



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 19-0968, Version: 1

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### REPORT TO PLANNING COMMISSION

#### SUBJECT

**Proposed Project:** Related applications on a 5.35-acre site:

**USE PERMIT:** to allow demolition of 130 apartment units and the construction of 128 condominium units (net loss of two units);

**VESTING TENTATIVE MAP:** to subdivide one parcel into 19 parcels.

**Location:** 925 South Wolfe Road (APN: 211-14-034)

**File #:** 2019-7142

**Zoning:** R-3 - Medium Density Residential

**Applicant / Owner:** SummerHill Homes (applicant) / Peppertree Square LLC (owner)

**Environmental Review:** The project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and Public Resources Code Section 21083.3.

**Project Planner:** Momoko Ishijima, 408-730-7532, mishijima@sunnyvale.ca.gov

#### REPORT IN BRIEF

**General Plan:** Medium Density Residential

**Existing Site Conditions:** 130-unit apartment complex

##### **Surrounding Land Uses**

**North:** Single-family residences

**South:** Two-story condominiums

**East:** Single-family, duplex, and multi-family residences

**West:** Apartment complex and single-family residences

**Issues:** Loss of rental housing, neighborhood compatibility

**Staff Recommendation:** Alternative 1: Make the required Findings to approve the CEQA determination that the project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and Approve the Use Permit and Vesting Tentative Map subject to the findings in Attachment 3 and recommended conditions of approval in Attachment 4.

#### BACKGROUND

##### Description of Proposed Project

The 5.35 acre project site is currently developed with a 130-unit apartment complex (The Landmark). The applicant proposes a Use Permit and Vesting Tentative Map application to allow for the demolition of the existing apartment complex with 130 rental residential units and allow the construction of a 128-unit condominium development and to subdivide one lot into 19 parcels.

A Use Permit (UP) is required for the development of multi-family units in the R-3 zoning district. A Vesting Tentative Map is required prior to a Final Map for the creation of 19 parcels. See Attachment 1 for a map of the vicinity and mailing area for notices and Attachment 2 for the Data Table of the

project.

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

The subject property was an orchard with a home constructed in 1920. The house was enlarged and remodeled over the years, and the pool and tennis court date back to the residential use of the house. The property was subdivided and developed as a 130-unit apartment complex of studio and one-bedroom units in 1974. The house was remodeled into a clubhouse of approximately 3,580 square feet. The property is not listed on the City's Heritage Resources Inventory.

### **EXISTING POLICY**

**General Plan Goals and Policies:** Key goals and policies from the Land Use and Transportation Chapter of the General Plan and Citywide Design Guidelines which pertain to the proposed project are provided in Attachment 3. Below are a few main goals and policies:

HE-1.1 1 - Encourage diversity in the type, size, price and tenure of residential development in Sunnyvale, including single-family homes, townhomes, apartments, mixed-use housing, transit-oriented development, and live-work housing.

LT-7.5 - Consider the impacts of all land use decisions on housing affordability and on the housing needs of special needs groups within Sunnyvale.

LT-12.3 - Support a variety of land and building ownership forms, including business condominiums, planned developments, and more traditional single-owner developments.

The current zoning of R-3 allows for the redevelopment of the apartment complex as a condominium development through approval of a Use Permit. A total of 128 units would be the maximum number of units allowed under the density considered for the site. The project proposes 128 condominium units.

**Applicable Design Guidelines:** The City's Design Guidelines provide recommendations for site layout, architecture, and design. These guidelines are referenced in the discussion and analysis below.

### **ENVIRONMENTAL REVIEW**

The project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required pursuant to CEQA Guidelines Section 15183 and Public Resources Code Section 21083.3 (see Attachment 5).

### **HOUSING ACCOUNTABILITY ACT**

The Housing Accountability Act (HAA) (Gov. Code Section 65589.5) is a California law that prohibits local public agencies from disapproving residential development projects that comply with the City's objective planning and zoning standards. Assembly Bill (AB) 1515, part of the 2017 housing package, significantly strengthened the HAA by providing that residential developments "shall" be deemed consistent with local planning and zoning standards if there is "substantial evidence" that would allow a "reasonable person" to conclude that the project is consistent, in compliance, or in conformity with those standards. If an agency violates the HAA, courts are authorized to issue an order compelling the agency to approve the project, and an agency that fails to comply with such an order can be fined a minimum of \$10,000 per housing unit.

Although an important goal of the HAA is to promote affordable housing, the HAA (as in effect in 2019) applies to all residential development, including redevelopment projects that replace older, more affordable housing with newer, more expensive housing. On October 9, 2019, the Governor signed Senate Bill (SB) 330, which adds certain requirements designed to protect lower income residents from displacement by redevelopment. The proposed project is not subject to these requirements. SB 330 will go into effect on January 1, 2020.

## **DISCUSSION**

### **Present Site Conditions**

The project site is one lot located on South Wolfe Road between Gary Avenue and Maria Lane, and approximately 0.25 mile north of the intersection of East El Camino Real and South Wolfe Road. The project site has a secondary frontage toward the rear on Bellomo Avenue. The site is currently developed with seven (7) two-story apartment buildings consisting of 130 units (49 studios and 81 one-bedroom units), a clubhouse building, carports, a pool, and a tennis court. There are apartments and townhouse developments to the south and west, single-family residences to the north and east. City of Sunnyvale Fire Station #4 is located approximately 350 feet to the south at the intersection of Maria Lane and South Wolfe Road, and there are shopping centers and commercial uses along El Camino Real.

The project site is located near several transit routes, including bus services operated by the Santa Clara Valley Transportation Agency (VTA). VTA bus service stops for Route 26 is located 300 feet to the north and south of the project site along the South Wolfe Road frontage. VTA bus routes 22 and Express Bus 522 stops are located approximately 0.25 mile south at the intersection of East El Camino Real and South Wolfe Road.

### **Use Permit**

**Use and Site Layout:** The application is for the demolition of all existing structures and construction of 13 two- and three-story buildings with 128 condominium units. The proposed project includes 100 two-bedroom, 12 three-bedroom, and 15 four-bedroom units that range in size from 1,545 square feet to 2,457 square feet including two-vehicle garages. The three buildings along the north property line will provide 24 townhouse style units ranging from two to three stories. A 13-unit three-story building will be located on the South Wolfe Road frontage. There will be nine three-story buildings located in the interior of the lot ranging from four units to 15 units per building.

The site will be accessed by two driveways, one on South Wolfe Road and one on Bellomo Avenue, connected by private drive aisles. The project will remove a second driveway on South Wolfe Road (currently the northern driveway) and relocate the driveway at Bellomo Avenue. Common open space is provided between buildings and a large open space and outdoor amenity areas are provided adjacent to the proposed amenity building and near the Bellomo Avenue cul-de-sac. Private porches and/or balcony areas are also provided for each unit ("Site and Architectural Plans" are provided in Attachment 7).

**Development Standards:** The project complies with all the applicable development standards in the SMC (no deviation or variance requests), such as setbacks, distance between buildings, lot coverage, parking, landscaping, usable open space and solar access. The Project Data Table in Attachment 2 summarizes the project's compliance with Sunnyvale Municipal Code development standards.

**Density:** Housing types that are typical in the R-3 zoning district include townhouse style developments and podium style residential buildings and the applicant has proposed to construct a mixture of townhouse and stacked condominium style residences for compatibility with the adjacent multi-family developments to the south and west. The project complies with General Plan Policy HE-4.3, which requires new developments to build to at least 75% of the maximum zoning density. Although there is a net loss of two units from the existing 130-unit apartment complex, the project proposes the maximum density of 24 dwelling units per acre by providing 128 units.

**Architecture :** The project architecture can be described as Craftsman style with the use of stucco, horizontal, and shake-style siding as exterior materials, exposed eaves and corbels at gable ends, wood window and door trims, and decorative rafter tails on roofs and porches as accent material. The roof has hipped and gable roof styles with the use of composition shingle roof material. The garage door designs are craftsman or carriage style and varied in style and color to provide interest as seen along the long drive aisles.

The project site has a long frontage along South Wolfe Road as well as long drive aisles, and the project addresses the massing and length of the buildings by designing buildings with corner architectural features, varying projections, height, and color schemes. Each unit within the building groups have distinguishing details with varying architectural accents and materials which add visual interest from the street.

**Building Height/Green Building:** The project was deemed complete before the recently adopted green building standards took effect; therefore, a minimum of 80 Build It Green points are required. With 110 points or greater, the project may increase building height, lot coverage, or density. A GreenPoint Rated checklist was prepared by the applicant with 110 points targeted (see Attachment 10). The applicant proposes to utilize the incentive to increase building heights by 5 feet.

Maximum building height in the R-3 zone is 35 feet, where 40 feet is permitted with the green building incentive. The project proposes building heights of 34 feet 10 inches to 39 feet 6½ inches for three story buildings, as measured from the top of the nearest curb.

SMC Section 19.32.040(b) also limits building heights to 30 feet, when located within 75 feet of property lines adjoining single-family homes. Along the north property line where the project is adjacent to single-family homes, there is one two-story building of 30 feet 3 inches in height and two three-story buildings 34 feet 10 inches in height. To reduce visual impacts, the applicant has designed the three-story buildings to appear as two-story along the north elevation and the three-story portion is only apparent on the south elevation facing away from the adjacent single-family residences (Attachment 7, Sheets A22 and A23.)

**Parking:** Parking requirements are based on the type of assigned spaces, such as the two-car garage, and number of bedrooms, which results in a required minimum of 315 total parking spaces (average of 2.5 spaces per unit), including 256 minimum spaces assigned and 59 minimum spaces unassigned. A summary table of parking requirements is provided on Sheet A5 on Attachment 7.

The proposed project meets the parking requirements by providing 315 parking spaces. Each unit includes a two-car garage and the 59 unassigned uncovered parking spaces are located throughout the development. The SMC requires all new multi-family residential uses to participate in a Transportation Demand Management (TDM) program. A minimum of 10 points is required from the

menu of strategies in the City's TDM program. The project attains 10 points (see Attachment 9 for information concerning the TDM plan).

**Landscaping and Tree Preservation:** The project exceeds the minimum landscaped area requirement by providing a total of 75,074 square feet of landscaping (32% of the site), where 54,400 square feet is required (20% of the site).

A tree survey was provided for the project and staff visited the site with the City Arborist. Of the 83 existing trees on site, 77 trees are proposed for removal, and 61 are considered "protected" per SMC Section 19.94. 56 protected trees are proposed to be removed due to conflicts with the development. In response to the comments received from the Planning Commission at Study Session and recommendations from the City Arborist to preserve the largest Oak trees, the applicant will preserve one Coast Redwood and one Coast Live Oak trees and relocate one Olive and two Coast Live Oak trees. Additionally, two recently planted street trees (Coast Live Oak and one Holly Oak) on South Wolfe Road are proposed to be preserved.

Protected-sized trees are required to be replaced per the City's Tree Replacement Standards. The project proposes 126 new trees and 14 new street trees, which are consistent with the Standards. Replacement trees primarily consist of Red Maple, Eastern Redbud and Incense Cedar. Perimeter trees facing single-family homes will be primarily Incense Cedar.

**Usable Open Space and Amenity Building:** Usable open space is provided within the courtyards between buildings, in the large interior open space, and near the Bellomo Avenue cul-de-sac. There will be a 650-square foot amenity building. The project exceeds the minimum usable open space requirement by providing approximately 428 square feet per unit, where 400 square feet minimum is required.

**Solar Access and Shadow Analysis:** SMC Chapter 19.56 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 demonstrates that shadows cast by the proposed buildings do not shade more than ten percent of the roof area on most existing buildings on nearby properties, with the exception of 854 Gary Avenue at 3 PM. SMC Section 19.56.020(b)(2) requires additional analysis which calculates the extent to which the proposed construction will shade adjacent rooftops and solar collectors between 9 AM to 3 PM throughout the entire three hundred sixty-five-day solar cycle. The cumulative shading at 854 Gary Avenue throughout the year is less than ten percent. The shadow study is in Attachment 7 (Sheets A72 and A72A).

### **Solid Waste and Recycling Access**

The project includes single-family recycling and garbage service, with individual carts to be staged on-site during trash collection. The applicant has worked with Environmental Services and Public Works Department staff to determine that the internal circulation satisfies the requirements for solid waste and recycling collection vehicles. The City's solid waste and recycling design guidelines for multi-family developments recommend a 50-square foot increase in the minimum 400-square foot two-car garage size to accommodate recycling and garbage bin storage space inside the garage. However, the applicant has noted that all of the proposed units will have washer and dryer spaces inside the units (typically located inside garages) and have illustrated on each garage plan that there is sufficient space inside the garages for recycling and garbage bins (Attachment 7). The proposed

garages are an average of 431 square feet and have sufficient interior clearance to accommodate two parked vehicles, trash carts and storage. A Variance approval is not required to deviate from the design guidelines as it is not a municipal code requirement. A final trash management plan is required per Conditions of Approval (Attachment 4).

### **Below Market Rate Housing**

The project will comply with the 12.5% below market rate (BMR) requirement by providing the required 16 BMR units.

### **Tenant Relocation Assistance Program**

Although not required by the SMC, the applicant has prepared a Tenant Relocation Assistance Program, which provides monetary assistance to existing tenants, and has contracted with Associated Right of Way Services, Inc. to provide relocation assistance (Attachments 8 and 11). Sunnyvale Housing Division staff has also offered to attend a meeting with the remaining residents to provide information on City resources.

### **Vesting Tentative Map**

The Vesting Tentative Map calls for subdivision of the existing lot into 19 parcels. The residential units will be mapped as condominiums. A Home Owners Association (HOA) will ensure ongoing maintenance of common areas such as surface parking, private walkways, private utilities, and public utilities.

### **Easements**

The development includes several easements to enable ingress/egress and emergency vehicle access. In addition, public utility easements, a public storm drain and sanitary sewer easement, are also provided for private utility access, storm drain access and sanitary sewer access. Per Condition of Approval in Attachment 4, the developer is required to execute a maintenance agreement for perpetual maintenance of certain improvements within these easements.

### **FISCAL IMPACT**

The project is subject to payment of traffic and park in-lieu fees to the City and school impact fees to the Sunnyvale School District as noted in the Conditions of Approval. The project is not expected to have a negative fiscal impact to the City.

### **PUBLIC CONTACT**

#### **Neighborhood Outreach Meeting**

The applicant held a community outreach meeting on June 13, 2019. Property owners and residents within 1,000 feet of the site were notified. The meeting was held at the project site in the Landmark Apartment clubhouse. Over 20 community members attended the meeting. Questions and concerns related to the loss of residential units, loss of rental units, construction timeframe; tenant relocation, site layout, height, parking, bedroom count, unit size, pricing, and homeowner's dues.

#### **Planning Commission Study Session**

A study session was held with the Planning Commission on June 10, 2019. At the study session, Commissioners provided comments related to the site layout and architecture of the project. Concerns were noted regarding the net loss of units and the loss of affordable rental units. The Planning Commissioners requested increase in unit count, change in product types, save trees, higher quality exterior materials, a richer color palette, and to try to meet all development standards.

In response to input from the Planning Commission and the community, the applicant revised the project and increased the unit count from 117 units to 128 units. In addition, the unit types have changed to provide a majority of two-bedroom units, preserving more protected trees, and enhancing the exterior of the building with higher quality materials and color palette. The project now complies with all development standards where previously, the project was seeking a Variance approval for distances between buildings.

### **Public Comments**

As of the date of staff report preparation, staff has received one letter from the Silicon Valley Leadership Group in support of the project. Four correspondences received prior to the Planning Commission Study Session on June 10, 2019, have been included in the staff report as Attachment 12. The comments were related to the net loss of units, loss of rental housing, displacement of current residents, and a request to convert the existing apartment to affordable condominiums. A response to Ms. Sonja Trauss of the California Renters Legal Advocacy and Education Fund has been prepared by the Applicant's legal counsel (Attachment 13.)

### **Notice of Public Hearings**

- Published in the Sun newspaper
- Posted at the site
- 1,328 notices were mailed to property owners and tenants within 1,000 feet of the project as shown in Attachment 2
- Notices were sent to the Gavello Glen and Ponderosa Neighborhood Associations

### **Staff Report**

- Posted on the City of Sunnyvale's web site
- Provided at the Reference Section of the City of Sunnyvale's Public Library

### **Agenda**

- Posted on the City's official notice bulletin board
- Posted on the City of Sunnyvale's web site

### **ALTERNATIVES**

1. Make the findings required to approve the CEQA determination that the project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Vesting Tentative Map based on the findings in Attachment 3, and recommended conditions of approval in Attachment 4.
2. Make the findings required to approve the CEQA determination that the project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Vesting Tentative Map based on the findings in Attachment 3, and modified conditions of approval.
3. Do not make the required findings and direct staff where changes should be made.
4. Deny the project.

### **STAFF RECOMMENDATION**

Alternative 1: Make the findings required to approve the CEQA determination that the project is consistent with the Land Use and Transportation Element (LUTE) of the City's General Plan and no additional environmental review is required as noted in the checklist in Attachment 5, and approve the Use Permit and Vesting Tentative Map based on the findings in Attachment 3, and recommended Conditions of Approval in Attachment 4.

The project meets all development standards and maximizes the number of residential units allowed under the density, and provides homeownership opportunities. Staff is concerned by the loss of smaller rental units (likely relatively affordable), but current state law requires the project to be reviewed against existing standards and not in regards to the loss of units or the redevelopment from smaller rental apartments to mostly market rate townhomes.

The project does meet the relevant development standards, and it is compatible with the surrounding neighborhood, and the proposed architectural style and scale relates to the multi-family developments to the south along both street frontages. The buildings adjacent to single-family homes have been reduced in height to two-stories. Existing large trees are being either preserved or moved on site and privacy impacts are further reduced with perimeter trees being planted.

Prepared by: Momoko Ishijima, Senior Planner

Reviewed by: Noren Caliva-Lepe, Principal Planner

Approved by: Andrew Miner, Assistant Director of Community Development

#### ATTACHMENTS

1. Noticing and Vicinity Map
2. Project Data Table
3. Recommended Findings
4. Recommended Conditions of Approval
5. CEQA Consistency Checklist with the Land Use and Transportation Element (LUTE) EIR
6. LUTE Mitigation and Monitoring Reporting Program
7. Project Site and Architectural Plans
8. Project Description Letter
9. Transportation Demand Management Program Summary
10. Draft Green Point Rated Checklist
11. Tenant Relocation Assistance Program
12. Letters Received from the Public
13. Applicant Response to Ms. Sonja Trauss of California Renters Legal Advocacy and Education Fund