



**Task Force Meeting No. 1 Synopsis
November 16, 2015**

Task Force Members Present*:

Shirley Lewis, David Pandori, Pierluigi Oliverio, Rose Herrera, Manh Nguyen, Teresa Alvarado, Enrique Arguello, Shiloh Ballard, Terry Christensen, Pat Colombe, Yolanda Cruz, Pastor Oscar Dace, Harvey Darnell, Andrea Flores-Shelton, Josue Garcia, John Glover, Leslee Hamilton, Robert Hencken, Sam Ho, Jeremy Jones, Lea King, Steve Landau, Charisse Lebron, Karl Lee, Linda Lezotte, Don Little, Bonnie Mace, Amanda Montez, Tim Orozco, Nick Pham, Stephanie Reyes, George Rix, Pat Sausedo, Erik Schoennauer, Derrick Seaver, Leah Toenisketter, Dori Yob, Jim Zito, Keving Zwick, Garrett Rajkovich.

Task Force Members Absent:

John Ristow, Michael Van Every, Geri Wong.

City Staff and Other Public Agency Staff Present:

Michael Brilliot (PBCE), Jared Hart (PBCE), Kimberly Vacca (PBCE), Rosalynn Hughey (PBCE), Steve McHarris (PBCE), Harry Freitas (PBCE), John Lang (OED), Denelle Fedor (D10 Council Office), Nancy Klein (OED), Vera Todorov (Office of the City Attorney), Ruth Cueto (Mayor's Office), Ru Weerakoon (Mayor's Office), Mayor Sam Liccardo (Mayor's Office).

Public Present¹:

Brian Yi, Doug Svensson (Applied Development Economics), Pilar Lorenzana Camp, Jill Borders, Elias Portales.

1. Welcome and Introductions

The meeting convened at approximately 6:15 p.m.

2. Task Force Roles and Responsibilities

Vera Todorov discussed the Brown Act (California Government Code 54950) and how it pertains to the Task Force members during the General Plan 4-Year Review process. Michael Brilliot then provided an overview of the schedule of Task Force meetings, responsibilities of Task Force members, and meeting ground rules. Responsibilities for Task Force members include regularly attend meetings, being on time, and reviewing materials ahead of meetings. The Task Force ground rules set forth general rules including

¹ As verified by registering attendance on Sign-In sheets.

starting and ending meetings on time, listening actively, and staying focused on the topic at hand, among other things.

3. Background and Scope of General Plan 4-Year Review

Michael Brilliot presented an overview of the history and background of the Envision San José 2040 General Plan (Envision 2040). The presentation included information regarding the General Plan update process from 2007 to 2011, and Envision 2040's key vision concepts and 12 Major Strategies.

Jared Hart gave a follow-up presentation reviewing progress towards the implementation of key goals identified by Envision 2040 to be evaluated as part of the 4-Year Review. The presentation outlined development trends, the availability and affordability of housing, Urban Villages, economic development goals, environmental goals, and healthful community goals.

Michael Brilliot gave a presentation detailing the scope of the 4-Year Review. The 4-Year Review's scope includes considering the following: (1) adjustments to the General Plan's planned jobs capacity and associated Jobs to Employed Resident (J/ER) ratio; (2) shifting planned job allocations between Growth Areas; (3) modifications to the Urban Village Major Strategy; (4) exploring how the General Plan could further facilitate affordable housing; (5) assessing progress towards environmental goals; and (6) Council identified items from April 10, 2015 memorandums. The presentation also briefly detailed the environmental review process, which will be an addendum to the Envision San José Environmental Impact Report (EIR).

4. Updated Analysis of City's Fiscal Conditions and Fiscal Impacts of Land Use

John Lang and Doug Svensson outlined the findings from Applied Development Economics (ADE) updated analysis of the City's fiscal conditions and fiscal impacts of land use. The presentation included the City's revenue picture, current jobs per employed residents, land use breakdown, fiscal impacts of the City's land use pattern, and the present day fiscal impact findings. Key findings included the following:

- Fifty-four (54%) percent of the City's General Fund revenue comes from economic development activity²;
- San José receives 13 percent of every dollar of property tax and 1 percent of sales tax;
- San José has both the lowest sales tax and property tax per capita compared to other cities in Silicon Valley;
- San José has the lowest jobs per employed resident ratio compared to nearby cities;
- San José has only 15 percent of land designated for employment uses; and
- Property tax from higher value and more dense residential development is fiscally positive for the City.

² The remaining 46% of the City's General Fund revenue comes from fund balance carryover (22%); departmental charges (4%); and local, state, and federal government agencies (3%); among other sources.

In response to several Task Force member questions regarding the updated ADE methodology, Mr. Svensson and John Lang stressed that the change in fiscal impact of land uses from ADE's 2010 report occurred because of improvements in methodology used by the industry for this type of fiscal analysis. Unlike the 2010 ADE report, the 2015 analysis included the retail spending of San José residents in its analysis of the impacts of residential land uses. In addition, there has been a significant reduction of City jobs and associated service costs since 2008, which has also contributed to the decrease in the fiscal impacts of residential lands.

One Task Force member asked how the unemployment and employment rates were calculated and whether the J/ER ratio takes into account the retired population of San José. Mr. Svensson stated that he used data from the United States Census Bureau to calculate employment rates and that the retired population was not included in the J/ER ratio because the ratio only accounts for residents in the labor force; retirees are not a part of the labor force. Another Task Force member asked a similar question about whether the number of existing jobs include the people who live outside San José but work within city limits. Mr. Svensson replied that the jobs data does not factor in where people live, so that factor was not considered.

One Task Force member asked if ADE included the revenues from commercial uses in high-density mixed-use development. Mr. Svensson replied that these commercial uses were included. Another Task Force member asked if the location of high-density housing affects a development's fiscal impact. Mr. Svensson replied that high-density housing in of itself creates efficiency for the City. As a follow-up, one Task Force member asked how many market-rate dwelling units would need to be built to compensate for the lack of property taxes received from affordable housing development. Mr. Svensson responded that the answer would be on a case-by-case basis, however fiscally positive land uses would need to be created to compensate for the fiscal impact of affordable housing.

5. Public Comment

Four members of the public commented on topics related to the General Plan 4-Year Review process. One speaker asked whether the ADE report implies that the city does not need as much commercial development, and can therefore build more housing. Staff responded that that assumption would be inaccurate as non-residential development is necessary because it provides sales tax to the City. Another speaker stated that she was concerned about the displacement of middle- and low-income families from Urban Villages due to new development. One speaker indicated support for revising the General Plan's Jobs to Employed Resident (J/ER) ratio from 1.3/1 to a lower ratio.

One speaker discussed the impacts of converting mobile home parks to other land uses and how she would like to see the creation of a land use designation specifically for mobile home parks in order to preserve existing stock.³

³ Currently, Planning Staff is proposing a new City Council Policy, General Plan text amendments, and amendments to the Zoning Code that directly address the conversion of mobile home parks. For more information on this subject, please see the Community and Economic Development Committee Memorandum dated November 3, 2015 on the City's website (http://sanjose.granicus.com/MetaViewer.php?meta_id=542059).

6. Announcements

There were no announcements.

7. Adjourn

The meeting adjourned at approximately 8:45 p.m.