CITY OF
CUPERTINO

COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION

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August 24, 2026

Via Electronic Mail

Reed Moulds, Managing Director
Vallco Property Owner LLC
965 Page Mill Road
Palo Alto, CA 94304

SUBJECT: APPROVAL LETTER – THE RISE SB 35 DEVELOPMENT (FORMERLY VALLCO TOWN CENTER) – PARTIAL PLAN MODIFICATION APPLICATION

This letter serves as approval ("Approval") of a partial plan modification ("Application") of the Vallco Town Center project, AKA The Rise project ("Original Project") approved pursuant to Government Code Section 65913.4 under Senate Bill 35 ("SB 35")[1] and the terms of the Implementation Agreement between the City and Vallco Property Owner, LLC ("Original Applicant") on February 13, 2025.

The Application, which included a request to modify two structures on Blocks 1 & 2 respectively, was submitted to the City by Black Pine, LLC c/o Hines Construction ("Applicant") on behalf of the property owner, Vallco Property Company LLC on April 29, 2026, is located on an approximately 4.5-acre portion of the 50.82-acre original project site, closest to the intersection of Stevens Creek Boulevard and N. Wolfe Road.

I. Project Approval

The following entitlements are approved:

a. Partial Modification to Development Permit
b. Partial Modification to Architectural and Site Approval - Major

This Approval is reflected in the plan set included in Attachment "A."

[1] The Original Project Approval consists of the Initial Application approved in September 2018, First Modification approved in June 2022, Second Modification approved in February 2024 and Third Modification approved in February 2026.

This Approval does not cover encroachments or other improvements within the public right-of-way, including but not limited to, the proposed intersection located between Vallco Parkway and Highway 280 (right of way encroachments are subject to the City's permitting review process) or proposed tree removals within the public right of way. In addition, this Approval does not cover any signage, sign programs, construction permits, or final map(s). Subsequent applications for these permits will be required, consistent with the City's permit approval processes and the requirements of Government Code section 65913.4.

II. Basis for Approval

The basis for approval of the Original Project has previously been identified in the Original Project Approval. Modifications to SB35 projects are allowed under Govt. Code 65913.4(h) and, specifically to the Original Project, pursuant to the Implementation Agreement entered into by the City with the Original Applicant. The Implementation Agreement establishes procedural and documentation requirements for modifications and post entitlement permitting for the Rise project. Thresholds for determining substantial compliance, partial plan modification, or district plan (full) modification, as well as the material required to evaluate each modification type, are documented in the Agreement.

The Application includes modifications to the two buildings in Blocks 1 and 2 as follows:

1. Exterior architectural changes and modifications to loading areas
2. Changes to the building form
3. Increased parking
4. Minor adjustments to retail and residential square footage

Implementation Agreement: The Implementation Agreement identifies the thresholds under which a Building Permit is needed, a Partial Plan Modification is needed, or a district plan modification is required[2]. Upon a review of the proposed changes, the Application requires a Partial Plan Modification subject to Section 2(c)(iii)(E) of the Implementation Agreement, due to the proposed increase in garage parking exceeding 15 percent. The project includes a slight increase to residential square footage but by itself would not have triggered the need for a Partial Plan Modification since it was less than a 5% change.

The following tables show the proposed changes between the most recent modification (Modification #3, February 2026) and the partial plan modification, as well as the percentage change. The project includes a slight increase to residential square footage. Pursuant to SB35 project implementation requirements, a minimum of two-thirds of entire project area remains designated for residential uses with this Partial Plan

[2] The Project Implementation Agreement is available at City Hall with the Planning Division.

Modification request. The change in residential square footage for both Blocks 1 and 2 is less than 5 percent.

Block 1:

	Residential	Residential Parking	Retail	Office
Approved SF (2026)	277,156	65,791	39,928	0
Partial Plan Modification (DIR-2026-003) SF	288,018	163,270	43,675	0
% Change	< 5%	>15%	<10%	No change
Threshold under Project Implementation Agreement	+/- 5%	+/-15%	+/-10%	+/- 5%

Block 2:

	Residential	Residential Parking	Retail	Office
Approved SF (2026)	304,379	107,493	44,476	0
Partial Plan Modification (DIR-2026-003) SF	291,582	124,689	43,258	0
% Change	< 5%	>15%	<10%	No change
Threshold under Project Implementation Agreement	+/- 5%	+/-15%	+/- 10%	+/-5%

The following table shows the overall distribution of residential, retail, and office uses throughout the site, comparing the original approval to the current proposal and confirming that the project remains two-thirds residential:

	Residential	Retail	Office	Total
Approved SF (2018)	4,961,904	485,912	1,981,447	**7,429,263**
% of Total	***66.8***	*6.5*	*26.7*	***100***
Partial Plan Modification SF (DIR-2026-003)	4,839,644	228,846	1,474,946	**6,543,436**
Modification (2026) % of Total	***74***	*3.5*	*22.5*	***100***

Density Bonus Waiver Modification: Under the State's and City's Density Bonus Laws, the Original Applicant previously received a density bonus, three density bonus concessions and one waiver for the Original Project.

No changes are proposed to the density bonus or the three density bonus concessions previously granted with this Application. The Application includes a request to modify the previously approved density bonus waiver. A density bonus waiver is to a development standard that the project cannot meet due to the proposed design, and if the project were required to meet the standard, it would cause the project to lose units in the housing development. State law disallows the City to reject the request for a waiver under the presumption that a differently designed project could meet the existing standard.

The original application allowed a waiver for certain portions of structures in Blocks 2,5,8,10,11,13,14 and 15 to encroach into a required 1:1 setback to height (slope line) standard established in the General Plan in Figure LU-2 (Community Form Diagram). This Application proposes to amend this waiver for the redesigned structures in Blocks 1 and 2. The proposed modification increased the amount of encroachment for Block 2 by six inches on the Stevens Creek Blvd. frontage for all portions of the building, and by 5'3" inches on the N. Wolfe Rd. frontage to accommodate an architectural cornice at the top of the structure. No other amendments are proposed.

The encroachments are identified in the plan set on Sheets P-508 and P-508.1 respectively. These diagrams indicate that imposition of the slope line standard would cause the project as designed to lose residential units or be redesigned to accommodate the standard. Cities are disallowed from requiring a re-design of structures when a density bonus waiver is requested, even if the portions of the structure for which a waiver is requested does not include affordable housing. As a result, the City must grant the proposed density bonus waiver.

Other Modifications: In addition to the redesign of the exterior of the structures, the applicant has also proposed to modify the layout of the retail areas on the ground floor, access for the parking garage, relocate the loading/waste management area on Block 2 from Wolfe Rd. to Street 2, increase the residential area, and increase parking within the structures.

As previously stated, the change in residential square footage for both Blocks 1 and 2 is less than 5 percent. While the Applicant is not required to provide any parking for the project pursuant to the standards of Govt. Code 65913.4(d), they are proposing an increase of 97,479 square feet of residential parking for Block 1, and an increase of 17,196 square feet of residential parking for Block 2. Since this area is included in residential floor area for purposes of determining the residential vs. non-residential area within the project, the project continues to comply with the SB 35 project implementation requirements of having a minimum of two-thirds of entire project area designated for residential uses with this Partial Plan Modification request.

III. Standard Project Requirements and Project Implementation Requirements

The Project Application is approved subject to the Standard Project Requirements and Project Implementation Requirements (collectively "Requirements") set forth below. These Requirements identify objective General Plan, zoning, and/or objective design review standards that were applied to the project at the time the original Application was submitted to the City on March 27, 2018 and specific requirements and criteria for a project to be subject to the streamlined, ministerial review and approval process pursuant to Government Code Section 65913.4.

1. **ACCURACY OF THE PROJECT PLANS**
   The Applicant/property owner is responsible for verifying all pertinent property data including but not limited to property boundary locations, building setbacks, property size, building square footage, any relevant easements and/or construction records. Any errors of any property data may invalidate this approval and may require additional review.

2. **CONCURRENT STANDARD PROJECT REQUIREMENTS AND PROJECT IMPLEMENTATION REQUIREMENTS**
   The standard project requirements and project implementation requirements contained in file nos. for the Original Project, including but not limited to, the Initial Application (DP-2018-02), First Modification (TM-2022-001, TR-2022-015, ASA-2022-003, M-2022-001), Second Modification (TM-2023-002, TR-2023-055, ASA-2023-010, M-2023-002), and Third Modification (TM-2026-002, TR-2026-005, M-2026-001, ASA-2026-004), shall be applicable to this approval.

3. **ANNOTATION OF THE STANDARD PROJECT REQUIREMENTS**
   These Standard Project Requirements and Project Implementation Requirements must be incorporated into and annotated on the building plans.

4. **APPROVED PLANS**
   The Approval is based on the Approved Plans for Blocks 1 and 2, stamped August 24, 2026, consisting of 7 sheets labeled as "B1 G11.01, B1 G11.02, B2 G11.01, B2 G11.02, G11.00, G11.03, and G11.05" and includes the following:
   a. Block 1, which includes 235 units (288,018 square feet of residential), 43,675 square feet of retail, and 163,270 square feet of residential parking; and
   b. Block 2, which includes 258 units (291,582 square feet of residential), 43,258 square feet of retail, and 124,689 square feet of residential parking.

5. **SAFE PEDESTRIAN PATHS**
   Prior to issuance of building permits, the floor plans for the parking lots shall clearly indicate safe paths of travel to building entrances for all pedestrians

consistent with General Plan Policy M-3.6. Safe pedestrian passage shall be demonstrated for all parking stalls and not limited to pathways from accessible parking stalls.

IV. California Environmental Quality Act

This Approval is not subject to the California Environmental Quality Act ("CEQA") due to its ministerial nature. (Gov. Code,§ 65913.4 (a); Pub. Resources Code,§ 21080(b)(l).)

V. Term of Approval

The term of this modified project approval shall be determined in accordance with the requirements of Government Code section 65913.4(g).

Sincerely,
/s/ Luke T Connolly for
Benjamin Fu
Director of Community Development

cc: Tina Kapoor, City Manager (email)
Floy Andrews, City Attorney (email)
Chad Mosley, Director of Public Works (email)
Luke Connolly, Assistant Director of Community Development (email)
Piu Ghosh, Planning Manager (email)

Enclosures:
Attachment A – Approved Plans dated August 24, 2026 (*due to limitations of state copyright law, plans are available for viewing at the Community Development Department Planning Division*)