

Attachment C

Task Force Preliminary Recommendations

Below are the recommendations that have been preliminarily approved by the Task Force since November 2015. The text **highlighted in yellow** reflects the changes made by Task Force members at Meeting #5.

Planned Job Capacity Adjustment and Near Term J/ER Ratio Goal (Meeting #3 and #5)

Major Strategies

1. Major Strategy #4 - Innovation/Regional Employment Center

Emphasize economic development within the City to support San José's growth as center of innovation and regional employment. Growing San José's role as an employment center will enhance the City's leadership role in North America, increase utilization of the regional transit systems, and support the City's fiscal health. San José is the largest and most urban city located within the Silicon Valley and plays an increasingly important role in the continuing growth of the regional, State, and National economies. San José is however the only large city within the US that acts as a net exporter of workers within the region. The resulting "bedroom community" character reduces opportunities for San José to take on a leadership role that would benefit the development of the Silicon Valley as a whole, while also undermining San José's economic, fiscal, and cultural status. Through multiple General Plan updates, San José has identified improvement of the City's jobs/housing balance or Jobs/Employed Residents Ratio (J/ER) as a critical objective to address multiple City goals. The Envision San Jose 2040 General Plan establishes achievement of a J/ER ratio of ~~1.3~~ **1.1** to 1 by the year 2040 as a core objective of the Plan, informing its policies and Land Use/Transportation Diagram designations. In the near term, the Plan strives to achieve a J/ER ratio of 1.0 by the year 2025.

The Land Use/Transportation Diagram and General Plan policies support the development of up to ~~470,000~~ **363,000** new jobs within San José and a jobs to employed residents ratio of ~~1.3~~ **1.1** Jobs per Employed Resident. The Plan focuses employment growth in the Downtown, in proximity to regional and local transit facilities and on existing employment lands citywide, while also encouraging the development of neighborhood serving commercial uses throughout the community and close to the residents they serve. The Plan recognizes that all existing employment lands add value to the City overall and therefore preserves those employment lands and promotes the addition of new employment lands when opportunities arise. The Plan in particular supports intensive job growth at planned and existing regional transit stations (e.g., BART, High-Speed Rail, and Caltrans) to support increased transit ridership and regional use of the transit system to access San José's employment centers.

The Envision San José 2040 General Plan supports and promotes San José's growth as a regional center for employment and innovation, by:

- Planning for ~~470,000~~ 363,000 new jobs and a Jobs/Employed Resident Ratio of ~~1.3~~ 1.1/1
- Providing greater flexibility for commercial activity
- Supporting job growth within existing job centers
- Adding new employment lands
- Designating job centers at regional transit stations
- Celebrating arts and culture

Envision San Jose 2040 Key Issues

2. Introduction

While the *Envision San José 2040 General Plan* builds upon the City’s land use planning history and core community values that have been addressed in previous General Plan documents, it also establishes a new direction in some key areas. Key decisions made by the City through the Envision process [and subsequent Major Reviews](#) have resulted in a General Plan that:

1. Includes growth capacity for the development of up to ~~470,000~~ 363,000 new jobs and up to 120,000 new dwelling units through 2040: With its current development and this amount of growth capacity, San José could grow to ~~840,000~~ 732,000 jobs and 430,000 dwelling units in total, supporting a residential population of approximately 1.3 million people and a Jobs / Employed Resident Ratio (J/ER) of ~~1.3~~ 1.1/1.

3. Jobs / Employed Resident (“Jobs-Housing Balance”)

The Task Force regularly debated whether housing and job capacities proposed in the various growth scenarios could be achieved, asking about recent jobs and housing development trends for comparison purposes. Task Force members also debated whether job growth could be achieved without comparable housing growth. The Task Force supported a vision of San José as a fiscally sustainable and world-class city, and agreed that San José should try to improve its J/ER ratio to at least 1.0, ultimately targeting a J/ER ratio of 1.3 to help accomplish that vision.

[During the 2015 Major Review process, the Task Force was directed by City Council to set a more achievable J/ER ratio. As part of this Major Review process, the Task Force recommended a J/ER ratio of 1.1 jobs per employed resident in order to establish a more attainable jobs goal while also maintaining the General Plan’s jobs-first principle, thereby changing the General Plan’s J/ER ratio goal from 1.3/1 to 1.1/1.](#)

4. Planning Horizons

The *Envision General Plan* supports the potential development of up to ~~470,000~~ 363,000 new jobs and 120,000 new housing units for the timeframe 2011 through 2040. The Envision Task Force expressed considerable concern that this large amount of growth

might proceed in an imbalanced or poorly implemented fashion, undermining the overall goals of the Envision General Plan.

Policies – Land Use and Employment

5. **IE-1.4** Manage land uses to enhance employment lands to improve the balance between jobs and workers residing in San José. To attain fiscal sustainability for the City, strive to achieve a minimum ratio of ~~1.3~~ 1.1 jobs/employed resident by 2040 to attain fiscal sustainability for the City. In the near term, strive to achieve a minimum ratio of 1 job per employed resident by 2025.

Actions – Land Use and Employment

6. **IE-1.14** To monitor the City’s balance of land uses and resulting tax base as well as its progress towards reaching the goal of ~~1.3~~ 1.1 jobs per employed resident in San José, periodically review residential construction activity and supply versus industrial and commercial job growth rates. Report results of this review to the City Council as part of the annual General Plan reviews.

Land Use Diagram Concepts: Support for Employment Growth

7. The Envision San José 2040 General Plan strongly identifies and promotes job growth as critical for fiscal sustainability in San José’s future. Economic Development Policies include a Jobs / Employed Resident (J/ER) ratio goal of ~~1.3~~ 1.1 by 2040, and a near term J/ER ratio goal of 1.0 by 2025. In order to achieve ~~this goal~~ these goals, employment lands from the San José 2020 General Plan are retained and additional employment land capacity is added in select locations. The most notable addition to employment capacity (compared to the San José 2020 General Plan) is within the Alviso planning area, on the Water Pollution Control Plant lands. To support growth in employment and commercial activity, the Envision San José 2040 General Plan provides flexibility for mixing of land uses with a particular emphasis upon allowing more flexibility for commercial uses to develop within predominantly residential areas of the city. The resulting land use designations and various Land Use Policies accordingly provide significant support for new mixed-use development. In most instances, these mixed-use designations and policies provide additional flexibility for accommodating commercial uses beyond what was allowed in the San José 2020 General Plan.

Introduction, Chapter 7

8. San José recognizes the economic and fiscal importance of promoting an appropriate balance of both housing and job growth. All economic and housing development directly influences attainment of the General Plan Policy objective of ~~1.3~~ 1.1 jobs for each employed resident. Implementation Goals and Policies in this section address efficient and effective ways of facilitating job and housing growth at appropriate densities and locations.

Policies – General Plan Phasing / Planning Horizons / Major Review

9. **IP-2.5** During each Major Review of the *Envision General Plan* evaluate input provided by the reconvened Task Force and achievement of the following key General Plan goals to inform the City Council’s decision, regarding needed changes, to begin the next General Plan Horizon, or to increase the number of residential units available for non-specific Urban Village areas:
- a. Jobs/Housing Balance – Demonstrate improvement of the City’s jobs to employed resident ratio (J/ER) consistent with achievement of 1.0 job per employed resident by 2025~~1.3~~, and 1.1 jobs per employed resident by the year 2040.
 - b. Fiscal Sustainability – Demonstrate sustainable improvement above 2010 levels in the level of service for City services provided to the San José community.
 - c. Housing Supply – Verify that the current Planning Horizon contains adequate capacity to meet San José’s Regional Housing Needs Allocation for the upcoming 4-year term.
 - d. Infrastructure – Confirm that adequate infrastructure and service facilities, especially transit, exist or that a secure plan for them is in place to support the planned jobs and housing capacity in the current and contemplated Horizon.

Appendix 5: Growth Areas Planned Capacity by Horizon

10. The Envision San José 2040 General Plan supports significant amounts of planned job and housing growth capacity. Based upon the land uses designated on the General Plan Land Use/Transportation Diagram and accompanying policies contained within the text of General Plan document, the General Plan is intended to support the addition of ~~470,000~~ 363,000 new jobs and 120,000 new housing units within San José.

Appendix 6: Job and Housing Growth Capacity

11. The Urban Village Plan is required to support the full amounts of planned job and housing growth capacity. A variety of elements should be included within the Urban Village Plan to meet this requirement.

A central goal of this General Plan is to achieve a jobs to employed resident ratio of ~~1.3~~ 1.1 for San José. Experience indicates that there are inherently a wide variety of obstacles that make it difficult to realize the planned amounts of job growth. In contrast, experience indicates that planned amounts of housing growth will be readily accomplished and that if allowed, residential development will take place on land proactively planned for employment uses. Therefore it is necessary to insure that Urban Village Plans in particular incorporate provisions to protect job growth sites and the overall planned amount of job growth capacity.

Planned Job and Housing Allocation Adjustments (Meeting #3)

See Attachment D for staff's final proposed planned job and housing allocation adjustments. The adjustments also reflect moving the Berryessa BART Urban Village from Horizon 2 to Horizon 1.

Urban Village Policy Modifications (Meetings #4 & #5)

Policies – Urban Village Planning

12. **IP-5.2** Develop and use an Urban Village Planning process so that each Urban Village Plan can be successfully completed within ~~an approximately nine month planning period,~~ approximately one year, with the possibility of a longer process in order to conduct sufficient community engagement. The completion of an Urban Village Plan will be followed by completion of environmental review as required for adoption of the Plan. Engage Urban Village area property owners to the fullest extent possible, along with representatives of adjacent neighborhood areas, potential developers and other stakeholders in the Urban Village Planning process.
13. Move the Berryessa BART Urban Village from Horizon 2 to Horizon 1. *Note: this change is reflected in Attachment D - Appendix 5 of the Envision 2040 General Plan.*

Affordable Housing Policy Modifications (Meetings #4 & #5)

Actions – Housing – Social Equity and Diversity

14. **H-1.17** Identify, assess, and implement potential tools, policies, or programs to prevent or to mitigate the displacement of existing low-income residents due to market forces or to infrastructure investment.
15. **H-1.18** Identify, assess, and implement potential tools, policies, or programs to facilitate new supply of housing that is affordable to lower-income workers and residents in key growth areas, such as in Urban Villages, priority development areas, and in transit locations.
16. **H-1.19** Develop tools to assess and to identify neighborhoods and planning areas that are experiencing or that may experience gentrification in order to identify where anti-displacement and preservation resources should be directed.
17. **H-1.20** Explore and facilitate opportunities to incorporate innovative design and program features into affordable housing developments, such as neighborhood hubs, community gardens, car-sharing, bike facilities to increase access to health and transportation resources.

Policies – Affordable Housing

18. **H-2.5** To increase the supply of affordable housing, one hundred percent deed restricted affordable housing developments would be allowed on sites outside of the existing Growth Areas on properties with a Mixed-Use Commercial or Neighborhood/Community Commercial land use designation if the development meets the following criteria:
 1. The site is ~~one~~ 1.5 acres or less.
 2. The site is vacant or underutilized.
 3. The site has adjacent properties with a residential General Plan Land Use / Transportation Diagram designation on at least ~~one~~ two sides and the development would be compatible with the surrounding neighborhood.
 4. The development would not impact the viability of surrounding commercial or industrial properties or businesses.
 5. The site is located within a ½-mile of an existing transit line.
 6. The development integrates commercial uses that support the affordable housing project and/or the surrounding neighborhood.
 7. Development on properties that contain structures that are on, or are eligible for inclusion on the City of San José’s Historic Resources Inventory should adaptively reuse these structures.
19. **H-2.67** ~~Evaluate and i~~ncorporate, ~~if feasible~~, an affordable housing implementation plan component in the preparation of each Urban Village plan, specific plans, master plans, or strategy plans that include plans for housing.
20. **H-2.10** Work with existing and new partners to develop a regional mechanism to advance the shared responsibility of meeting the region’s affordable housing needs.

Actions – Affordable Housing

21. **H-2.1415** Support local, State and federal regulations that preserve “at-risk” subsidized and rent-stabilized ~~al~~ units subject to potential conversion to market rate housing rents and that will encourage equitable and fair policies that protect tenant and owner rights.
22. **H-2.18** Explore, analyze, and implement innovative programs, policies, and partnerships that bring new housing solutions and products to San José.

Policies – General Plan Phasing / Planning Horizons / Major Review

23. **IP-2.6** When the City assesses its jobs-housing balance on a periodic basis, include an analysis of the jobs-housing fit in order to provide a more detailed analysis of San José’s workforce by jobs and incomes and housing stock by types of housing costs. This will

[provide additional information as to whether the City's housing stock fits the affordability needs of its workforce.](#)

24. **IP-5.1** Prepare a comprehensive Urban Village Plan prior to the issuance of entitlements for residential development within any of the Urban Village areas identified on the Land Use / Transportation Diagram. Commercial projects, including those with ancillary residential uses, and “Signature Projects”, as defined in Policy IP-5.10, may proceed in advance of the preparation of a Village Plan. Use the Village Plan to clearly address:
1. **Job and Housing Growth Capacity:** Identify suitable areas for retail and other employment uses, giving careful consideration to existing and future demand for retail space, the appropriate location and design of retail spaces, opportunities for large-scale and small-scale retail uses, and adequate and appropriate sites for other employment uses consistent with the total planned job capacity for the particular Growth Area. Identify suitable areas for residential development, capable of supporting the full amount of planned residential growth capacity. Apply corresponding Land Use / Transportation Diagram or zoning designations to support the proposed employment and residential density ranges.
 2. **Urban Village Boundaries and Land Uses:** Identify potential adjustments to the identified Urban Village Boundaries and potential modifications to the Land Use / Transportation Diagram as necessary to best utilize existing land use growth capacity, address neighborhood context, and promote economic development through the identification of optimal sites for retail and other employment uses. Provide adequate job growth capacity for retail, office and other employment uses to accommodate both the existing levels of activity plus the planned amount of growth for each job type category. Identify and designate existing land uses within the Urban Village Area boundaries, if any, which should be retained rather than made available for redevelopment. Match the planned land uses for any areas within the Urban Village Area which have already been addressed through an overlapping Urban Village plan.
 3. **Building Heights and Densities:** Identify for specific properties within the Village Planning area minimum and maximum thresholds for building heights and densities. These standards should fall within the broader ranges established in the Land Use / Transportation Diagram and be consistent with planned job and housing growth capacity for that Village area. Implement these standards through the Zoning process prior to development of new residential or mixed-use, residential projects.
 4. **Infrastructure:** Identify locations for parks, plazas, public and quasi-public open spaces, and sites to potentially incorporate libraries, public safety facilities and other public uses, along with other infrastructure needs. A Village Plan should also consider the adequacy of public and private utilities to serve the planned growth capacity.

5. Urban Character: Include streetscape and building frontage design, pedestrian facility improvements and other urban design actions necessary to successfully implement the Village concept.
 6. Greenhouse Gas Reduction: Identify locations of existing and planned transit and pedestrian and bicycle facilities and include design and implementation measures necessary to meet City goals for vehicle miles travelled (VMT) reduction and greenhouse gas (GHG) emission reductions.
 7. Financing: Consider financing mechanisms which may be needed to deliver public improvements, [affordable housing](#), amenities, and the like envisioned within the Urban Village Plan.
 8. Implementation: Consider the establishment of phasing triggers or other implementation tools for specific land use changes within the context of the Urban Village Plan to support achievement of the Urban Village Plan goals consistent with other Envision General Plan goals and policies so that implementation of the Urban Village Plan over time will consistently provide sufficient capacity for a number of jobs equal to planned new job growth capacity plus maintenance of existing job capacity.
25. [IP-5.2](#) As part of the preparation of an Urban Village Plan, establish an Urban Village wide goal that, with full build out of the planned housing capacity of the given Village, 25% or more of the units built would be deed restricted affordable housing, with 15% of the units targeting households with income below 30% of Area Median Income. This is a goal, not a requirement to be imposed on individual projects.¹
26. [IP-5.11](#) Residential projects that are 100% affordable to low (up to 60% AMI), very low (30-50% AMI) and extremely low income (up to 30% AMI), can proceed within an Urban Village ahead of a Growth Horizon, or in a Village in a current Horizon that does not have a Council approved Plan, if the project meets the following criteria:
1. The project does not result in more than 25% of the total residential capacity of a given Urban Village being developed with affordable housing ahead of that Village's Growth Horizon. For Villages with less than a total housing capacity of 500 units, up to 125 affordable units could be developed, however the total number of affordable units cannot exceed the total planned housing capacity of the given Village.
 2. The development is consistent with the Urban Village Plan for a given Village, if one has been approved by the City Council.
 3. Development that demolishes and does not adaptively reuse existing commercial buildings should substantially replace the existing commercial square footage.

¹ The Task Force motion at the March 24, 2016 meeting to revise staff recommended Policy IP-5.2 was to make clear that the affordable housing goal was an "area-wide" goal. Staff has substituted "area-wide" with "Urban Village" to clarify the specific areas (Urban Villages) the policy impacts.

with an equal or greater amount of new commercial development either in a vertical or mixed use format.

4. The project is not located on identified key employment opportunity sites, which are sites generally 2 acres or larger, located at major intersections and for which there is anticipated market demand for commercial uses within the next 10 to 15 years.
5. Affordable housing projects built in Villages under this policy would not pull from the residential Pool capacity.

Other Task Force Recommendations (Meetings #5)

27. City Council should direct staff to prioritize their future Urban Village planning efforts on Horizon 2 Light Rail Urban Villages.