



**Task Force Meeting No. 3 Synopsis
January 30, 2020**

Task Force Members Present: Teresa Alvarado, David Pandori, Dev Davis, Pam Foley, Sylvia Arenas, Michelle Yesney, Melanie Griswold, Linda LeZotte, Jessie O'Malley Solis, Asn Ndiaye, David Bini, Eddie Truong, Pat Sausedo, Steven Solorio, Vincent Rocha, Nate LeBlanc, Karl Lee, Michael Van Every, Erik Schoennauer, Harvey Darnell, Juan Estrada, Kiyomi Yamamoto, Jason Su, Kevin Zwick, Leslye Corsiglia, Shiloh Ballard, Andre Luthard, Jim Zito, Sam Ho, Smita Patel, Margie Matthews, Jesus Flores, Shawn Milligan, Ray Bramson, Bonnie Mace, Susan Butler-Graham, and Roberta Moore.

Task Force Members Absent: Pastor Oscar Dace, Trixie Johnson, Luis Arguello, Tamiko Rast (according to sign-in sheets)

City Staff, Consultants and Other Public Agency Staff Present: Rosalynn Hughey (PBCE), Michael Brilliot (PBCE), Jared Hart (PBCE), Kieulan Pham (PBCE), Jennifer Piozet (PBCE), Jessica Setiawan (PBCE), Robert Rivera (PBCE), Kristen Clements (Housing)

Public Present: 25 people (staff counted number of attendees)

1. Welcome, Introductions, and Overview of Agenda

The meeting convened at approximately 6:00 p.m.

2. Staff Presentation on Urban Village Horizons, Signature Project Policy and Changes to Policy IP-5.12

Jared Hart, Division Manager of Citywide Planning present staff recommendations.

3. Task Force Discussion on Signature Project Policy and Changes to Policy IP-5.12

The Task Force members asked questions, discussed Staff's recommendations, and made motions on multiple Urban Village (UV) scoping items.

Urban Village Horizons

Staff recommended the following to Urban Village Horizons:

- 1) No wholesale move to Horizon 2
- 2) Shift Five Wounds BART and S. 24th St./William Ct. Urban Villages to Horizon 1

Some members of the Task Force were concerned that removing horizons could affect how the City put resources towards certain Urban Villages, by not prioritizing development of Urban Villages by horizons. Staff has indicated that in practice, when there was market demand, staff would request to City Council to move those urban villages to Horizon 1 and start work on the urban village planning process. Staff have been prioritizing resources towards urban villages near Downtown, near existing and planning transit facilities, and growth areas in high market demand. Other Task Force members want to eliminate horizons and send a message to the development community that there is one less hurdle towards development in urban villages.

Motion

Task Force member Pat Sausedo made the motion to eliminate horizons. Task Force member Vincent Rocha second the motion. The motion was unanimously passed.

General Plan Policy IP-2.10 (Urban Village Planning Prioritization)

Based on previous Task Force discussions on the elimination of horizons, staff presented a recommendation to modify Policy IP-2.10 to prioritize future urban village efforts as shown below:

Prioritize the preparation of Urban Village plans to give priority for new residential growth to occur in areas proximate to Downtown, with access to existing and planned transit facilities, and adequate infrastructure to support intensification, and proximate to other Growth Areas to contribute to the City's urban form. Growth Areas with high market demand shall also be prioritized to ensure that development follows the community's vision for the future

There was a discussion among Task Force members on whether the term "community" should be in the text and how to incorporate community engagement into the text.

Motion

Task Force member Erik Schoennauer made the motion to approve Staff's recommendation with the following text clarifications:

Prioritize the preparation of Urban Village plans to give priority for new residential growth to occur in areas proximate to Downtown, or with access to existing and planned transit facilities, or adequate infrastructure to support intensification, or proximate to other Growth Areas to contribute to the City's urban form. Growth Areas with high market demand shall also be prioritized to ensure that development follows the community's vision for the future.

Task Force members Jim Zito and Harvey Darnell second and third the motion. The motion was unanimously passed.

General Plan Policy IP-5.10 – Signature Project Policy (Community Engagement)

Per the Task Force’s request, staff looked into providing more robust community engagement requirements into the policy. Staff explained that a comprehensive update of City Council Policy 6-30: Public Outreach would provide community engagement and outreach procedures to all development projects and is part of staff’s workplan. Staff recommended adding the following text to the Signature Project Policy:

Create a tailored community engagement strategy to optimize broad and diverse stakeholder engagement in the community where the project is located to better collect feedback of the design and quality of the project. The community engagement strategy must adhere to and include the policies outlined under General Plan Goal CE-1 Active Community Engagement.

General Plan Policy IP-5.10 – Signature Project Policy (Affordable Housing Incentives through Reduction of Commercial Requirements)

Per the Task Force’s request, staff provided multiple options for affordable housing incentives through reduction of commercial requirements in the Signature Project Policy as described in pages 5 through 7 of the [overview memo](#).

The majority of the Task Force voiced concerns on whether the percentage breakdown between the percentage of affordable units on-site and the percentage of commercial requirement reduction would result in viable projects based on feasibility.

General Plan Policy IP-5.12 – 100% Affordable Housing

While the General Plan Four-Year Review scope of work states considering mixed-use income housing within mixed-use development with a significant percentage of restricted affordable units that are located within an urban village to proceed ahead of a Growth Horizon, based on staff’s initial research into different mixed-use income models, there has not been a market for that in San José. Therefore, staff’s proposal is to not change the affordability level based on different income levels and to provide text clarifications to Policy IP-5.12 as shown below.

Residential projects that are 100% affordable deed restricted by a public entity for a period not less than 55 years to low income residents (earning 80% or less of the Area Median Income), 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 regardless of Growth Horizon or 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.~~

1. The development is consistent with the goals, policies, and land use designation of the

Urban Village Plan for a given Village, if one has been approved by the City Council.

2. Development that demolishes and does not adaptively reuse existing commercial buildings ~~should substantially~~ shall replace at least 50% of the existing commercial square footage.

3. 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.~~

4. Public Comment

General Plan Policy IP-5.10 – Signature Project Policy (Community Engagement)

A representative of CatalyzeSV commented that measurable requirements should be included in the Signature Project Policy. A resident in the Evergreen area encouraged early communication between the developer and the community members, so that the developer could understand the community's aspirations and vision for the area prior to developing a proposal. The resident also expressed that the Task Force recommend to City Council to prioritize updating Council Policy 6-30 – Public Outreach for this year.

Affordable Housing

Related to staff's recommendations on General Plan Policy IP-5.10 – Signature Project Policy (Affordable Housing Incentives through Reduction of Commercial Requirements), a community member commented that an in-lieu fee should not be an option to not build affordable housing since the City needs more of it. A representative of Destination Home expressed support for elimination of commercial requirements on affordable housing projects and stated that commercial space requirements could limit the number of affordable housing units up to 30% on a project.

Other comments

A community member commented that when the City develop plans [including Urban Village plans], there should be a discussion of [residential] displacement and an analysis to identify where can land be dedicated for affordable housing development. Another member of the public expressed that development projects should have hearing and should go to Planning Commission, rather than City Council since the State has pushed for objective standards [for housing development] and the City has citywide design standards that new developments have to comply with. One San José resident expressed support for Task Force member Melanie Griswold's [letter](#) and stated support for using form-based design standards and elimination of parking requirements for new developments.

5. Task Force Recommendations

General Plan Policy IP-5.10 – Signature Project Policy (Community Engagement)

Task Force members discussed whether there should be a minimum number of community meetings requirement in the policy. One Task Force member mentioned that a portion of San José residents come from other countries and we need to consider how to reach out to them effectively. Another member mentioned she wants to see that a developer would go above and beyond the minimum outreach requirements and show the number of community members who would support the proposed Signature Project before it goes to hearing. Other discussions include leaving the policy as recommended by staff and allow staff and the Councilmembers to develop the community engagement strategy that best fit each community and encourage the Council to provide staff the resources to update Council Policy 6-30 – Public Outreach, specifically resources towards multi-lingual outreach.

Motion

Task Force member Juan Estrada made the motion to approve Staff's recommendation for the community engagement in Policy IP-5.10 and it was second by Task Force member Bonnie Mace. The motion was unanimously passed.

General Plan Policy IP-5.10 – Signature Project Policy (Affordable Housing Incentives through Reduction of Commercial Requirements)

Most of the Task Force comments revolved around requiring a feasibility study prior to City Council approval of changes to IP-5.10 for affordable housing incentives. Staff clarified that a consultant would complete a feasibility study prior to staff bringing the recommendation to City Council in December 2020. One Task Force member supported Option 1 in staff's recommendation with the rationale that it incentivizes Signature Projects of all types. Another Task Force member also supported Option 1 with the idea that the incentive should apply to all Signature Projects in all urban villages with caveats on site selection based on the activity of the intersection. She also mentioned that the five percent increment for increase in affordable units to reduction in commercial requirements would be a hurdle. One Task Force member suggested expanding the incentive to all developments. Another Task Force member proposed that the formula for percentage of affordable housing built on-site to percentage of reduction in commercial requirements should be in a separate policy, such as a City Council policy, and not in the General Plan.

Two Task Force members were concerned with the elimination of commercial requirements for affordable housing development. Both were amendable to reduction of commercial requirements, but had concerns revolving around the drastic change from a community with commercial to residential, especially in urban villages that are identified as commercial corridors.

Motion

Task Force and Councilmember Foley made the following motion:

- 1) Reduction or elimination of commercial requirements as an incentive for affordable housing for Signature Projects and in all urban villages.

- 2) Use the methodology in Option 1 as a basis without adopting the percent ratio between building affordable housing and reduction in commercial requirements. The particular percentages will be subject to a feasibility analysis.
- 3) The feasibility analysis will include coordinating with stakeholders like affordable housing developer and consider the letters to Task Force with alternative options to look at square footages versus percentages.
- 4) The recommendation will be expedite to City Council.

Motion passed by: Teresa Alvarado, David Pandori, Dev Davis, Pam Foley, Melanie Griswold, Jessie O'Malley Solis, David Bini, Eddie Truong, Pat Sausedo, Vincent Rocha, Nate LeBlanc, Karl Lee, Michael Van Every, Erik Schoennauer, Juan Estrada, Kiyomi Yamamoto, Jason Su, Kevin Zwick, Leslye Corsiglia, Shiloh Ballard, Jim Zito, Sam Ho, Margie Matthews, Shawn Milligan, Ray Bramson, Bonnie Mace, Susan Butler-Graham, and Roberta Moore.

Motion opposed by: Michelle Yesney, Linda LeZotte, Steven Solorio, Harvey Darnell, Asn Ndiaye, Sylvia Arenas, Smita Patel, Jesus Flores, Andre Luthard

General Plan Policy IP-5.12 – 100% Affordable Housing

A number of Task Force members voiced the concern of commercial requirements hindering affordable housing development with the reason that affordable housing and nonprofit developers do not have the funding for non-residential development. Also, the requirement of commercial space means the loss number of potential affordable housing units.

Others expressed concerns for small business displacement, walkability issues, and lack of complete communities. A Task Force member mentioned the example of small business displaces in the Alum Rock neighborhood. He cited approximately 13 new developments, most of which are affordable housing, had displaced existing businesses with no mechanisms for these businesses to return to the neighborhood or to relocate elsewhere. Most of these businesses were local and family-owned. By removing commercial requirements, another Task Force member mentioned that people would not be able to walk to basic services, but would have to travel greater distances by car. One Task Force member suggested the City incentivize small businesses, cultural institutions, and other active uses to locate in the ground floor commercial space and other commercial real estate in the city. He emphasized that the City should encourage people to live in complete communities.

Motion

Task Force member Ray Bramson made the motion to remove commercial requirements from IP-5.12 – 100% Affordable Housing Policy. The motion was passed. Task Force member Jesus Flores opposed.

6. Announcements

Next Task Force meeting will commence on February 27, 2020.

7. Adjourn

The meeting adjourned at approximately 9:30 p.m.