



File #: 23-0564, Version: 1

REPORT TO PLANNING COMMISSION

SUBJECT

Review Planning Program Budget and Fees for FY 2023-2024

REPORT IN BRIEF

Boards and Commissions are asked to provide comments to the City Council on the recommended City budget where it could affect the Commission's work. Staff recommends that the Commission review the following sections of the FY 2023-2024 Recommended Budget (see link in Attachment 1):

- City Manager's Memorandum, pages 8-12
- Budget Summary Highlights, pages 16-28
- Community Development Department (CDD) Budget Summary, pages 320-340

ENVIRONMENTAL REVIEW

The recommendation of the Planning Commission on the budget is not subject to environmental review because it is a fiscal or administrative activity that will not result in direct or indirect changes to the physical environment (CEQA Guidelines Section 15378(b)(4), (5)).

DISCUSSION

Sunnyvale's budget process alternates each year between the operating budget and the projects budget. This year is focused on the projects budget. While the last two budget cycles were reflective of uncertainty around the COVID-19 pandemic, the current projects budget reflects a balanced budget in the short and long term. As described in the City Manager's Memorandum, the City's finances are "moving in the right direction as the impacts of the COVID-19 pandemic subside".

Budget Summary Highlights

The 2023/24 operating budget for all funds totals \$334.5 million, up \$26.1 million from FY 2022/23. Additionally, the FY 2023/24 Recommended Budget includes several budget Supplements. Budget Supplements are proposals to supplement services or add new initiatives that require specific Council approval. There are 11 Study Issues included in Budget Supplement No.1 totaling \$1,188,000 to be considered for funding. Nine of the 11 Study Issues are funded by the General Fund for a total impact of \$990,000, with the remaining two funded by the Technology and Communications Services Sub-Fund of the General Services Internal Service Fund. Overall staffing levels have only decreased by 0.5 Full Time Equivalent (FTE).

Project highlights included in this year's budget include the following:

- **Sunnyvale Clean Water Program:** Renovations of the Wastewater Pollution Control Plant, total cost of \$1.1 billion over the twenty-year planning period. Approximately \$649.8 million has been provided from other funding sources such as the Environmental Protection Agency and

California State Water Resources Control Board with more favorable repayment terms.

- **Civic Center Modernization/Administrative Facilities Projects:** Main components of Phase I have been completed including completion of the new City Hall and the Emergency Operations Center. Remaining components of Phase I include demolition of the old City Hall and infrastructure and construction of new surface parking and surrounding park areas. Phase II includes \$15 million for the new Main Library. This project also includes funding for the Corporation Yard Master Plan and a new Fire Station 2.
- **Parks and Recreation Projects:** The FY 2023/24 Projects Budget reflects a continuation of park projects with updated labor and construction costs. The Recommended Budget has \$163.5 million in park and recreation projects, which includes an aggregate of \$73.5 million in various projects over the next twenty years for golf infrastructure renovation.
- **Water Distribution and Sewer Collection Infrastructure:** In addition to the Sunnyvale Clean Water Program, the City also has projects to maintain and rehabilitate our aging water distribution and sewer collection infrastructure. The Recommended Budget includes \$142 million over twenty years in water system projects and \$96.8 million in wastewater system projects not related to the Sunnyvale Clean Water Program.
- **Public Safety:** The City continues significant investments in public safety. The budget includes funding for the recruitment and training of 72 new public safety officers over the first 10 years of the General Fund, thirty of which come in the first four years. The total allocation increased by \$13.4 million over that period for a new total of \$72.3 million.

CDD Budget Summary

CDD is organized into four programs: Building/Safety; Planning; Housing/Community Development Block Grant (CDBG); and Department Management. The Planning Program mostly affects the Planning Commission's work.

The Planning Program oversees policy planning and current planning, with the aim of improving the quality of life in the City through comprehensive and effective policy planning. Program activities include preparing and administering the City's General Plan, specific plans and other land use policy documents, reviewing and processing development applications for planning permits, conducting research on Council-adopted study issues, reviewing proposed legislation affecting the City's zoning authority, monitoring community conditions and conducting community outreach. In addition to the Planning Commission, staff provides support to the Heritage Preservation Commission.

The last fiscal year has been a very busy and productive time, with many large and complex projects moving forward. The proposed budget includes a list of accomplishments. The following are highlights:

- Specific Plans:
 - El Camino Real Specific Plan, adopted in June 2022.
 - Moffett Park Specific Plan continues on with an anticipated adoption in July 2023.
 - Central Arques Specific Plan amendment is underway.
 - Perry Park Specific Plan General Plan Initiation was approved by City Council and work will begin after the Moffett Park Specific Plan is adopted and the General Plan Amendment application is submitted by the project applicant.

- Continued work on three General Plan sections (Noise, Air Quality and Environment Justice).
- Completed Study Issue to update Nonconforming Ordinance to allow existing legal nonconforming single-family and two-family dwellings to expand the existing use.
- Made Ordinance updates in accordance with recent State Legislation regarding parking and Accessory Dwelling Units.
- Continued work on Village Center Master Plans: The Village Center Master Plan process began in January 2022 with public outreach beginning in April 2022. A Planning Commission Study Session was held in March 2023, and formal development of the Plan will begin within the next two months with adoption in Fall 2023.
- Single-Family/Duplex/DUO Design Guidelines: The update will provide objective design standards/guidelines for single-family dwellings, duplex dwellings, and DUO development. The design guidelines are underway with an anticipated adoption in Fall 2023.
- Citywide Design Guidelines: Updates to existing City Design Guidelines for residential and mixed-use development and Landscape Design Guidelines is nearing completion and is anticipated to be adopted in June 2023.
- Approved planning entitlements for Downtown:
 - New four story 121,800 square foot office building with two levels of underground parking at 480 S. Mathilda approved by the City Council on August 16, 2022.
 - Block 20 Amendments changing the total allocated units to 70 and commercial space to 30,348 square feet approved by City Council on February 14, 2023.
 - Construction of the former Macy's site and Redwood Square area is underway; staff coordinates with the applicant and other downtown stakeholders.
- Other planning applications under review:
 - 172 units and 142,270 square feet of office space at 1154 Sonora Court (LSAP).
 - 105 units with 77,249 square feet of office space at 1170 Sonora Court (LSAP).
 - 225 units at 1150-1170 Kifer Road (LSAP).
 - New 44,101 square foot office building with underground parking at 111 E Evelyn Avenue (DSP).
 - 597,600 square feet research and development building and an eight-level above-ground parking structure for Applied Materials at 974 E Arques Avenue.
 - 50 townhouses (including 6 BMR units) and approximately 35,400 square feet of medical office, and a 0.46-acre open space at 877 W. Fremont Avenue (Village Center 1).
 - General Plan Amendment to change commercial to multi-family with mixed-use component at 1313 S Wolfe Road.
 - 514,700 square feet of industrial buildings at 1230 E. Arques Avenue.
 - 88 units, 5 single-family homes and 30,345 square feet of commercial space at 1124 W El Camino Real (ECRSP).

Permit activity continues to increase steadily. It is anticipated that numerous infill projects along El Camino Real will continue to come in this next year. There are also 10 to 12 large projects waiting for the adoption of the Moffett Park Specific Plan this summer. Staff also expects an increasingly complex development process that is reflective of recently adopted and pending new State laws.

PUBLIC HEARING

The Planning Commission has the option to make comments on the budget or to make a motion on the budget. The Planning Commission discussion (and motion, if there is one) will be provided to the

City Council for the public hearing on the recommended budget on June 6, 2023, with adoption scheduled for June 20, 2023.

PUBLIC CONTACT

Public contact was made through posting of the Planning Commission agenda on the City's official notice bulletin board and the agenda and staff report on the City's website.

RECOMMENDATION

Provide comments to the City Council or make a formal recommendation to the City Council on the Recommended FY 2023-2024 budget for the Planning Program.

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ATTACHMENTS

1. FY 2023-2024 Recommended Budget Volume 1 - Summary and Operating Budget
2. FY 2023-2024 Recommended Budget Volume 2 - Projects Budget