Community Benefits Workshop

Today's Workshop

1. (6:00) Welcome/Roll Call
2. (6:15) Land Use + Community Benefits + Affordable Housing
3. (7:15) Round Table Discussion

CITY COUNCIL DISCUSSION

4. (7:45) Public Comment (1.5 min each)
5. (8:15) City Council Study Session
6. (9:00) Adjourn

The purpose of today's meeting is…

Highlight district structure and **needs and improvements** to meet Ecological Innovation District vision

Review current Citywide fees, **fiscal impact study, and community benefits framework**

Present **development reserve and site master plan process** for Moffett Park

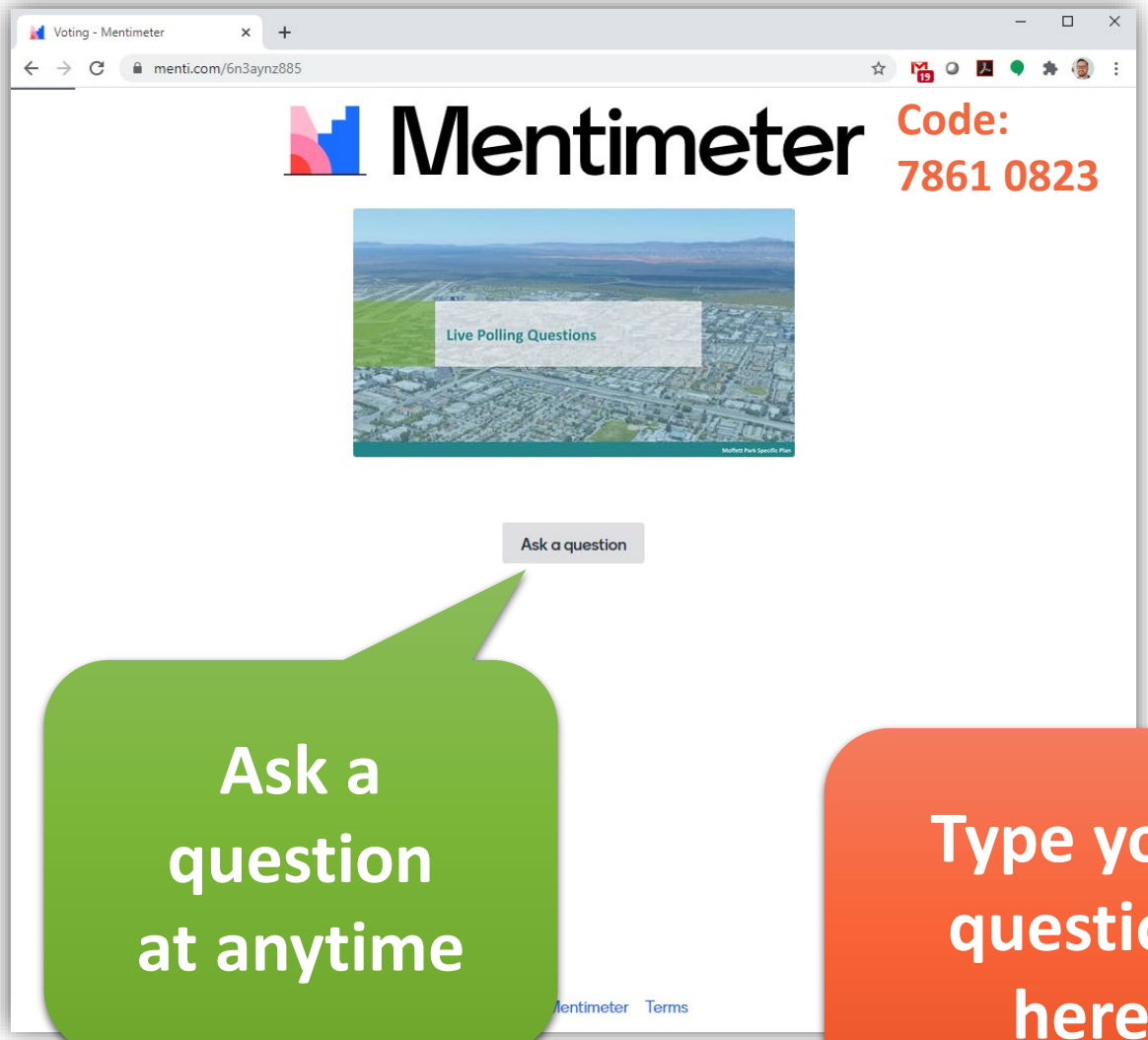
Answer questions about and **receive feedback** on the proposed plan and policies

Opportunities for Public Input

- Live Polling with Mentimeter
- Round Table Discussion
- Public Comment
- Office Hours, **Tuesday, November 1st, Noon**
- Upcoming Study Sessions and Public Hearings
- Website

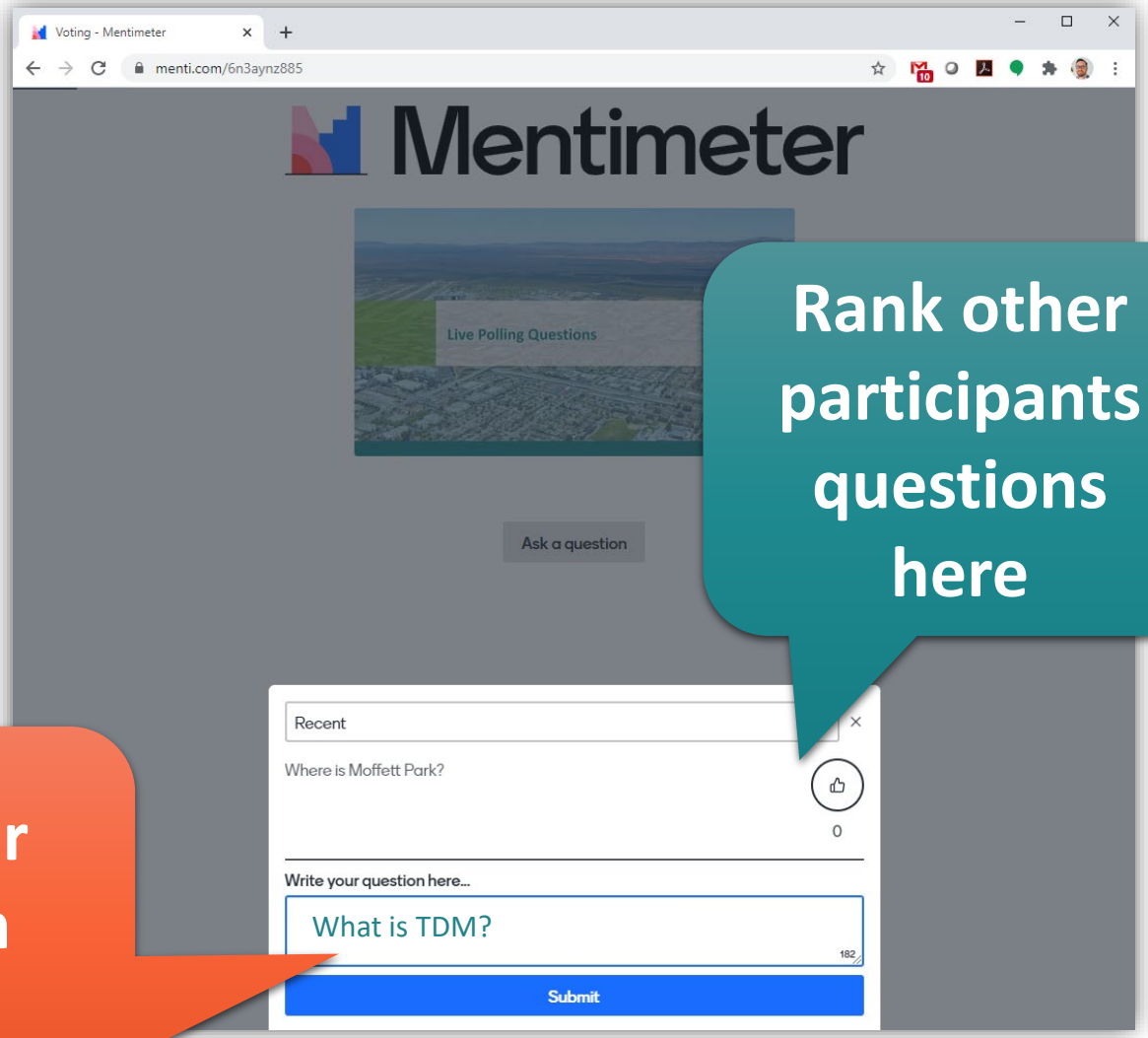
  https://www.moffettparksp.com/

Please submit your questions at any time!



Ask a question at anytime

Type your question here



Rank other participants questions here

menti.com

Mentimeter

Please enter the code

7861 0823

Submit

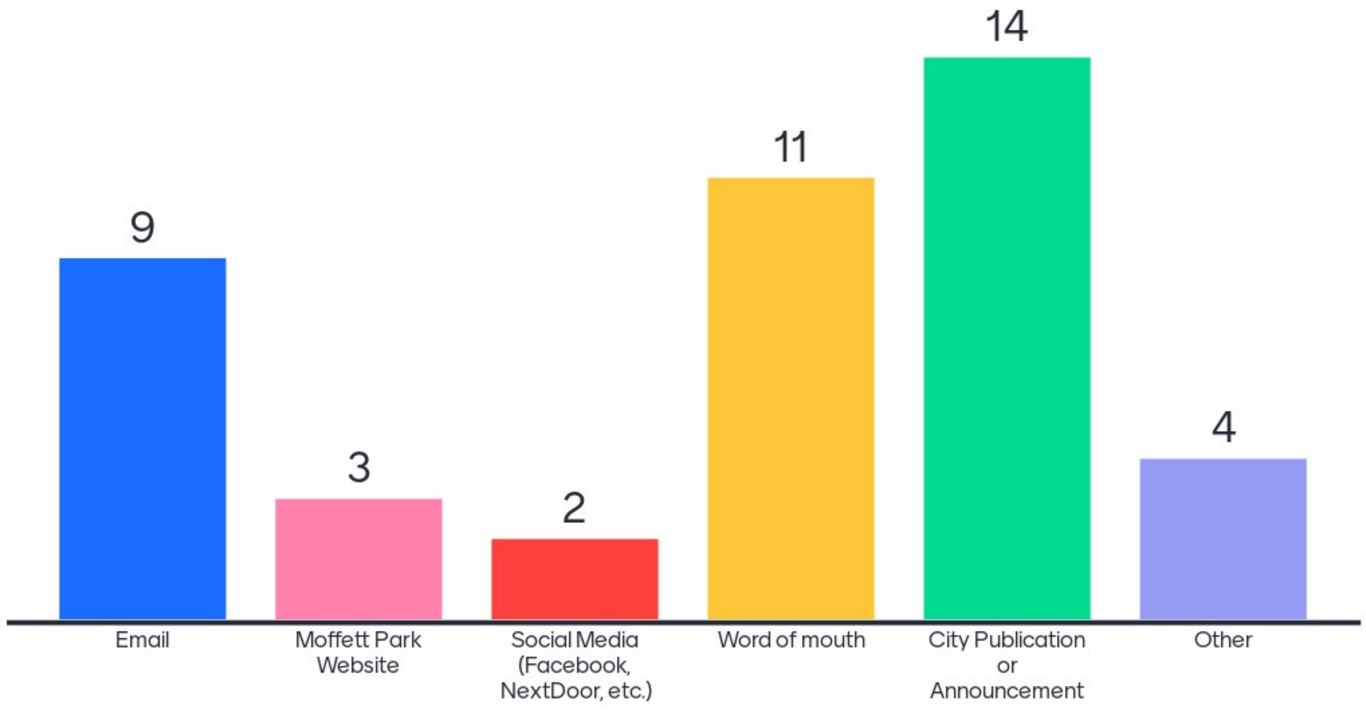
The code is found on the screen in front of you

Mentimeter

Live Polling Questions

How did you hear about this event? Select all that apply

Mentimeter



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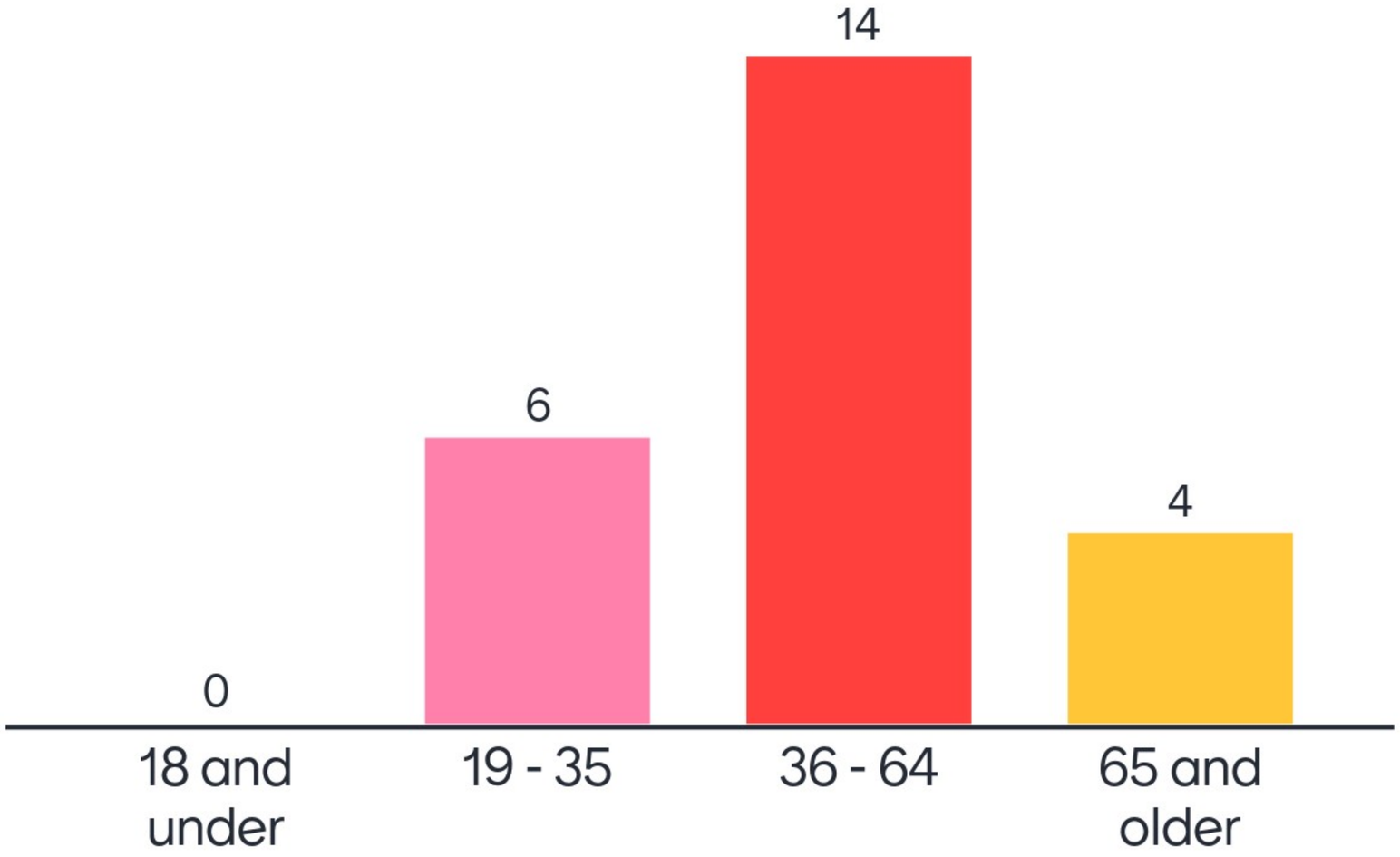
What is your age?

Mentimeter



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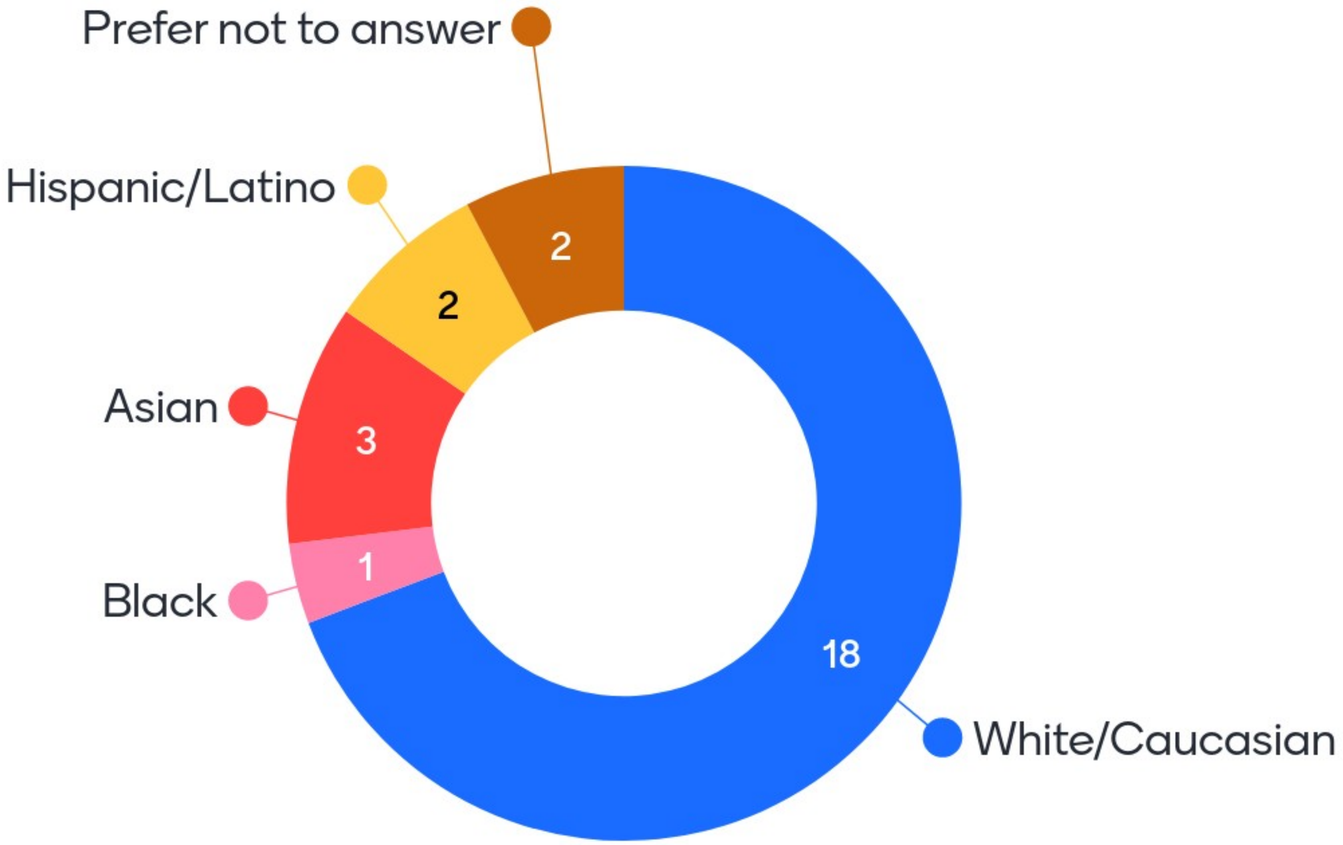
How would you describe yourself? (you can choose more than one)

Mentimeter



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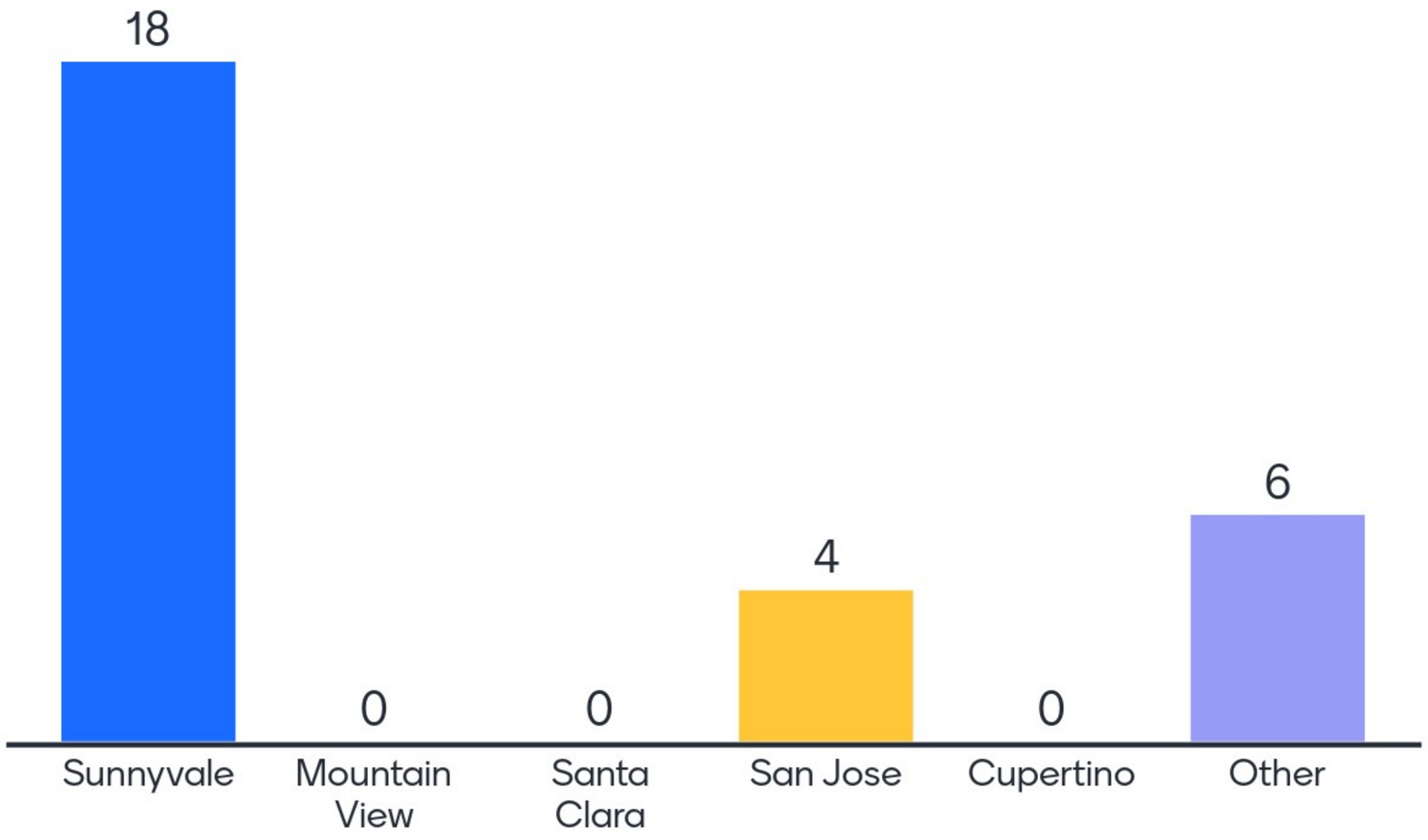
Do you live in Sunnyvale? If not, where?

Mentimeter



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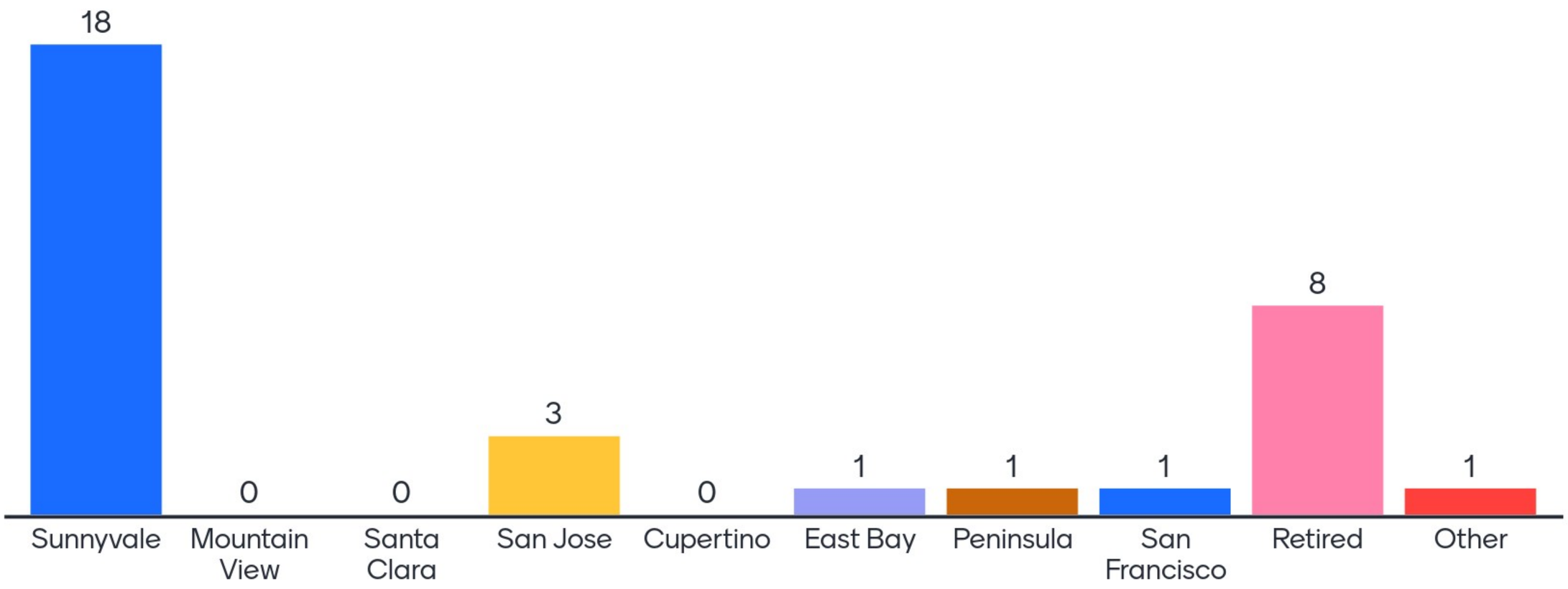
Where do you work?

Mentimeter



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Ecological Innovation District

Vision Statement

Redefine the Moffett Park Specific Plan as an "**Ecological and Innovation District**"

Moffett Park is an integral part of Sunnyvale and is a well-connected ecological innovation district with a diverse mix of uses that serves as a model of resilience, climate protection, equity and economic opportunity.

Guiding Principles

moffettparksp.com/vision-1
for more info on the Guiding Principles

Vibrant and inclusive

Improve connectivity

Resilient community

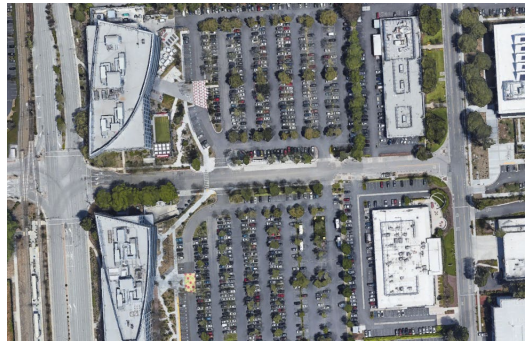
Diverse economic engine

Innovative and emerging technology

Dynamic and connected public realm

Healthy and biodiverse environment

Transforming Moffett Park: The Big Lift



From a suburban office park

To a place for people, opportunity, and nature

From Moffett Park Now…

To an Ecological Innovation District

Mixed-use activity centers + "*15-minute city*"

Integrated open space and urban ecology network

Integrated mobility and open space network

Walkable block structure

Activity Centers

Designed around Complete Neighborhoods

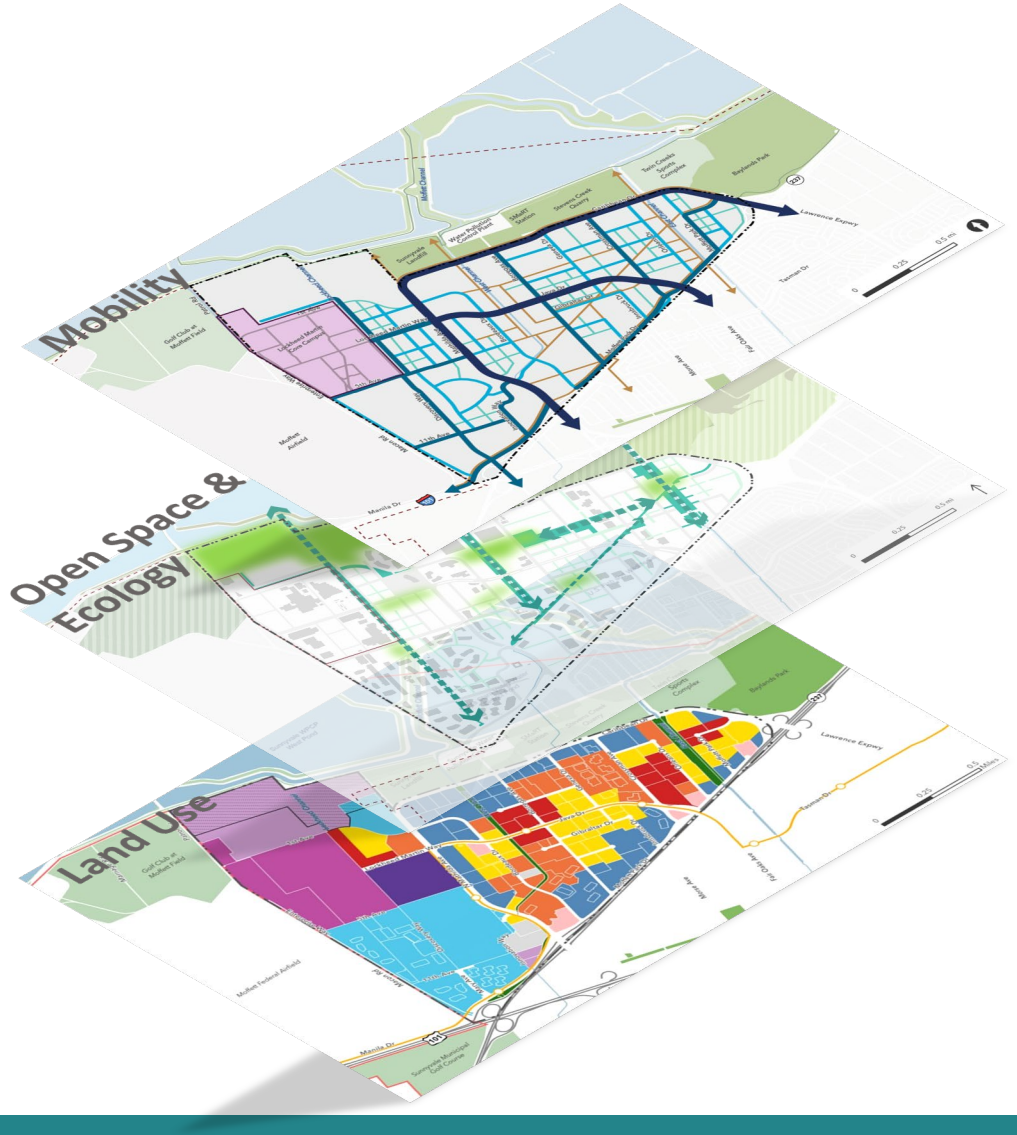
West of Mathilda

- Primarily employment uses with new open spaces and small retail areas
- One residential neighborhood in West Mathilda

East of Mathilda

- Complete mixed-use neighborhoods focused on activity centers and open spaces
- Walkable urban block pattern
- Residential neighborhoods

Layers of Plan Area Improvements



- New diverse mix of land uses
- Retail and services for existing and new employees and residents
- Park and open space network
- Urban ecology
- Complete streets and mobility network
- Utilities and infrastructure

Examples of MPSP Improvements and Needs

Open Space & Ecology

- Land for use as **parks and open space** above City requirements
- **Development and improvement** of open space or parks
- On-going **operations and maintenance** of open space or parks
- **Ecological improvements**

Mobility & Infrastructure

- **Infrastructure** that goes above the City's requirements or required mitigations
- **Public access improvements,** such as bridges over channels or freeways or other connections
- Additional **stormwater improvements**

Community Facilities

- **Community space** in the mixed-use activity centers
- Dedication of **school site(s)** to City (City to hold until needed)

Examples of MPSP Improvements and Needs

Affordable Housing

- **Greater affordability or greater quantity** of affordable housing
- **Workforce housing**, including school district employees
- Funding for housing and facilities for the **unhoused population**

Placemaking

- **Wayfinding**
- **Public Art** that goes beyond current requirements

Climate Change

- Improvements or programs to **advance the CAP goals** that goes City requirements
- Improvements that help **build resilience** and reduce potential impacts of sea level rise

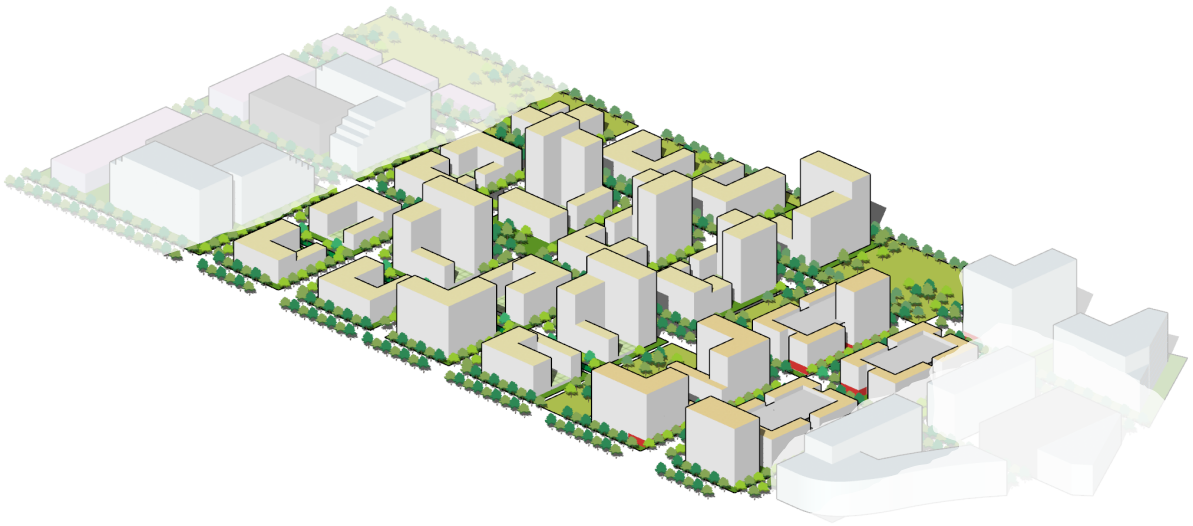
Affordable Housing Strategy

Overall Housing Strategy

- Zoning Standards
- Citywide Affordable Housing Programs
- Other Moffett Park incentives, TDR, and non-residential community benefits
- Phasing of housing relative to office development included in Development Agreement
- Provision for adaptive action if office growth outpaces housing growth and open spaces provision

Zoning Standards

- No Bonus FAR Structure
- Minimum residential requirement in MP-AC and MP-R zones
- Maximums allowed by right
- Form-based approach for new housing



City Affordable Housing Programs

- Inclusionary Housing Programs
  - 15% inclusionary requirement for rental and ownership
  - Alternative compliance options available in current ordinance (subject to Council approval)
- Housing Mitigation Fee (HMF) for Non-Residential Development
  - Funds new affordable housing developments
- Other Citywide Housing Programs
  - Federal Grants (CDBG/HOME) Funded Programs
  - Housing Element & Housing Strategy Programs

City Impact Fees (Current/Future)

Current Impact Fees

- **Park Dedication & In-Lieu Fee**
  - Applicable to residential projects that do not dedicate land to parks or open space
- **Transportation Impact Fee**
  - Special rate for North Hwy 237. Applicable to residential and non-residential development with net new units/square feet
- **School Impact Fee**
  - School impact fees are paid directly to the school districts; maximum fees are set by the State of California
- **Housing Impact Fee** (non-residential)
  - Applicable to all developments with net new square feet including mixed-use, commercial, industrial, R&D, office, retail, and hotel/motels
- **Housing In-Lieu Fee**
  - Rental residential developments with 3-6 units (that do not provide at least 15% of the total number of rental units as affordable units)
  - Rental (over 6 units) or ownership housing developments if approved by City Council

Other Fees for Infrastructure and Services

- **Water Connection Fee**
  - Applies to all new water services, collects funds for connection and conveyance.
- **Sewer Connection Fee**
  - Applies to all new sewer services, collects funds for connection, conveyance and treatment.
- **Public Art In-Lieu Fee**
  - City uses funds to create public art.

Expected Future Fees and Fee Updates

New Fee Studies

- New TIF for MPSP (2023)
- Community Facilities Fee (2023)
  - Applies to all new development. Collects funds for future City facilities such as libraries, fire and police stations

Existing Fee Studies

- Update to the Housing Mitigation Fee (2023)

Ongoing Fiscal Impacts

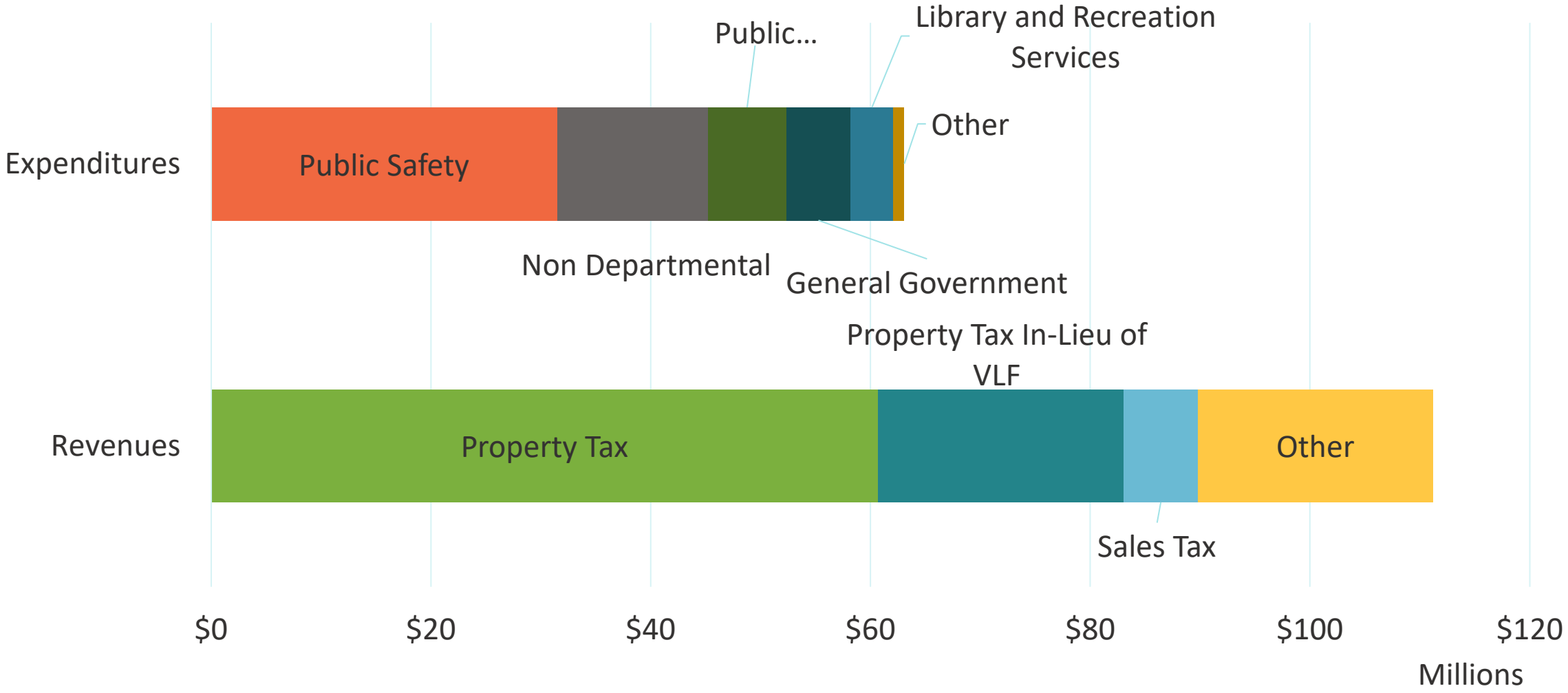
Potential Estimated General Fund Impacts

- Potential positive annual fiscal impacts
  - **Estimated** Moffett Park growth increases **net** General Fund revenues by $48 million per year **upon full buildout** (2040)
- Revenue growth primarily driven by increases in assessed property values
- Revenues also include sales tax, transient occupancy tax, other smaller sources

Strategic Economics, 2022.

Potential Estimated General Fund Impacts

Annual General Fund Revenues and Expenditures Upon Full Buildout of Moffett Park Specific Plan Area at 2040, in Millions of Dollars (2019 dollars)



Strategic Economics, 2022.

Community Benefits

Defining Voluntary Community Benefits

- Voluntary contributions by developers
- Incentivized through discretionary granting of additional development rights
  - Create a value “uplift” per bonus square foot

Base Requirement Examples

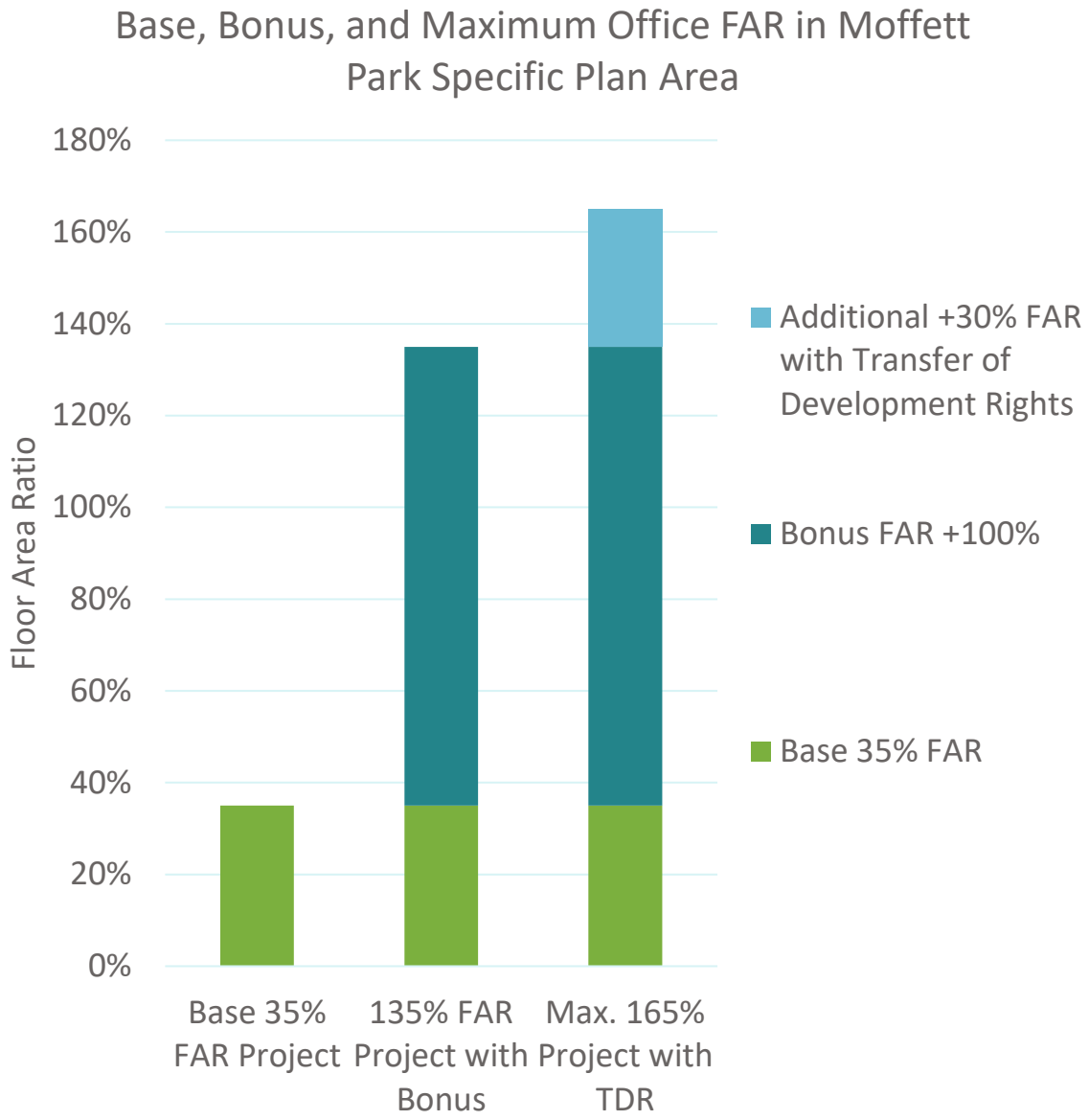
- Development standards
- Inclusionary housing
- Impact fees or alternative mitigations

Community Benefits Examples

- Exceeding requirements
- Additional contributions to other needs such as below market rate commercial space, public facilities, district infrastructure

Approach to Incentivizing Community Benefits Contributions In Moffett Park

- Office projects may exceed base floor area ratio (FAR) in exchange for community benefits contributions
- Only applies to new development that:
  - Exceeds base FAR, **or**
  - Constitutes net new growth relative to existing development that already exceeds base FAR
- Can achieve 100% or 135% total FAR via community benefits contribution "bonus"
  - I.e., allows bonus square feet of building area



Development Conditions Scenarios

Scenario 1:
Existing Conditions

Typical 2022 conditions in Moffett Park

- Rents reflect newer Class A office in Moffett Park, as of Q2 2022
- $5.00 to $5.25 per leasable sq ft for bonus prototypes (triple net basis)

Scenario 2:
Moderate Recovery

Top 2022 market area rents

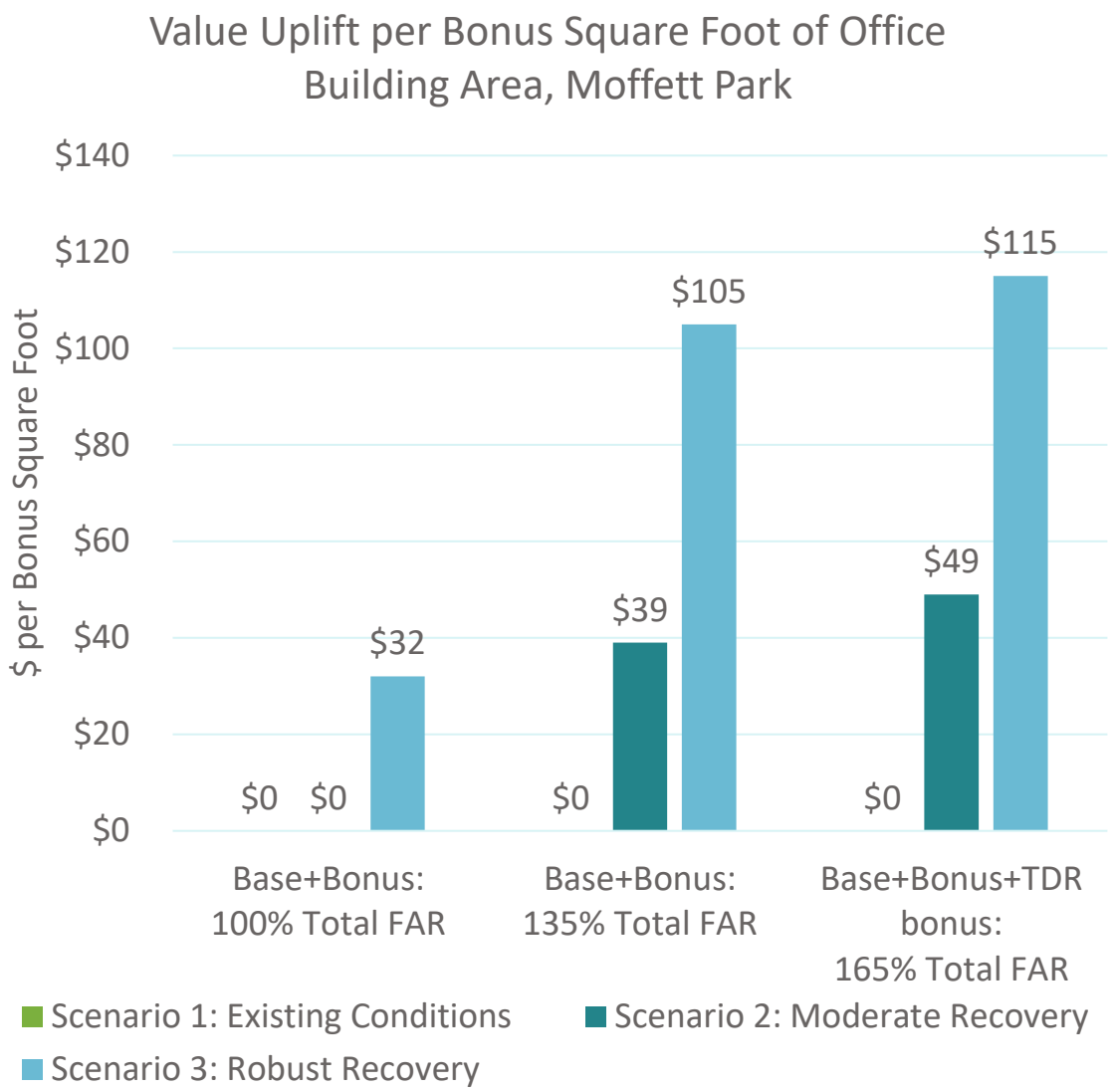
- Top Class A office rent in Sunnyvale and Mountain View, as of Q2 2022
- $5.75 to $6.00 per leasable sq ft for bonus prototypes

Scenario 3:
Robust Recovery

Return to top 2019 rents

- Return to 2019 top Class A office rents within Sunnyvale & Mountain View
- $6.25 to $6.50 per leasable sq ft for bonus prototypes

Estimated Supportable Community Benefits

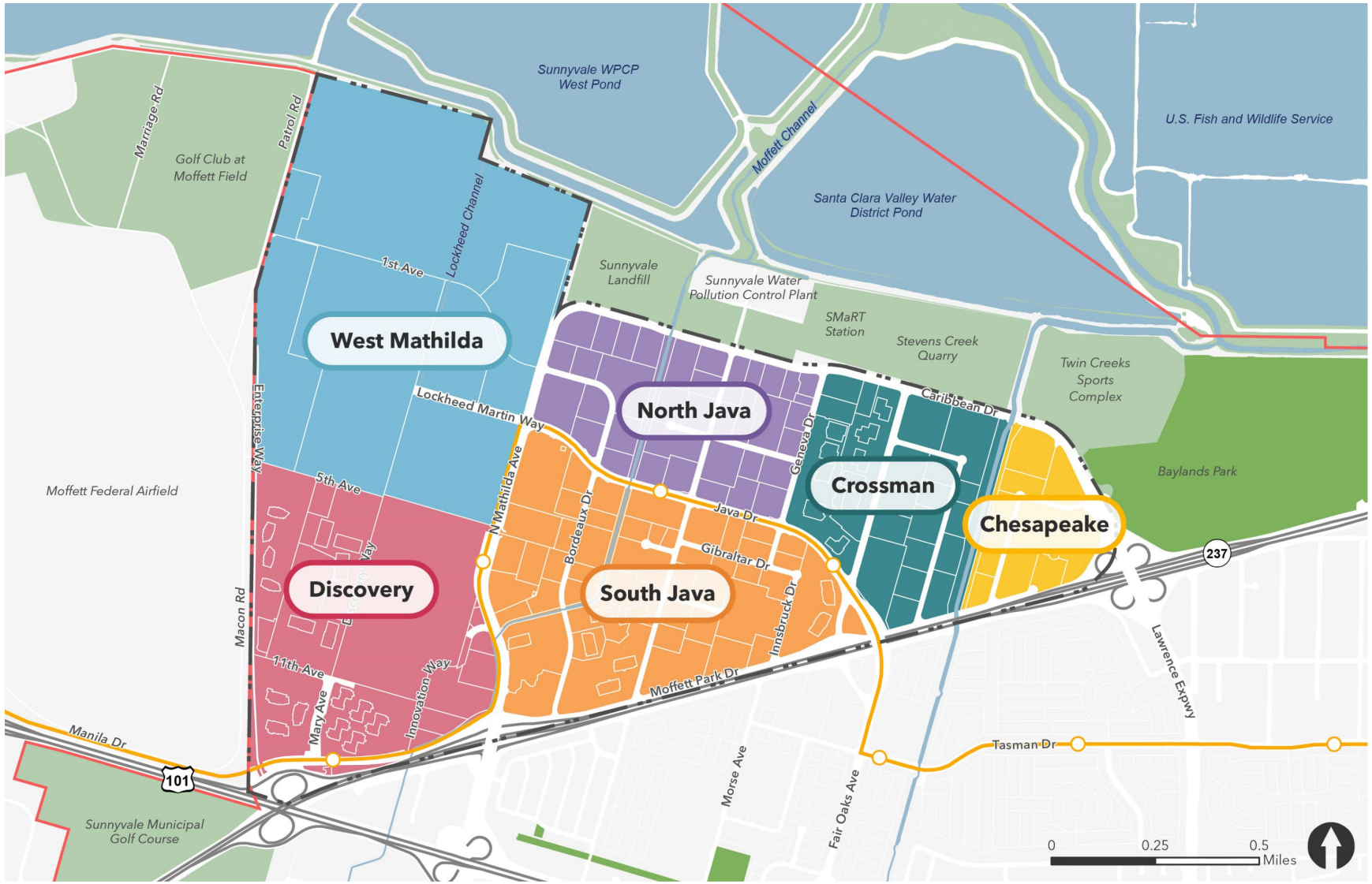


Strategic Economics, 2022.

- Measured value uplift per bonus square foot for three office prototypes
- Tested three market and development conditions scenarios
- Value uplift estimated at up to $105 per bonus square foot for up to 135% FAR
  - 165% FAR is only achievable with transfer of development rights

Office and R&D Development Reserve Allocation

Neighborhood-Based Allocation for Office + R&D



- Ensure competitive reserve pool is distributed across the plan area
- Create complete neighborhoods
- Focus development and amenities near transit, in residential areas, and in walkable activity centers
- Support large and small businesses

Existing and Pipeline Non-Residential Development

Gross Land Area
51%

Existing/Pipeline SF
11.7 m – **53%**

Proposed

?

Gross Land Area
49%

Existing/Pipeline SF
10.3 m – **47%**

Proposed

?

Allocation Rebalances Non-Residential Development

Gross Land Area
51%

Existing/Pipeline SF
11.7 m – **53%**

Proposed Buildout
15.6 m – **49%**

Proposed Allocation
3.9 m – 39%

Gross Land Area
49%

Existing/Pipeline SF
10.3 m – **47%**

Proposed Buildout
16.4 m – **51%**

Proposed Allocation
6.1 m – 61%

Supports *"15-minute city"*

Proximity to activity centers

Proximity to housing

Proximity to transit

Development Allocation for Office and R&D

- **Existing Building Redevelopment**
  - Development project redevelops existing building floor area within a neighborhood
  - Not subject to Community Benefits contributions
- **Base FAR Reserve**
  - For development projects that do not exceed the Base FAR (35%)
  - Not subject to Community Benefits contributions beyond open space and infrastructure improvements
- **Bonus FAR Reserve**
  - For development projects that exceed the Base FAR up to the Maximum FAR
  - Allocated by neighborhood and small project reserve
  - Small Project Reserve is allocated for small projects
  - Subject to Community Benefit contributions

Development Reserve

Neighborhood	Development Reserve (Net New Floor Area)	Estimated Office, R+D, and Industrial Total Floor Area at Plan Buildout	Estimated Residential Range at Plan Buildout	Estimated Open Space at Plan Buildout
West Mathilda	800,199 sf	5,500,000 sf	1,800-2,200 du	123 acres
Discovery	715,344 sf	7,700,000 sf	200-400 du	9 acres
North Java	990,775 sf	3,500,000 sf	2,400-3,200 du	31 acres
South Java	2,479,729 sf	7,100,000 sf	5,600-7,400 du	22 acres
Crossman	1,600,948 sf	4,000,000 sf	4,300-5,800 du	30 acres
Chesapeake	222,602 sf	1,000,000 sf	2,200-3,200 du	11 acres
Base FAR Reserve	2,000,000 sf	2,000,000 sf		
Small Project Reserve	1,200,000 sf *	1,200,000 sf *		
Totals	**10,009,597 sf**	**32,000,000 sf**	**16,000-20,000 du**	**226 acres**

- **Base FAR Reserve:** LHM North Parcel + other development that only build to Base FAR (35%)
- **Small Project Reserve**: Designated for small projects less than 150,000 square feet. Sunsets after 10 years

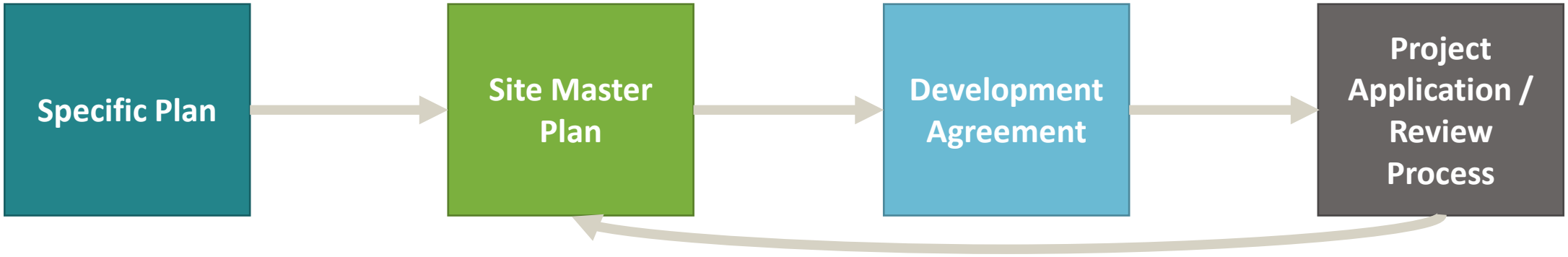
***Estimated distribution of Small Project Reserve:**
North Java: 500-600K
South Java: 400-600K
Chesapeake: 200-300K

Development Review Process

Site Master Plan

- Establishes new requirements for development submittals
- Establishes horizontal development plan and locations of publicly accessible streets, open spaces, and infrastructure
- Addresses phasing
- Addresses development reserve request
- ***May be submitted in tandem with vertical development applications***

Simplified Development Approval Process



District-Wide Plan for Moffett Park	Horizontal Plan for an Area	Agreement on Bonus FAR, Community Benefits, and Phasing	Vertical Development / Project Applications
• Developed by City Staff through community process • Approved by City Council	• Submitted by Property Owner or Multiple Property Owners • Approved by Staff	• Joint, Negotiated Agreement • Approved by City Council • **Not an alternative path** to change Specific Plan requirements and standards	• Submitted by Property Owner • Residential Buildings Approved by City Staff • Commercial Buildings Approved by Planning Commission

Specific Plan

District-Wide Plan for Moffett Park

Land Use & Development

- Land use districts and policy
- Development standards
- Design standards
- Development reserve
- Community benefits framework

Open Space

- Open space types, standards, and amount
- Approx. open space location

Transportation & Infrastructure

- Street design standards
- Approx. street location
- Parking, TDM, and TMA standards
- Infrastructure and utilities provision

Developed by: Staff through Community Process
Approved by: City Council

Site Master Plan

Horizontal Plan for a Larger Area

Land Use & Development

- Land use mix
- Bonus FAR request
- Location and intensity of development
- Development parcels, tentative map
- TDR, if applicable
- Must meet Specific Plan standards

Open Space

- Open space type, amount, and location
- Open space program

Transportation & Infrastructure

- Block circulation
- Street location and dimension
- TDM and Parking plan
- Infrastructure and utility provision

Developed by: Property Owner or Multiple Property Owners

- May be submitted with Development Project Application

Approved by: City Staff

Development Agreement

Agreement on Bonus FAR, Community Benefits, and Phasing

Key Components

- Bonus FAR request
- Community benefits provided
- Phasing

- **Not an alternative path** to change Specific Plan standards and requirements
- Primarily applicable to **non-residential development**

Developed by: Joint, Negotiated Agreement
Approved by: City Council

Development Projects

Vertical Development Applications

Key Components

- Standard City submittal requirements
- May be submitted in tandem with the Site Master Plan
- Must meet Standards Defined in Specific Plan, Municipal Code, Building Code

Developed by: Property Owner

Approved by:

- Residential Buildings Subject To Staff Approval
- Commercial Buildings Approved by Planning Commission

Considerations for Council

- **Allocation Office Bonus FAR Reserve**
  - Allocation by neighborhood
  - Small Project FAR Reserve for projects under 150,000 sf
  - Base FAR Reserve for projects under 35% FAR
  - Relationship to housing
- **Development review and community benefits**
- **Residential approach as "form based"**

Process Overview

Summer/Fall 2022	Fall 2022	Winter/Spring 2023
Topical Study Sessions	Draft Specific Plan Review + Public Hearings **Environmental Review**	**Plan Adoption**

Policy Discussions

EIR Underway

- Final Background Reports
- Modeling Completed

Draft Plan Release and EIR Public Review Fall 2022

- Other Commissions
  - Winter 2022-23
- Planning Commission
  - March 2023
- City Council
  - April 2023

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OPPORTUNITIES FOR COMMUNITY INPUT:

1. **Live Polling**
2. **Round Table Discussion**
   - Ask and rank questions on Menti.com
   - Moderator will choose questions
3. **Public Comment**
   - 90 sec per speaker
4. **Office Hours**
   - November 1st, Noon
5. **Website/Email**

MoffettparkSP.com
moffettpark@sunnyvale.ca.gov

Round Table Discussion

Round Table Discussion Panel – Community Benefits

City of Sunnyvale

- Trudi Ryan, Director, Community Development
- Connie Verceles, Deputy City Manager
- Michelle King, Principal Planner
- Chip Taylor, Director of Public Works

Raimi + Associates

Eric Yurkovich, Principal

Chris Sensenig, Senior Associate

Strategic Economics

Derek Braun, Principal

City Council Study Session

Consideration for Council

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