

Attachment B Additional Scope of Work Items

The following information is part of the scope of work identified by City Council from the April 10, 2015 Council memorandums, in which Council directed staff to conduct a limited review of a number of items. Staff is not recommending any General Plan policy modifications related to the items below. A full list of these items and their status were included in Attachment E of the March 24, 2016 Task Force Meeting Overview Memo (<http://www.sanjoseca.gov/DocumentCenter/View/55134>).

Item 2.d from Mayor Liccardo's April 10, 2015 memo

City-initiated General Plan amendments and re-zonings for retail uses: There continues to be a significant sales tax revenue leakage out of San Jose. We should identify prime retail sites in retail-starved areas of the city, such as North San Jose, and proactively offer appropriate zoning-based incentives to property owners to support the re-designation of land uses.

This item was partially addressed by Strategic Economic in their retail market analysis of Urban Villages. Staff is expanding Strategic Economic's scope of work to identify prime retail sites citywide, focusing in retail-starved areas of the city. The retail analysis will be provided to Council as part of its consideration of the 4-Year Review General Plan amendments. General Plan Amendments or code revisions related to this item will not be proposed as part of the Four Year Review process; however, staff could identify potential General Plan land use amendments and/or zoning modifications, and will seek Council direction on policy or zoning code changes to pursue and bring back to Council for consideration at a later date.

Item 2.f.(2) from Mayor Liccardo's April 10, 2015 memo

Undesirable uses in neighborhoods: In many neighborhoods, existing and long-standing commercial uses, such as liquor stores and massage parlors, may tend to disrupt the quality of life of the people that live in and around them. Staff might consider development proposals that offer up to a .35 - .4 minimum FAR of mixed use with residential for approval.

In response to this scope item, staff considered developing a policy that would encourage the elimination of undesirable uses within neighborhoods by allowing mixed-use residential development on properties with a commercial land use designation. After much thought and discussion, staff are not recommending a General Plan amendment to include such a policy. Uses such as massage parlors and liquor stores are allowed in San Jose in specified zoning district and within the regulations established by City ordinance. These uses in and of themselves are not necessarily undesirable. Where they are undesirable it is often because they are operating illegally and are being mismanaged, and not simply because of their land use type. The City,

through its Code Enforcement Division and/or the Police Department, has the ability to shutter businesses that are violating City ordinances or require them to come into compliance with code. If and when a business continues to be a persistent nuisance and, despite the efforts of the City, continues to violate City ordinances, the Council could direct staff to explore additional measures to eliminate such a business. This could include directing staff to initiate a General Plan amendment to encourage the redevelopment of a given property.

Staff believe that using the City's Code Enforcement and Policing tools is the most appropriate and effective approach to addressing nuisance or undesirable uses in a neighborhood. While changing the land use designation of a given property could serve as a supplementary strategy, staff believe that this should be done to address specific problem properties, at the direction of Council, through a City initiated General Plan amendment. Staff believe it is not necessary or desirable to create a new General Plan policy that would support privately initiated General Plan amendments to convert commercial properties to residential mixed uses to eliminate undesirable uses.

Item 2.f.(4) from Mayor Liccardo's April 10, 2015 memo

Commercial land inventory: Staff should evaluate lands that are not economically viable for commercial use, and present potential development opportunities.

Per the Task Force preliminary recommendation to amend the General Plan to include proposed policy H-2.5, properties designated in the General Plan for commercial uses that are 1.5 acres or less, and meet other identified criteria, could be developed with 100% deed restricted affordable housing. This proposed policy allows potential additional development opportunities for commercial properties 1.5 acres or less that are vacant or underutilized, and therefore partially addresses this scope item from the City Council.

To fully address this scope item, staff then conducted a high level citywide analysis of properties designated with a commercial land use designation in the General Plan that were greater than 1.5 acres; this analysis was conducted using Google Maps and Street View. Based on this analysis staff did not find properties in unique locations or of irregular shapes that would not be viable for some type of commercial or non-residential use. With one significant exception discussed below, the commercial properties were generally along commercial arterials or at commercial intersections and contained existing retail shopping centers. There were a handful of commercial properties that were off arterial streets but these properties contained self-storage businesses or professional offices. While many of the properties identified would not likely attract Class A tenants such as national chain stores, the properties were economically viable in that they included small "mom and pop" retail shops and services that served the surrounding community.

Other uses that would be viable on many of these B or C properties, and are allowed within the commercial land use designations, include medical offices, daycare facilities, or places of worship such as Churches, Temples and Mosques. As discussed at great length in the Envision

San Jose General Plan Update process, places of workshop have, and continue to have a great difficulty in finding properties in which to locate. Another use that continues to be quite lucrative and would be allowed in properties designated commercial are self-storage businesses.

Staff acknowledges that its analysis was high level and that there could be individual properties that are subsequently identified in which commercial, or assembly or other public quasi-public uses are not viable. In such instances the property owner could propose a General Plan amendment to change the land use designation of their property to a non-commercial land use designation. Staff would evaluate the proposal for consistency with the goals and policies of the General Plan. Last year staff recommend, and the Council approved, two privately initiated General Plan amendments to change the land use designation on two separate properties from Neighborhood Community Commercial to residential land use designations.

The one significant exception mentioned above were a number of identified properties that contained residential uses that were designated with a commercial land use designation. Most of these properties contained older apartment buildings. Staff did not conduct an analysis of the economic viability of commercial uses on these properties; however, staff do not anticipate that these existing residential properties will redevelop with commercial land uses. Property owners wanting to redevelop these properties with new residential development would need to and could propose General Plan land use amendments. Staff are not proposing General Plan land use amendments at this time, given that amendments on individual properties are outside of the scope of this Four Year Review Process.