
File #: 21-0821, Version: 1

REPORT TO COUNCIL

SUBJECT

Proposed Project: General Plan Amendment Initiation request to consider amending the General Plan designation from Commercial to Medium Density Residential on two sites totaling 1.2-acres.

Location: 1313 S. Wolfe Road (APN: 309-10-026 and 309-10-027)

File #: 2020-7031

Zoning: C-1 (Neighborhood Business)/PD (Planned Development)

General Plan: Commercial

Applicant / Owner: 4Terra Investments (applicant)/Desmond Family Real Estate Limited Partner (owner)

Environmental Review: The project is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(a).

Project Planner: Mary Jeyaprakash, (408) 730-7449, mjeyaprakash@sunnyvale.ca.gov

SUMMARY OF COUNCIL ACTION

The City Council considered this item on September 15, 2020 and voted 7-0 to continue this agenda item to a date not certain (see Attachment 11 for the meeting minutes).

Prior to continuing this request, the City Council made the following two motions that did not pass:

1. Deny the General Plan Amendment Initiation per the language below in Alternative 2 (vote failed 3-4).
2. Approve the General Plan Amendment Initiation per the language below in Alternative 1 (vote failed 3-4) with the following amendments:
 - a. Include a scenario with a commercial component of at least 10 percent floor area ratio (FAR); and
 - b. Include a scenario with no commercial component.

During the discussion, the City Council asked the following questions regarding the request, staff's responses follow each item.

- What is the status of the Butcher's Corner project at 871 and 895 E. Fremont Ave as the project is a block across Fremont Ave. from the subject sites and may benefit from neighborhood commercial use?
 - *Staff Response:* The Butcher's Corner site was approved in 2016 and has completed excavation for the underground parking and is still pursuing the remainder of the building permit and public works approvals. There is no update on the construction timeline for construction of the project; it is likely a two-year construction process.
- Has there or will there be future interest in commercial development on this site?
 - *Staff Response:* The subject property has been partially vacant for over 30 years and

although an application for an auto supply retail use was submitted in 2015 (later withdrawn), staff is unsure why/if there has been a lack of commercial interest in the subject site. Staff does not recommend the GPI request, because it is important to retain these neighborhood business sites and due to the number of residential units currently in the pipeline.

- Could the study area be expanded?
 - Staff Response: If the Council wanted to consider this GPI, staff recommends expanding the boundary to include the gas station site to the north and including a provision that would require a commercial component of at least 10% FAR, consistent with the minimum commercial FAR for the Village Center Mixed use properties. Note that staff is still exploring how best to implement the Village Center concept in light of more recent state housing laws.

Five members of the public spoke during the public comment portion of the hearing both in support and against the staff recommendation.

No additional public comment has been received prior to the agenda posting for this meeting.

ENVIRONMENTAL REVIEW

The decision to initiate a General Plan study does not require environmental review under the California Environmental Quality Act (CEQA) because the mere initiation of a study does not constitute a project with the meaning of CEQA pursuant to CEQA Guidelines section 15378(a), as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. If initiated, the proposed GPA and Specific Plan Amendment would be subject to the provisions of CEQA.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Approve the General Plan Amendment Initiation to consider amending the General Plan designation from Commercial to Medium Density Residential including a commercial component, pursuant to the applicant's proposal and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Section 15378(a).
2. Deny the General Plan Amendment Initiation to consider amending the General Plan designation from Commercial to Medium Density Residential including a commercial component, pursuant to the applicant's proposal.
3. Approve a General Plan Amendment Initiation to consider including High Density Residential or intensified commercial FAR with direction on the study parameters and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Section 15378(a).

STAFF RECOMMENDATION

Alternative 2: Deny the General Plan Amendment Initiation request to consider amending the General Plan designation from Commercial to Medium Density Residential including a commercial component, pursuant to the applicant's proposal.

Sunnyvale is experiencing change in many areas of the City, and some change results in the loss or relocation of businesses utilized by community members. Any change to the General Plan must consider the services the community uses and the need to maintain a balanced economic base. This consideration must be balanced by the need for more housing in the City.

Staff finds that the City is doing an excellent job of planning for and increasing the housing numbers in the City. As noted in the report, there are over 4,500 new residential units in the development pipeline/recently completed in the City (Attachment 7) and approximately 12,000 units possible under the currently adopted General Plan, the updated Downtown Specific Plan, and the recently adopted update to the Lawrence Station Area Plan. In addition, approximately 23,000 housing units are being considered as part of area plan updates (e.g., El Camino Real and Moffett Park). Staff finds it important to maintain the C-1 zoning district, and the important uses within this district as they have limited ability to relocate to other zoning districts in the City.

Given the value to the community, limited number of properties with the Neighborhood Business designation, and the number of residential units currently in the pipeline, staff does not recommend the GPI request. Additionally, attention for future residential options should be focused on locations closer to transit.

If the City Council finds that a study is desirable, it should be noted that staff time available to work on the study is limited and that applications for projects that comply with existing zoning and general plan designations may delay the progress of any new GPA study.

Prepared by: Mary Jeyaprakash, Associate Planner
Reviewed by: Amber Blizinski, Principal Planner
Reviewed by: Andrew Miner, Planning Officer
Reviewed by: Trudi Ryan, Director of Community Development
Reviewed by: Teri Silva, Assistant City Manager
Approved by: Kent Steffens, City Manager

ORIGINAL ATTACHMENTS

1. Report to Planning Commission [20-0276, August 10, 2020] (*without attachments*)
2. Applicant's Project Description and GPI Letter
3. Applicant's Conceptual Site Plan
4. Vicinity and Noticing Map
5. General Plan Map of Site and Vicinity
6. Zoning Map of Site and Vicinity
7. Large Residential Projects in Sunnyvale (updated August 2021)

Additional Attachments for Report to Council

8. Excerpt of Final Minutes of the Planning Commission Meeting of August 10, 2020
9. Presentation to City Council, September 15, 2020
10. Report to City Council [20-0762, September 15, 2020] (*without attachments*)
11. Excerpt of Final Minutes of the City Council Meeting of September 15, 2020