SUBJECT: 2011-7285: Application to Initiate a General Plan Amendment to study a change in the Land Use Designation of a 0.74 acre site located at 603 Old San Francisco Road from Commercial Neighborhood Shop to Residential High Density

REPORT IN BRIEF
A request has been made to modify the General Plan designation for an existing commercial site. The 0.74 acre site is currently occupied by a gas station (with convenience market) and has a General Plan designation of Neighborhood Shop. In combination with the adjacent 0.45 acre lot, the gas station forms a neighborhood commercial center.

The applicant believes the gas station is no longer a viable commercial option and would like to develop high density residential units at the corner site; therefore, is requesting Council to initiate a General Plan Amendment study to change the designation to Residential High Density.

Staff believes that there is currently adequate areas of the City to allow multi-family residential development and that current General Plan policies support retention of the site for neighborhood commercial use. Staff recommends that the City Council not initiate a General Plan Amendment study to change this site to residential use. Under the current C-1 Zoning Designation, the applicant could request a Use Permit for residential use, and staff believes a mixed use project that combines residential units with neighborhood commercial would be a more appropriate use to consider.

BACKGROUND
Currently on site there is a gas station that also provides some auto service. Records indicate that a gas station predates 1967. On the adjacent lot there are two other small neighborhood commercial tenant spaces currently occupied by a dry cleaners and a self-help laundry. The site also provides incidental groceries (and until the regulations were modified a few years ago was a legal non-conforming use).

The applicant has also submitted a letter stating that a gas station in this site will not be viable moving into the future due to the changing market for gas related to the changing auto fleet nationally that is moving towards more efficient cars.
The applicant has also submitted conceptual plans of a project that could be built under the Residential High Density designation using R-4 Zoning District standards. The plans are not up for consideration at this time but have been provided as background information. Conceptually they show a total of 24 units, eight units per floor with a total of three stories around a court yard. The conceptual plans indicate partially underground parking, similar to the high density residential development at the southeast corner of the same intersection.

The character of the other corners at the intersection consists of a mixture of older and recent commercial and residential developments. Moving counterclockwise from the project site, the northwest corner of the intersection has a 19-unit, two-story townhouse project over one level of parking (1999). On the southwest corner there is an older one-story restaurant with at grade parking behind it (1974). On the southeast corner there is a three-story apartment complex of 23 units, also above one level of parking (2005).

At the site of the existing older restaurant a new one-story commercial center was approved in 2009 but it has not been constructed yet. If built, the new center would have a central design element that is equivalent to two stories high.

**EXISTING POLICY**

In the Land Use and Transportation Element of the General Plan the City has an existing policy encouraging preservation of convenient neighborhood commercial services.

**Policy N1.13** Promote an attractive and functional commercial environment.

*Action N1.13.2* Support convenient neighborhood commercial services that reduce automobile dependency and contribute positively to neighborhood character.

*Action N1.13.3* Provide opportunities for and encourage neighborhood-serving commercial services in each residential neighborhood.

The Housing and Community Revitalization Sub-Element has the following goal:
**GOAL D** Provide adequate sites for the development of new housing through appropriate land use and zoning to address the diverse needs of Sunnyvale’s residents and workforce.

City currently has adequate sites zoned to accommodate its required fair-share of housing including areas that allow multi-family development.

**DISCUSSION**

Neighborhood commercial uses provide valuable services to residents within proximity to their residences, which reduces automobile dependency and contributes positively to neighborhood character. While larger commercial enterprises will be located on El Camino Real and Downtown, it is not desirable to locate all of the City's commercial services in these areas. Maintaining Neighborhood Commercial zoning provides for a wider range of commercial enterprises and improves service to residents. While a service station may no longer be economically feasible in this location, another commercial use could take its place. A mixed use project that combines residential with neighborhood commercial uses may also be appropriate. Staff finds that converting a Neighborhood Commercial property to an entirely residential use is inconsistent with adopted General Plan policies.

The General Plan Amendment Initiation request was submitted only for the subject property at 603 Old San Francisco Road (service station), and did not include the adjacent property located at 615 Old San Francisco Road (convenience store and other tenants). Although they are separate properties, these sites currently function together as a small commercial area. If the subject property (0.74 acres) were converted to residential, the adjacent shopping center would become a single commercial parcel (0.45 acres) surrounded fully by residential uses, and commercial uses would no longer extend to the corner. This further reduces the desirability of conversion. If the Council chooses to initiate a General Plan Amendment study for 603 Old San Francisco Road, initiating a study that includes the adjacent property (615-621 Old San Francisco Road) would direct staff to look at the appropriateness of maintaining a cohesive corner commercial area of approximately 1.2 acres vs. converting the entire corner to a residential land use designation. A General Plan Amendment is not needed to consider a mixed use project as the current C-1 Zoning designation allows this to be considered as a Use Permit application.

The City's General Plan must be developed with the overall long-range land use goals of the community in mind. While the property owner may find it more lucrative in the current market to develop the site with residential uses, the purpose of the General Plan is to guide the long-term physical development of the City through many types of market pressures and which land use designation best fits the community's goals and plans. At this time the
adopted General Plan policies support the continuation of neighborhood commercial uses on this site. If a gas station is no longer viable other neighborhood commercial uses could still develop and occupy the site either freestanding or as part of a mixed use development.

In the applicant’s attached letter they state that a residential project such as one they have conceptually shown would add to the architectural character of the corner. As demonstrated by the approved commercial project on the southwest corner, a commercial structure could also be designed for the project site that adds to the character of the intersection and fits with existing and approved developments.

**FISCAL IMPACT**
There is no fiscal impact for the task of preparing a General Plan Amendment study. The applicant will pay appropriate City fees for the study. If the General Plan designation is modified for the site, and a residential project is approved and constructed, the City would lose tax revenue and business license revenue from the existing service station. The residential project would be subject to park–in–lieu fees and transportation impact fees (TIF) as well as building permit fees. In the long term the City would receive a portion of property taxes from the new residential project.

**ENVIRONMENTAL REVIEW**
This action is not considered a “project” under the California Environmental Quality Act (CEQA) because initiation of a General Plan Amendment study has no potential to create a significant environmental impact (California Resources Code Section 21065). If a General Plan Amendment study is initiated, staff has determined additional environmental analysis will be necessary for this site due to its long-term use as a gas station.

**PUBLIC CONTACT**
Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City’s Web site.

**ALTERNATIVES**
1. Deny request to initiate a GPA study and retain the subject property as a neighborhood commercial site.

2. Initiate the GPA study as requested for 603 Old San Francisco Road as requested by the applicant to change from Commercial Neighborhood Shop to Residential High Density.
3. Initiate a GPA study that includes 603 Old San Francisco Road and the adjacent commercial lot 615-621 Old San Francisco Road for a larger study area.

**RECOMMENDATION**
Alternative 1 - Deny request to initiate a GPA study and retain the subject property as a neighborhood commercial site.

Staff recommends that the City Council deny the request to initiate a General Plan Amendment study for 603 Old San Francisco Road from Commercial Neighborhood Shop to Residential High Density so that this site will continue to be available for neighborhood serving commercial uses, either freestanding or as part of a mixed use development in accordance with current General Plan policies.

Reviewed by:

Hanson Hom, Director, Community Development
Prepared by: Gerri Caruso, Principal Planner
Reviewed by: Trudi Ryan, Planning Officer

Approved by:

Gary M. Luebbers
City Manager

**Attachments**

A. General Plan designation area map
B. Zoning designation area map
C. Applicant’s letter requesting initiation of a General Plan Amendment study.
D. Conceptual elevations
E. Conceptual site plan and floor plans (4 pages)
F. Applicant’s Vicinity Map and Map of Adjacent Zoning
G. Aerial photo and photos of adjacent properties
ZONING DESIGNATIONS MAP
603 Old San Francisco Road
Department of Community Development  
456 West Olive Avenue  
P.O. Box 3707  
Sunnyvale, CA 94088

April 25th, 2011

Re. Request for General Plan Amendment Study: Request for conversion of existing gas station site at 603 Old San Francisco Road to Residential land use.

Sunnyvale City Council Members:

Our client would like to develop his current site into a viable development that would add to the character of the cross-section. The 0.74 acre gas station site currently has a General Plan designation of CNS (Commercial Neighborhood Shop) and is currently zoned C-1 (Neighborhood Business). The owner is requesting the City Council initiate a General Plan Amendment Study to change the land use from Commercial Neighborhood Shop to Residential High Density (RHI). This land use change would allow for a rezoning to an R-4 zoning designation and construction of approximately 24 dwelling units.

Site Description & Analysis:

Located at the intersection of Old San Francisco Road and Fair Oaks Avenue the site has access from both roads bounding it. The project site is surrounded by primarily multi-family residential developments, with one commercial development diagonally across. See attached vicinity map. There are no significant trees on the site or along the periphery. There is a bus stop on Fair Oaks Avenue.

Proposed zoning change would allow construction of a semi-recessed parking garage with three stories of residential units above looking into a landscaped courtyard in the middle. The proposed development would enhance the pedestrian and vehicular experience through this intersection.

Current Use & Future Potential:

The continued viability of the existing gas station is questionable. The minimum requirements for running a gas station at this site would not be met in the coming years, due to the changes in US vehicle fleet. The gasoline sales have been steadily decreasing which would not allow the gas station owners to renew their licenses, and would lead them to shut down the business. This would also mean that less number of gas stations would be required to meet the demands of each community or neighborhood. If this gas station site is converted to a residential zone, the surrounding community will not be inconvenienced but would rather see an architectural node added to the intersection surrounded by trees.

Neighborhood Retail:

This site would not be suitable for retail or other commercial development. Existing neighborhood retail businesses in the nearby strip mall have closed down making these developments look unsightly. The trend to successful retail business has moved to main thoroughfares like El Camino Real with visibility and traffic flow dictating user pattern.
Design Concept:

The design of the residential building will be complimentary to the architectural style of the neighborhood with the corner facing the intersection being a distinguishing architectural element. The pedestrian entrance to the building will be on Old San Francisco Road directly opposite a similar entrance to the residential building across the street. Some open decks are planned along Fair Oaks Avenue to increase neighborhood connectivity.

In the next couple of years this site would not have a viable gas station on site that would meet the community needs, keeping in mind the current trends in green technology and emphasis on improved gas mileage. Hence we are requesting that this site be converted back to multi-family residential zone.

Thanking you for considering this request.

Sincerely,

[Signature]

Abha Nahru, AIA, LEED AP
Carrasco & Associates

End: 3D View, Vicinity map, and floor Plan sketches
3D VIEW OF 603 OLD SAN FRANCISCO ROAD - LOOKING NORTHEAST