16-1122 **Agenda Date:** 7/24/2017

REPORT TO PLANNING COMMISSION

SUBJECT

El Camino Real Corridor Plan: Forward a Recommendation to the City Council for a Preferred Land Use Alternative and Review the Draft Vision Statement

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REPORT IN BRIEF

The El Camino Real Corridor Specific Plan (ECR Plan) will guide development along a vital mixed-use transportation corridor within the City of Sunnyvale. This project is being undertaken with the overarching goals of preserving key commercial uses while providing additional housing opportunities for the community, improving the safety and convenience for pedestrians and bicyclists traveling the corridor, incentivizing economic investment along El Camino Real, and establishing specific standards to guide the design of future development in the Plan area.

An important step in completing the ECR Plan is to select a “preferred land use alternative” that will serve as the project description for the preparation of the plan and environmental review.

Three land use alternatives were considered by the ECR Plan Advisory Committee (ECRPAC) and the general public:

- Alternative C - Commercial Focus;
- Alternative M - Mixed Use Focus; and
- Alternative R - Residential Focus.

Since the preparation of the three land use alternatives for El Camino Real, the Planning Commission and City Council have requested consideration of additional housing in large area plans, such as the Land Use and Transportation Element of the General Plan (LUTE), the Lawrence Station Area Plan (LSAP), Peery Park Specific Plan (Peery Park) and the 2017 Housing Strategy Study Issue. Therefore, a fourth alternative, Alternative R Plus, was prepared; it provides the most potential for residential growth on the corridor while preserving commercially zoned land to maintain and enhance the City’s fiscal health.

The Planning Commission recommendation will move forward to the City Council for consideration. A decision on the preferred alternative does not represent final approval of the plan, but provides a basis for upcoming analysis. Once Council selects the preferred alternative, the Draft ECR Plan will be prepared and the Environmental Impact Report (EIR) will be completed for public review (anticipated completion in mid-2018).

Staff recommends the selection of Alternative R - Residential Focus as the preferred land use alternative, as recommended by the ECRPAC.

The City Council is scheduled to consider this item on August 15, 2017.

BACKGROUND

Originally adopted in 1993 and last updated in 2007, the Precise Plan for El Camino Real focuses on maintaining and enhancing commercial uses and the City's retail tax base, incorporates Grand Boulevard Initiative <http://www.grandboulevard.net/> principles pertaining to transit-oriented and pedestrian-friendly developments into the policies and design guidelines of the document, and sets forth the concept of creating "nodes" along the corridor where compact, mixed-use development is encouraged.

In January 2014, the City Council combined and highly ranked two study issues (CDD 14-09 Comprehensive Update of the Precise Plan for El Camino Real and CDD 14-14 Address Non-commercial Properties in Precise Plan for El Camino Real). The study is to refine the community vision for the corridor, update and clarify policies for residential and mixed-use developments, and specify standards and design guidelines in the Precise Plan for El Camino Real to better guide future development on the corridor. In December 2014, Council authorized the acceptance of the Metropolitan Transportation Commission (MTC) Priority Development Area (PDA) Planning Grant in the amount of $587,000 to complete a comprehensive update of the 2007 Precise Plan for El Camino Real and prepare the related Environmental Impact Report (RTC No.14-0974).

The Sunnyvale El Camino Real Corridor Plan (ECR Plan) effort officially kicked-off in July 2015. The initial tasks in the planning process (and as required under the MTC PDA grant) included the preparation of background and technical reports to gain a firm understanding of the existing and future demographic, socio-economic and market conditions. These include the Existing Conditions Report (ECR Profile), a Market Study and Affordable Housing and Anti-Displacement Strategy (links to the reports are provided at the end of this report as Attachments 13-15). The planning process has also involved extensive community engagement, through pop-up workshops, online surveys on Open City Hall, Advisory Committee meetings (open to the public), a community workshop and the project website: Plan Sunnyvale ECR. <http://plansunnyvaleecr.m-group.us/>

ECR Plan Advisory Committee (ECRPAC)

A key component of the update process was the formation of a community advisory committee, intended to represent a broad cross-section of the community, to help guide the preparation of the ECR Plan. A City Council Subcommittee appointed 12 members to serve on the ECR Plan Advisory Committee (ECRPAC) (RTC No. 15-0774 <https://sunnyvaleca.legistar.com/LegislationDetail.aspx?ID=2400519&GUID=08980A40-E5C9-4C22-8EA3-C306737A0035&Options=&Search=&FullText=1>) in the summer of 2015 after receiving 63 applications from the community.

Since the inception of the ECR Plan effort in 2015, the ECRPAC has provided significant input and guidance on priorities to consider in planning for the El Camino Real corridor. The ECRPAC reviewed the completed background/technical reports and provided recommendations on the land use alternatives and vision statement, and read and listened to community comments, which are all discussed in a later section of this report. The ECRPAC has held four public meetings to date.

Technical Advisory Committee

Coordination with other agencies is another key component in the El Camino Real corridor planning process. The ECR Plan process includes a Technical Advisory Committee (TAC) consisting of City staff from the Community Development Department, Department of Public Works, the consultant

team and representatives from agencies including Caltrans, Santa Clara Valley Transit Authority (VTA), Bay Area Air Quality Management District (BAAQMD), Association of Bay Area Governments (ABAG), Sunnyvale School District, Fremont Union High School District and Santa Clara Unified School District (Cupertino Union School District has not assigned a staff member to attend TAC meetings).

Recent City Council Actions
Since September 2016 City Council has adopted three major land use plans: Peery Park Specific Plan (PPSP), Lawrence Station Area Plan (LSAP) and the Land Use and Transportation Element (LUTE) of the General Plan. Following adoption of each of these plans, City Council requested additional studies to consider allowing more residential units in the plan areas (PPSP and LSAP) and to return with City Council on information on ways to address the jobs to housing ratio. City Council also prioritized a Study Issue for 2017 CDD 17-09 (2017 Housing Strategy) for a comprehensive review and analysis of the City's housing policies, particularly for affordable housing, to determine if they are appropriately meeting the needs of the community and goals of the City Council.

EXISTING POLICY

General Plan Goals and Policies: The following are key goals and policies from the General Plan pertaining to the update of the Precise Plan for El Camino Real.

Land Use and Transportation:

GOAL A: 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 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.

Action 1: Promote transit-oriented and mixed-use development near transit centers such as Lawrence Station, Downtown, and El Camino Real and in neighborhood villages.
Action 2: In areas with mixed-use land designations, zone appropriate sites for mixed use.

Policy 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 6: Integrate land use planning in Sunnyvale and the regional transportation system.

Action 2: Support regional efforts which promote higher densities near major transit and travel facilities.

Policy 19: 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 57: Limit the intrusion of incompatible uses and inappropriate development in and near residential neighborhoods, but allow transition areas at the edges of neighborhoods.

Action 1: Where appropriate, use higher-density residential and higher-intensity uses as

buffers between neighborhood commercial centers and transportation and rail corridors.

GOAL G: 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 61: 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 63: Promote new mixed-use development and allow higher-residential density zoning districts (medium and higher) primarily in Village Centers, El Camino Real nodes, and future industrial-to-residential areas.

Policy 64: Consider the impacts of all land use decisions on housing affordability and on the housing needs of special needs groups within Sunnyvale.

GOAL H: Options for Healthy Living - Create a city development pattern and improve the city's infrastructure in order to maximize healthy choices for all ages, including physical activity, use of the outdoors, and access to fresh food.

Policy 68: Promote compact, mixed-use, and transit-oriented development in appropriate neighborhoods to provide opportunities for walking and biking as an alternative to auto trips.

GOAL J: A Balanced Economic Base - Develop a balanced economic base that can resist downturns of any one industry and provides revenue for City services.

Policy 82. Action 2: Ensure that rezoning of industrial or commercial areas and sites will not significantly hurt the community's economic base.

Policy 83: Encourage land uses that generate revenue while preserving a balance with other community needs, such as housing.

Policy 87: Consider the importance of tax generation (retail, hotel, auto, and business-to-business uses) to support the fiscal health of the community and to fund municipal services.

Policy 92: Support convenient neighborhood-serving commercial centers that provide services that reduce automobile dependency and contribute positively to neighborhood character.

Policy 94: Promote continuous reinvestment in shopping centers through maintenance, revitalization, and redevelopment.

Policy 98: Support the following adopted specialized plans and zoning tools, and update them as needed to keep up with evolving values and new challenges in the community: Downtown Specific Plan, Lakeside Specific Plan, Arques Campus Specific Plan, Lawrence/101 Site Specific Plan, Precise Plan for El Camino Real, Moffett Park Specific Plan, Peery Park Specific Plan, and Lawrence Station Area Plan.

The adopted LUTE land use plan with a Corridor Mixed Use designation for El Camino Real enables an increase of 4,200 housing units over existing development, and an increase in commercial

development of 950,000.

Housing:
Policy HE-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.

Policy HE-4.2. Continue to direct new residential development into specific plan areas, near transit, and close to employment and activity centers.

Climate Action Plan
LUP-2. Transit-Oriented, Higher Density, Mixed-Use Development - Facilitate development in designated core and corridor areas that is transit-oriented, higher density and mixed-use.

LUP-2.1. Continue to plan for most new residential, commercial, and industrial developments in specific plan areas, near transit, and close to employment and activity centers.

LUP-2.2. Continue to identify underutilized areas that can support higher-density housing and mixed-use development.

LUP-2.3. Facilitate the development of affordable housing near transit.

LUP-2.5. Continue to allow for the development of live/work spaces in commercial zoning districts and mixed-use residential zoning districts.

ENVIRONMENTAL REVIEW
Providing a recommendation and direction on alternatives to be studied in the ECR Plan does not require environmental review under the California Environmental Quality Act (CEQA) in that it can be seen with certainty that there is no possibility that providing a recommendation or direction may have a significant effect on the environment. (CEQA Guidelines Section 15061(b)(3)). Once a preferred alternative is selected, staff will proceed drafting the El Camino Real Corridor Plan (ECR Plan) and an Environmental Impact Report will be prepared concurrently so that the City can consider the environmental impacts prior to adoption of the Plan.

DISCUSSION
The first steps in developing the actual El Camino Real Corridor Plan (ECR Plan) document are to create a vision statement and select a land use alternative. The vision statement and preferred land use alternative will be the foundation from which other elements of the ECR Plan will be developed.

Plan Area Existing Conditions and Market Demand
The ECR Plan Area consists of approximately 350 acres of properties along the 4-mile Sunnyvale El Camino Real frontage. The 2007 Precise Plan and future ECR Plan affects only properties fronting on El Camino Real (with a few exceptions). The City has defined a broader “study area” to consider as part of any changes along El Camino Real. This study area includes properties within a quarter (0.25) mile on either side of the roadway centerline (see Attachment 3). Although these properties will not be directly subject to the ECR Plan, their land use characteristics and connections to the corridor influence the land use decisions and circulation improvements determined through the Specific Plan effort. As highlighted on the Existing Zoning Map in Attachment 3, several properties along the corridor are directly adjacent to low-density (single-family) homes.

The El Camino Real corridor consists mainly of commercial uses, although several sites have been developed with mixed-use or residential uses. The corridor remains a major sales tax generator for the City. About 25 percent of the City's total sales tax revenue is generated by the existing businesses on the corridor, with the auto dealers as a major generator.

Land Economics Group (LEG) prepared population and economics projections in the ECR Profile (link is Attachment 13; see pages 6-14) and Market Study (link Attachment 14). LEG projects that citywide population could grow up to 20 percent by 2035. As population rises, housing demand is expected to increase, and approximately 65 percent of the demand for housing over the next 20 years is expected to be for multi-family units. The retail demand in the City and region is expected to continue to grow with the population. LEG has estimated the residential and commercial demand that can be absorbed by the ECR Plan area, which is summarized in the table below (numbers show additional units or floor area over what is currently built).

Market Demand: 2015-2035

Type	Estimate	2015-2035
Multi-Family Residential Units	Low Estimate	1,500 units
	High Estimate	2,100 units
Retail Space	Estimate	600,000 s.f.
Office Space	Estimate	150,000 s.f.
Hotel Rooms	Low Estimate	80 rooms
	High Estimate	280 rooms

As described in the ECR Profile, approximately 80 percent of the ECR Plan Area is currently commercially zoned (Highway Business Commercial/Precise Plan for El Camino Real: C-2/ECR). There is enough commercially zoned land on El Camino Real to absorb the demand described above (an additional 950,000 square feet may be built under the current zoning and General Plan). The retail landscape, however, is rapidly changing due to the rise of e-commerce and some businesses no longer require larger land areas to operate. The Market Study recommends a retail strategy focusing on preserving and encouraging additional new-car dealerships, creating pedestrian-oriented retail/restaurant row destinations and attracting high-end home furnishings stores.

While residential uses can be considered in the C-2 Zoning District, it does not specify a minimum or maximum density allowed. Residential projects are considered on a case by case basis, which is challenging for property owners, developers and the community to predict a property's development potential and plan for change. Although residential and mixed-use developments already exist throughout the corridor, the 2007 Precise Plan for El Camino Real generally discourages residential uses on commercially zoned properties that are not within a "Node." Nodes are located at the corners of major intersections throughout the Plan area (Bernardo Ave., Mathilda Ave., Fair Oaks Ave., and Wolfe Rd.) where higher density, pedestrian-oriented, high quality mixed use (residential-commercial) developments are encouraged due to the larger lot sizes and their locations away from adjacent single-family residential districts. The Node boundaries are only generally defined on page 14 of the 2007 Precise Plan for El Camino Real <https://static1.squarespace.com/static/55f09921e4b09c801f7c4895/t/595ec6f4e110eb6b01e3ee37/1499383575876/FINAL+Precise+Plan+for+ECR+2007+WEB.pdf> but typically include the larger

properties within approximately a quarter mile of the VTA 522 express bus stops.

The recently adopted Land Use and Transportation Element (LUTE) designates the Nodes as "Corridor Mixed Use" and contains several policies that direct mixed-use and higher density residential growth in these areas because of their proximity to transit and services. One of the goals of the Precise Plan update is to more specifically define the boundaries of the Nodes, determine which residential densities are appropriate and where residential uses could potentially occur outside of the Nodes.

Draft Vision Statement

The draft Vision Statement for the ECR Plan provides a description of the transformation of the City's stretch of El Camino Real-how it should look, function, and the types of uses that can be found along the corridor over the course of the next 20-30 years (see Attachment 2). The draft Vision Statement was drafted based on the community input received during the first two pop-up workshops, first two ECR Plan Advisory Committee (ECRPAC) meetings in 2015/2016, and the 2016 online survey ranking planning principles and priorities for the ECR Plan.

The draft Vision Statement was presented to the ECRPAC in summer 2016 and at several public meetings, including a formal community workshop, a pop-up community workshop, business owners outreach meeting, Planning Commission Study Session, and City Council Study Session. Those community members that participated were generally in support of the draft statement, and provided several comments, including:

- Ensure better connectivity from surrounding neighborhoods and from Downtown to the ECR corridor for a range of users (i.e. provide more direct pedestrian and bike paths);
- Emphasize sustainability, which can help the City achieve Climate Action Plan goals;
- Plan to include a range of destinations and uses (e.g., housing, services, restaurants and entertainment), not just a thoroughfare for those driving to bordering cities;
- Recognize that El Camino Real will continue to be a neighborhood street for residents' daily needs;
- Focus on walkability. If the residents from surrounding neighborhoods are not able to easily access the corridor, then it is not "walkable" despite any sidewalk improvements along the corridor itself;
- Consider ECR as a "main street" with destinations that serve residents instead of just a means to getting people from one end to the other. If cars are speeding by, they will miss seeing the businesses along ECR;
- Ensure that new developments respect surrounding residential neighborhoods and that buildings are set back far enough from the sidewalk to provide a more pleasant pedestrian experience; and
- Help protect existing businesses and encourage small businesses.

The ECRPAC has accepted the draft Vision Statement (Attachment 2), which now includes staff suggested edits to address the above-listed community feedback items. The draft Vision Statement will provide a road map for the preparation of the ECR Plan. A final Vision Statement will be prepared for consideration with the final ECR Plan.

Land Use Alternatives

To help guide future development on the corridor, three land use alternatives were prepared for consideration and are discussed below.

- Alternative C - Commercial Focus (ALT-C)
- Alternative M - Mixed-Use Focus (ALT-M)
- Alternative R - Residential Focus (ALT-R)

The following items have helped shape the three land use alternatives:

- 2007 Precise Plan and General Plan goals and policies;
- Draft Vision Statement;
- ECR Profile, Market Study and Affordable Housing and Anti-Displacement Strategy;
- Input from the ECRPAC, community and Technical Advisory Committee (TAC);
- Balancing recent job growth planning efforts in the Peery Park Specific Plan and Lawrence Station Area Plan;
- Regional goals and objectives of sustainable growth; and
- Various factors, such as proximity to transit or adjacent low density residential uses, and assumptions about future development potential along the corridor (see Assumptions Map in Attachment 4).

The land use alternatives maps are in Attachment 5 and a comparative description of each is in Attachment 6. The three land use alternatives vary in maximum commercial vs. residential development potential. All alternatives maintain an extensive inventory of commercially-designated properties.

Each property was examined for its development potential considering the factors described in Attachment 4. A range of densities and commercial floor area assumptions were applied to determine maximum development potential under each alternative. The residential densities applied to properties in each alternative are densities that already exist along Sunnyvale's stretch of El Camino Real and Citywide (ranging from 24 to 45 units per acre). Staff also determined opportunities for residential-only developments on properties currently zoned C-2.

Broadly speaking, ALT-C focuses more heavily on commercial development, concentrating residential growth within the Nodes as currently described in the 2007 Precise Plan, while ALT-R identifies more parcels with potential mixed use or higher density residential development potential within and outside of the Nodes. ALT-M also includes residential growth potential outside of the Nodes and is more of the middle ground between ALT-C and ALT-R. All the alternatives strive to preserve key commercial land uses along the corridor, such as auto dealers.

Attachment 8 includes a summary table comparing the maximum development potential under each alternative to existing built and to potential buildout under the recently adopted LUTE. ALT-M is closest to the growth potential envisioned under LUTE. After ECRPAC and public review of the general land use alternatives, the commercial floor area numbers were refined and updated for ALT-M and ALT-R to reflect additional potential for hotel development identified in the final Market Study.

ALT-C has a maximum net new development potential of:

- 1.15 million square feet of commercial floor area (includes 751,000 square feet of retail, 175,000 square feet of office and 280 hotel rooms); and

- 3,400 residential units.

ALT-M has a maximum net new development potential of:

- 850,000 square feet of commercial floor area (includes 526,000 square feet of retail, 100,000 square feet of office and 280 hotel rooms); and
- 4,500 residential units.

ALT-R has a maximum net new development potential of:

- 730,000 square feet of commercial floor area (includes 426,000 square feet of retail, 80,000 square feet of office and 280 hotel rooms); and
- 5,100 residential units.

The hotel use in each of the above alternatives is reflected as 224,000 square feet in the total commercial floor area.

A long-term plan such as this provides guidance for future development, but does not ensure it will be constructed. Done properly, the completed Plan would provide for economically feasible developments to be completed following precise development standards, appropriate compatibility with adjacent uses, defined street standards, and extensive public input. There are two key trends in place now: the interest in additional housing in the area, and the changing nature of retail commerce. This plan will address these current trends while keeping an eye on the future. All three alternative development scenarios exceed what could realistically be expected in the next 20 years per the Market Study prepared for the corridor.

Alternative R Plus Additional Option

City Councilmembers expressed interest in additional housing opportunities during the discussion on adoption of the LUTE. In response, staff has reexamined ALT-R to identify additional options along the corridor for residential growth (see Attachment 7). Staff looked at proximity to major transit, adjacent to existing medium to high density residential zoning, lot size, and proximity to amenities including the Community Center and existing shopping centers. Properties designated to allow residential uses in ALT-R were maintained with only the maximum density increasing. There are a limited number of properties that changed from commercial to residential in the “ALT-R Plus” option.

Identified options for additional residential potential include:

- Increasing the potential density of certain properties from 24 to 36 units per acre, or from 36 to 45 units per acre;
- Extending the Western and Community Center Node boundaries to include all properties within a quarter mile of the VTA 522 (existing and future) bus stops along the corridor; and,
- Introducing flex-designations of “mixed-use or residential-only allowed” at 36 units per acre and 45 units per acre.

Attachment 8 includes the maximum development potential for ALT-R Plus compared to other alternatives. The commercial floor area potential is assumed to be the same as ALT-R, but total residential buildout for Alternative R Plus assumes that recently built developments could redevelop within the life of the El Camino Real Corridor Plan.

Alternative R Plus has not been reviewed by the ECRPAC or the community prior to the date of this

staff report because the analysis was completed after the LUTE adoption, which was after community feedback was received on the alternatives. Staff has provided this additional option for Council consideration and direction.

ECRPAC Land Use Alternative Recommendation

The ECRPAC reviewed the land use alternatives at their public meeting in July 2016. After much discussion, Alternative R received the most support from the ECRPAC members. A detailed summary of the ECRPAC meeting discussion is included in Attachment 10. ECRPAC members' comments on supporting Alternative R include the following:

- There is more need for housing to balance the increase of jobs within the City and in the region. El Camino Real is an opportunity to provide needed housing.
- Try to balance higher density and intensity of developments with tradeoffs or community benefits (e.g., shuttles to transit hubs, accessible pedestrian and bike paths, outdoor public spaces and pockets parks, more recreational opportunities).
- Protect and incentivize grocery stores in mixed-use development as they are valued by the community.
- Support mixed use development and higher density housing, but carefully analyze the impact on services, traffic, parking and the City's fiscal health.

Community Benefits and Incentive Zoning

Property owners, developers and other members of the community, have expressed concerns that the designated densities shown in the land use alternatives (i.e., 24 or 36 units per acre) may not be enough density to incentivize redevelopment or meet the goals of transit-oriented development. The Market Study prepared by LEG for the ECR Plan also estimates a much lower yield in residential development in the next 20-30 years than what is planned for in ALT-M or ALT-R. The Fiscal Impact Analysis, also prepared by LEG, surmises that reaching the maximum number of residential units may be difficult to achieve with allowable densities of 24 or 36 units per acre because the financial incentive for redevelopment may be insufficient on all but the most underutilized commercial parcels.

As was incorporated into the Lawrence Station Area Plan and the Peery Park Specific Plan, a community benefits program or incentive zoning can be considered for the ECR Plan. These regulatory tools could allow projects to contribute community facilities, services, impact fees or other desired features (such as exceeding retail floor area or affordable housing requirements, providing public open space or pedestrian circulation improvements, etc.) that help achieve the overall purpose and character envisioned for the El Camino Real corridor in exchange for added development capacity (such as additional residential density). A maximum development potential (number of residential units and commercial floor area) can be identified for each Node and segment along the corridor from which projects within that Node or segment could extract the requested additional development capacity. The ECRPAC has expressed interest in creating a community benefits program for the ECR Plan, especially as a means of incentivizing the development of more affordable housing, as described in the Affordable Housing and Anti-Displacement Strategy prepared for the planning effort (link is available as Attachment 15). Concepts can be developed with the ECRPAC and presented to the community and ultimately considered by the Planning Commission and City Council.

Community Input on Land Use Alternatives

Community Workshop

A community workshop was held in fall 2016. A detailed summary of the community workshop is in Attachment 11. Attendees were asked to place a dot on the land use alternative they support, if inclined. Out of approximately 100 attendees, 31 dots were placed on Alternative R, 25 dots on Alternative C and 22 dots on Alternative M. Participants showed general support for residential growth outside of the nodes but emphasized that the Plan must have a balanced approach that preserves services along ECR and support the City's fiscal health. Other comments include emphasizing the need for affordable housing to catch up with jobs growth and the growing senior population, but that there needs to be a careful assessment of potential impacts on traffic, parking, already crowded schools and the City's fiscal health.

Online Survey

An online survey was conducted in fall 2016 to spring 2017, which asked community members for feedback on the three land use alternatives. For this survey, 111 responses were provided by people who had registered an account on Open City Hall, and an additional 93 comments were provided by people who had not registered, for a total of 204 responses. Survey participants were asked to click and comment on the alternative they preferred. Alternative R received 75 comments, Alternative C received 67 comments, and Alternative M received 41 comments. As with any on-line survey or community meeting, the feedback received must be considered as general direction or feedback, it is not considered statistically valid.

While the comments varied greatly in their content and detail, there seemed to be general support for residential uses outside of the Nodes. Supporters cited the need for more housing, particularly affordable housing, to balance the increase in jobs in the City and region, and the importance of locating residents closer to commercial uses to encourage walking and biking, while contributing to the economic vitality of the commercial corridor. Alternative C supporters noted how they would like to see the commercial nature of El Camino Real preserved as they use El Camino Real for day-to-day services and to enjoy unique restaurants. Commenters stated concerns about the increased traffic congestion along the corridor during peak hours and the impact of new developments to adjacent neighborhoods. See Attachment 12 for all submitted comments.

Next Steps

Once the City Council selects a preferred land use alternative, work will begin on the actual ECR Plan document and environmental review. Other elements of the ECR Plan will be completed, including potential circulation improvements, streetscape standards (sidewalks, landscaping and public space), development standards and design guidelines (building forms, height, setbacks, transitions to adjacent lower density homes, etc.) for future development on the corridor. It is expected that at least three additional ECRPAC meetings and another community workshop will be held before the end of this year to develop the elements of the ECR Plan document. Anticipated completion of the ECR Plan and EIR is mid-2018.

FISCAL IMPACT

A Fiscal Impact Analysis was prepared by LEG to estimate and compare the fiscal implications of the three land use alternatives to the City's General Fund (see Attachment 9). All three alternatives are projected to have greater annual revenues than expenditures, resulting in positive net fiscal impacts on the City's General Fund. ALT-C would be the most fiscally beneficial, with expected net revenues of approximately $3.7 million annually by 2035, while ALT-R would provide net fiscal revenues of approximately $314,000 annually by 2035. Table 1 on page 6 of Attachment 9 summarizes the revenues and expenditures associated with each alternative.

The Fiscal Impact Analysis also includes an assessment of park dedication in-lieu fees (used to acquire/develop/improve City parks) and housing mitigation fees (used to subsidize the development of affordable housing) that would be collected from new developments and which do not flow into the City's General Fund. ALT-R would provide the highest yield for these special funds; however, LEG cautions that the residential growth envisioned under ALT-M and ALT-R would be difficult to achieve with the densities of 24 and 36 units per acre assigned to several parcels as the financial incentive for redevelopment may be insufficient on all but the most underutilized commercial parcels.

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 in the Office of the City Clerk. Email notices were sent to the interested parties list for the ECR Plan effort and posted on the project website at Plan Sunnyvale ECR. <http://plansunnyvaleecr.m-group.us/>

Community Engagement

Staff has hosted several events to engage the community on the ECR Plan effort and to obtain input on the Draft Vision Statement and land use alternatives as outlined below. Outreach event summaries can be found on the project website. Past online survey responses (those from registered accounts) can be found under "closed topics" at Open City Hall <http://sunnyvale.peakdemocracy.com/portals/209/forum_home>.

- *Pop-up Workshops* - Three Pop-up Workshops have been held in different locations in Sunnyvale, including the 2015 State of the City event, a Murphy Avenue Saturday Farmer's Market and at the City library. Pop-up workshops are held with the intent of having informal discussions with community members about the ECR corridor in well-attended places or events that are convenient for the community as opposed to a typical structured outreach meeting.
- *Community Workshop* - A Community Workshop was held on September 8, 2016 to present an overview on the purpose of the ECR planning effort, to gather feedback on the Draft Vision Statement and the three land use alternatives, and begin the conversation on circulation priorities the community would like to see for the ECR corridor. Approximately 100 people attended the Community Workshop.
- *Business Owners Meeting* - A meeting with ECR business owners was held on November 7, 2016 to update the group on the planning effort and to present the draft Vision and three land use alternatives. There was also a general discussion about development along the ECR corridor and the viability of the residential development densities being considered in the land use alternatives, and particularly at the nodes.
- *Online* - In addition to the in-person meetings, workshops, study sessions, and events, the project has an online presence through a project website and online surveys. Two online surveys have been conducted on the ECR Plan effort.

Planning Commission and City Council Study Sessions

Study Sessions with the Planning Commission and City Council were held on September 12, 2016 and September 13, 2016, respectively. Both the Commission and Council received updates on the planning process for the ECR corridor, community feedback received and a presentation on the draft Vision Statement and three land use alternatives. Individual Planning Commissioners expressed support for Alternative R and M, and made several comments regarding improving the aesthetics of the corridor streetscape. The Council Study Session summary can be found at Study Session

Summary of September 13, 2016 <https://sunnyvaleca.legistar.com/LegislationDetail.aspx?ID=2848384&GUID=DEF365BF-F523-44A8-8CEA-774AABF38267&Options=&Search=&FullText=1>
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Public Comment Letters
Staff received comment letters from the public regarding the vision statement and land use alternatives, in addition to the input received at the various workshops, meetings and online survey. See Attachment 17.

ALTERNATIVES
Recommend to City Council:
1. Select Alternative R (Residential Focus) as outlined in Attachments 5, 6 and 8 as the preferred alternative to include in the preparation of the Sunnyvale El Camino Real Corridor Plan and related environmental review.
2. Select Alternative R with modifications.
3. Select another land use alternative (e.g., Alternative C, Alterative M or Alternative R Plus).
4. Do not select any of the land use alternatives in consideration for the Sunnyvale El Camino Real Corridor Plan and provide further direction to staff.

RECOMMENDATION
Recommend to City Council Alternative 1: Select Alternative R (Residential Focus) as outlined in Attachments 5, 6 and 8 to the report as the preferred alternative to include in the preparation of the Sunnyvale El Camino Real Corridor Plan and related environmental review.

Staff supports Alternative R for several reasons.
- It is generally consistent with the goals, policies and principles identified in the adopted LUTE.
- It is the Alternative that the ECRPAC and many community participants support.
- It retains and provides a slight increase in commercial opportunities along El Camino Real (compared to existing).
- It responds to the call for additional housing in Sunnyvale, an issue raised several times in the last two years by community members, the Planning Commission and formally by the City Council.
- This alternative would enable 900 residential units more than in the LUTE buildout of El Camino Real. Staff considers this number significant, but also a modest increase for a four-mile long corridor. The average density along El Camino Real, if buildout is achieved, would be 19 dwelling units per acre vs 16.5 units per acre in the adopted LUTE.

Alternative R helps to achieve recently adopted LUTE goals of locating higher density residential uses in proximity to transit and commercial destinations to reduce single-occupant vehicle trips and encourage other modes of transportation. Facilitating residential and commercial development on the corridor is also one of the City's adopted Climate Action Plan strategies to reduce greenhouse gas emissions. Alternative R could help accommodate future population growth by targeting new development on a transit corridor and protecting existing lower-density neighborhoods.

Alternative R Plus would be a good option to maximize residential opportunities along the corridor. If Council wants to maximize residential options in a manner that would provide compatibilities with adjacent properties, Alternative R Plus can be considered. The downside of this option is that it was

not presented to the community as an option, so no feedback has been received on it. The densities described in the R Plus alternative may be more difficult to integrate into the setting, requiring greater heights and lesser setbacks than may be comfortable for some community members.

Density is a good measure of how many new units can be provided on a property, but it is not a good tool in regulating the form or mass of a building. Density can be managed by creating specific development standards and design guidelines on site layout and building form/massing design that will minimize negative impacts to adjacent neighborhoods and enhance the pedestrian environment and streetscape of ECR.

Possible circulation improvements will be identified and comprehensive environmental review will be performed in the next steps of the planning process to address community concerns regarding environmental impacts and increased traffic.

Many community members are wary of increased housing density and its compatibility with adjacent lower density neighborhoods and potential negative impacts to schools and traffic. The ECR Plan will take these and other concerns into account through preparation of streetscape standards, design guidelines, community benefits and policies about how to plan for higher density projects adjacent to existing residential areas.

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ATTACHMENTS

1. *Not Used (reserved for Report to Council)*
2. Draft Vision Statement
3. ECR Plan Area and Existing Zoning Designations
4. Assumptions Map
5. ECR Land Use Alternatives Maps (Alt-C, Alt-M and Alt-R)
6. Comparative Descriptions of Alt-C, Alt-M and Alt-R
7. Alternative R Plus Additional Residential Options
8. Development Potential Comparisons
9. Fiscal Impact Analysis
10. ECRPAC Meeting Summary
11. Community Workshop Summary
12. ECR Plan Land Use Alternatives Survey Responses
13. -El Camino Real Profile Existing Land Use and Circulation Analysis <http://plansunnyvaleecr.m-group.us/s/ECR-Profile-Existing-Land-Use-and-Circulation-Analysis.pdf>
14. El Camino Real Corridor Market Study <http://plansunnyvaleecr.m-group.us/s/El-Camino-Real-Corridor-Market-Study.pdf>
15. Affordable Housing and Anti-Displacement Strategy <http://plansunnyvaleecr.m-group.us/s/Affordable-Housing-and-Anti-Displacement-Strategy.pdf>
16. 2007 Precise Plan for El Camino Real <https://static1.squarespace.

17. Public Comment Letters