

**TO: Envision San José 2040  
Task Force**

**FROM: Joseph Horwedel**

**SUBJECT: March 8, 2010  
TASK FORCE MEETING**

**DATE: March 4, 2010**

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This memo provides information to assist you in preparing for the March 8, 2010 Envision San José 2040 Task Force Meeting. Links to the referenced documents and other resource materials (e.g., reading materials and correspondence) are posted on the Envision website.

The Task Force will use the March 8, 2010 meeting to form a recommendation for a Preferred Land Use Scenario which will then be forwarded to City Council. At the following meeting, on March 22, 2010, the Task Force will discuss the proposed scope for the General Plan and potential General Plan implementation tools, along with review of the revised Goals, Policies and Implementation Actions for Transportation and Economic Development. Please refer to the Work Program on the Envision Task Force webpage for more detailed information on upcoming Work Program items.

### **Agenda Item 3 – Community Input and Staff Recommendations**

#### Summary of Community Input

The Task Force Packet includes summaries of the input received in response to discussion questions at the February 27, 2010 Community Workshop and through an online survey. Twenty community members attended the Workshop as well as several Task Force members, and to date, approximately 700 community members have provided input through the online version. Community members have expressed a clear preference to emphasize economic development in the City's future planning, and are also most interested in promoting fiscal stability, promoting transit use, minimizing environmental impacts and in building vibrant, walkable, mixed-use Villages.

#### Staff Recommendation for a Preferred Land Use Scenario

After careful consideration of all of the discussion and analysis performed to this point, including the input from the Task Force and community stakeholders, staff recommends a Land Use Scenario (Scenario 6) that provides capacity for up to 470,000 new jobs and up to 120,000 new housing units, allowing for a Jobs to Employed Resident ratio (J/ER) of 1.3 at build-out. The proposed scenario is divided into three phases of housing growth capacity based on maintaining a minimum J/ER ratio of 1.2 for the second and third phases.

When selecting a preferred scenario, staff focused first on the desired J/ER ratio, next on planning for job growth to maximize the potential for economic development, and lastly on the amount of housing growth appropriate to be consistent with the scenario J/ER ratio. While the long-term scenario 2040

growth capacity is important for communicating the City's vision for its future and for informing State and regional policy makers, the near-term implementation of the scenario is most important for guiding the City's development over the next 10 to 20 years. With these purposes in mind, staff's recommendation provides long-term job and housing growth capacity to accommodate potential demand, support transit use and allow for the construction of Villages, but identifies phases that give priority to economic development and improved fiscal stability (summarized in the attached Diagram and Table).

#### Employment Land Jobs Capacity

The scenario recommended by staff includes growth capacity for up to 470,000 additional jobs, an ambitious but potentially feasible goal. This job capacity is also effectively the maximum amount considered within the study scenarios that would still provide room for some mixed-use residential development to also occur within the Neighborhood Villages rather than only jobs, and would maintain an overall service population (equal to the total residential population plus the total number of jobs) consistent with the level analyzed in the Land Use Study scenarios. With the addition of 470,000 jobs, San Jose would have in total approximately 840,000 jobs, 59% of the total number of jobs projected by the Association of Bay Area Governments (ABAG) for the County in 2035. To facilitate economic development, staff proposes that job growth not be restricted by any phasing plan. To successfully implement the job growth goals of the General Plan Update, the City should as a next step consider rezonings or other actions to ensure that capacity is preserved for job growth within the designated growth areas.

#### Housing Capacity

Unlike the current General Plan, which provides considerable flexibility for the development of residential units throughout the City, the Task Force proposed strategy to focus growth in identified growth areas directs new housing growth to specific areas within the City and precludes large scale residential development from occurring on other sites which do not support this strategy and have not been allocated new growth capacity. Staff's proposed Phasing Plan indicates which areas of the City will be allocated housing growth in each Phase of the General Plan's implementation. New housing growth outside of the identified growth areas will be limited to small projects (e.g., projects of four units or less) in keeping with the overall intent of the General Plan Update to set specific Citywide targets for job and housing growth and the J/ER ratio. Consistent with this cap on housing growth, it may be possible to redistribute some portion of the existing housing growth capacity when existing entitlements expire or by making modifications to the existing Specific Plans or other policies.

#### Proposed Phase 1

Phase 1 of staff's recommended scenario includes growth capacity for up to 62,300 additional dwelling units, approximately equivalent to the current General Plan (SJ2020) housing growth capacity, but with the removal of housing capacity from the Coyote Valley Urban Reserve and South Almaden Valley Urban Reserve consistent with Task Force and City Council direction. In the current General Plan, this capacity consists of approximately 8,330 units Downtown, 32,000 units in North San Jose (including the Rincon South Specific Plan area), and 12,000 units of existing entitlements or vacant land housing capacity. The 32,000 dwelling units in North San Jose are currently subject to a phasing plan through the North San Jose Area Development Policy that provides for an initial phase of 8,000 dwelling units, and then limits additional housing development to occur only after industrial development takes place.

To give emphasis to economic development, staff proposes limiting new housing growth to 62,300 units in Phase 1. This amount will adequately accommodate existing development rights, while preserving the current targets for housing growth in the Downtown, North San Jose, Specific Plan areas and the Alum Rock BART Station Area. Staff proposes that half of the North San Jose capacity (16,000 units), already subject to a phasing plan through the North San Jose Policy, likewise be allocated to the second and third phases proposed for the General Plan. In place of this later capacity in North San Jose, the proposed Phase 1 includes limited growth capacity for a few select Light Rail Corridor, Transit Station Village and Commercial Center growth areas.

Because the total amount of Scenario 6 job growth capacity is available from the beginning of Phase 1, Scenario 6 provides near-term opportunities for intensified use of all of the growth areas for employment use, even if new residential capacity is not available until a later phase. For example, Scenario 6 includes growth capacity for approximately 9,000 new jobs in the Berryessa BART Station Area which can be used to intensify this site in the near-term, while additional housing growth capacity is not provided until Phase 2. Similarly, all of the Transit Villages and Neighborhood Villages can be intensified for employment use in Phase 1, while additional housing capacity will not become available until the later phases.

#### Proposed Phase 2

The proposed Scenario 6 Phase 2 includes growth capacity for an additional 27,700 housing units in addition to Phase 1 capacity for a total of 90,000 units, *only* after the City has achieved and maintained job growth of 350,000 additional jobs above the 2009 job level for five years. This job trigger will maintain a City J/ER ratio of 1.2 or greater and allow an amount of development consistent with that studied in the Task Force Land Use Study Scenario 1-C. The additional housing unit capacity is proposed to be distributed amongst North San Jose (8,000 units), the Berryessa and Diridion station areas, with the remainder of capacity for the Light Rail corridors and Transit Station Villages. The Oakridge Mall (Ohlone/Chynoweth – Blossom Hill) Village is the exception, proposed to be part of Phase 3. Residential growth capacity for Commercial Centers is split between Phase 2 and Phase 3.

#### Proposed Phase 3

The proposed Scenario 6 Phase 3 provides growth capacity for an additional 30,000 housing units on top of the Phase 2 capacity (120,000 units total) only after the City has achieved and maintained for five years job growth of 400,000 additional jobs above the 2009 job level. This capacity approximates that analyzed in Task Force Land Use Study Scenario 5-H, and, with the identified trigger, maintains a City J/ER ratio of at least 1.2. The additional housing capacity will allow development of the Oakridge Mall Transit Village, the Neighborhood Villages and remaining Commercial Center growth areas, along with the final phase of the housing planned in North San Jose.

#### Reasons for Staff Recommendation

Ensuring enhanced opportunities for economic development has emerged as the top priority for the General Plan Update. Using land use and development policies to support greater fiscal stability is also critical to our City's future. To respond to these two goals, the staff recommended Scenario 6 includes significant capacity for job growth and places emphasis upon job growth over housing growth through the allocation of capacity in three phases. An emphasis on compact development is also important for fiscal sustainability.

Minimizing environmental impacts and maximizing transit use are also very important goals for our City's future. Because of the land use pattern and emphasis upon compact development embodied in Planned and Identified Growth Areas map (included in the packet), the various mixes of housing and job growth in each of the Land Use Study Scenarios *all* advance these goals. In terms of environmental impacts, the Goals, Policies and Implementation Actions as reviewed by the Task Force will have more impact upon environmental outcomes, while the difference between scenarios appears to be insignificant, although focusing more on job growth will better support expansion of the City's future transit system.

The General Plan should also advance development of the "Village" concept through a mix of land uses that support vibrant, walkable, mixed-use communities. To accomplish this, the General Plan needs to support a mix of residential, commercial and other employment uses at higher densities at specifically designated locations. The staff recommended Scenario 6 includes growth at such key locations in each phase in order to allow the City to begin to develop according to the Village concept, an important desire of the community. Because a critical mass of activity is needed to create a viable Village, the housing capacity in each phase is allocated to specific targeted Village and Corridor areas rather than dispersed throughout the City. However, as proposed by staff, job growth capacity is immediately available for all of the Village areas. But significant implementation of the Village concept, particularly in the Transit Village and Neighborhood Village areas, will not wholly occur without the availability of new housing capacity to create enough potential value to prompt reuse of already developed sites. The General Plan will also need to include implementation measures to guide successful Village development, including preparation of Village Plans. Preparation of a Village Plan is identified by staff as a prerequisite for development within any Village area as part of the staff recommendation.

#### Alternatives for Consideration

As discussed earlier with the Task Force, it is important to provide multiple options to attract and accommodate new businesses within San Jose, so the preferred land use scenario should provide capacity for job growth above the amount needed to reach the targeted J/ER ratio. Task Force members should focus on identifying a desired J/ER ratio with the expectation that the Land Use Diagram and environmental clearance documents (Environmental Impact Report) will provide additional job capacity beyond the minimum amount needed to reach that ratio. Furthermore, it may be useful to keep in mind that land use policies can specifically determine potential housing growth capacity but do not directly regulate job growth. Community and Task Force members have consistently emphasized the importance of economic development as a City goal, so the Land Use Diagram should provide flexibility for future employment uses to the greatest extent practical.

Because the staff proposal in Scenario 6 places strong emphasis upon job growth ahead of housing growth, the Task Force may want to consider an alternative that provides more capacity for near-term and/or long-term housing growth. The Silicon Valley as a whole has a job focus, so if San Jose and other nearby communities collectively are not providing for more housing growth, the region will continue to experience high housing costs and limited housing availability. On the other hand, until San Jose has adopted policy to clearly indicate that the City will accommodate less of the region's future housing needs, there may not be sufficient impetus for other communities to agree to take on a larger role in meeting those housing needs. Including more near-term housing growth capacity (e.g., expanding the amount of housing in Phase 1) would provide more near-term flexibility for housing

developers in particular, and would enable more of the Village areas to move forward toward implementation.

The Task Force may also want to consider a more “flexible” approach that makes more development capacity available without prerequisite triggers. Such an approach would allow more opportunity for housing developers to identify “market ready” sites for housing projects, but would also allow the potential for the City to end up at a J/ER ratio of less than 1.2. Staff did not recommend this alternative in order to strongly and clearly state that our City’s primary goal should be to become a job center with at least a J/ER ratio of 1.2.

**Agenda Item 4 – Envision Land Use Scenarios – Small Group Discussion**

The Task Force members will be seated in table groups and have 45 minutes to discuss the staff recommendation and other alternative land use scenarios.

**Agenda Item 5 – Full Task Force (Facilitated) Discussion of a Preferred Land Use Scenario**

Following the Task Force small group discussion, the Task Force will be given an opportunity to discuss a preferred land use scenario as an entire group. Each Task Force member will be asked in turn to briefly articulate his or her key objectives and preferences for a Preferred Land Use Scenario.

**Agenda Item 6 – Community Input**

Members of the community will be provided with an opportunity to address the Task Force and provide input on the Agenda discussion items.

**Agenda Item 7 – Task Force Vote on a Recommendation for a Preferred Land Use Scenario**

The Task Force will be asked to propose and vote on a single recommendation for a Preferred Land Use Scenario which will be forwarded to the City Council. In order to maintain the Envision timeframe, the Task Force should plan on completing this step at the March 8 meeting.

**Reading / Resource Materials**

Resource materials for the Task Force are available on the Envision website. These include a presentation and materials that were provided to the community for the February 27 Community Workshop.

**Public Correspondence**

The Task Force Packet includes two items of correspondence:

- Memorandum from Doug Svensson, Applied Development Economics
- Letter from Brian Schmidt, Committee for Green Foothills

The Memorandum from Doug Svensson provides supplemental information for the Fiscal Report as a follow up to the Task Force discussion on this topic. The memorandum provides the fiscal model outcome for analysis of the Land Use Study Scenarios based on a more pessimistic assumption that the City would only achieve capture of 80% of the new retail activity generated by the housing and job growth in each scenario, consistent with the City’s historic trend of sales tax ‘leakage’ to surrounding communities. This analysis indicates that without 100% retail capture, the potential fiscal benefits of the scenarios are significantly diminished, further emphasizing the importance of capturing retail activity as part of the implementation of the General Plan.

The correspondence from Brian Schmidt argues that the Task Force should select a scenario with J/ER of 1.0 to minimize environmental impacts and questions the legal adequacy of environmental review (as required per the California Environmental Quality Act or CEQA) based upon 'infeasible' scenarios.

In response to the first issue raised by Brian Schmidt, as discussed in the packet materials provided to the Task Force for the February 22<sup>nd</sup> Task Force meeting, the land use scenario analyses do not indicate that a 1.0 J/ER scenario would be environmentally superior for San Jose. While in the abstract, such a 'balanced' scenario would theoretically minimize the need for travel from work to home, because of the County's long established land use and transportation fabric and relatively high level of regional growth independent of the amounts of job and housing growth planned in San Jose, each scenario is projected to saturate the roadway network with additional travel demand diverted to transit systems. The more 'balanced' J/ER 1.0 scenario enables more complete utilization of the local roadway network, resulting in higher levels of internal traffic congestion, while the job-centered scenarios skew more toward regional circulation which, as noted, diverts to the transit system. This projected trend is consistent with observed behavior in large cities with actively used transit systems (e.g., New York, London, Tokyo, etc.) which all act as regional job centers. Because the Santa Clara County transit system is being developed with San Jose as the center point, planning a concentration of job growth in San Jose will better support use of the future transit system.

In response to the second issue raised by Brian Schmidt, the CEQA process for a General Plan is not intended to prevent the City from planning for different alternatives that reflect community values. As demonstrated by the traffic modeling, the job focused scenarios are not projected to produce more greenhouse gas emissions or other environmental consequences. This aligns with the noted benefit of placing more jobs at the center of a transit system designed to bring commuters from the region into San Jose and existing data which demonstrates that concentrating employment within cities with corresponding infrastructure development is more efficient for the region. As required for the CEQA process, the City will analyze project alternatives or other mitigation measures with the potential for reducing environmental impacts.

### **Announcements**

An online version of the Envision Community Workshop survey is available through March 25, 2010 at: [http://www.sanjoseca.gov/planning/gp\\_update/participate.asp](http://www.sanjoseca.gov/planning/gp_update/participate.asp). The Envision Facebook site has also been launched as an additional tool for community interaction.

### **Sunshine Reform**

As part of the Sunshine Reform, Council adopted a policy on August 18, 2009, that requires all of the members of Council appointed Boards and Commissions to sign a Code of Ethics Agreement. A copy of this Agreement form was included in the Meeting Materials for the February 22<sup>nd</sup> Task Force meeting and should be signed and returned to staff. As record keepers for these various groups, it is our responsibility to collect your signatures and to keep the signed form as part of the legal record associated with the group. Please sign the form and bring it with you to the March 8 Task Force meeting if you have not submitted it already. The Ethics Agreement includes references to several City Council policies which have been provided in the Resource Materials for the Task Force.

Task Force members should also be aware that the Sunshine Phase II Report, as approved by the City Council, specifies that:

“In order to ensure equal, full and fair access to all substantive information, a member of a body subject to the Ralph M. Brown Act must disclose any relevant substantive information he or she has received from any source outside the public decision-making process when that matter is under consideration of the body.”

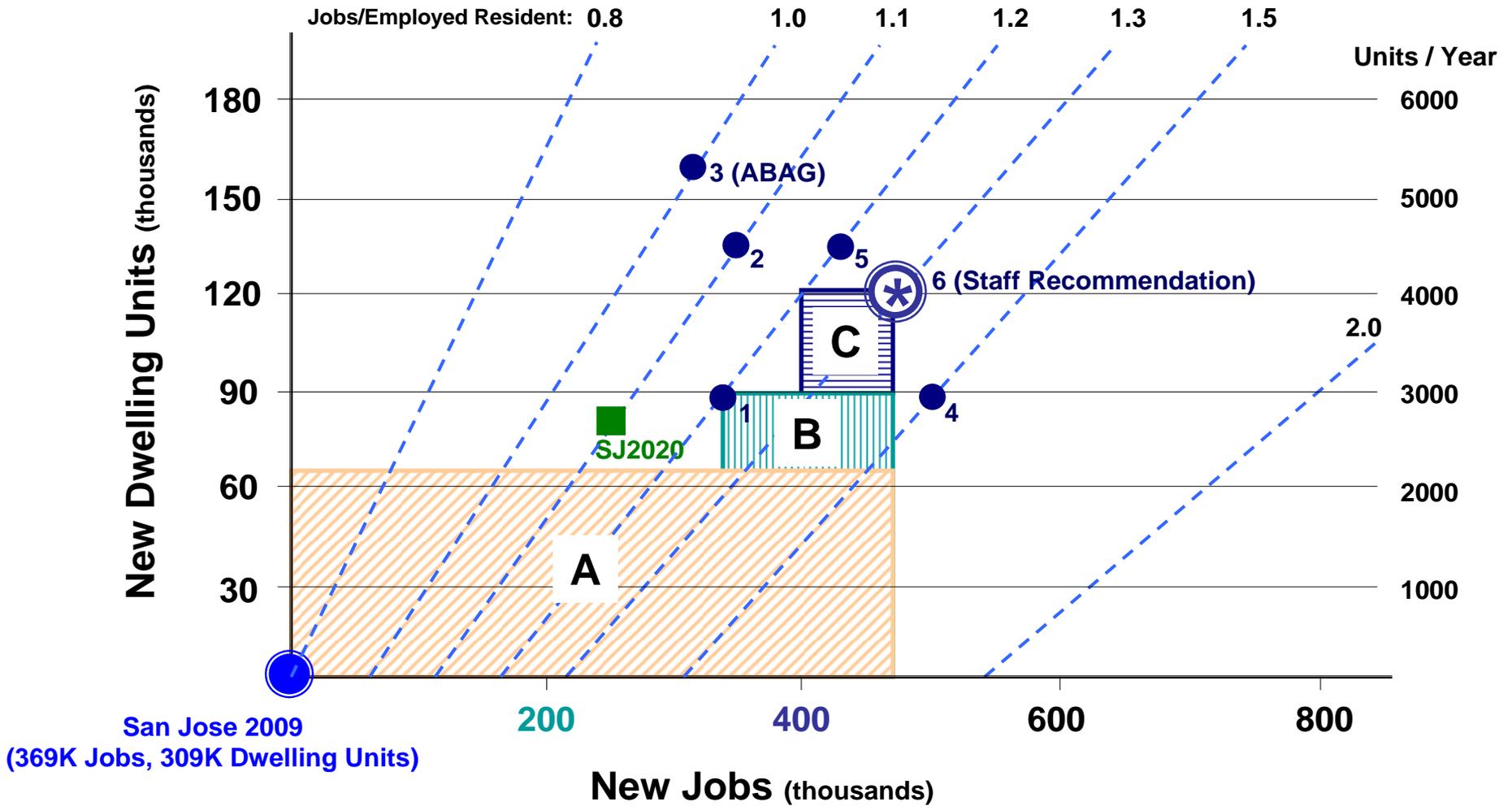
### **Next Meetings**

The next meeting is scheduled for Monday, March 22, 2010. This meeting will focus on discussion of the scope of the General Plan and review of revised Goals, Policies and Implementation Actions for Economic Development and Transportation.

If you have any questions, please contact either Andrew Crabtree or Susan Walton. Andrew can be reached by phone at (408) 535-7893 or by email at: [andrew.crabtree@sanjoseca.gov](mailto:andrew.crabtree@sanjoseca.gov). Susan can be reached by phone at (408) 535-7847 or by email at: [susan.walton@sanjoseca.gov](mailto:susan.walton@sanjoseca.gov).

Joseph Horwedel, Director  
Envision San José 2040

# Staff Recommended Scenario & Phases



**Envision Scenario 6 – Staff Recommendation for the Preferred Land Use Scenario**

	<b>J/ER</b>	<b>Jobs</b>	<b>DU</b>	<b>Triggers</b>	<b>Geographic Areas – Housing (DU)</b>
<b>A</b> <b>Phase 1</b> <b>“Existing SJ2020”</b> <i>(Modified)</i>	1.1	Up to 470,000	62,300	<ul style="list-style-type: none"> <li>▪ All Job Capacity Available</li> <li>▪ Review fiscal status and retail capture on a 5-year basis</li> <li>▪ Village Plans for new Villages</li> </ul>	<b>Phase 1 Housing (DU) Capacity by Area</b> <ul style="list-style-type: none"> <li>▪ Downtown (8,330)</li> <li>▪ Specific Plan Areas (8,120) <ul style="list-style-type: none"> <li>▪ <i>Modify Communications Hill (2,820)</i></li> </ul> </li> <li>▪ North San Jose <i>Phases 1-2</i>, (15,620)</li> <li>▪ VT3 Alum Rock BART (1,250)</li> <li>▪ VT4 Diridon/Alameda (400)</li> <li>▪ Light Rail Corridor Existing LRT <ul style="list-style-type: none"> <li>▪ <i>CR21 Southwest Expressway Phase 1 (2,500)</i></li> </ul> </li> <li>▪ Light Rail Corridors Planned <ul style="list-style-type: none"> <li>▪ <i>CR29 Alum Rock Phase 1 (1,000)</i></li> <li>▪ <i>CR30 The Alameda West (150)</i></li> <li>▪ <i>CR31 West San Carlos (850)</i></li> </ul> </li> <li>▪ Light Rail Villages <ul style="list-style-type: none"> <li>▪ <i>VR12 Capitol/Hostetter (700)</i></li> <li>▪ <i>VR19 Blossom Hill/Snell East (500)</i></li> </ul> </li> <li>▪ Commercial Centers <ul style="list-style-type: none"> <li>▪ <i>C35 Valley Fair/Santana Row Phase 1 (800)</i></li> <li>▪ <i>C39 S. Bascom - North (1,500)</i></li> </ul> </li> <li>▪ Vacant Lands (5,420)</li> <li>▪ Existing Entitlements (15,160)</li> <li>▪ <i>No CVUR and SAVUR Housing Capacity (0)</i></li> </ul>
<b>B</b> <b>Phase 2</b> <b>“Scenario 1 with additional job capacity”</b>	1.2+	350,000 – 470,000	90,000	<ul style="list-style-type: none"> <li>▪ 350,000 New Jobs (Sustained for 5 years)</li> <li>▪ Fiscal Balance (Sustained for 5 years)</li> <li>▪ Village Plans for new Villages</li> </ul>	<b>Phase 2 Housing (DU) Capacity by Area:</b> <ul style="list-style-type: none"> <li>▪ Downtown (750)</li> <li>▪ North San Jose Phase 3 (8,000)</li> <li>▪ Light Rail Villages Existing – <i>All Except VR12, VR19 East, &amp; VR17 Oakridge Mall (7,700)</i></li> <li>▪ Light Rail Corridors Existing (3,500)</li> <li>▪ Light Rail Corridors Planned (4,000)</li> <li>▪ Commercial Centers Phase 2 (3,750)</li> </ul>
<b>C</b> <b>Phase 3</b> <b>“Scenario 5 with additional job capacity”</b>	1.2+	400,000 – 470,000	120,000	<ul style="list-style-type: none"> <li>▪ 400,000 New Jobs (Sustained for 5 years)</li> <li>▪ Fiscal Balance (Sustained for 5 years)</li> <li>▪ Village Plans for new Villages</li> </ul>	<b>Phase 3 Housing (DU) Capacity by Area:</b> <ul style="list-style-type: none"> <li>▪ North San Jose Phase 4 (8,000)</li> <li>▪ VR17 Oakridge Mall (8,000)</li> <li>▪ Light Rail Villages Planned (2,000)</li> <li>▪ Commercial Centers Phase 3 (6,000)</li> <li>▪ Neighborhood Villages (6,000)</li> </ul>