



**Task Force Meeting No. 4 Synopsis
February 25, 2016**

Task Force Members Present¹:

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, Jeremy Jones, Lea King, Steve Landau, Charisse Lebron, Karl Lee, Linda Lezotte, Bonnie Mace, Amanda Montez, Tim Orozco, Nick Pham, Stephanie Reyes, John Ristow, George Rix, Pat Sausedo, Erik Schoennauer, Leah Toeniskoetter, Geri Wong, Kevin Zwick.

Task Force Members Absent:

Sam Ho, Garrett Rajkovich, Derrick Seaver, Jim Zito.

City Staff and Other Public Agency Staff Present:

Michael Brilliot (PBCE), Jared Hart (PBCE), Kimberly Vacca (PBCE), Rosalynn Hughey (PBCE), Harry Freitas (PBCE), Wayne Chen (Housing), Jacky Morales-Ferrand (Housing), Reena Brilliot (OED), Kristen Clements (Housing), Adam Marcus (Housing), Ruth Cueto (Mayor's Office), Melissa Cerezo (VTA).

Public Present¹:

Steve Dunn, Geoffrey Morgan, Julie Engelbrecht, Sean Morley, Tim Steele, and Rebecca Pirayou.

1. Welcome

The meeting convened at 6:37 p.m.

2. Review and Approval of December 16, 2015 Task Force Synopsis

The synopsis was approved.

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

3. Presentation and Discussion on Urban Village Policy Modifications

Jared Hart presented Staff's proposed modifications to the Envision San José 2040 General Plan's Urban Village policies. Before discussing the proposed modifications, Staff provided background information regarding Urban Villages, Plan Horizons, Urban Village Plans, the Residential Pool Policy, and Signature Projects.

Staff recommended the following modifications to the General Plan's Urban Village policies:

1. Remain in Planning Horizon 1: Staff is not recommending to move to Horizon 2 consistent with direction from City Council, unmet key economic and fiscal goals, and comparative community support for growth and intensification in Horizon 1 Urban Villages.
2. Do not adjust the residential Pool policy or its 5,000 unit capacity: An adjustment to the residential Pool policy is not needed as the Pool has not been used since adoption of Envision 2040.
3. Remove Policy IP-2.10 which automatically moves an Urban Village into the current Horizon following construction of a Signature Project: There are many factors that might determine when an Urban Village should move to the current Horizon, and Staff believes that there should be an opportunity for City Council to consider this decision before automatically moving Urban Villages into the current Planning Horizon following construction of a Signature Project.
4. Modify Policy IP-5.2, which sets a nine-month timeframe for the Urban Village planning process: Based on the preparation of the first six Urban Village Plans, nine months is not a realistic timeframe as more community engagement has been needed than originally anticipated. Staff proposed to adjust the timeframe to one year with the possibility of a longer process when extensive community engagement is needed.
5. Modify Policy IP-5.10, which determines the requirements of Signature Projects. The recommended modifications include:
 - a. Neighborhood Urban Villages must integrate commercial square footage above the average density of jobs/acre for the given Urban Village or provide the amount of commercial space that is equivalent to Floor Area Ratio (FAR) of 0.35, whichever is greater. Staff's intent is that the jobs threshold remain high enough that Signature Projects in Neighborhood Urban Villages include more than incidental retail uses.
 - b. Signature projects must demonstrate they will have a net positive fiscal impact over a 30 year period.

Following Staff's presentation, Task Force members were given the opportunity to ask questions and discuss the proposed Urban Village policy modifications. Several Task Force members were concerned that Staff did not propose the inclusion of affordable housing as a requirement for Signature Projects. Staff responded that the list of existing Signature Project

requirements is fairly comprehensive, and that adding additional requirements could impact the feasibility of Signature Projects. Staff also noted potential legal conflicts to adding a requirement for Signature Projects to include affordable housing. Another Task Force member asked whether Signature Projects have a maximum on the number of residential units they can take from the residential Pool. Staff responded that they do not anticipate a single Signature Project using a significant majority of the Pool. Other Task Force members questioned whether removing Policy IP-2.10 would inhibit the success of both Signature Projects and the Urban Villages. Staff responded that Signature Projects were created as a means to flexibly facilitate exceptional development. Urban Villages are meant to be implemented through the creation of Urban Village Plans; it was not intended that Signature Projects would be used to buildout Urban Villages.

Other Task Force members asked questions regarding Policy IP-5.10 and whether a 0.35 FAR is the most appropriate floor area ratio for Signature Projects in Neighborhood Urban Villages. Staff responded that by adjusting the Jobs to Employed Resident Ratio (J/ER) from 1.3/1 to 1.1/1, the jobs requirement, and therefore the required commercial square footage for Signature Projects in Neighborhood Urban Villages, would equate to providing a small Subway or Starbucks. Staff also noted that the current planned job capacity in the General Plan results in Signature Project commercial requirements that typically exceed an FAR of 0.35 in Neighborhood Urban Villages.

Some Task Force members wanted to know why the City feels the need to phase residential development through the General Plan. Staff responded that there is an extremely large demand for housing and a much weaker demand for office and retail. In order to meet the employment goals incorporated into the General Plan, Plan Horizons were created to ensure that non-residential development would occur at a similar pace to residential development.

Due to lack of time, the Task Force approved the proposed modification to Policy IP-5.2, and voted to defer further discussion and recommendations on the other Urban Village policies to Task Force meeting #5 on March 24, 2016.

4. Presentation and Discussion on Actions to Facilitate Affordable Housing

Wayne Chen presented Staff's proposed modifications to the General Plan's affordable housing policies. The presentation included key affordable housing themes and issues, the City's progress towards meeting San José's Regional Housing Needs Allocation (RHNA), and review of the proposed affordable housing policies/actions.

Staff's recommended modifications to affordable housing policies included the following:

1. As part of the preparation of an Urban Village Plan, establish a goal that, with full build out of the planned housing capacity of the given Village, twenty-five percent or more of the units built would be deed restricted affordable housing.
2. Residential projects that are 100% affordable to extremely low income, very low, and low 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, if the project meets defined criteria.

3. One hundred percent deed restricted affordable housing developments would be allowed on sites one acre or less, outside of the existing growth areas, on properties with a Mixed-Use Commercial or Neighborhood/Community Commercial land use designation if the development meets defined criteria.
4. Identify, assess, and implement potential tools, policies, or programs to prevent or to mitigate the displacement of existing low-income residents due to market forces or to infrastructure investment.

Following Staff's presentation, Task Force members were given the opportunity to ask questions regarding the proposed affordable housing policy modifications. One Task Force member asked if the City has any strategies to encourage other municipalities to build their fair share of housing. Staff responded that they included an action to develop a regional mechanism to address affordable housing in their packet of recommendations.

Another Task Force member asked if the housing affordability issue is mostly due to a lack of housing supply. Staff responded that while providing market-rate housing is necessary, it is not sufficient to address the housing affordability issue because there would never be a sufficient supply of market-rate housing that would drop rents down to levels that could be afforded by low-income and extremely-low-income residents. Therefore, the City needs to be able to create subsidies that encourage the development of affordable housing.

Other comments made by Task Force members included ensuring the City allows residents of affordable housing to have access to amenities such as transit, parks, police services, etc.; asking Staff to provide a spatial analysis of properties that meet the criteria set forth in proposed Policy H-2.5; concern about the segregation of low-income residents within concentrated areas; concern over the feasibility of affordable housing development projects incorporating commercial uses; the desire to see policies focusing on providing more middle-income jobs within the City.

Due to lack of time, the Task Force voted to defer discussion and recommendation of affordable housing policies to Task Force meeting #5 on March 24, 2016.

5. Public Comment

Twenty-six (26) members of the public attended the meeting. There were two opportunities for the public to comment on the agenda items; once during Agenda Item #3 and once during Agenda Item #4. There were six members of the public who wished to speak in regards to Agenda Item #3. Their comments focused on concern over the displacement of low-income residents, concern about traffic in Urban Villages from Signature Projects, the implementation strategies of Urban Villages, and the desire to include the policies outlined in the Weingarten Realty Investors letter to the Task Force.

For Agenda Item #4, seven members of the public wished to speak. Their comments focused on the desire to eliminate the commercial requirement for affordable projects as described in Staff's proposed policy H-2.5, concern regarding displacement of low-income residents, the desire for the Task Force to approve the jobs-housing fit policy recommended by Staff, and the desire to change the language from 1-acre to 1.5 acres or greater in Staff's proposed policy H-2.5.

6. Announcements

There were no announcements.

7. Adjourn

The meeting adjourned at approximately 9:40 p.m.