



City of Sunnyvale

Agenda Item

16-0958

Agenda Date: 2/17/2017

2017 COUNCIL STUDY ISSUE

NUMBER

CDD 17-08

TITLE Evaluation of the Residential Single-Story Combining District Process

BACKGROUND

Lead Department: Community Development
Support Department(s): N/A

Sponsor(s):

Board/Commission: Planning Commission

History:

1 year ago: N/A

2 years ago: N/A

SCOPE OF THE STUDY

What are the key elements of the study?

The Residential Single-story (S) combining district was created in 2000 to allow for the preservation and maintenance of single-family neighborhoods that are predominately single-story. In 2005, the City Council reviewed the standards for creating an S combining district, and reduced the required 67% participation of affected property owners to 55%, and removed the 7-year sunset provision.

Recently staff has received several applications for re-zoning in single-family neighborhoods to incorporate the S combining district into the zoning designation. Some of the more recent applications have included affected residents and neighbors opposed to the re-zoning request. There are numerous community members supportive of the second story limitations of the S combining district and numerous community members opposed to the creation of S combining districts (whether or not they own property in proposed areas).

This study would look at the application requirements and the process for considering the S combining district as well as the overall effect of the rezoning (beyond excluding second stories). Of particular interest are the completeness and accuracy of information owners receive prior to considering participating in an application, and the effects of rezoning on property values.

To address some of the operational concerns staff will implement changes that do not require a study to complete. This includes an independent verification by the City of interest in the S combining district. Other issues raised through the applications considered to date include the following:

- Summary and information on the existing S combining district neighborhoods;

- Defining acceptable neighborhood boundaries);
- Consider limitations on neighborhoods based on lot size or subject to certain development standards;
- Determining the appropriate fees;
- Impacts on property values from S combining districts;
- Review of other cities' practices; and
- If a sunset date would be appropriate for S combining districts and/or the requirement of renewal of the district over time.

What precipitated this study?

Prior to 2015, three single-family neighborhoods had been re-zoned to the S combining district; however, in 2015 and 2016, 11 applications have been filed requesting re-zoning to the S combining district. Additionally, the latest applications presented to the Planning Commission have included opposition from a few neighbors within the neighborhood subject to the re-zoning. Due to the number of single-story applications this year and after hearing comments made by the public at a study session, the Planning Commission has forwarded this study to relook at the process and to determine what factors should be considered as part of determining "in the public interest." The Planning Commission is also interested in the application submittals and general process for these applications. There have also been requests to analyze the effect of single-story rezonings on the citywide housing stock and property values.

Planned Completion Year: 2018**FISCAL IMPACT****Cost to Conduct Study**

Level of staff effort required (opportunity cost): Moderate

Amount of funding above current budget required: \$30,000

Funding Source: Will seek budget supplement

Explanation of Cost:

Prepare a market or financial analysis to determine the effect to property values by limiting a neighborhood to single-story homes. The funds would also be for expenses related to community outreach.

Cost to Implement Study Results

Unknown. Study would include assessment of potential costs.

Explanation of Cost: Depending on what modified processes are adopted there may be slight cost increases in staff costs.

EXPECTED PARTICIPATION IN THE PROCESS

Council-approved work plan: No

Council Study Session: No

Reviewed by Boards/Commissions: Planning Commission

STAFF RECOMMENDATION**Position:** Support

Explanation: Due to the influx of applications, and the potential impact that limiting neighborhoods to one-story of development may have on property values, staff believes that this study may be appropriate to undertake at this time. The single-story overlay combining district was rarely used prior to 2016 and the practices and processes developed when it was created may need to be re-evaluated under these new circumstances. Regarding the property value study, it may be helpful to note that zoning regulations can affect the value of property; during the 2000 process there was literature suggesting that single story zoning could either increase or decrease the value of property, and that there were many and complex other factors that affected value as well. If the study is prioritized and completed, any assessment of the effect of the single-story zoning on property values is likely to be limited to the time-frame in which the property value study is prepared.

To address recent concerns, it is important to note that staff will be making adjustments to administrative process and outreach materials (e.g., request that property owners confirm their interest or opposition to the rezoning request after the outreach meeting and prior to scheduling the Planning Commission and City Council public hearings).

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