#### **Surrounding Land Uses**

**North:** Industrial/office/research and development (R&D) across the Caltrain railroad tracks

**South:** Multi-family residential (townhomes)

**East:** Multi-family residential (apartments) across Lawrence Expressway (in the City of Santa Clara)

**West:** Multi-family residential (apartments)

**Issues:** Height and distance between main buildings.

**Staff Recommendation:** Alternative 1 - Make the required Findings to approve the CEQA determination that the environmental impacts of the project are addressed in the Lawrence Station Area Plan Program (LSAP) Environmental Impact Report (EIR) and no additional environmental review is required; and approve the Special Development Permit with Sunnyvale Municipal Code (SMC) deviations for building height and distance between main buildings and Vesting Tentative Map

subject to the recommended conditions of approval and LSAP Mitigation Monitoring and Reporting Program (MMRP) in Attachment 4.

## **BACKGROUND**

### **Description of Proposed Project**

The applicant, Olympic Residential Group, representing the property owner, JJ & W LLC, is proposing to redevelop the existing site with a master-planned community of different residential unit types with varying heights, scale and massing with a coordinated architectural design concept. The proposed project consists of demolishing all existing buildings and structures and constructing a mixed-use project consisting of a total of 741 ownership and rental residential units and 1,500 square feet of ground floor retail space. A publicly-accessible, privately-owned open space area of 2.3 acres is also proposed as part of the project and will be located primarily along the Aster Avenue frontage. The residential units are broken into separate buildings on the site, including:

- *Apartment Building*: Located at the eastern end of the site and immediately adjacent to the Caltrain platform, this building is the largest and is the highest density of the three elements of the project. The 412-unit, three-to-five-story apartment building places the highest density of the project closest to the station and provides a strong corner element at the intersection of Aster Avenue and Willow Avenue.
- *Condominium Building*: There are two separate condominium buildings ranging from two to seven stories totaling 189 units in the center portion of the site. One building continues the street orientation along Aster Avenue as the apartment building, and the other has a frontage along a new pedestrian corridor between the two condominium buildings and a presence along the railroad side of the property.
- *Townhomes*: On the west side of the property between the condominium buildings and the existing adjacent apartment complex are 20 two-to-three-story townhome buildings totaling 140 units.

The retail space is located within the ground floor of the apartment building at the corner of Aster and Willow Avenue. All units within the apartment building would be rental and all condominium and townhome units would be for sale. The project is required to provide 41 below market rate (BMR) units in accordance with the City's affordable housing program. A Vesting Tentative Map is also proposed to create two lots for condominium purposes and one for the apartment building/commercial space.

See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 for the project data table.

### **Special Development Permit**

The site is within the LSAP, which was adopted by the City Council on December 6, 2016. The site is the largest individual property in the LSAP. The LSAP designates the site as Mixed-Use Transit Supporting South, within the Peninsula urban design subarea, and is zoned MXD-III - Flexible Mixed Use III. The zoning allows a mix of land uses, including office and residential uses. Retail as part of a mixed-use development is also allowed and encouraged along the Willow Avenue frontage. The MXD-III zoning district only applies to the project site, and has a lower density allowance than other LSAP zoning districts north of the tracks, given its proximity to existing residential uses. Residential in MXD-III is permitted up to 36 dwelling units per acre (du/ac) without incentives, and up to 54 du/ac with

incentives per the LSAP Development Incentives Program. A tenant has not yet been identified for the ground-floor retail space, but a café tenant is envisioned. Future uses would be subject to individual permitting prescribed in the MXD-III use table.

A Special Development Permit (SDP) is required for site and architectural review of new construction in the MXD-III zoning district. An SDP allows for consideration of deviations from specified development standards (e.g. siting, bulk, parking) in exchange for superior design, environmental preservation, or public benefit. The applicant is requesting a deviation to exceed the maximum building height limit for the apartment and condominium buildings and a deviation to reduce the minimum distance between certain townhome buildings. A detailed discussion is included later in the report.

### Vesting Tentative Map

A Tentative Map is required prior to recording a Final Map to create two new lots for condominium purposes and a separate lot for the apartment building. There are three existing lots, and the Tentative Map would include a lot line adjustment to relocate two of the property lines to establish new lots for the townhomes, condominiums, and apartments. The condominium and townhome lots would be further subdivided to create airspaces for each unit, while there would be one physical lot for each land use. Covenants, Conditions, and Restrictions (CC&Rs) and formation of homeowners' associations are required for the condominium and townhome uses.

The Tentative Map shows the location of the proposed lot lines, public and private streets and other improvements (see Sheets C2.0 and C3.0 - C3.2 in Attachment 5). The applicant has requested a Vesting Tentative Map to vest their right to build the project for the life of the map and secures the approved project against future Sunnyvale Municipal Code (SMC) amendments that might otherwise affect the project. The Vesting Tentative Map is valid only in conjunction with the approved site plan and conditions of approval. The Vesting Tentative Map conditions of approval are listed in Attachment 4. The Final Map is approved by the Director of Public Works and must be in substantial conformance to the Vesting Tentative Map.

### **Present Site Conditions**

The project site is 16.82 acres in size and is currently developed with building material storage yards, including manufacturing and retail sales operations. The eastern half of the site nearest the Lawrence Caltrain Station is occupied by Peninsula Building Materials Co. The western half is occupied by Calstone. Both companies process and sell masonry and landscaping products onsite. There is a total of nine buildings onsite - 10,685 square feet of retail (two buildings) and 55,010 square feet of industrial (seven buildings). There is an existing wireless telecommunications monopole on the site, which must be removed prior to use of the site for residential purposes. The owner and applicant are aware of that requirement and have made plans for its removal.

Most of the site consists of impervious surface containing exterior storage space and vehicular access areas, but there are sizeable landscaping planters with mature trees lining the street frontages.

The site is bounded by Aster Avenue to the south, the railroad tracks to the north, Willow Avenue to the east, and the Willowbend Apartments to the west. The site is also located just west of the Lawrence Expressway overpass that extends over the Lawrence Caltrain Station.

Entry to the station platform is immediately adjacent at the northeast corner of the project site, although there are no sidewalks on the Willow Avenue frontage leading to the station or on the Aster Avenue frontage. There are four driveways that access the existing site, all on Aster Avenue.

### **Previous Actions on the Site**

The site was originally developed by Peninsula Building Materials in 1967. The facility was expanded in 1973 with a block producing and curing plant and three warehouse/office buildings. Subsequent planning approvals include additional storage buildings (1976 & 1985); a cement conveyor and storage system (1978); a warehouse building (1980); a concrete storage yard and vehicle service facility (1981); an expanded outdoor unenclosed storage area (1986); and other minor site improvements. The site and others on the south side of Aster Avenue were rezoned in 1993 with an Industrial to Residential (ITR) combining district (Housing Site 4B). In 2006, as residential units were being constructed near the site, Calstone and Peninsula Building Materials received approval for a variance to exceed the maximum allowable noise levels necessary to their business activities.

The 65-foot tall wireless telecommunications monopole and associated ground equipment was approved in 2002, and subsequent applications were approved for different companies to collocate on the monopole. The Municipal Code prohibits wireless telecommunications facilities on private property in all residential zoning districts, and the conditions of approval require the facilities to be removed as part of the project.

## **EXISTING POLICY**

### **General Plan and LSAP Goals and Policies**

Attachment 3 contains relevant General Plan and LSAP goals and policies, as well as design guidelines. The purpose of the LSAP is to promote greater use of the Lawrence Caltrain Station and guide the development of a new urban neighborhood centered around the station with a mix of land uses that allow people to access their homes, jobs, recreational facilities, and neighborhood goods and services within proximity of one another, reducing their dependence on the automobiles. To support transit use, the plan allows the highest development intensity within walking distance of the station. The plan is based on guiding principles of allowing diverse and flexible land uses, dense station area development, improved connectivity, and establishing unique neighborhood character and identity. Staff has determined the project is consistent with the General Plan and LSAP.

## **ENVIRONMENTAL REVIEW**

A Program-level EIR was prepared for the overall LSAP (State Clearinghouse No. 2013082030) in 2016 per the California Environmental Quality Act (CEQA), which identified broad environmental impacts resulting from the proposed development intensities. Certification of the LSAP EIR included a mitigation monitoring program (MMRP) with provisions to reduce the potentially significant impacts to a less than significant level, although some impacts of the LSAP were significant and unavoidable after mitigation. A Statement of Overriding Considerations was adopted in conjunction with the LSAP in acknowledgment of the presence of the remaining significant and unavoidable impacts.

An environmental checklist was prepared to determine whether the environmental impacts of the proposed project are within the scope of the LSAP EIR, or if changed environmental conditions result in new or substantially more severe environmental impacts, as compared to those considered in the LSAP EIR. The checklist also considered whether there is new information of substantial importance showing that new or substantially more severe environmental impacts would occur compared to that evaluated in the LSAP EIR (Attachment 7). Several technical studies were prepared to analyze site

and project-specific environmental conditions, such as a noise study, transportation impact analysis, Phase I and II environmental site assessments, a geotechnical investigation, biological study, air quality and greenhouse gas study, health risk analysis, and arborist report.

Review of the project, including technical studies, confirmed the project is consistent with the certified LSAP EIR analysis and did not reveal new impacts that warranted further investigation. Therefore, staff finds that the environmental impacts of the project are addressed in the LSAP EIR and no additional review is required as per CEQA Guidelines 15168(c)(2) and (4).

## **DISCUSSION**

### **Residential Density and LSAP Incentive Program**

The LSAP Incentive Program provides a list of community benefits that reflect LSAP goals that applicants can choose from to maximize the buildout of their properties. The MXD-III zoning district requires a minimum residential density of 24 units per acre (du/ac) and a maximum of 36 du/ac without incentives, or a minimum of 403 units and maximum of 605 units for the project site. With incentives proposed, the density may be increased up to 54 du/ac, or 908 units for the project site. The applicant proposes 741 units (44 du/ac), and the project achieves 22 incentive points. The proposed density is slightly less than what could be built, but is still consistent with General Plan policy to build at least 75% of the maximum density, or 579 units for the project site. The incentive points are described further below.

#### **Mixed-Use - 3 points**

Per the LSAP Incentive Program, a project qualifies for the mixed-use incentive if more than 20 percent of the building area is devoted to retail or service uses, or any use which includes at least 50 percent housing. The retail space equates to less than one percent of the apartment building area, but more than 50 percent of the building includes housing, thereby qualifying for the points.

#### **Open Space, Publicly Accessible - 10 points**

The most notable community benefit proposed is the 2.3-acre publicly-accessible community open space at the southwest corner and along the west property line of the site. The LSAP includes many policies to encourage provision of park space in this underserved residential area. Additionally, the LSAP open space framework diagram shows a conceptual park at this location. The open space would be privately owned and maintained by the homeowners' association. A public access easement is required as a condition of approval, offering residents of the surrounding neighborhood the opportunity to enjoy the community open space. The siting of the open space will help to further activate the street setting on Aster Avenue, and the positioning of townhomes along the rear will provide "eyes" on it. A conceptual plan of the community open space shows a playground, seating areas, a dog park, a Class I bicycle/pedestrian trail, and a multi-purpose lawn area. Final design will be a part of the first residential building permits for the project.

#### **Structured Parking - 3 points**

The LSAP encourages structured parking because it reduces the land area devoted to surface parking lots and allows more landscaping and open space on a site. The required parking supply for each residential use is provided in parking structures or private garages. There are surface parking spaces along the new roads within the site, but no dedicated surface parking lots.

#### **Open Space/Private Amenities beyond Code requirements - 3 points**

The proposed useable open space area and amenities exceed the SMC requirements, even when

excluding the community open space discussed above. The townhomes provide 44,457 square feet when 7,000 is required; the condominiums provide 63,763 square feet when 9,450 is required; and 56,695 square feet is provided for the apartments when 20,600 is required. Clubhouse space for each residential use also exceeds the code requirements.

#### Retail within 1/8 mile of Caltrain - 3 points

The retail space would be located 340 feet from the Lawrence Caltrain Station, which is within 1/8 mile or 660 feet. There would also be a new sidewalk and streetscape improvements installed along the path of travel.

#### Potential Future Rail Crossing

A key element of the LSAP's circulation framework is to improve access between the northern and southern portions of the plan area. Circulation diagrams within the LSAP show a pedestrian/bicycle crossing over or under the railroad tracks at the northwest corner of the site. This linkage would allow a direct north-south pedestrian/bicycle connection from Aster Avenue to the western end of Sonora Court, which would eventually connect to Kifer Road through a new loop road and/or pedestrian/bicycle trail on properties currently being developed by Intuitive Surgical.

Staff and the applicant studied the feasibility of the crossing, either by an aerial structure above the tracks, or below the tracks in an underground tunnel. There are challenges with incorporating the crossing in either scenario. The presence of an existing 39-inch diameter storm drain line along the north property line, serving a large geographic area that extends beyond the project site, impedes either option. The bottom of the storm drain line is located at least six feet beneath the surface, and an underpass connection would require a minimum excavation depth of approximately 16 to 18 feet with a lengthy access ramp, given ADA requirements. The storm drain line also constrains the area where an aerial structure could be located because of clearance space needed for maintenance of the line. The aerial option, either through a switchback ramp structure or continuous and linear ramp structure would take up a significant amount of space onsite, and may impose safety and privacy concerns for future residents due to the proximity of the townhomes. There also are concerns about the lack of space needed on the north side of the tracks to land the structure to street level at Sonora Court.

Staff is not pursuing a requirement for the developer to construct a crossing, given the preliminary issues and costs associated with it, outside agency approval timelines, and the presence of an existing undercrossing nearby at the Lawrence Caltrain Station. However, staff is requiring the provision of a Class I bicycle/pedestrian trail along the west side of the site and an irrevocable offer of dedication on the land area that would be needed for either crossing option, should there be the funding and demand to construct a crossing in the future. The proposed plans show the trail and irrevocable offer of dedication. These provisions are not on the LSAP Development Incentive Program, but are considered as a potential benefit to the community.

#### **LSAP Development Capacity**

The adopted LSAP allows for a maximum residential development capacity of 2,323 net new housing units and 1.2 million net new square feet of office/R&D development. This buildout level was studied in the EIR for the LSAP to ensure that long-term development within the plan area would not adversely impact the environment or exceed the capacity of infrastructure systems necessary for the growth. A temporary capacity was also established to provide an opportunity to periodically review residential and office/R&D development in the LSAP to ensure a balance of use types. Subsequent to

adoption of the plan, a mixed-use project with 520 residential units was approved at 1120-1130 Kifer Road in 2016. The remaining balance is 1,803 units, and approval of this project would result in a balance of 1,062 units.

The City is in the process of studying an amendment to the LSAP to increase housing potential throughout the plan area. On June 26, 2018, the City Council selected the preferred housing study alternative to increase the density allowance for MXD-I and MXD-II zoned areas up to 100 du/ac and to expand the area allowed for housing to the M-S/LSAP zoning district (up to 100 du/ac) and to the O-R district (up to 54 du/ac). The potential number of net new units is 3,612. No increases are proposed to the office/R&D development capacity of 1.2 million square feet. When the LSAP was adopted in 2016, a temporary development capacity of 1,160 residential units and 650,000 square feet of office/R&D was established to periodically review residential and office/R&D development in the LSAP to ensure a balance of land use types. Staff advised the City Council on the exceedance of the temporary cap with this project at the time, which showed that residential and office/R&D are relatively in balance. Refer to Attachment 9 for the LSAP Housing Study's Planning Commission staff report with more information on the development capacity.

## **Site Layout and Circulation**

### *Site Layout*

The applicant has master-planned the site layout with the highest residential densities at the east end closest to the Lawrence Caltrain Station, then transitioning to medium densities on the west end and along Aster Avenue. These are identified as the "apartment building" closest to the station, "condominium buildings" in the middle of the site, and "townhomes" for the townhomes at the west end of the site close to the existing apartment complex.

The arrangement of buildings gives the appearance of a small village within the site with varying urban forms and designs moving in different directions. A total of 23 main residential buildings are proposed, with an additional freestanding clubhouse building. Three large parcels would be assigned to each residential land use, which are visually separated from one another by internal roads or open space buffers. The proposed property divisions would not be noticeable as the overall layout provides seamless access in between buildings. The project meets or exceeds all minimum setback requirements contained in the LSAP, including the minimum 10-foot side yard setback to each new internal lot line within the site. All buildings are buffered from the railroad tracks by a new internal road along the north property line. Most the site is currently in the AO flood zone, and these areas would be graded up to two feet higher to remove the site from the flood zone per the requirements of the Federal Emergency Management Agency (FEMA).

**Apartment Building:** The apartment building is the largest building and is at the east end of the site, next to the station. This building is setback the minimum 10 feet from the Willow Avenue property line with active ground floor uses lining the street frontage on the path to the station - creating a sense of enclosure to enhance the pedestrian experience. The building wraps around the corner to Aster Avenue with a ground floor retail space anchoring the street corner. Along Aster Avenue, the building is setback the minimum 15-feet and includes pockets of deeper setbacks towards the west. The apartment building has the largest building footprint, as it includes the most units and a large parking garage wrapped by the apartment building. The parking garage is connected to the apartment building and surrounded on three sides by residential units. The garage is seven levels with one underground level. The height of the garage follows the height of the five-story portion of the apartments. Atop the garage are amenity spaces - a clubhouse and fitness room with a pool deck.

The footprint of the apartment building is broken up by four large landscaped courtyards that provide additional amenity space for the residents. Two of the courtyards are surrounded by building area, and the other two have frontage on Aster Avenue.

Condominium Buildings: The two condominium buildings (buildings “A” and “B”) are in the center portion of the site and placed in front of each other with Building A along Aster Avenue and Building B closer to the railroad tracks. Building A meets the minimum 15-foot front setback on Aster Avenue and includes ground floor entry porches. The condominium buildings are separated from the apartment building by a new north-south internal driveway, and from the townhomes by an open space area with varying widths. Each building features a two-level podium parking garage which are surrounded completely or on three sides by units and common areas. On top of the garages are additional stories of units and podium open spaces. A clubhouse for Building A is located above the two-story section along Aster Avenue. The clubhouse for Building B is located within the building.

Townhomes: The townhomes are laid out in a new rectangular street grid that are clustered around open space areas and paseos. Each townhome building includes six to eight units with individual two-car garages along the new internal roads. The townhome buildings are setback considerably further from Aster Avenue than the apartment and condominium buildings, but still have presence on the community open space and Aster Avenue by lining the community open space along the street. A freestanding clubhouse building also faces the street. The community open space area on the west side of the site also provides a sizeable buffer between the townhomes and the existing apartments to the west.

### *Circulation*

Vehicular access to the site will be provided by the Caltrain rail service, and from Willow Avenue and Aster Avenue. There is a right-in, right-out only driveway on Willow Avenue, next to the Lawrence Caltrain Station; and two full access driveways on Aster Avenue, with one separating the condominium and apartment buildings, and the other west of Condominium Building A that also aligns with an existing driveway to the south at Tea Tree Terrace. All three driveways also serve as emergency vehicle access (EVA) routes. All driveway throat clearances meet the depth recommended by the City’s Traffic and Transportation Division, which ensures safety and minimization of vehicle spillback on the road. As mentioned above, there are new internal roads that provide direct vehicle access to the parking areas for each land use. Smaller roads serving the townhomes feed into collector roads at the northern and southern portions of the site. Vehicle entrances to the parking garages for the condominiums and apartments are located internal to the project with minimal visibility from Aster and Willow Avenues. Vehicular access to Willow Avenue is only obtained through the apartment parking garage. The project includes a minimal number of surface spaces. There are 41 spaces provided on site, with most parking in structured parking or private garages (for the townhomes).

Designated loading zones for deliveries and moving trucks are provided along the north property line near the condominium and apartment buildings. A loading space will also be reserved within the apartment parking garage for smaller trucks. Signage would be used to direct delivery drivers to loading areas and the walkway to the retail space.

New public sidewalks in accordance with LSAP standards will be installed along the entire Willow and Aster Avenue frontages. The new sidewalk on Willow Avenue would provide a direct connection to the Lawrence Caltrain Station. There would be multiple pedestrian entry walkways and entry points



into each land use from these new sidewalks. There are also many internal pathways that traverse the site in any direction. Decorative paving is provided on walkways that cross drive aisles. There is a notable east-west landscaped promenade that splits the site between townhomes and the condominium buildings. The promenade connects the Class I pedestrian and bicycle trail on the west side of the site to another walkway along the apartments that leads to Willow Avenue next to the station. A walkway would also be provided along the perimeter of the community open space with access points to the new Aster Avenue sidewalk.

## **Architecture**

The proposed architectural concept draws inspiration from the industrial and agricultural history of Sunnyvale and the site, with timeless building forms and use of detailed, high-quality materials. The architectural style of each land use is different, but unified in urban form and use of colors and materials. The design draws upon the existing site context by mimicking elements from the existing building materials site through use of natural warm colors and application of brick, tile, and wood-appearance siding. Some buildings are intended to create the feel of a warehouse that may have existed onsite.

The buildings step down in height towards the existing residential area, which is discussed in detail later in the report. Taller building elements frame the building corners and project above longer rooflines. Townhome roofs alternate between flat and pitched to distinguish the different styles. There are three-dimensional wall and balcony elements to add visual depth and articulation on the facades, and blank walls are treated with wide loft-style window fenestration. Longer facades are broken up by recessing wall planes at different building modules. Heavier cornices along the rooflines also reduce wall area and provide a prominent “top” to the buildings. Ground floor facades are treated with expansive, transparent glazing area, and entries are emphasized with awnings, porch covers, and stoops.

The buildings maintain the same level of design and detailing on all four sides, even the side facing the railroad tracks. Of note is a large metal screen over the majority of the apartment garage along the railroad tracks. The screen conceals most of the parking levels from view, and includes a graphic of the original Sunnyvale rail station and sense of place signage for Lawrence Station.

Staff finds that the proposed architectural design is consistent with the guidelines contained in the LSAP through use of high quality materials, attention to detail at focal points, urban forms that vary in height and depth, and interesting pedestrian-scale elements that help to promote street activity. Staff also supports the graphic element on the side of the parking garage elevation facing the tracks because it does not advertise the project, but identifies the Lawrence Station rail stop.

## **Requested Deviations from Development Standards**

The project complies with most of the applicable development standards in the SMC, except for two items:

1. Maximum building height (SMC Table 19.35.060); and,
2. Distance between buildings (SMC Section 19.48.030).

The applicant is requesting deviations to these standards as part of the SDP application.

## **Height**

The project includes a deviation request to exceed the MXD-III zoning district's 55-foot maximum building height. The deviation is requested for the apartment building (up to 77 feet) and both condominium buildings (up to 85 feet). All townhome buildings are within the height limit, with a maximum height of 42 feet. The proposed heights take into account the grading of the site up to two feet to remove it from the flood zone. All heights are measured from the top of the nearest street curb.

The LSAP states that heights south of the tracks will be lower to be compatible with nearby low-scale residential uses. There are higher height limits north of the tracks in the MXD-I and MXD-II zoning districts (up to 85 feet) because of the higher densities allowed, and the physical separation the railroad tracks provide from the existing southern residential area. The LSAP Building Height Guidelines also call for stepping down building heights to two or three stories adjacent to existing residential to provide a transition in scale. The guidelines encourage taller buildings or building elements at corner intersections to achieve greater visual interest. Moreover, the guidelines state that heights should be varied within parcels in order to provide variety and avoid a blocky, uniform appearance.

The proposed heights of the apartment and condominium buildings increase in height from south to north, with two-to-four-story massing along Aster Avenue and up to five-to-seven-story massing along the railroad tracks. Building elements project above the predominant rooflines in all buildings to provide variation in the roofline form. Refer to Attachment 6 for an exhibit that shows where the ranges in height occur. The same attachment also shows drone photographs taken from different heights of the proposed buildings to show what persons standing in the buildings would see towards the southern residential area. Below is a discussion of the apartment and condominium heights.

### *Apartments*

The heights of the apartment building range from 35 feet and three stories along Aster Avenue (across the street from the existing three-story townhomes) to 73 feet and five stories (along the railroad tracks). The predominant fifth story roofline ranges from 57 to 61 feet, with intermittent building elements that project above. The clubhouse on top of the wrapped parking garage has a maximum height of 77 feet. A prominent corner tower element at 67 feet frames the intersection of Aster and Willow Avenue, and a similar 73-foot corner element announces the entry to the project from the Lawrence Caltrain Station. The closest four-story elements for the apartment building along Aster Avenue are setback 15 feet to the front property line near the intersection, then recede to a 25 feet setback towards the west. The fifth story near the intersection is setback 25 feet to the property line, then increases to a 55-foot setback towards the west.

### *Condominiums*

The heights of both condominium buildings range from 32 feet and two stories along Aster Avenue, to 85 feet and seven stories in the middle and back of site. The predominant seventh story roofline is 81 to 82 feet. The closest fourth/fifth story element is setback 45 feet from Aster Avenue, which is where the height deviation occurs. The closest sixth and seventh story elements are both setback 70 feet from Aster Avenue. The condominium buildings significantly step down in building massing from the seventh floor to the second floor, providing an appropriate transition to the existing residential on the south side of Aster Avenue.

### *Interface with Existing Residential*

The existing townhomes on the south side of Aster Avenue are all three stories. The proposed

apartments and condominium buildings are located across Aster Avenue from existing townhomes on Wild Cherry Terrace to Teak Terrace. The existing townhomes are separated by Aster Avenue's right-of-way width of 66 feet, plus a 15-foot building setback on the project site. This combined width of 81 feet is similar to the 90-foot railroad track right-of-way. Except for a four-story portion of the apartment building and its corner tower near the intersection, all building massing along the street is two or three stories, then steps up to other levels beyond immediate street view. The four-story portion is also within the height limit at 46 feet. The corner tower is setback 10 feet behind the four-story portion, is at the far edge of the site, does not overshadow existing townhomes, and is consistent with LSAP building height design guideline to provide a prominent corner feature.

The existing apartments to the west are also three stories, and located approximately 685 feet away from the nearest point of the proposed condominium buildings. The proposed two-to-three-story townhomes interface with the existing apartments. Given the distance and interface with a similar height, the proposed height deviation for the apartment and condominium buildings is not expected to impact the existing apartments to the west.

Staff supports the height deviations given that the building massing steps down to be compatible with existing residential, and the higher heights occur along the railroad tracks at a significant distance from existing residential. The taller building elements mainly occur at building corners and do not overwhelm the predominant roofline. The maximum 85-foot height proposed is the same as the maximum that is allowed on properties north of the tracks. Although Aster Avenue is not as wide as the tracks, it does provide a buffer from the project site. There is variation, relief, and visual interest with the proposed heights, which are consistent with the LSAP Building Height Guidelines. Moreover, the heights help to achieve the proposed density that is within with the MXD-III zoning district's maximum density allowed with incentives, and allow more units to be located closer to the Lawrence Caltrain Station. Greater building height also allows more of the site to be open space, especially at the community open space.

#### Distance between Main Buildings

The SMC requires minimum distances between main buildings on the same lot, which starts at 20 feet from ground level and increase in distance by three feet for the second and each additional building story. The apartment and condominium buildings meet this standard, but there are several townhome buildings that do not. Per the standard, distances between two-story townhomes must be at least 23 feet and distances between three-story townhomes must be at least 26 feet. Refer to Attachment 6 for a diagram showing where the deviations occur. The distances that do not meet the standard range from 18-25 feet. These occur at the central promenade, at the corner units along two internal streets and two paseos, and between buildings along the community open space.

Deviations from this requirement are not uncommon for townhome projects. Reducing the distance between buildings helps to concentrate the mass of the townhomes towards the center of its lot and makes more land available for open space along Aster Avenue and in the west side yard setback area. Most of the deviations occur internal to the townhome lot with minimal visibility to Aster Avenue. Additionally, many of the deviations occur at corners of the buildings, while the main massing meets or exceeds the standard. Therefore, staff finds that the requested deviation is reasonable and will not result in a visual impact from the street or neighboring properties.

#### **Parking**

The LSAP contains parking requirements that are specific to the plan area and includes a residential

parking maximum, not found in other parking requirements in the City. The intent is to reduce private vehicle ownership and encourage the use of transit. Similar to other residential parking requirements, the number of spaces required is based on the number of bedrooms. Retail parking within a mixed-use development also has a lower parking rate that factors in the ability to share parking.

The parking provided for each land use exceeds the minimum required and is within the maximum allowed. A parking management plan is required for each land use, which includes specifying assigned spaces, retail spaces, and guest parking; and parking lot maintenance.

In the early stages of the project, the applicant proposed on-street parking on the north side of Aster Avenue, which was received positively by some community meeting attendees. However, staff determined this was infeasible due to a lack of space to accommodate street parking along with the City requirement for improved bicycle lanes and a center two-way left turn lane.

#### *Apartments/Retail*

The parking garage for the apartment building includes 572 spaces, and there are also 15 surface parking spaces proposed along the north and west property lines of the new apartment lot. At least three spaces within the parking garage would be allocated to the retail use, which is the minimum required. The proposed parking supply of 587 spaces is consistent with the 450 minimum spaces required and within the maximum of 693.

Class I bicycle parking is provided within a secured bicycle storage room along Willow Avenue and includes the minimum 103 required spaces. A total of 56 Class II bicycle rack spaces are placed near building entrances and exceed the required minimum of 27 spaces. To further promote bicycle use, a bicycle repair lounge is provided for use by apartment tenants.

#### *Condominiums*

Parking for each condominium building is provided in a two-level podium parking garage. There are also six surface spaces along the north side property line of the new condominium lot. The garage for Condominium Building A includes 146 parking spaces, which exceeds the minimum 117 spaces and is within the maximum 167. The garage for Condominium Building B proposes 158, which also exceeds the minimum of 121 spaces and does not exceed the maximum of 174.

The second level of each garage includes stacker parking, which is allowed to satisfy the parking requirement for up to 50 percent of the units. Stacker spaces proposed within both podium garages are just below 50 percent of the units' parking requirement. The stackers are single platforms with two vehicles stacked on top of each other that fit within a standard parking space with a total clearance height just over 12 feet. The lower parking space must be vacated in order for the platform to be lowered and access the upper vehicle. The time to access the top vehicle is estimated to take up to one minute. The applicant proposes to assign all stacker stalls to two- and three-bedroom units, provided they are owned by the same persons that live in the unit. The condominium homeowners' association would be responsible for the maintenance and repair of the stacker parking, which would be memorialized in the CC&Rs.

Class I bicycle parking for both buildings are provided within secured bicycle storage rooms near the podium garages and include the minimum 48 required spaces. The 26 Class II bicycle rack spaces exceed the minimum of 14 spaces and are placed around each building.

### *Townhomes*

There are 20 surface parking spaces proposed along the north property line of the new townhome lot. Every townhome unit is provided with a two-car garage, either in a side-by-side or tandem format, which add up to a total of 240 garage spaces. Similar to the stacker parking, tandem spaces may satisfy parking requirements for up to 50 percent of the units, and the project proposes them for 29 percent of the units. Garages are at least 450 square feet, which is the standard size to accommodate solid waste and recycling bins. The garage sizes also allow adequate space for bicycle parking. Class II bicycle racks are provided in open spaces near the townhomes and can also be accessed by users of the community open space.

## **Traffic and Off-Site Improvements**

### Traffic Study

A Transportation Impact Analysis (TIA) was conducted to identify potential near-term traffic impacts related to the proposed project because more than 100 net new peak hour trips would be generated (Attachment 8). The intersection level of service (LOS) analysis concluded that the project would generate a significant intersection impact at the unsignalized intersection of Willow and Reed Avenue located south of the site during the AM and PM peak hours. The recommended mitigation measure to reduce the impact to less than significant would be to install a sign restricting left turns from southbound Willow Avenue onto Reed Avenue during the AM (7-9 AM) and PM (4-6 PM) peak periods. With this measure, the intersection would operate at an acceptable level of service. The applicant is required to install the sign per the conditions of approval. The TIA did not find project impacts to existing freeway segment LOS or freeway ramp capacity.

### Other Off-Site Improvements

The applicant is required to install new curbs, gutters, and sidewalks along both street frontages in accordance with LSAP standards. New street lighting and street trees will be provided along the new sidewalks. An ADA-compliant curb ramp will also be installed at the corner of Aster and Willow Avenue with a crosswalk to the south side of the intersection. The applicant is also proposing a mid-block crosswalk across Aster Avenue at the western end of the site, where the new onsite Class I bicycle/pedestrian trail would be located. A subsequent engineering study would be conducted by the Traffic and Transportation Division on the feasibility of the mid-block crossing.

There is an existing Class II bicycle lane along the Aster Avenue, and it would be upgraded to include green striping near the intersection for safety and visibility purposes. New Class II bicycle lanes would also be installed on either side of Willow Avenue along the project frontage.

A new two-way left turn lane would also be striped in the center of Aster Avenue to provide safe left turn turning movements into the project site and existing townhomes on the south side.

### Transportation Demand Management

The project is subject to the City's multi-family residential TDM requirements, with a minimum of 10 points required from the adopted TDM Strategies list. The project's proximity to the Lawrence Caltrain Station and commercial uses; pedestrian and bicycle access improvements; TDM communication strategies to residents; and provision of an onsite wayfinding station totals 13.5 points, which exceeds the TDM requirements.

## **Solid Waste and Recycling Access**

### Apartments and Condominiums

Solid waste and recycling service for the apartments and condominium buildings is provided through chutes on each floor that dispose into trash rooms within or adjacent to the parking structure for each building, completely enclosed from ground level view. The retail space would have its own trash room. Solid waste and recycling bins will be staged by apartment and condominium association management behind the buildings in two designated areas along the north property line during pickup days. There would be no exterior trash enclosures.

SMC Section 19.38.030 (e)(1)(k) requires all residential units to be located within 150 feet of a recycling and solid waste enclosure. In the case of the apartment and condominium units, the distance is measured from the trash room or chutes on each floor. All units meet the distance requirement, except for eight within the apartment building, which are 169 feet to a chute. The City's Solid Waste Division supports this request given the minimal increase in distance for a few units, and that the overall project provides efficient recycling and solid waste access and management.

### Townhomes

Individual cart service is proposed for the townhomes, where each unit will have two carts for waste and food scraps and recyclables. Residents would store the carts in their garages and stage them in front of the garages on pickup days. The sizes of the individual garages are a minimum of 450 square feet to accommodate the cart storage.

## **Open Space/Landscaping and Tree Removal/Preservation**

### Useable Open Space

The LSAP requires a minimum of 50 square feet of usable open space for each residential unit. Balconies with a minimum of six feet in any dimension and a total of 50 square feet can qualify towards the useable open space requirement. Credit is not given to the community open space along Aster Avenue and the west property line because it is publicly-accessible and was included in the incentive aspect of the project. Most of the usable open space is provided in the main east-west promenade, paseos between townhome buildings, courtyards, and rooftop deck space. Private patios and balconies on all residential land uses also contribute towards this requirement. A portion of the emergency vehicle access road near Willow Avenue also counts as usable open space by serving as a cordoned-off pedestrian and bicycle plaza when not in use.

Useable open space provided for each land use exceeds the minimum required by the LSAP. The townhomes provide 44,457 square feet when 7,000 is required; the condominiums provide 63,763 square feet when 9,450 is required; and 56,695 square feet is provided for the apartments when 20,600 is required. Part of the reason for this increased open space is because the buildings are taller than often found, which provides more opportunity for open space.

In addition to useable open space, each residential land use is required to provide a community room/clubhouse with a minimum meeting space size of at least 450 square feet. The minimum size is provided for the townhomes; 1,600 and 1,560 square feet spaces are provided for the condominiums; and 4,695 square feet is provided in the apartment building.

### Landscaping

The proposed plans show 28 percent of the project site to be landscaped, or 206,983 square feet while the LSAP requires a minimum of 20 percent, or 146,539 square feet. Landscaping is comprised of groundcover, shrubs, native grasses, and trees. Decorative paving is provided along walkways, large portions of driveways and along the entire stretch of some new townhome streets. Pedestrian-

scale lighting is provided throughout the project site. The proposed landscaping concept will also reduce impervious surface area by 23 percent over existing conditions.

### Tree Removal and Preservation

An arborist report was prepared and evaluated a total of 134 existing trees. The most common trees are Bottlebrush, which have a shrub-like appearance and grow between more prominent tree species. Deodar Cedar trees are the second most common tree, followed by Carob trees. The project includes the proposed removal of 44 trees - 24 of which are “protected” per SMC Chapter 19.94 with trunks that are at least 38 inches in circumference. Three additional protected trees are proposed to be transplanted to the community open space area. The trees proposed for removal are either within the proposed improvement area or have low to moderate suitability for preservation. The City Arborist and Planning Division and Public Works Department staff walked the project area on two occasions with the applicant to verify proposed removals. The proposed tree preservation plans and final arborist report reflect the approved course of action. The project is subject to the City’s tree replacement policy and proposes 391 new trees to be planted.

The majority of the Deodar Cedar trees along Aster Avenue will be preserved, which currently form a dense canopy screening the site from the street. The new driveways have been placed in locations to avoid removal of these trees. New sidewalks will also be strategically placed around the trees. All existing Bottlebrush trees would be removed given their poor suitability for retention.

### **Management of Existing Soil and Groundwater Contamination**

The Phase I and II Environmental Site Assessments for the project site found existing onsite soil and groundwater contamination associated with gasoline and diesel underground storage tanks. The analysis concluded the potential for vapor intrusion was low, but groundwater contamination exceeds screening levels. The applicant has entered into a Voluntary Cleanup Program with the Santa Clara County Department of Environmental Health (DEH), who will serve as the oversight agency for management of existing contamination. A site management plan, with approval by the DEH, is required prior to grading activities.

### **Noise Attenuation**

The project site is located along the railroad tracks, next to the Lawrence Caltrain Station, and near Lawrence Expressway. While the project is not anticipated to significantly increase noise levels in the area, a noise study was conducted to assess project design measures to meet the General Plan interior and exterior noise goals for the new residences and common useable open spaces. To achieve the General Plan goals, the study includes recommendations for sound-rated windows and exterior doors in specified locations, and a new sound wall along the north property line, which is included in the proposed plans. The conditions of approval require the project noise consultant to review the construction plans and confirm their recommendations have been met. Follow-up field verification testing is also required prior to occupancy of the units.

### **Lockable Storage**

SMC Section 19.38.040 requires a minimum of 200 cubic feet of lockable storage per studio/one-bedroom unit and 300 cubic feet for all other units. There are also certain minimum dimensions the interior of the storage space must meet. The required storage is provided in each apartment and condominium unit or in an adjacent corridor. The required storage for the townhomes is permitted to be located in each two-car garage. All residential uses in the project meet the lockable storage requirements.

### **Solar Access and Shadow Analysis**

SMC Section 19.56.020 limits shading caused by proposed buildings to a maximum of ten percent of the roof area of nearby properties during the hours of 9 AM to 3 PM during the solar cycle. The applicant's shadow study (Sheet A-10.0 of Attachment 5) demonstrates that shadows cast by the proposed buildings do not shade more than ten percent of the roof area on existing buildings on nearby properties. Shadows are cast primarily on the railroad tracks.

### **Stormwater Management**

The City of Sunnyvale complies with stormwater management requirements through participation in the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP). The stormwater management goals are achieved by incorporating Best Management Practices into the project design. Stormwater runoff is typically reduced using 100% Low Impact Development (LID) treatment measures such as rain harvesting and infiltration.

A preliminary stormwater management plan was submitted by the applicant to provide treatment to the entire development site. The project site qualifies as a Special Project under the Santa Clara Valley Urban Runoff C3 Requirements because of the proposed density and location adjacent to the Lawrence Caltrain Station. This allows Low Impact Development (LID) reduction credit and non-LID treatment measures. As a result, up to 40 percent of the runoff from the impervious area on the site would be treated through BMP measures such as flow through planters and bio-retention swales and basins. The remaining 60 percent of the total impervious area of the site would be routed and treated through mechanical treatment devices. A third-party expert will review the final plan prior to building permit issuance.

### **Green Building**

A minimum of 80 points on the GreenPoint Rated checklist are required for new multi-family construction. With 110 points or greater, the project may increase building height, lot coverage, or density. A preliminary checklist was prepared by the applicant with 114 points targeted. While the project is eligible for a five-foot height increase, a deviation to the maximum building height is still needed for the proposed apartment and condominium building heights. The retail space is only subject to CALGreen building code mandatory measures.

### **FISCAL IMPACT**

No fiscal impacts other than normal fees and taxes are expected. Standard fees, such as traffic impact, park in-lieu, housing mitigation, and school impact fees are required prior to issuance of a building permit and are included in Attachment 4. The publicly-accessible open space would be privately owned and not require City funds for maintenance or programming.

### **PUBLIC CONTACT**

Staff has received general inquiries about the project details and timeline throughout the review process. Since the mailing of public hearing notices, staff received a phone call from a resident with concerns about the level of development activity in the area and associated traffic impacts. Staff also received a written comment outlining concerns with the proposed density and water supply available for the project. Staff conducted standard noticing and posting below:

- Published in the *Sun* newspaper
- Posted on the site in multiple locations



- Posted on the City's website
- Provided at the Reference Section of the City's Public Library
- Posted on the City's official notice bulletin board
- A total of 5,224 notices mailed to Sunnyvale and Santa Clara property owners and residents within 2,000 feet of the project site
- Notices were also sent to the project interested parties list, including the Ponderosa Park Neighborhood Association, VTA, County of Santa Clara, and City of Santa Clara.

### **Community Outreach Meeting - October 10, 2018**

The applicant conducted a community outreach meeting in the Peninsula Building Materials showroom on October 10, 2018. The meeting was attended by 20 neighboring residents. The applicant gave a presentation with an overview of the project, then broke into an open house format with boards of project images around the room. There was general support for the redevelopment of the site with this project. However, some attendees noted that the project may exacerbate existing issues with the lack of available street parking and traffic congestion, particularly on Lawrence Expressway. Other comments included a desire for more retail and a traffic signal at Willow and Reed Avenue, concerns about height, and security concerns associated with the retail space. There were also questions about improvements to Aster Avenue, the construction timeline, and the programming of the community open space.

### **Planning Commission Study Session - October 22, 2018**

Staff presented the project to the Planning Commission at a study session on October 22, 2018. The Planning Commissioners were generally supportive of the project and provided comments on bicycle facilities, trees, the townhome design, architectural and paving details, the height deviation, and inquired about the retail space and community open space. Two members of the public also provided comments on the size of the retail space, number of affordable units, and traffic impacts.

In response to the comments, the applicant has revised their plans to redesign the look of the townhomes, including a different roof style, a similar red brick as the apartment building, and larger windows; added more architectural variety to the Willow Avenue façade of the apartment building; revisited the planting palette; and expanded the use of permeable paving.

A Planning Commissioner asked staff to research whether there is an existing pedestrian connection and/or easement to the west-adjacent Willowbend Apartments. Staff reviewed the original 1983 approval of the project and subsequent approvals and did not find a requirement for a pedestrian connection. There was a requirement to construct a masonry wall along the entire property line separating the two sites because of noise from the project site's business operations at the time.

## **ALTERNATIVES**

1. Make the required Findings to approve the CEQA determination that the environmental impacts of the project are addressed in the Lawrence Station Area Plan Program (LSAP) Environmental Impact Report (EIR) and no additional environmental review is required; and approve the Special Development Permit with Sunnyvale Municipal Code (SMC) deviations for building height and distance between main buildings, and Vesting Tentative Map subject to the recommended conditions of approval and LSAP Mitigation Monitoring and Reporting Program (MMRP) in Attachment 4.
2. Make the required Findings to approve the CEQA determination that the environmental

impacts of the project are addressed in the Lawrence Station Area Plan Program (LSAP) Environmental Impact Report (EIR) and no additional environmental review is required; approve the Special Development Permit with Sunnyvale Municipal Code (SMC) deviations for building height and distance between main buildings, and Vesting Tentative Map subject to the recommended conditions of approval and LSAP Mitigation Monitoring and Reporting Program (MMRP) in Attachment 4 and modified conditions of approval as required by the Planning Commission.

3. Do not make the CEQA Findings and direct staff as to where additional environmental analysis is required.
4. Deny the Special Development Permit and Vesting Tentative Map and provide direction to staff and applicant on where changes should be made.

### **STAFF RECOMMENDATION**

Alternative 1: Make the required Findings to approve the CEQA determination that the environmental impacts of the project are addressed in the Lawrence Station Area Plan Program (LSAP) Environmental Impact Report (EIR) and no additional environmental review is required; and approve the Special Development Permit with Sunnyvale Municipal Code (SMC) deviations for building height and distance between main buildings, and Vesting Tentative Map subject to the recommended conditions of approval and LSAP Mitigation Monitoring and Reporting Program (MMRP) in Attachment 4.

The proposed transit-oriented project fulfills the LSAP's vision for this site by being primarily residential with a publicly-accessible open space area and a small amount of supporting retail. The proposed connectivity improvements on and offsite will enhance the pedestrian and bicycle experience to the Lawrence Caltrain Station in the neighborhood south of the tracks. The proposed density concentrates more people closer to the station with the potential to increase transit ridership. The proposed building scale respects existing residential uses by stepping down in height, and the architectural character includes elements of the existing industrial use with modern touches. Most of the mature cedar trees along Aster Avenue will be preserved. The proposed landscaping and open spaces will also significantly improve onsite aesthetics. Although there are buildings that exceed the height requirement, the design minimizes the impact to surrounding uses, and the result of the greater height is high density on the site and more open space at the site.

Prepared by: George Schroeder, Senior Planner

Reviewed by: Amber Blizinski, Principal Planner

Approved by: Andrew Miner, Assistant Director of Community Development

### **ATTACHMENTS**

1. Vicinity and Noticing Map
2. Project Data Table
3. Recommended Findings
4. Standard Requirements, Recommended Conditions of Approval, and LSAP Mitigation Monitoring and Reporting Program (MMRP)
5. Site and Architectural Plans
6. Deviations Exhibit and Drone Views
7. CEQA Checklist for Lawrence Station Area Plan (LSAP) EIR Compliance
8. Transportation Impact Analysis (TIA)
9. Link to RTC 18-0259 (LSAP Housing Study Preferred Alternative)
10. Public Correspondence