

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Welsh
Lee Wilcox

SUBJECT: SEE BELOW

DATE: August 19, 2019

Approved



Date

8-19-19

INFORMATION

**SUBJECT: UPDATE ON PLANNING AND COMMUNITY ENGAGEMENT
PROCESS FOR DIRIDON STATION AREA AND PROPOSED GOOGLE
MIXED-USE DEVELOPMENT**

Diridon Station Area Plan (DSAP) Amendment and Google Mixed-Use Plan

Google has indicated to staff that they intend to submit their application for a mixed-use plan to the Planning Division in October 2019. Staff is working with Google to provide guidance on the application for land use entitlements and review process. Google continues to conduct outreach to gather feedback on preliminary concepts to inform preparation of their mixed-use plan in advance of submitting their application. Once Google submits an application, this will start the formal project review process.

Staff will work on City-initiated amendments to the DSAP concurrently with reviewing Google's application for a mixed-use development. The City is amending the DSAP to adapt to current circumstances and support DSAP implementation. The City is not expecting to make major changes to the primary objectives of the DSAP. Anticipated changes include adding development capacity; updating the sections on land use, design, transportation, and public spaces; and aligning with other adopted/ongoing plans such as the Diridon Integrated Station Concept Plan. In addition, the City will prepare districtwide studies related to affordable housing, parking, and infrastructure financing. Staff began work on the City-initiated DSAP amendments and related studies this summer, and expects to complete this work by the end of 2020.

AB 900 State Application

Google has informed the City of its intention to apply to the State to participate in the AB 900 program (Jobs and Economic Improvement through Environmental Leadership Act). AB 900 was adopted by the State Legislature in 2011 (codified in California Public Resources Code

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Sections 21178-21189.3) to encourage large development projects that create jobs and meet a high standard of public benefits by streamlining the judicial review process under the California Environmental Quality Act (CEQA).

For development projects to qualify for AB 900, they must be large, privately financed projects that create significant numbers of construction jobs and permanent jobs, pay prevailing wages, and meet high-threshold State environmental requirements (e.g., innovative measures to significantly reduce traffic, air quality, and other important environmental impacts, and full mitigation of greenhouse gas emissions). Seventeen significant California projects have utilized this program, including the Warriors Stadium, Apple Campus, and Inglewood Basketball and Entertainment Center.

AB 900 facilitates timely delivery of project benefits to the community by streamlining CEQA and project approval litigations. Under AB 900, any legal challenges get filed in the Court of Appeal, and the Court issues its decision within nine months to the extent feasible.

In San José, the benefits of timely development in the Diridon Station Area include: affordable housing, open space and infrastructure improvements, construction and permanent jobs, green building in support of Climate Smart, property tax revenue, public amenities, and Community Benefit funds for anti-displacement, job training, and other community-identified priorities. In addition, prolonged uncertainty (2, 5, 10 years) regarding the start of Google-related construction would significantly complicate coordinated planning for BART, rail, and station construction, and the integration needed between the new transportation infrastructure and Google's mixed-use development for a good customer experience. "Timely implementation" was identified as a shared goal in the City's MOU with Google in order to maximize integration with planned transit projects and achieve the benefits of implementing the Diridon Station Area Plan.

The AB900 program does not affect requirements for the environmental impact analysis or reduce requirements for public engagement under CEQA; in fact, the program comes with enhanced transparency requirements for timely posting of all documents and materials related to the project EIR on a public website once the draft EIR is circulated for public review.

Streamlining under AB 900 applies only if the Governor approves program eligibility by January 1, 2020 and the City Council considers and takes action on the Google mixed-use development project application, including the Environmental Impact Report (EIR) and entitlements, by January 1, 2021. This timeline is consistent with the anticipated timeline for the City's review process.

The preliminary timeline that staff presented at City Council on December 4, 2018 for "Phase II: Project Design and Review" predicted two years of work (2019-2020) and Council action in early 2021. Since then, staff has secured more complete information regarding the submission month for the Google application, the scope of DSAP amendments under consideration, and availability of consultants and staff. So, the Administration has determined that the timeline for Council consideration by end of 2020 is achievable. The City does not have to comply with the

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AB 900 timeline if it determines that there is more work to do before taking the project to City Council for consideration.

Upcoming Community Engagement Events

City staff will attend a number of upcoming events to provide information and talk to community members about plans for the Diridon Station Area, including Google's Mixed-Use Plan, the intermodal station, and the transportation network. These include:

- "Pop Up" information booth at Stroll the Alameda Wine & Beer Walk: **Sunday, August 18, 2:00-5:00 PM.**
- Station Area Advisory Group meeting, **Thursday, August 22, 6:30-9:00 PM** at San Jose City Hall.
- City departmental presence at Google open house preview event at Arena Green West (across from SAP Center), **Saturday, August 24, 10:30 AM-1:30 PM.**
- "Pop Up" information booth at the 6th Annual District 2 Village Fest hosted by Councilmember Sergio Jimenez, Coronado Avenue @ the Village Oaks Shopping Center: **Saturday, September 7, 3:30- 6:30 PM.**
- Pop Up" information booth at Viva Calle, near Diridon Station: **Sunday, September 22, 10:00 AM – 3:00 PM.**

/s/

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Director of Economic Development

/s/

LEE WILCOX
Chief of Staff
City Manager's Office

For questions, please contact Lori Severino, Diridon Program Manager, at (408) 535-3537.