SUBJECT: 2011-7906: Application to Initiate a General Plan Amendment to study a change in the Land Use Designation of two properties located at 457 & 475 E. Evelyn Avenue from Commercial General Business to Residential Very High Density.

REPORT IN BRIEF

A proposal has been submitted to modify the General Plan designation of a combined 2.3 acre site, located at 457 and 475 E. Evelyn Avenue (See Attachment A, Vicinity Map). The site is occupied by two multi-tenant commercial office buildings. The current General Plan designation is Service Commercial and the zoning is C-4 Service Commercial. In order to allow for residential development, the Zoning and General Plan designation would need to be modified. Prior to a formal development and rezone application, the City Council must initiate a General Plan Amendment study of the site. The project site is located along E. Evelyn Avenue approximately midway between Sunnyvale Avenue and N. Fair Oaks Avenue. Surrounding land uses include a combination medium and high density residential uses along with commercial and lower density residential development to the south.

Staff recommends that the City Council initiate a General Plan Amendment to study a conversion of the site from Service Commercial to Very High Density Residential or High Density Residential.

BACKGROUND

The applicant has submitted a conceptual proposal to convert a property currently occupied by two existing multi-tenant office buildings into a multi-family apartment building. Although not under consideration at this time, a site plan has been provided for background.

The preliminary plan includes a 151-unit four-story apartment building above an underground parking garage. The apartments would be composed of 1 and 2 bedroom units. The preliminary plan notes an average overall height of the new apartment building at approximately 50 feet. No architectural details have been provided at this time.
The subject site contains two street frontages; Evelyn Avenue along the southern boundary and Marshall Avenue to the east. The subject parcels are also adjacent to the railroad to the north. Several multi-family residential uses are located near the site including the Villa Del Sol apartments to the west and Canterbury Apartments to the east. A small single-story triplex is also located east of the site along Evelyn Avenue. A mix of commercial and residential uses lies south of the site within the City’s Downtown Specific Plan. The Sunnyvale Caltrain station is located about 1/3 of a mile to the west along Evelyn Avenue.

**EXISTING POLICY**

Only the City Council is authorized to initiate proceedings to consider an amendment to the General Plan (SMC Section 19.92.020). The City Council must first review a General Plan Amendment Initiation request in order to determine if the request warrants further study.

The approval of an initiation request would allow a formal application to be submitted to further assess the merits of the proposed General Plan Amendment request. The approval of an initiation does not commit the City Council to approve the General Plan Amendment request, nor any specific project proposal. As part of the General Plan Amendment request, the applicant anticipates submitting site and architectural plans for concurrent review.

The following are the key General Plan goals, policies, and action statements relating to this General Plan Amendment Initiation request:

**Land Use and Transportation Chapter**

**GOAL LT-3:** Ensure ownership and rental housing options in terms of style, size and density that are appropriate and contribute positively to the surrounding area.

- **LT-1.7a:** Locate higher intensity land uses and developments so that they have easy access to transit services.

**Policy LT-3.4** Determine appropriate density for housing based on site planning opportunities and proximity to services.

- **LT-3.4a:** Locate higher-density housing with easy access to transportation corridors, rail transit stations, bus transit corridor stops, commercial services and jobs.
The Villa del Sol site to the east of the subject property is covered by the Southern Pacific Corridor Site Specific Plan (Sites 4 & 5) and is zoned C-4. The specific plan provides an option of high density residential, which is how the property was developed. The C-4 zoning district no longer allows residential development, except for caretaker units ancillary to a permitted use. If the General Plan study is initiated, a revision of the zoning for the adjoining properties should also be considered to reflect the existing use.

**Housing and Community Revitalization Element**

**GOAL HE-1:** Adequate Housing - Foster the expansion of the housing supply to provide greater opportunities for current and future residents within limits imposed by environmental, social, fiscal and land use constraints.

**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.

**GOAL HE-2:** Enhanced Housing Conditions and Affordability – Maintain and enhance the conditions and affordability of existing housing in Sunnyvale.

**Safety and Noise Element**

**Policy SN-8.1** Enforce and supplement state laws regarding interior noise levels of residential units.

**Policy SN-10.4** Mitigate and avoid the noise impacts from trains and light rail facilities.

**DISCUSSION**

The proximity of the site within 1/3 mile of the Sunnyvale Caltrain station warrants consideration of Very High Density Residential to maximize transit use. However land use compatibility with lower density development on neighboring parcels should also be considered when determining the appropriate density for the site. The surrounding residential development consists of Medium to High (R-3 & R-4) density uses. A project across E. Evelyn Avenue at the corner of Bayview Avenue, within the Downtown Specific Plan, was approved in 2007 with a density of 47.7 units per acre. No construction permits have been approved at this time and that site is still occupied by a two-story hotel.

Very High Density projects in the City include the Avalon Apartments on Lakeside Drive near Lawrence Expressway (42.5 du/ac) and the Lawrence
Station Apartment Homes (Luminaire) at Lawrence Expressway and Highway 237 (51 du/ac). The City Council approved a General Plan Initiation in September of last year to examine R-5 density at 620 E. Maude (Armory Site). Each of these properties is located near a major corridor.

Other sites with General Plan and zoning designations for Very High Density Residential include Downtown Specific Plan Block 1a (former Town and Country), Downtown Specific Plan Blocks 14, 15, and 16 (west side of Mathilda) and the Lakeside Specific Plan (former Four Points Sheraton). As part of the Lawrence Station Area Planning effort expected later this year, very high density housing is one of several land use designations that will be evaluated.

**Density**

With the formal application, the applicant proposes rezoning the site from C-4 to the R-5 Zoning District which allows a density of up to 65 units per acre. Preliminarily, the applicant has demonstrated conceptually that the site can accommodate the required parking within an underground parking garage. Further details regarding required landscaping and open space have not been provided. As rental units, the proposal currently would not be required to provide Below Market Rate (BMR) units.

Along with the necessary zoning change, the General Plan designation would need to be changed to Residential Very High Density. Refer to Attachment C General Plan Land Use Map and Attachment D Zoning Map. The following table indicates the number of allowed dwelling units based on General Plan Land Use Designation and Zoning for Medium, High and Very High Residential Densities.

<table>
<thead>
<tr>
<th>General Plan Designation and Zoning</th>
<th>General Plan Density Range</th>
<th>Potential Zoning Maximum Units Per Acre without density bonus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>14 – 27</td>
<td>24 (R-3)</td>
</tr>
<tr>
<td>High</td>
<td>27 – 42</td>
<td>36 (R-4)</td>
</tr>
<tr>
<td>Very High</td>
<td>42 – 65</td>
<td>46 (R-5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>55 and 65 (DSP)</td>
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</table>
Compatibility
The increased density would result in a higher density than neighboring development. Based on the number of units, staff would need to require a traffic impact analysis to be conducted to determine if there are any significant impacts from the proposed development. Due to its proximity to the railroad, a noise study would also be required to help identify mitigation measures to address noise attenuation design. A preliminary design of the project anticipates several multi-unit buildings built over an underground parking structure. Landscaping is noted around the perimeter and middle of the site within designated courtyard areas (See Attachment E). The R-5 Zoning District allows up to five stories and 55-foot height. The neighboring development to the west, Villa Del Sol Apartments, which had been similarly occupied by a commercial office building prior to 1999, was built at a density of 41 units per acre on a 3-acre site.

If the study is initiated staff would continue to work with the applicant to refine details of the site plan. An architectural concept has not been identified at this time but would be reviewed as part of a formal application.

FISCAL IMPACT
Fiscal impact for a General Plan Amendment study is minimal. The applicant would pay appropriate City fees for the study and associated environmental and architectural review. These fees defray costs of the study.

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.

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. Nearby property owners and tenants are not notified until a study has been initiated. If a study is initiated, the applicant would be required to submit subsequent discretionary applications for a General Plan Amendment, Rezoning, Special Development Permit and
applicable application fees. These related applications would be subject to hearings by the Planning Commission and City Council. Staff would also conduct a public outreach meeting prior to public hearings.

**ALTERNATIVES**

1. Initiate a GPA study for 457 & 475 E. Evelyn Avenue to study a change from Service Commercial to Very High Density Residential or High Density Residential.

2. Initiate a GPA study for 457 & 475 E. Evelyn Avenue to study a change from Service Commercial to High Density Residential.

3. Include the adjacent developed Villa del Sol property in the analysis for potential change to the General Plan and zoning, consistent with the current use of that property.

4. Do not initiate a GPA study and retain the subject property as Service Commercial.

**RECOMMENDATION**

Alternatives 1 and 3 – Approve the request to initiate a GPA to study changing the General Plan Land Use Designation for the site to Very High Density Residential or High Density Residential and include the adjacent developed Villa del Sol property in the analysis.

Although the proposed increase to Very High Density Residential exceeds density levels of the surrounding area, the site is close to the Caltrain station where development will benefit from and support transit. The study would evaluate whether the higher density is compatible with existing and other planned development in the area. Initiating the study does not bind the City to amend the General Plan or to any particular density if residential uses are found appropriate. Consideration of a change from Service Commercial to High Density Residential uses is warranted based on the character of the neighborhood and proximity to transit (Caltrain & VTA bus). Construction techniques are available to protect residents from train noise; higher densities increase the options for noise attenuation.
Although the conversion of the site would result in the loss of a commercial use, the site is located within a residential neighborhood and ideally situated for increased residential opportunities. As stated previously, including the neighboring Villa De Sol property in the study provides an opportunity to clarify the long term intended use of the property as residential.

Reviewed by:

Hanson Hom, Director, Community Development
Prepared by: Ryan Kuchenig, Associate Planner
Reviewed by: Trudi Ryan, Planning Officer

Approved by:

Gary M. Luebbers
City Manager

**Attachments**

A. Vicinity Map  
B. General Plan Land Use Map  
C. Zoning District Map  
D. Applicant’s letter requesting initiation of a General Plan Amendment study.  
E. Conceptual Plans
December 20, 2011

City of Sunnyvale City Council
Dave Whittum
Jim Griffith
Christopher Moylan
Anthony Spiteri
Patrick Meyering
Jim Davis
Tara Martin-Milius
City of Sunnyvale
456 West Olive Avenue
Sunnyvale, CA 94088

RE: Request for Initiation of General Plan Amendment and Rezoning:
457 & 475 Evelyn Avenue

Dear Honorable Mayor and Council Members,

Prometheus Real Estate Group respectfully and formally requests that the City Council initiate a General Plan Amendment and Rezoning to Residential use for the properties located at 457 & 475 Evelyn Avenue, Sunnyvale. Initiation of this General Plan and zoning change will allow two single-story, outdated office buildings with a current zoning designation of “C-4” Service Commercial, to convert to much needed rental housing within walking distance from the Sunnyvale Train Station and Transit Center as well as the Sunnyvale Downtown, and is consistent with the uses of neighboring properties and the general neighborhood.

We believe that this request is fully consistent with Sunnyvale’s vision and goals of providing housing opportunities near transit and the downtown. This 2.3 acre site sits just two blocks from the Sunnyvale Train Station and Historic Murphy Street. LT-3.4a states, “locate higher-density housing with easy access to transportation corridors, rail transit stations, bus transit corridor stops, commercial services and jobs.” In keeping with this, we propose a residential development comprising four stories of residential units over an underground parking garage with a total of 151 units.

The property as it exists now is the last remaining C-4 zoned property in the area. The C-4 commercial zoning district is reserved for the construction, use and occupancy of service rather than retail facilities such as repair shops, crafts shops or custom fabricators, contractors’ offices, and materials suppliers. The surrounding properties and the majority of the neighborhood have converted to high-density residential in line with the surrounding residential neighborhood and General Plan goal LT-4.4a, which “requires infill development to compliment the character of the residential neighborhood.” This current use is no longer in keeping with the surrounding residential uses. We believe this project will continue to complete the residential transformation of the neighborhood and locate higher intensity land uses and developments so that they have easy access to transit services (LT-1.7a).
As a brief introduction to our firm, Prometheus owns and/or manages over 18,000 apartment homes on the west coast and is the largest private owner of apartments in the Bay Area. We own over 11,000 of these apartments and the vast majority are located in the Silicon Valley. Prometheus Real Estate Group built its first project in Sunnyvale back in 1968, a 216 unit apartment community called Shadowbrook Apartments. Kensington Apartments on Fair Oaks was developed by Prometheus in the 1980’s. Prometheus still owns and manages both of these properties. This is consistent with Prometheus’ philosophy of developing and managing apartment communities over the very long term. Both projects are managed by our award winning management team. Prometheus prizes both properties and their residents and is in the process of spending millions of dollars to again refurbish Shadowbrook for the benefit its residents and the Sunnyvale community.

We appreciate your consideration of this request. Please contact myself should you have any questions regarding our proposed plans or our firm.

Respectfully submitted,

[Signature]

Jon Moss
Executive Vice President & Partner
Prometheus Real Estate Group
1900 South Norfolk Street, Ste. 150
San Mateo, CA 94403

CC:
Richard DiNapoli
Ken Rodrigues
Community Development Department, Planning Division