



City of Sunnyvale

Agenda Item

24-1016

Agenda Date: 2/13/2025

2025 COUNCIL STUDY ISSUE

NUMBER

CDD 24-06

TITLE Re-evaluate Nonresidential Sign Code Standards and Compliance with the First Amendment

BACKGROUND

Lead Department: Community Development

Support Departments: Office of the City Manager
Office of the City Attorney
Finance Department

Sponsor(s): Councilmembers: Klein, Melton, Din, Cisneros, Sell, Mehlinger, and Srinivasan

History: 1 year ago: Deferred by Council
2 years ago: N/A

Council Strategic Priority: No
(At time of sponsorship)

SCOPE OF THE STUDY

What precipitated this Study?

The City Council sponsored this study issue at the January 23, 2024, annual public hearing for Study Issues and Budget Proposals. The Council noted that the Sign Code has not been evaluated for several years, may be overly prescriptive, and may not meet the needs of businesses. The proposal also includes evaluating the use of digital signage and ensuring that the Sign Code is consistent with current U.S. Supreme Court case law including *Reed v. Town of Gilbert*, 576 U.S. 155 (2015) which was decided after the City’s sign code was last updated in 2013 and 2014.

What are the key elements of the Study?

This Study Issue would examine the City’s current Sign Code (Sunnyvale Municipal Code Chapter 19.44), as it relates to the recent Supreme Court case noted above, as well as re-evaluating nonresidential signage standards for business-friendly qualities. The study would look at the current regulations for signs and evaluate if they are based on content and if there are potential constitutional issues. The Sign Code was comprehensively updated in 2013. The 2013 update (RTC 13-149) was a Study Issue requested by Council to assist smaller businesses in shopping centers to have effective identity from the street, and to better organize and simplify the existing sign code. To address these concerns, as well as other issues that had arisen in the past regarding the City’s sign standards, staff undertook a comprehensive revision of the sign code. From the 2013 Report to Council: “The revised sign code balances two key goals: maintaining Sunnyvale’s attractive community character by avoiding excessive commercial signage; and, adjusting and simplifying certain sign standards to allow more opportunities for businesses to effectively identify themselves.” The City Attorney retained outside counsel to assist in evaluating content provisions and First Amendment rights.

The 2014 update (RTC 14-0709) was staff-initiated to clarify and amend portions of the 2013 sign code that were problematic and to add a section for signs on public property.

The work program for this new Study Issue would include:

- Evaluation of the current Sign Code as it relates to content restrictions;
- Identify other areas of concern, if they exist;
- Propose alternatives to address any potential issues;
- Community outreach; and
- Public hearings

Estimated years to complete study: 1.5 years

FISCAL IMPACT

Cost to Conduct Study

Level of staff effort required (opportunity cost):	Major
Funding Required for Non-Budgeted Costs:	\$100,000
Funding Source:	Will seek budget supplement - General Fund

Project funding is required to supplement legal analysis for the project and for any consultant services that may be needed for graphics.

Cost to Implement Study Results

Minimal or no cost expected to implement.

EXPECTED CITY COUNCIL, BOARD OR COMMISSION PARTICIPATION

Council-Approved Work Plan: No

Council Study Session: Yes

Reviewed by Boards/Commissions: Planning Commission

STAFF RECOMMENDATION

Defer. This policy issue merits discussion at a future Study Issues Workshop.

The Community Development Department (CDD) has many existing Study Issues to work on in addition to numerous Housing Element Programs that are mandated to be completed or our Housing Element could become out of compliance. There are also myriad new CDD-related state laws that require General Plan, Specific Plan, Municipal Code, and permit process revisions, follow-up activity on prior studies and evaluation of property owner requested general plan amendment applications. Some of these pending studies, including those that may increase the number of housing units that could be built could help further define the scope of the study. Although the study is not a Council Strategic Priority, it supports the Economic Development Strategic Plan Strategy 3 (Support Small- and Medium-Sized Non-Retail Businesses) and Strategy 4 (Enhance and Maintain the Vibrancy of Retail). The study could result in updates to the sign code that better meet the needs of businesses.

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Reviewed by: Trudi Ryan, Director, Community Development Department

Reviewed by: Connie Verceles, Deputy City Manager
Approved by: Tim Kirby, City Manager