



COMMUNITY DEVELOPMENT DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: June 15, 2021

Subject

Consider whether to authorize the formal submission and processing of a General Plan Amendment Authorization for a change to the Land Use Designation from Low Density (1-5 DU/Ac.) to Low/ Medium Density (5-10 DU/Ac.), which would allow construction of four small lot single family homes where one single family home currently exists. (Application No.(s): GPAAAuth-2020-001; Applicant: Homestead Homes; Location: APN(s): 316-04-064.)

Recommended Action

Determine whether to authorize the project described in General Plan Amendment Authorization application (GPAAAuth-2020-001) to proceed to apply for the requested General Plan Amendments.

If authorized, adopt Resolution No. ____ of the City Council of the City of Cupertino, authorizing a prospective development proposal described in the 19280 Homestead Road Project General Plan Amendment Authorization application, No: GPAAAuth-2020-001, to proceed with a General Plan Amendment application.

Discussion

Background

The City Council considered a previous proposal for the subject property on April 6, 2021. At the hearing, the City Council moved on a 5-0 vote that the applicant come back within 30 days to respond to Council's comments, including:

- Emphasize the Below Mark Rate (BMR) aspect of the project and any voluntary community amenities relating to the BMR housing impact.
- Require the homes adjacent to the single-family residents have a 12' setback on the second floor and a 9' setback on the east border
- Perform a shadow study to analyze the impact of the second stories on the neighboring single-family homes to the east of the project site.
- Buffering the development with landscaping.
- Reasonably notice the neighbors in the single-family areas within the City of Sunnyvale.

Resubmittal of applications with minor amendments within 30 days of the decision on the original application is allowed under the General Plan Amendment (“GPA”) Authorization procedures adopted by the City Council in 2015.

On May 6, 2021, the City of Cupertino received a resubmitted application with amendments to the 19820 Homestead Project proposal.

Analysis

Introduction

The proposal is to subdivide an existing residential lot into four residential parcels and one parcel that would act as a common driveway between the properties. Two of the proposed residential lots will have an Accessory Dwelling Unit. Currently, the property is developed with an approximately 2,500 square foot single family residence.

Project Location and Surrounding Uses

The 0.46-acre project site is located on the southside of Homestead Road bordering the City of Sunnyvale to the north, east, and south. Those neighborhoods are low-density residential, with single family detached homes. To the west is the PG&E service yard which is located within the City of Cupertino. The current site is zoned A1-43, or Agricultural Residential with a minimum lot size of 43,000 square feet. The site is located 0.25 miles from the Cupertino Village Shopping Center, 0.1 miles from the Oakmont Shopping Center (at N. Blaney and Homestead) and 0.5 mile from the Apple Campus 2.



Figure 1: Project Site and Vicinity

Evaluation of Project Proposal:

The following is a high-level evaluation of the project proposal related to compliance with the City’s General Plan and zoning standards.

Project Data

Table 1 indicates the proposed project data along with General Plan amendments, or variances, requested and/or required.

Table 1: 19820 Homestead Project Data

<u>Requirement/ Standard</u>	<u>Allowed/Required/ Existing</u>	<u>Revised Proposal</u> (Changes from the April 6, 2021 proposal are shown in strikeouts and underlines)	<u>Comments</u>
General Plan Designation	Low Density(1-5 DU/Ac.)	Low / Medium Density (5-10 DU/Ac.)	New General Plan Land Use Designation necessary
Zoning Designation	A1-43	Would need to be revised to be consistent with new General Plan Land Use Designation	Zoning Map Amendment
Development Allocation			
General Plan Residential Yield	2 units	4 units (not including the two ADUs)	General Plan Amendment required to increase allowed number of homes
Minimum Lot Size	43,000 square feet	3,750-4,290 <u>3,145- 4,460</u> square feet	Future Development would need either a planned zoning district to establish development standards or R1C (R1 Cluster) Zoning
Height	28 feet (max.)	24.5 <u>25</u> feet	
Setbacks			
Front	First Floor: 30 feet Second Floor: 30 feet	First Floor: 0-20 feet Second Floor: 0-20 feet	
Side	First Floor: 20 feet Second Floor: 20 feet	First Floor: 8.6 <u>9.5</u> -20 feet Second Floor: 8.6-20 feet	
Rear	First Floor: 20 feet Second Floor: 25 feet	First Floor: 8.6-9 <u>9-10</u> feet Second Floor: 8.6-9 <u>9-12</u> feet	
Floor Area Ratio	45%	76 -97 <u>87- 89%</u>	
Lot Coverage	40%	42- 51 <u>45-49%</u>	
Fiscal Impact	\$1,700 annually to the General Fund	\$9,300 annually to the General Fund	An increase of \$7,600

Evaluation Criteria Discussion

The following is a discussion of the project relative to the evaluation criteria established by City Council procedure for General Plan Amendment authorization requests.

Evaluation Criteria

Based on the criteria in the policy adopted by the City Council on September 1, 2015, the project has been evaluated based on:

- General Plan goals achieved by the project:
 - Site and architectural design and neighborhood compatibility – does the project exhibit superior quality of site layout and project design? Is the project compatible with the surrounding uses?
 - Fiscal impacts, including a diverse economic base – would the project have positive or negative one-time and ongoing impacts to the City's fiscal base?
 - Provision of affordable housing – does the project provide or otherwise promote affordable housing above and beyond typical City requirements?
 - Environmental sustainability – to what extent does the project include features including green building, site design and project operation principles, that promote environmental sustainability above and beyond the City's typical requirements?
- General Plan amendments requested – number and type of General Plan amendments requested by the applicant.
- Proposed voluntary community amenities – what is the per-square-foot amount of community amenities offered by the applicant?
- Staff time and resources required to process the project – would the amount of staff time and resources require hiring of staff or consultants to process the project? It should be noted that applicants would be required to pay the full cost of processing the project, including staff and consultant time and materials.

General Plan Goals Achieved by Proposal

Site and Architectural Design and Neighborhood Compatibility:

- Staff has not completed a design review of the current proposal. However, if approved for submission, the architecture, site layout, and overall project design shall be consistent with the General Plan standards to encourage compatibility with the surrounding environment, attractive design, and setback standards.



Figure 2: Bird's eye view of the proposed development.

- In accordance with Policy LU-23.6: Neighborhood Buffer, the development shall provide building transitions, setbacks, and/or landscaping to buffer the development from the adjoining single-family neighborhoods.
- The project would require the removal of trees to accommodate the project. The number and species of trees to be removed is unknown at this time.
- In response to the City Council comments on April 6, 2021, the applicant has revised the design of the project as follows,
 - The setbacks for the residences along the eastern portion of the project site adjacent to the single-family neighborhood have been increased to 9.5 feet and 12 feet for the first and second floors, respectively, where previously 8.5 feet was proposed.
 - A shadow study (Sheet A21, Attachment C) had been conducted to determine impacts to the neighbors along the eastern portion of the development site. The date of the shadow study was set on June 21 (summer equinox) and found that the shadow impact is minimal to the adjacent properties.
 - Landscaping has been added to the property along Homestead Road to buffer the project from the Right-of-Way. No further landscaping has been added along the eastern project line.



Figure 3: North elevation.

Net Fiscal Impacts

- An analysis of fiscal impacts to the city has been prepared by Economics and Planning Systems, Inc. (EPS), a third-party consulting firm, see Attachment E. The report estimates the proposed project would have a \$9,300 net positive annual fiscal impact on the City's General Fund. This would be a net increase of \$7,600 from the existing use onsite.

Provision of affordable housing

- The Below Market Rate (BMR) Mitigation Program Procedural Manual requires that any residential development between one to six units either pay the Affordable Housing Mitigation Fee or provide one BMR unit. The applicant originally proposed to pay the mandated Mitigation fee (For reference, the current fee is equal to \$18.98 a square foot.)
 - The applicant has proposed to increase its payment of BMR fees to \$30 per square-foot. It should be noted that the City's nexus study for establishing the BMR fees¹ found that a fee of up to \$30.10 per square-foot would be justified by project impacts. Therefore, the proposed amount by the developer is higher than the current BMR fee but within the levels that the nexus study indicated.
- The applicant will receive a credit for the existing unit on the site. Therefore, the fee calculation will be based on the three (3) net new units minus the garage and ADU square footages. At approximately 8,135 square feet, the estimated fee (at \$30 per square-foot) would be \$244,050. This would be approximately \$89,647.70 more than the estimated BMR Mitigation fee would otherwise be.

Environmental Sustainability

- The project would be required to be either GPR certified at a minimum of 50 points, LEED Silver, or Alternative Reference to be consistent with the City's Green Building ordinance.

General Plan Amendments Requested

The applicant is requesting General Plan Amendments for the following:

Change in General Plan Land Use Designation from Low Density Residential (1-5 dwelling units/acre) to Low/Medium Density Residential (5-10 dwelling units/acre) which would allow for 4 units on the project site where currently the density would allow the potential for two (2) units (zoning, however, would only allow one (1) unit). This would include, but not be limited to, an amendment to the General Plan Land Use Map.

¹ Available online at: <https://www.cupertino.org/our-city/departments/community-development/housing/housing-documents>.

Voluntary Community Amenities Proposed

Table 3 below indicates the proposed voluntary community amenities.

Table 3: Proposed Voluntary Community Amenities

Categories	Proposed	Beneficiary	Value	Comments
School resources	None	None	\$0	-
Public open space	None	None	\$0	-
Public facilities	None	None	\$0	-
Transportation facilities	None	None	\$0	-
Affordable Housing	\$30 per square-foot BMR payment	City of Cupertino	\$89,647.70	This the difference between the BMR fee of \$18.98 per square-foot and the proposed \$30 per square-foot.
	Total Value of Qualified Community Amenities		\$89,647.70	
	Total Value/square-foot of Qualified Community Amenities		\$6.65 ² per s.f.	

Staff Time and Resources:

The Planning Division will dedicate a project manager (either staff or consultant, based on availability) to guide the project through the entitlement process, appropriate environmental, and city related reviews. It is estimated that approximately 0.25 FTE hours will be required for processing this application. Staff time and consultant costs will be paid for by the applicant.

² This is a result of the 'Total Value of Qualified Community Amenities divided by the total square footage of the development (13,490 square feet) including ADUs and garage space.

Public Noticing and Outreach

The following table indicates the public noticing and outreach conducted on the General Plan authorization process as required by the procedures adopted by the City Council.

Noticing, Site Signage	Agenda
<ul style="list-style-type: none">▪ Postcard mailed to all postal customers in Cupertino for the April 6, 2021 meeting (<i>at least 10 days prior to meeting</i>)▪ Notices mailed to neighbors within a 1,000 ft. radius of the project site (including neighbors in Sunnyvale).▪ Site signage on subject property (<i>at least 10 days prior to meeting</i>)	<ul style="list-style-type: none">▪ Posted on the City's official notice bulletin board (<i>at least five days prior to the hearing</i>)▪ Posted on the City of Cupertino's Web site (<i>at least five days prior to the hearing</i>)

Environmental Impact

The California Environmental Quality Act (CEQA) does not apply since the City Council's action, consideration and authorization of formal applications, is not a project as defined by CEQA. However, project level environmental review will be conducted for projects that are authorized to move forward with applications for General Plan Amendments.

Fiscal Impact

The project net fiscal impact to the City's budget has been discussed previously in the "Net Fiscal Impacts" section above.

Sustainability Impact

The sustainability impacts are discussed in the "Environmental Sustainability" section above.

Next Steps

Projects authorized by the Council to move forward will enter the formal development application and review process including necessary environmental analysis. The timeline for the projects will begin when the applications are complete and are expected to run about 9-12 months.

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Reviewed by: Piu Ghosh, Planning Manager

Benjamin Fu, Director of Community Development

Approved for Submission by: Dianne Thompson, Assistant City Manager

Attachments:

- A – Draft Resolution
- B - City Council policy for General Plan Amendment application procedures
- C - Project Plans
- D - Project Description
- E - Homestead Homes Feasibility Analysis, prepared by Kelly Snider of Land use Analysis & Entitlement Services, dated November 5, 2020.
- F - Fiscal Analysis of the Homestead GPA Application, prepared by Economics and Planning Systems, Inc., dated December 23, 2020.