Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

Hearing Date/Agenda Number: P.C. 02/09/04 Item: 4.b.2.	
File Number: GP03-04-01	
Council District and SNI Area: 4 – N/A	
Major Thoroughfares Map Number: 51	
Assessor's Parcel Number(s): 237-15-185	
Project Manager: Deanna Chow	

GENERAL PLAN REPORT

2004 Winter Hearing

PROJECT DESCRIPTION:

General Plan amendment request to change the Land Use/Transportation Diagram designation from Industrial Park to Medium Density Residential (8-16 DU/AC).

LOCATION:	**ACREAGE:**
Southwest corner of Oakland Road and Rock Avenue	13.7

APPLICANT/OWNER:

HMH Engineers/ Orchard Property, LLC

GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designation: Industrial Park

Proposed Designation: Medium Density Residential (8-16 DU/AC)

EXISTING ZONING DISTRICT(S): HI – Heavy Industrial

SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

North: Mobile Home Park and Wood Pallet Storage and Repair – Medium Density Residential (8-16 DU/AC) and Industrial Park with Mixed Industrial Overlay

South: Orchard Elementary School – Public/Quasi-Public

East: Industrial Business – Heavy Industrial

West: Warehouse and Multi-tenant Industrial Park Offices – Industrial Park

ENVIRONMENTAL REVIEW STATUS:

BFI Property Residential Project General Plan Amendment and Planned Development Rezoning Environmental Impact Report pending.

PLANNING STAFF RECOMMENDATION:

No Change to the General Plan.

Approved by:
Date:

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

- Parks and Recreation Commission – If approved, this amendment will increase the demand for parkland in a neighborhood that is already deficient in neighborhood/community parks.

- Department of Public Works – The site is located in a State Liquefaction Zone. An approximate 90-foot offer of dedication for street purposes must be submitted to the City for the future Charcot Avenue extension along the south side of the project site.

- Department of Transportation – The General Plan amendment is not expected to create a significant long-term traffic impact.

GENERAL CORRESPONDENCE:

- No comments received.

ANALYSIS AND RECOMMENDATIONS:

PROJECT DESCRIPTION

This is a privately initiated General Plan amendment to change the *San Jose 2020 General Plan* Land Use/Transportation Diagram designation from Industrial Park to Medium Density Residential (8-16 DU/AC) on a 13.7-acre site located on the southwest corner of Oakland Road and Rock Avenue. The proposed General Plan amendment has been filed concurrently with a Planned Development Rezoning (PDC03-068) to allow up to 107 single-family detached residences, which is a net density of 11.3 dwelling units per acre.

BACKGROUND

The amendment site consists of one parcel occupied by Browning-Ferris Industries (BFI) of California. The site contains BFI's Santa Clara County operations, including garbage truck and container storage, a maintenance facility, welding shop, paint booth, vehicle fueling station, truck and container wash area, and an office/operations building. These uses have been in operation on the site since the early 1970s. The applicant has indicated that BFI is relocating its operations to Newby Island on the northern border of San Jose. This General Plan amendment was proposed by the applicant to facilitate redevelopment of the Oakland Road and Rock Avenue site with residential uses.

Site and Surrounding Uses

The site is located on the southwest corner of Oakland Road and Rock Avenue. Oakland Road is a major arterial, providing vehicular access to much of the larger industrial area in northeast San Jose. Uses near the site include a mobile home park (Casa Del Lago Mobile Home Park) and a wood pallet storage and repair facility to the north, industrial businesses to the east, an elementary school (Orchard Elementary) to the south, and a warehouse and multi-tenant industrial park office to the west.

The area has historically been home to industrial businesses. The Casa Del Lago mobile home park was built in the early 1970s at a time when the City did not yet have strong policies discouraging residential uses in industrial areas.

In the mid-1990s, the Orchard School District bought property in this industrial area for the development of Orchard Elementary School. The City of San Jose has no land use authority over the locations of public schools.

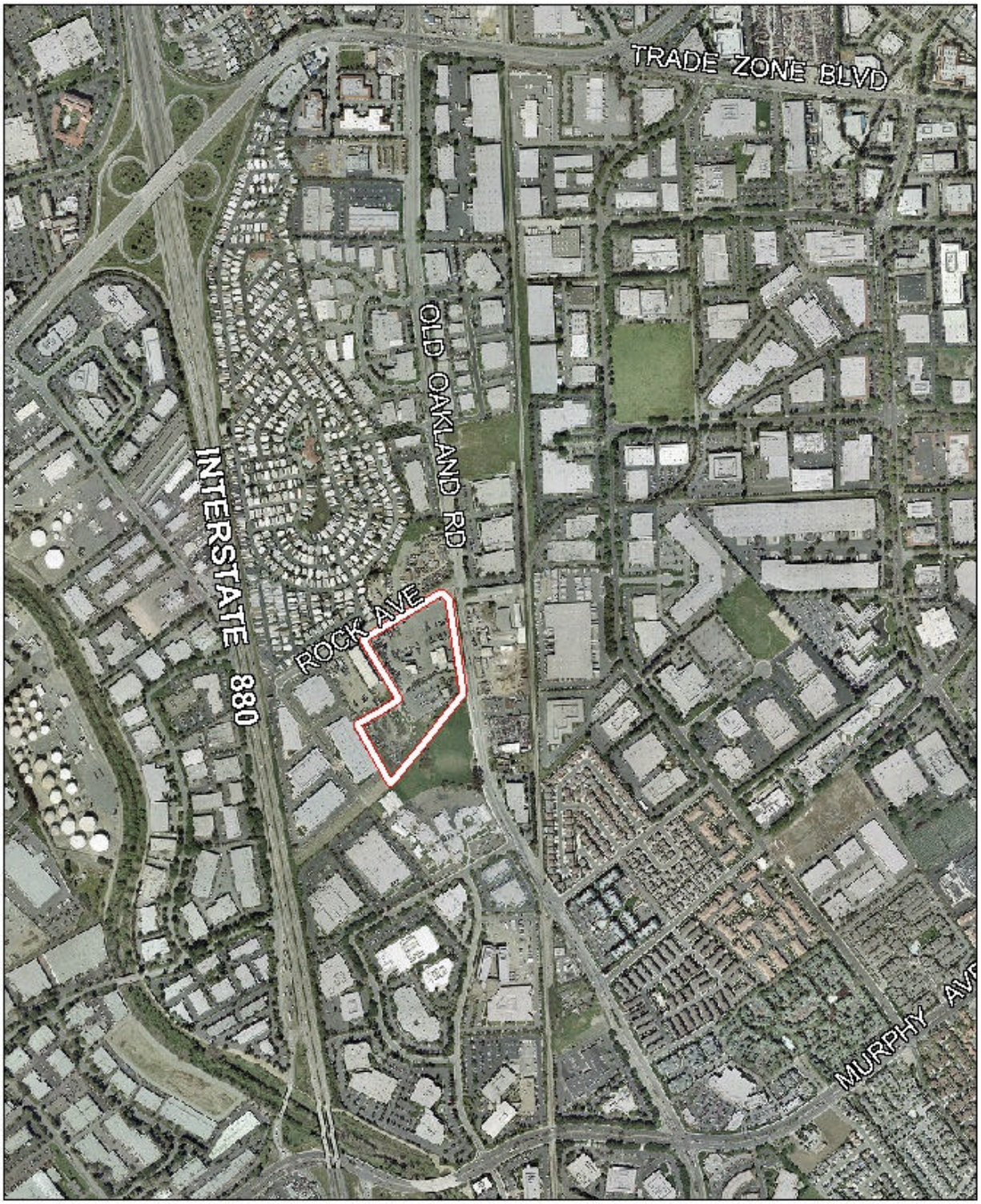
The subject site has an existing land use designation of Industrial Park. Properties to the north, across Rock Avenue, have land use designations of Industrial Park with Mixed Industrial Overlay and Medium Density Residential (8-16 DU/AC). To the east, across Oakland Road, the properties are designated Heavy Industrial; the area to the south is designated Public/Quasi-Public, and to the west adjacent to the site the area is designated Industrial Park.

Subject site

Warehouse to the west

Pallet storage site to the northeast

Mobile home park located to northwest


TRADE ZONE BLVD
OLD OAKLAND RD
INTERSTATE 880
ROCK AVE
MURPHY AVE

Previous General Plan Amendments on Surrounding Properties

Beginning in the mid-1990s, several General Plan amendments were approved to support the transition from Heavy Industrial to Industrial Park uses in the area. Council approved the addition of the Mixed Industrial Overlay on 52.3 acres (west side of Oakland Road between Montague Expressway and Rock Avenue) and also approved an amendment to change the land use designation from Heavy Industrial to Industrial Park on 107 acres (area bounded by Rock Avenue, Oakland Road, Brokaw Road and Interstate 880).

These changes provided greater separation between heavy industrial and residential uses and also reflected the existing character of some of the businesses. At approximately the same time, the Orchard School District bought property for the development of Orchard Elementary School at its current location, which is predominantly surrounded by lands planned for industrial uses. While the amendments changed the type of industrial activities allowed, or required more stringent land use performance and design standards to mitigate potential nuisances, the designations retained the area's role as part of San Jose's employment base by continuing to allow industrial uses. Moreover, the changes were consistent with the Economic Development Major Strategy of the General Plan, which emphasizes preservation of industrial areas critical to the City's economic vitality.

Proposed Planned Development Rezoning

The General Plan amendment has been filed concurrently with Planned Development (PD) Rezoning File No. PDC03-068, and both items are scheduled for the February Planning Commission hearing. The proposed rezoning includes 107 single-family detached residences and development of a portion of Charcot Avenue along the southeasterly boundary of the site. The General Plan Land Use/Transportation Diagram designates Charcot Avenue as a Minor Arterial (80-106 feet), which would provide access to the project site. The remaining right-of-way width would be provided by the adjacent property at a future date.

ANALYSIS

Evaluation of Industrial Land Conversions

With the downturn in the economy, there are many vacant or underutilized industrial sites in San Jose. Staff has received almost twenty General Plan amendments in the past year proposing the conversion of approximately 300 acres of industrial land to residential or commercial uses. As a result, staff has identified key issues that need to be evaluated for each conversion proposal. The criteria assess a range of factors including:

1. Consistency with the City's Policies, Goals, and Strategies.
2. The contribution to San Jose's economy of the applicable subarea.
3. Proximity to compatible and incompatible land uses.
4. Proximity to neighborhood services and transit.
5. Potential for inducement of additional conversions to residential uses.

Staff believes the proposed amendment on the subject site raises serious concerns with each of these issue areas, as more fully described in the following analysis.

1. Consistency with the City's Policies, Goals, and Strategies

General Plan Economic Development Major Strategy

The *San Jose 2020 General Plan* has seven Major Strategies that together provide the "vision" for San Jose, particularly related to its future growth and development. Two of the seven Major Strategies are Economic Development and Housing.

Economic development is a fundamental priority for future growth of the City. Since 1975, San Jose's General Plan has had strong strategies, goals, and policies to foster economic development. *The San Jose 2020 General Plan* continues to reiterate the importance of economic development through the Economic Development Major Strategy. The Economic Development Major Strategy calls for identifying opportunities for expanding the community's economic base, promoting a balance between "driving" industries and the service/supplier firms that support them, and actively marketing San Jose as a location for a wide range of businesses. The proposed amendment to residential is inconsistent with this strategy.

General Plan Housing Major Strategy

The City's General Plan seeks to create a well-balanced community. The need for economic development is as important as providing housing for the City's residents. San Jose recognizes the continuing strong demand for housing here and throughout the region. The General Plan's Housing Major Strategy encourages facilitating housing opportunities of all types and price ranges for its residents. This Major Strategy can be achieved by planning for residential land uses at appropriate locations and densities.

General Plan Housing Element

San Jose has continued to be proactive in its efforts and has maintained its commitment to meet the community's housing needs through a variety of innovative development strategies, including proactively planning for mixed-use and transit-oriented development and providing significant financial assistance to the construction of new units through Housing Department and Redevelopment Agency programs.
As discussed in the Housing Element of the General Plan, adopted by the City Council in April 2003, the City has sufficient land and established policies to meets its regional share housing allocation of 26,114 units. As of Fall 2003, the City had a housing holding capacity well in excess of the City's expected share, demonstrating the City's commitment to planning for housing.

San Jose continues to be a leader in providing housing for the City's residents, consistently producing the largest share of new housing in the County. Since 1980, San Jose has averaged approximately 3,300 residential building permits a year. Even with the recent downturn in the economy, San Jose's housing production has remained strong. In the past five years, approximately 23,500 residential units were built or under construction. This represents an average of approximately 4,700 units a year, which is well above the historical annual average for the past 23 years.

Although the City does have a substantial amount of land planned for residential uses and a large residential holding capacity, factors such as ownership and assembly requirements may affect the viability of development of that land in the near future. In contrast, many of the industrial sites being considered for conversion are in single ownership with willing owners in the economic downtum ready to sell to residential developers, thereby making these industrial sites appear more inviting for residential development in the short term. This phenomenon doesn't make the existing planned residential sites any less viable; it is a reflection of market forces at work in a slow economy.

Given the City's significant residential holding capacity, the proposed change to residential on this site provides only an incremental increase in dwelling units with little benefit (107 dwelling units) to the City's General Plan Housing Major Strategy.

General Plan Goals and Policies

The proposed General Plan amendment is inconsistent with several General Plan goals and policies. Economic Development Policy No. 1 seeks to reduce the City's jobs/housing imbalance. San Jose has been a housing rich community, providing and producing much of the housing growth in the County. While the City continues its efforts to facilitate housing for all segments of the population, it must also be able to foster economic development that helps generate employment opportunities for its residents.

The proposed amendment would be inconsistent with both General Plan industrial and residential land use policies intended to protect industrial uses. By placing residential uses adjacent to industrial uses in a predominantly industrial area, the industrial user's ability to take full advantage of the site is expected to be compromised. Industrial activity can require outdoor storage, generate odors and noise, or require use of chemicals. Such activities are likely to be of concern to nearby residents. The City encourages a balanced community that achieves a mix of residential, social, and economic uses, but this mix should be achieved in appropriate locations, and new single-family residential should not be proposed as adjacent neighbors to existing industrial uses.

Citywide Industrial Land Study

Recognizing the importance of economic development, the City has been involved in ongoing efforts to preserve its industrial lands. On June 26, 2001, the City Council initiated amendments to the San Jose 2020 Land Use/Transportation Diagram to strengthen the industrial land base. This was in response to a study conducted by Chapin Concepts Inc. and Applied Economics that concluded that the City's industrial lands declined by 32% over the past 20 years due to General Plan changes, and that the supply of vacant Industrial and Heavy Industrial land was insufficient to meet future demand. The amendments proposed to remove the Mixed Industrial Overlay designation on 604 acres, or 38% of the total land area containing the Mixed Industrial Overlay, to clearly recognize the importance of preserving the underlying existing industrial land use designation for industrial uses. As a result of the amendments, the City's supply of lands designated exclusively for industrial uses increased by 19%.

Economic Development Strategy

In December 2003 the San Jose City Council adopted an *Economic Development Strategy* prepared by the City's Office of Economic Development. The *Strategy* contains current data on the structural change of the economy and identifies strategic initiatives for the City to implement in order to strengthen its

economic future. The *Strategy* acknowledges the importance of land use policies and decisions as they relate to the economy.

Driving Industries in San Jose serve customers nationally and globally, and include sectors with specialized expertise and strong concentrations of employment relative to the national average. These sectors tend to have relatively high rates of productivity and pay above-average wages. Although Driving Industries constitute only one-third of the City's employment base, one job in the Driving Industries supports the creation of two or more jobs in the Business-Support and People-Serving Industries. Support Industries are an important source of mid-tier jobs in areas such as transportation/distribution, industrial supplier/manufacturing, and financial services.

The *Economic Development Strategy* identifies the major employment lands in San Jose and divides them into subareas. The amendment site is within an employment subarea called North San Jose 5. Based on the data in the appendix of the *Economic Development Strategy*, in 2002 this subarea had 29,000 jobs in a roughly equal proportion of Driving Industries and Business Support Industries. (The specific issue of the economic contribution of the subarea is discussed in more detail in the next section of the report.)

For San Jose to remain competitive, the City must have an available supply of land for both Driving Industries and Support Industries. San Jose has 13,000 acres of land in active use for employment and an additional 1,200 acres of vacant employment lands in currently developed areas (exclusive of Evergreen and North Coyote Valley). As of September 2003, San Jose also had 19.6 million square feet of vacant office/industrial/R&D building space, of which 3 million square feet was considered obsolete space. However, based on the Association of Bay Area Governments (ABAG) projections, San Jose is expected to add approximately 141,000 more jobs by the year 2020. This increase in employment is projected to create a demand for workspace of 51 million square feet, or 2,700 acres. With San Jose's current supply of land, it is anticipated that the City will be able to meet future demands as businesses find opportunities for more efficient use of employment lands. However, San Jose will also need to retain the capacity for land-intensive operations including those required for distributors, industrial suppliers, building materials, and repair services.

2. Economic Contribution of North San Jose Employment Subarea No. 5

The proposed amendment is located in the area identified in the Economic Development Strategy as employment subarea North San Jose 5 (see attached map), generally bounded by Highway 101 on the south and Highway 880 on the west. This area is the largest employment subarea in San Jose and is particularly important to San Jose's economy because it contains both Driving Industries to fuel the economy and Support Industries to sustain it. This special mix of businesses provides opportunity for growth in industry and employment for all levels.

With approximately 29,000 jobs shared between Driving Industries (43%) and Support Industries (57%), this portion of North San Jose includes jobs related to electronic component manufacturing (37%), transportation/distribution (13.5%), industrial suppliers (21%), and business services (12%). The high concentration of a few business sectors in the subarea may indicate that this location matters. In particular, People-Serving Industries and most Business-Support Industries benefit by being near their customer base, as well as one another.

This subarea is adjacent to a larger contiguous area of employment lands with additional subareas located to its west and south. The subject amendment is proposed in the northerly end of this subarea, and would result in an island of residential use, possible exerting pressure to convert additional land, as discussed later in the staff report.

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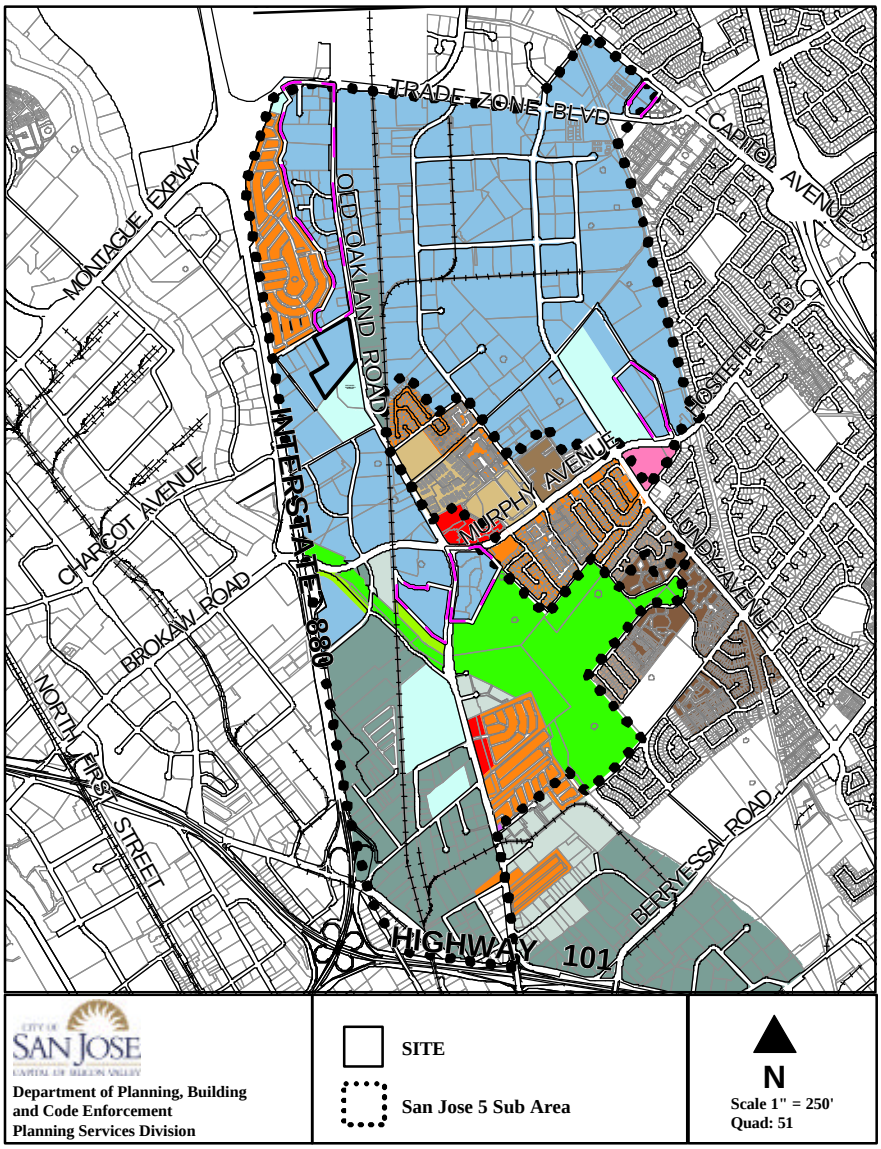

3. Proximity to Compatible and Incompatible Land Uses

As previously noted, the site is surrounded by a combination of industrial and non-industrial uses. The surrounding industrial General Plan land use designations allow uses that may be incompatible with residential uses.

The Heavy Industrial land use designation is intended for industrial uses with nuisance or hazardous characteristics that, for reasons of health, safety, or environmental effects, are best segregated from other

uses, particularly housing. This designation is reserved for development of traditional industrial activities, such as manufacturing and warehousing, which can include outdoor activities, heavy truck use, hazardous materials use and storage, and operations that may emit odors, dust, and noise.

The Industrial Park designation is an exclusive industrial designation intended for a wide variety of industrial uses such as research and development, manufacturing, assembly, testing, and offices. The Mixed Industrial Overlay designation can be added to create greater flexibility to the types of uses allowed. The overlay allows uses of the underlying land use designation, such as Industrial Park, and also allows compatible non-industrial uses, including schools, big box retail, and assembly uses.

The proposed designation of Medium Density Residential (8-16 DU/AC) is typified by patio homes, townhomes, duplexes, and mobile home parks. It is a designation that can be used to transition from single-family residential to higher density residential or commercial uses, but it is inappropriate and difficult designation for transitioning to industrial development.

Development of a single-family residential use on the subject site would result in inherent land use compatibility conflicts. Additional housing in this area would compromise the integrity of the lands for industrial use and also the livability of the new residential development. While residences are located in the mobile home park to the north across Rock Avenue (which is walled off on Rock Avenue) and a school is located to the south, these uses would not buffer the amendment site from the larger industrial area nor potentially create a community or a sense of neighborhood between the mobile home park and school because the proposed single-family residential homes on the amendment site would be completely walled off, as described in the PD Rezoning staff report.

Uses allowed by the existing General Plan designations and zoning districts on and near this site can include intensive outdoor activities, heavy truck use, hazardous materials use and storage, and operations that may emit odors, dust, and noise at levels that could have negative impacts on nearby residential neighborhoods. Complaints by residents could result in limitations on current businesses as well as those that presently do not exist in the area. Restrictions placed on the operations on existing and future businesses could impact the viability of this employment area for future economic development. Recent experience in other transition areas in North San Jose has proved problematic and resulted in “no-win” compromises and inadequate buffering between conflicting land uses. The Draft EIR for the General Plan amendment concludes that “The proposed change in General Plan land use designation of the site and proposed specific development project will result in restrictions on the existing industrial businesses in the area, which could impact their viability.”

General Plan Industrial Land Use Policy # 11 states that because of the importance of retaining viable industrial supplier/service lands and the inherent incompatibility between residential or non-industrial uses and industrial uses, new land uses that may restrict development reserved exclusively for industrial uses should not be allowed to locate adjacent to these areas. Similarly, Residential Land Use Goals and Policies seek to protect neighborhoods from incompatible uses. *Residential Land Use Policy #2* states that residential neighborhoods should be protected from the encroachment of incompatible activities or land uses that may have negative impacts on the residential living environment.

In summary, this General Plan amendment proposes to place residential uses in a predominantly industrial area, which could place undue hardships on the industrial uses, and will likely subject residents to noise, air quality, and traffic impacts from the surrounding uses. By placing new residential uses in an industrial

area, staff believes there will be limited protection from the activities of the existing uses. Both the *Residential Design Guidelines* and the *Industrial Design Guidelines* identify design techniques to help mitigate impacts resulting from a residential/industrial interface. However, the nature of the uses would still likely result in negative impacts. Industrial developments could create an environment inconsistent with the setting desirable for residential development, and could jeopardize neighborhood stability.

4. Proximity to Neighborhood Services

General Plan policies state that public and private development should be located and designed to improve the character of the existing neighborhood and provide places and opportunities for interaction among residents. New residential development should be located where it is supportive and can relate to existing neighborhoods. The subject proposal does not integrate with an existing neighborhood, and would likely be an entirely walled enclave.

One of the measures of quality of life is access to services and facilities, including neighborhood-serving retail, parks, libraries, schools, public transportation, and other civic and cultural amenities. Additionally, there should be adequate service levels for public safety such as police and fire services. Specific public services are discussed below:

- *Proximity to Neighborhood Services*

  Parkland, open space and recreational facilities are important amenities for residential developments. There is no City neighborhood or community park within a reasonable walking distance from the project site. District 4 has ten neighborhood parks. However, the closest park is located in the City of Milpitas 1.4 miles from the site. Townsend Park and Flickinger Park are the closest San Jose parks to the site, and each are approximately two miles from the site.

  The Orchard School playground would also serve as recreational space for the proposed residential development. The Parks and Recreation Commission noted that the amendment site is in a park-deficient area for its existing residents. At the time of development, new residential projects will comply with the City's Parkland Dedication/Parkland Impact Ordinance, and for this project, the developer is proposing to pay fees and not dedicate land.

  Neighborhood-serving uses such as restaurants, supermarkets, and retail stores are located less than a mile away at the northeast corner of Oakland Road and Murphy Avenue. This retail area serves many of the residents in the Berryessa area.

- *Schools*

  The amendment site is located within the Eastside Union High School District and the Orchard Elementary School District. Orchard Elementary, which offers grades kindergarten through eighth grade, is located just south of the subject site. Students in this district attend Independence High School, which is located 3.6 miles from the site. New residential development is required to pay school impact fees.

  Orchard Elementary School is currently under enrolled and has the capacity to accommodate additional students. While schools are an important element of a residential community, the school

itself is located in an industrial area. There are residential uses to the south (approximately one-third mile), but they are located east of Oakland Road.

- *Fire and Police Service Levels*

  It is anticipated that there will be adequate fire and police service for the project. The closest fire station is located approximately 2.2 miles from the site. The proposed residential project would be required to meet current codes, including features that would reduce potential fire hazards. The San Jose Police Department would also review the residential project to help ensure that it is designed appropriately to deter criminal activity and maximize resident safety.

  Despite design review, however, the San Jose Police Department has raised concerns about the proposed change from industrial to residential. The Police Department anticipates that there will be increased calls for police services in an area that already faces crime issues. Between January 2002 and July 2003, there were 121 calls for police service in the immediate area of Oakland Road and Rock Avenue. The calls for service included disturbing the peace, theft, assault with a deadly weapon, alarms, and armed robbery. A crime analysis of the area indicated that there were 36 audible alarm calls and 11 vehicle accidents reported at the intersection of Oakland Road and Rock Avenue during that same time period. These issues are important to consider, especially when introducing a new use into the area that can be significantly different from existing uses and expectations.

- *Pedestrian and Bicycle Facilities and Access to Public Transit*

  The current surroundings do not provide safe walking routes for residents or a pedestrian-friendly atmosphere. The setting is therefore inconsistent with *Residential Land Use Policy #24*, which states that new residential developments should create a pedestrian-friendly environment by connecting features of the development with safe, convenient, accessible, and pleasant pedestrian facilities. These connections should be made between the new development and the adjoining neighborhood, transit and nearby commercial areas. Bus routes provided by the Valley Transportation Authority serve the site. However, the site is not within walking distance to an existing or planned light rail or BART station.

  Within the vicinity of the amendment site, there are bike lanes along Oakland Road and Brokaw Road/Murphy Avenue. However, some of the streets in the vicinity lack sidewalks. Sidewalks are located along the south side of Rock Avenue and the west side of Oakland Road, south of Rock Avenue along the project frontage. There are no sidewalks on the north side of Rock Avenue, across from the project at the pallet storage site, or along Oakland Road north of the project site. The east side of Oakland Road, south of Rock Avenue, also lacks sidewalks. New sidewalks are planned with the completion of the Oakland Road Widening Project (PP03-06-209) to widen Oakland Road between Montague Expressway and US 101 to its ultimate right-of-way width of 115 to 130 feet consistent with the General Plan Land Use/Transportation Diagram Designation of Major Arterial Roadway. With these improvements, Oakland Road would become six lanes, which would remain an unpleasant pedestrian route. The widening of Oakland Road is planned to be constructed in phases and as funding become available. The first phase of construction is

planned to occur in 2004-2005 between Commercial Street and Brokaw Road. However, the schedule for subsequent phases is not yet determined.

5. Potential for Inducement of Additional Conversions to Residential Uses

The proposed conversion of the 13.8-acre site from Industrial Park to Medium Density Residential (8-16 DU/AC) is also being analyzed in the context of the larger surrounding area. Issues include: the compatibility between the proposed and existing/planned uses; the economic implications; and the potential for further conversions of nearby sites. As discussed above, there are potential economic implications with a reduction in industrial lands, and potential land use conflicts with the addition of residential uses in an industrial area.

Staff believes the proposed change will be a catalyst for additional industrial conversions to support the proposed residential land use amendment. The proposed amendment is not located in an existing residential neighborhood. However, an existing mobile home park is located north of the site, as well as within approximately one-third of a mile to the south of the site. The residential uses to the south occurred in 1990 with City Council approval of General Plan land use changes from Industrial Park to a mix of various residential and commercial land use designations. This series of amendments created approximately 42 acres of a contiguous residential area from Murphy to Wayne Avenues, east of Oakland Road. The analysis concluded that the creation of the residential and commercial uses would be separated from the research and development uses and office uses to the west by Oakland Road, and would be compatible with the adjacent residential uses that were converted several years earlier, as well as the Berryessa Planned Residential Community. Therefore, Oakland Road was determined to be the line between residential uses to the east and industrial to the west.

Further industrial park lands were converted in 1996 when another amendment was approved from Industrial Park to Medium Density Residential (8-16 DU/AC) on 12.8 acres, north of Wayne Avenue. At that time, staff indicated that this piece would be the logical completion of the residential area.

The subject site is located on the west side of the Oakland Road, but within a half mile of the previously converted residential sites. If this amendment is approved, the remaining industrial area along Oakland Road between the two residential areas may become threatened and less viable for business operations as complaints from residents arise, forcing these businesses to relocate elsewhere. The proximity of the two residential areas could potentially induce further industrial to residential conversions until the two areas are connected. Staff is also concerned that the remainder of the contiguous area bounded by Rock Avenue, Oakland Road, Highway 880 and Fox Lane may be pressured to convert to residential uses, given the lagging economy and the future restrictions industrial users may encounter as new residents move into the subject site.

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR), entitled *BFI Property Residential Project General Plan Amendment and Planned Development Rezoning*, was prepared for the proposed project and provides both a program level and project level environmental review appropriate to address and evaluate the environmental impacts of the project appropriate for the adoption of the proposed General Plan amendment and PD rezoning. The Draft EIR (DEIR) was circulated from November 4, 2003 to

December 19, 2003 for public review and comment on the adequacy of the environmental review during this time period.

The DEIR analyzed the project and its environmental setting, identified potentially significant environmental impacts, and proposed mitigation measures to reduce significant impacts to less than significant levels where possible, for the following issues:

1. Land Use
2. Transportation
3. Noise
4. Hydrology, Drainage and Water Quality
5. Biological Resources
6. Hazardous Materials
7. Air Quality
8. Geology and Soils
9. Cultural Resources
10. Utilities and Service Systems
11. Energy
12. Public Services
13. Growth Inducing Impacts
14. Cumulative Impacts

The DEIR identifies as "Less Than Significant with Mitigation" issues regarding Noise, Hydrology, Drainage and Water Quality, Biological Resources, Hazardous Materials, Geology and Soils, and Cultural Resources. "Less Than Significant with Mitigation" assumes that the impacts of the proposed project will not exceed the significance thresholds contained in the DEIR given the mitigation measures included in the project.

"Significant Unavoidable Impact" assumes that impacts of the project would exceed the significance thresholds even with changes or mitigation included in the project. The DEIR identifies as "Significant Unavoidable Impact" issues regarding Land Use and Air Quality. The DEIR identifies as "Significant Cumulative Impact" and "Significant Unavoidable Cumulative Impact" issues regarding Air Quality and Land Use including: 1) the worsening of the City's jobs/housing imbalance and 2) decreasing the ability of the City to provide and maintain public services and facilities.

Project Impacts

The EIR concluded that the proposed General Plan amendment and rezoning would result in two significant unavoidable impacts at a project level: land use and air quality. Implementation of the proposed General Plan amendment on the site would result in future limitations being placed on existing industrial development in the area. This could impact the viability of the larger industrial area and could place pressure on the larger area to be converted to residential uses. These impacts reinforce the inconsistency with proposed amendment with General Plan policies.

The second significant, unavoidable impact is to air quality. The air quality impacts of the proposed General Plan amendment exceed the projections in the 2000 Clean Air Plan. The proposed amendment causes a technical inconsistency, because it would increase the population base. If a project is inconsistent with the population projections, it must be considered to have a potentially significant impact on regional air quality under the Bay Area Air Quality Management District threshold standards.

Cumulative Impacts

Cumulative impacts, as defined by CEQA, refer to two or more individual effects, that when combined, are considerable, or that compound or increase other environmental impacts. Cumulative impacts may result from individually minor, but collectively significant projects taking place over time. The purpose of the cumulative analysis is to allow decision makers to understand better the potential impacts that might result from approval of past, present, and reasonably foreseeable future projects, in conjunction with the proposed project.

The cumulative effect of approving all of the pending General Plan amendments analyzed in the EIR would result in an overall increase in the planned number of dwelling units and a decrease in the number of jobs. The cumulative effect would worsen the City's jobs/housing imbalance. The proposed land use designation for the BFI site would result in an incremental reduction in the total amount of jobs (approximately 323 according to the General Plan land use methodology) and would allow an increase in the number of housing units between 105 and 210 units, which is a range of between 8 to 16 dwelling units per acre. The applicant has proposed a project at the low end of this density range with a PD Zoning for up to 107 single family detached units. Approval of all the pending General Plan amendments and their subsequent implementation would result in a significant worsening of the City's jobs/housing imbalance and would be considered a significant, unavoidable cumulative impact.

Additionally, the EIR concludes that the proposed amendment would have a significant, unavoidable cumulative impact on public services and facilities. The conversion of industrial lands to residential uses from the cumulative General Plan amendments could have a significant cumulative impact on public services and the proposed BFI project could significantly contribute to this impact.

As discussed earlier, the proposed project results in a significant, unavoidable air quality impact. This impact will exist until the ABAG projections are updated to include the revised land use designations, and the regional air quality plan is updated to reflect those projections. The cumulative effect of approving and implementing all proposed General Plan amendments would add dwelling units not included in the Clean Air Plan. The proposed land use amendment for the BFI site will contribute to the cumulatively considerable impacts on regional air quality.

The EIR, as required by CEQA, identifies alternatives to the project. The EIR evaluated a "no project" alternative, a location alternative, and a project design alternative. The "no project" alternative assumes redevelopment of the site with industrial uses, which would result in fewer land use, air quality, traffic, and noise impacts, but would not meet the project objectives of developing new residences. The EIR also evaluated a "project design" alternative, which included fewer units and a revised street plan, which could reduce traffic, noise and land use impacts by providing additional buffering for the residences from Oakland Road and industrial uses, and meet the project objective to develop new residences. Although the significant unavoidable air quality and land use impacts would remain the same as the proposed project, the "project design" alternative was determined to be the environmentally superior alternative when compared to the proposed project.

CONCLUSION

The proposed General Plan amendment is inconsistent with long standing General Plan policies and would not support the retention of a strong economic base as discussed in the recently adopted *Economic Development Strategy.* Although there continues to be a pent up demand for housing (as recognized in the *Economic Development Strategy*, the Housing Element, and other city documents), the relatively few number of units to be yielded from this amendment does not compensate for the loss of employment land on this site (and potentially other sites), and the expected pressure on remaining businesses to modify operations. The amendment proposes housing on a site that is located in an area that, if preserved, will continue to be a source of innovation and economic stability for the City by providing highly paid jobs in Driving Industries, as well as providing mid-tier level jobs associated with Support Industries.

As discussed in the body of this report, and in the companion staff report on the proposed rezoning, staff believes the addition of single-family residential at 8-16 dwelling units per acre at this location is detrimental to the existing industrial users. Residential conversion of this will likely pressure additional conversion within the surrounding contiguous area and south across Oakland Road, and would result in only a marginal living environment for future residents, without amenities like parks or neighborhood integration, and with ongoing conflicts with adjacent businesses. Staff believes this is the wrong direction for this area east of I-880, and that more appropriate opportunities exist elsewhere in the City.

PUBLIC OUTREACH

The property owners and tenants within a 1000-foot radius of the amendment site were sent a newsletter regarding the two community meetings that were held on January 14 and 15, 2004 to discuss the proposed General Plan amendment. Notices were also sent for a Public Scoping Meeting for the Environmental Impact Report held on October 9, 2003. The owners and tenants also received a notice regarding the public hearings to be held on the EIR and subject amendment before the Planning Commission on February 9th and City Council on March 16th. In addition, the community can be kept informed about the status of amendments on the Department's web site, which contains information on the Environmental Review and General Plan processes, each proposed amendment, EIR status and documents, staff reports, and hearing schedule.

On February 2, 2004, Councilmember Reed and Summerhill Homes (the applicant for the proposed Planned Development Rezoning) held a community meeting to discuss the proposed land use change and proposed 107-unit residential development. Several community members expressed their general support for the proposed housing, but others also raised concerns about potential impacts.

One community member expressed concern about the interface issues between the existing industrial uses and proposed residential uses, citing noise, odors, and late night activities that could present potential incompatibilities. He stated that the ten-foot sound wall at his development near Wayne Avenue and Oakland Road does not buffer sound from the railroad tracks. The proposed nine-foot sound wall would be located on Oakland Road. This is a concern, especially when the rear yards back up to the wall. School impacts to Orchard Elementary were also mentioned.

A member from the Orchard Elementary School District indicated that the school is currently

under enrolled, and that the School District is looking for additional revenues that could be generated from the children of the new development. The school also has unused bond money that could be used for improvements.

One resident from the mobile home park stated that new residential development would provide a safe pedestrian connection to school because parts of Oakland Road do not have sidewalks. However, he expressed concern about the long-term plan for an overpass at I-880, which would connect Charcot Avenue. Because there are limited east/west connections over I-880, there may be increased traffic along Charcot Avenue, which would separate the proposed housing project and the school. Staff concurs with the residents' concerns, and has considered them in formulating the staff recommendation.

RECOMMENDATION

For the reasons stated in the report, staff recommends no change to the General Plan.