

REPORT TO PLANNING COMMISSION

SUBJECT

Recommend a Land Use Option for the Development of Proposed Amendments to the Moffett Park Specific Plan and Analysis in the Environmental Impact Report (EIR).

REPORT IN BRIEF

The first step in working towards developing a plan for the Moffett Park Specific Plan area to become a mixed-use, eco-innovation district, as envisioned by the plan area's Guiding Principles, is to define the "Project" that will serve as the basis of the plan updates as well as the environmental review required by the California Environmental Quality Act (CEQA).

Staff recommends a "balance of uses" approach with areas in the plan for new mixed-use residential opportunities and additional office development potential. Features of the recommendation are:

- Mixed use development (retail and housing) limited to east of Mathilda Avenue,
- Office and industrial uses on the perimeter of the plan area on both sides (east and west) of Mathilda.

The recommended program for study considers up to 18,500 new housing units, up to 500,000 square feet of new commercial/retail uses, and up to 10 million square feet of net new office space (an approximate 8.47 million square foot increase above the adopted Moffett Park Specific Plan). A map of the staff recommended draft land use plan (for the purpose of study) is included as Attachment 2.

Once City Council provides direction on the recommended option, work will begin on the actual Moffett Park Specific Plan document, the related studies, and the required environmental review. Part of the effort will include a series of study sessions in the summer and fall of 2021 to continue exploring policy issues and the findings of the technical studies. It is anticipated that a draft plan and Draft Environmental Impact Report will be available for review by the summer of 2022.

BACKGROUND

A request for a General Plan Initiation (GPI) to consider updating the Moffett Park Specific Plan (MPSP) was submitted on May 10, 2017. On February 6, 2018, the City Council voted to initiate the study in accordance with the Planning Commission recommendation to prepare a work plan and project description after initial community outreach (RTC No. 18-0100). The study was to include any additional plan features as directed by City Council and to commence work on the studies only if fully paid for by the applicants.

Staff returned to Planning Commission on March 11, 2019 to report on the findings of the MPSP initial outreach, a proposed work plan and schedule for the update. In addition, staff requested the

Planning Commission make a recommendation to Council on a proposed set of Guiding Principles to inform and guide the update process. Key Guiding Principles include the study of housing in the plan area, redefining of the area as an “Ecological and Innovation District”, and the need to prepare and plan for infrastructure. On April 9, 2019 (RTC No. 19-037), the City Council approved the project work program and Guiding Principles (Attachment 3) and directed staff to proceed with the update. In addition, a draft Vision Statement was prepared and shared with City Council at several study sessions and public workshops (Attachment 3).

In August 2020, Study Sessions were held for both Planning Commission and City Council to present the ongoing public outreach, technical studies completed, and initial land use concepts and configurations. Planning Commission provided comments and recommendations to the City Council on the various land use concepts and programs. The City Council’s response to the Study Session materials included a request for staff to develop a greater public outreach process and to address and present more information on major topics such as sea level rise, transportation and infrastructure, and land use.

Per Council direction, staff and consultant team prepared a comprehensive Community Engagement Plan (Attachment 4) designed to continue and enhance engagement for the plan update during the COVID-19 pandemic restrictions. The Community Engagement Plan included a multi-pronged approach to engage the public and stakeholders in the development of the process and to provide opportunities for robust engagement across multiple outreach platforms and activities. Included in the plan were online surveys, a six-part short video series called, “Understanding the Future” covering topics from Ecology to Mobility and a longer joint Workshop/Study series that included live polling.

Additional Workshop/Study Sessions were held on the following key topics:

- Sea Level Rise and Climate Change (November 30, 2020)
- Transportation and Infrastructure (February 2, 2021)
- Land Use, Housing, Open Space and Market Conditions (March 2, 2021)

A Community Priorities Survey, with questions regarding the public interest in future amenities and improvement in the plan area, was launched at the conclusion of the workshop series. The Workshop/Study Session Summaries, including the live polling results and a summary of the Online Community Priorities Survey are available on the project website www.moffettparksp.com [<http://www.moffettparksp.com>](http://www.moffettparksp.com).

In addition, staff, and the consultant team have continued to undertake and complete the following technical studies to help inform not only the environmental considerations of the plan but also to inform the initial land use concepts.

Technical Studies completed or underway include the following:

- Existing Conditions + Strengths, Weakness, Opportunities and Threats Report (April 2020)
- Urban Ecology Technical Study (April 2020)
- Sea Level Rise Adaptation Strategy (March 2020)
- Acoustics and Air Quality Technical Study (March 2020)
- Market Analysis (June 2020)

- Noise and Vibration Study (March 2020)
- Biotic Resources Report (underway)
- Cultural Resources Literature Review (underway)
- Cultural Resources Background Report (underway)
- Fiscal Impact Analysis (underway)
- Phase I Hazards (underway)
- Moffett Park Feasibility Analysis (Traffic Modeling) (underway)
- Groundwater Study (underway)

A summary of the key background studies that have played a role in helping to define the recommended land use plan to study are in Attachment 6.

EXISTING POLICY

General Plan Goals and Policies

The following are key goals and policies from the General Plan pertaining to the update of the Moffett Park Specific Plan (a full set of goals and policies is included as Attachment 7):

GOAL LT-1: COORDINATED REGIONAL AND LOCAL PLANNING - Protect the quality of life, the natural environment, and property investment, preserve home rule, secure fair share of funding, and provide leadership in the region.

- **Policy LT-1.2** Minimize regional sprawl by endorsing strategically placed development density in Sunnyvale and by utilizing a regional approach to providing and preserving open space for the broader community.
- **Policy LT-1.3** Contribute to a healthy jobs-to-housing ratio in the region by considering jobs, housing, transportation, and quality of life as inseparable when making planning decisions that affect any of these components
- **Policy LT-1.7** Emphasize efforts to reduce regional vehicle miles traveled by supporting active modes of transportation including walking, biking, and public transit.

GOAL LT-2: ENVIRONMENTALLY SUSTAINABLE LAND USE AND TRANSPORTATION

PLANNING AND DEVELOPMENT - Support the sustainable vision by incorporating sustainable features into land use and transportation decisions and practices.

- **Policy LT-2.2** Reduce greenhouse gas emissions that affect climate and the environment through land use and transportation planning and development.
- **Policy LT-2.6** Address sea level rise, increased rainfall, and other impacts of climate change when reviewing new development near creeks and consider the projected flood levels over the economic lifespan of the project.

GOAL LT-3: AN EFFECTIVE MULTIMODAL TRANSPORTATION SYSTEM - Offer the community a variety of transportation modes for local travel that are also integrated with the regional transportation system and land use pattern.

- **Policy LT-3.1** Use land use planning, including mixed and higher-intensity uses, to support alternatives to the single-occupant automobile such as walking and bicycling and to attract and support high investment transit such as light rail, buses, and commuter rail.
- **Policy LT-3.2** Refine land use patterns and the transportation network so they work together

to protect sensitive uses and provide convenient transportation options throughout the planning area.

GOAL LT-7 DIVERSE HOUSING OPPORTUNITIES - Ensure the availability of ownership and rental housing options with a variety of dwelling types, sizes, and densities that contribute positively to the surrounding area and the health of the community.

- **Policy LT-7.2** Determine the appropriate residential density for a site by evaluating the site planning opportunities and proximity of services (such as transportation, open space, jobs, and supporting commercial and public uses).
- **Policy 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.

GOAL LT-9 ADEQUATE AND BALANCED RECREATION FACILITIES - The City strives to provide and maintain adequate and balanced open space and recreation facilities for the benefit of maintaining a healthy community based on community needs and the ability of the city to finance, construct, maintain, and operate these facilities now and in the future.

- **Policy LT-9.1** Ensure that the planned availability of open space in both the city and the region is adequate.

GOAL LT-11 SUPPORTIVE ECONOMIC DEVELOPMENT ENVIRONMENT - Facilitate an economic development environment that supports a wide variety of businesses and promotes a strong economy within existing environmental, social, fiscal, and land use constraints.

- **Policy LT-11.1** Provide existing businesses with opportunities to grow in Sunnyvale and provide opportunities to expand into new technologies.
- **Policy LT-11.3** Promote business opportunities and business retention in Sunnyvale.
- **Policy LT-11.4** Participate in regional efforts to respond to transportation and housing problems caused by economic growth in order to improve the quality of life and create a better environment for businesses to flourish.

In addition, the following items have helped shape the proposed land use alternatives:

- Sunnyvale Housing Strategy,
- Sunnyvale Climate Action Playbook,
- Moffett Park Specific Plan Draft Vision Statement,
- City of Sunnyvale Vehicle Miles Traveled (VMT) Policy
- ABAG Regional Housing Needs Assessment (RHNA).

ENVIRONMENTAL REVIEW

Section 15004(b) of the CEQA Guidelines provides that an EIR should be prepared “as early as feasible in the planning process to enable environmental considerations to influence project program and design and yet late enough to provide meaningful information for environmental assessment.” The action being considered merely defines the proposed Project and directs staff to proceed with the preparation of an EIR for the Moffett Park Specific Plan update. This action does not approve any changes to the Moffett Park Specific Plan and it does not commit the City Council to approve any particular land use option for the Specific Plan area. As required by CEQA, the EIR will include a range of alternatives, which include making no changes to the Moffett Park Specific Plan (“No Project”). When the Project ultimately returns to the City Council for consideration, the City Council will have full discretion to approve any alternative including the “No Project” alternative. Therefore,

the present action is not itself a project that requires separate environmental review (CEQA Guidelines Section 15061(b)(3).)

Land Use Options

The discussion of land use options is divided into two primary sections: 1) how much of which land uses; and, 2) location of land uses. There are many ways to study mixed-use opportunities in the Plan. The staff recommendation listed below maximizes the residential opportunities and increases the possibility for additional office development. Ultimately, the Plan will consider the allocation of the amount of each non-residential use (office, R&D and industrial). Studying a larger buildout enables maximum choice for ultimately approving a plan that provides a good balance of desired land uses. Final land use decisions will also be influenced by the results of various studies on services and infrastructure (discussed later in this report);

How Much Office/R&D, Housing and Retail/Commercial

The development program for the draft plan is included in the table below.

Office/R+D/Industrial	Housing	Retail
Up to 10 million net new square feet (~8.47M sf over the adopted MPSP)	Up to 18,500 new housing units	Up to 500,000 square feet of net new retail

The City Council could choose another option that increases or reduces the number of residential units (or removes them altogether), and the same with new office development. This report does not include specific reduced numbers, but any option can be considered by Council.

- Office/R+D/Industrial**

Staff's recommended development program includes 10 million square feet of additional "net new" Office/R+D/Industrial space. This is an increase over the existing allowance for industrial and office development under the 2004 Moffett Park Specific Plan (updated 2013) per the table below.

OFFICE/ R+D/ INDUSTRIAL SPACE

Adopted MPSP Build Out	24.33 M sq. ft.
Existing	18.5 M sq. ft.
Existing + Approved	22.8 M sq. ft.
Proposed Net New in Revised MPSP	10.0 M sq. ft. (over existing + approved)
Proposed Build Out	32.8 M sq. ft.

- Mixed-Use Residential**

Staff's recommendation is to study mixed-use development, including housing and retail uses. The development program for this recommendation is shown below:

Existing Number of Residential Units	Proposed Number of Residential Units
0	Up to 18,500

Existing Retail Square Footage	Proposed Net New Retail
59,000 sq. ft.	Up to 500,000 sq. ft.

Location of Land Uses

Key features of the recommended option are:

- Mixed-use development (retail and housing) east of Mathilda Avenue,
- Office and industrial uses on the perimeter of the plan area and west of Mathilda.

Staff recommends residential uses only east of Mathilda Avenue. This recommendation is based primarily on the benefit of reduced future conflicts between light industrial and residential uses east of Mathilda Avenue.

The proposed location of new Office/R+D/Industrial space is focused on the perimeter areas of the plan boundaries, as those are less suitable for housing, and west of Mathilda Avenue in proximity to Lockheed's campus and other light industrial and R+D uses.

A map of the staff recommended draft land use plan (for the purpose of study) is included as Attachment 2. A map showing some of the property owners of west of Mathilda is Attachment 8 (Additional Residential Opportunity Sites)

The previously considered residential opportunity area west of Mathilda Avenue and south of Lockheed has been removed. The majority of the area is part of Juniper Network's campus; Juniper has indicated they intend to exercise their approved office/R&D development. There is a parcel west of Mathilda Avenue at the prior fire station site (owned by Jay Paul) that could be included as a potential residential site given its close proximity to the light rail station, easy access to future bike and ped paths, including the potential future West Channel trail.

The advantages to staff's recommendation include:

- Reduce potential for future conflicts between light industrial and residential uses east of Mathilda Avenue
- Residential uses would be concentrated closer to major retail centers and other support services providing the best opportunity to support viable retail services

The cons to staff's recommendation:

- Fewer potential housing sites could result in slower buildout of residential uses,
- Retail/restaurants/services are farther from office workforce west of Mathilda

Additional location options include:

- **Option TC - Mixed-Use Residential Tech Corners**

Include housing opportunities and retail uses west of Mathilda, including the prior fire station site west of Mathilda Avenue at Innovation Way (the property Jay Paul received approval for a hotel) and the Tech Corners area.

Advantages include:

- Creates a complete neighborhood with services west of Mathilda,
- Places mixed-use in proximity to transit,
- Orients mixed-use in proximity to a future Mary Ave overpass,
- Is within a 20-min walk to a large activity center.

The potential cons of this land use configuration are as follows:

- Juniper Networks, the property owner of a majority of the identified area, has expressed support for residential in the MPSP area; however, they have indicated that they intend to exercise their entitlement for office development on their campus and would not be considering residential uses.
- Although there is no indication of conflict with the County adopted Airport Land Use Commission (ALUC) Compatible Land Use Plan (CLUP) for Moffett Federal Airfield, residential use would be in closer proximity to the airfield which may be perceived as noisier or less safe.

- ***Option NW - Mixed-Use Residential Northwest Corner***

Throughout this process, Lockheed Martin, as well as other major stakeholders, have considered what land uses and amenities they would like to include in their future planning efforts. Lockheed has expressed interest in a residential development north of their campus in the northwest corner of the plan area. This area is adjacent to existing sensitive habitat and an area that could include greater development setbacks and ecological enhancement.

Including a mixed-use residential opportunity in the northwest corner of the plan area could have the following outcomes.

Advantages include:

- Provides more opportunity area for residential development
- Proximity to Bay Trail
- Within a 20-min walk to activity center (although at the upper end of this timeframe).

The potential negative aspects of this land use concept are:

- Requires finished floor to be 11 feet above stormwater ponds
- One way in and out of neighborhood
- Proximity to sensitive habitat areas
- Isolated area with no nearby services

- ***Option NS - Mixed Use Residential Navy Site***

Although this option has not been considered previously or presented during workshops or study sessions there are some strong positive arguments to include this area in residential areas to study. They include:

- Creates a complete neighborhood with services west of Mathilda
- Proximity to Transit
- 20-min walk to central activity center

A significant reason to not include this option is the existing environmental hazards on the site and a potential requirement for contaminant clean up or capping of the site.

Open Space Considerations

Based on the Guiding Principles and the results of the technical studies, including the Sea Level Rise Adaptation Plan and Urban Ecology Technical Study, the open space program for the plan area will examine a combination of active parks, linear parks, plazas, ecologic and biotic setbacks, and other multi-benefit ecological features (such as stormwater retention and enhanced habitat).

Staff recognizes the value in future setbacks from the bay lands for urban ecology, biotic preservation, and enhancement as well as a potential “ecological overlay” in the plan area. Staff will return to the Planning Commission and City Council in the near future with a more detailed discussion of the plan area’s open space, including specific setback requirements and potential overlay concepts once the draft land use plan and development plan is selected. This approach would also provide time to determine what type and location of school facilities, which could be co-located with other public facilities such as parks.

The Moffett Park Specific Plan will review open space and public park options. The City park dedication policy is for 5.34 acres of open space per 1,000 residents as stated in the City’s General Plan. There may be future consideration of a specific open space definition for the Moffett Park Specific Plan area (e.g. should nearby trails be included in the total open space available in the City, could non-residential plazas that are open to the public be credited toward park dedication, etc.).

Staff Recommendation

The staff recommendation for what to include in the definition of the Project includes:

- Create a mix of uses in the Plan area to encourage “all day” activity (generally seen as employees and service providers by day, residents by night) by creating neighborhoods with a variety of uses and environments.
- Include the study of 18,500 new residential units in the Plan area. It is anticipated most of the residential units will be combined with other uses on the ground floor such as: retail, gathering places, maker space, offices.
- Include the study of 10 million “net new” square feet of office/R&D/industrial space.
- Include the study of up to 500,000 square feet of new retail and commercial space.
- Consider open space amenities that will be a combination of linear parks, active parks, plazas, ecological features, and biotic setbacks.

Next Steps

Once a determination has been made by the City Council on the land use option for study, work will begin on the actual Moffett Park Specific Plan document (and other pending studies) and environmental review. Staff is planning for a series of study sessions in the summer and fall of 2021 to continue to explore policy issues and report on the findings of the technical studies. Another important policy discussion is an implementation program that addresses phasing of future development, infrastructure, and services in the plan area. This policy will address how housing, retail, office, industrial uses and infrastructure improvements are interrelated and can be phased as the area redevelops.

Other Important factors and policy issues that will be considered and developed as part of the draft plan include:

- open space
- urban ecology
- urban design, density, and form
- community benefits
- affordable housing
- schools
- City services
- economic diversity (size and type of industrial/R+D spaces)
- transportation and parking
- infrastructure
- public art
- financing
- phasing
- recommended general plan and zoning designations.

A study as large and encompassing as Moffett Park also addresses regional concerns and issues, including:

- greenhouse gas impacts
- traffic
- promoting infill development and minimizing urban sprawl and the need for commutes from outlying areas
- coordination for existing and future transportation options
- jobs and housing ratios

Other components of the Moffett Park Specific Plan that will be prepared as part of the draft include; mobility improvements, streetscape standards (sidewalks, landscaping, and public space), and development standards and design guidelines (building forms, height, setbacks) for future development in the plan area.

The first draft of the MPSP are expected to be presented to the Planning Commission and City Council in the Spring of 2022, the draft EIR will be issued in Summer of 2022, with public hearings held in the Summer of 2022, with plan adoption by the end of the year 2022.

FISCAL IMPACT

Funding for the update to the Moffett Park Specific Plan is provided by the three major property owners of the plan area, so the continuation of the update to the plan has no fiscal impact on City funds.

There is no fiscal impact related to the selection of alternative to study for the purposes of environmental review. The City has engaged Strategic Economics (a member of the larger Consultant Team) to provide a Fiscal Impact Analysis of the preferred alternative to be presented with the results of other technical analysis. Staff will return to present the findings of this study during the summer of 2021.

PUBLIC CONTACT

Public contact was made through posting of the Planning Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report on the City's website. Email notices were sent to the interested parties list for the Moffett Park Specific Plan effort and posted on the project website at www.moffettparksp.com <<http://www.moffettparksp.com>>.

Community Engagement

- City Council Public Hearing on Work Plan, April 9, 2019 (Work Plan)
- Planning Commission Study Session, November 25, 2019 (Sea Level Rise)
- Community Workshop #1, February 20, 2020 (Community Visioning Workshop)
- Community Visioning Survey, February 14, 2020 - June 26, 2020
- Understanding the Future Video Series, Published July 2020
- Part 1 - Mobility
- Part 2 - Market Conditions
- Part 3 - Ecology
- Part 4 - Open Space
- Part 5 - Land Use
- Part 6 - Flooding and Sea-level Rise Adaptation
- Planning Commission Study Session #1, July 27, 2020 (Existing Conditions Findings and Preliminary Land Use Plan)
- City Council Study Session #1, August 11, 2020 (Existing Conditions Findings and Preliminary Land Use Plan)
- City Council Study Session #2, September 29, 2020 (Community Outreach Strategies)
- Public Workshop Series #1: Sea Level Rise and Climate Change, November 30, 2020
- Public Workshop Series #2: Transportation & Infrastructure, February 1, 2021
- Public Workshop Series #3: Land Use, Housing, Open Space, & Market Conditions, March 2, 2021
- Community Priorities Online Survey, March 2, 2020 - April 16, 2021

ALTERNATIVES

Recommend to City Council:

1. Land Use Option of: Office/R+D/Industrial of (an additional 10 million square feet over existing and approved) with Mixed-Use Residential east of Mathilda (up to 18,500 housing units and 500,000 square feet of commercial/retail)
2. Alternative 1 with modifications to; adjust the total amount of housing units or office square footage; include study of housing west of Mathilda on the Lockheed, Navy, Jay Paul or Juniper site; or, other modifications desired by the City Council.
3. Do not select any of the land use options in consideration for the Moffett Park Specific Plan and provide further direction to staff.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission recommend to City Council, Alternative 1: Land Use Option of: Office/R+D/Industrial of (an additional 10 million square feet over existing and approved) with Mixed-Use Residential east of Mathilda (up to 18,500 housing units and 500,000 square feet of commercial/retail)

Staff recommendation has been refined since the March City Council Study Session. It is based on a growing interest from the community in providing additional housing opportunities as well as opportunities for business to grow in this successful business park area. Further, housing would be located only east of Mathilda Avenue which limits future conflict between residential and light industrial uses west of Mathilda and housing and retail would be positioned along transit to support future ridership.

The recommended action serves only to initiate specific *study* of land use change in Moffett Park. This action does not commit the City to any future land use decisions at this time. It merely establishes the parameters of the study for the Plan preparation and Environmental Review. The ranges recommended are broad and may be greater than what is finally chosen as the desired land use ranges for the area. The broad range allows the greatest amount of review and study within the EIR. City staff will return several times in the near future to further establish the Planning Commission and City Council direction for more specific action on items such as:

- Density
- Building heights
- Mix of uses
- Development standards
- Infrastructure needs and timing
- Community benefits
- Timing of build-out

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Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. *Not Used (reserved for Report to Council)*
2. Staff Recommended Land Use Map
3. Draft Vision Statement and Adopted Guiding Principles
4. MPSP Community Engagement Plan
5. Summary results of Public Workshops and Community Priorities Survey
6. Key Technical Study Summaries
7. Existing City Goals and Policies
8. Additional Residential Opportunity Sites
9. Public Comment Letters