



**Task Force Meeting No. 5 Synopsis
March 24, 2016**

Task Force Members Present¹:

David Pandori, Pierluigi Oliverio, Rose Herrera, Manh Nguyen, Teresa Alvarado, Enrique Arguello, Shiloh Ballard, Terry Christensen, Yolanda Cruz, Harvey Darnell, Josue Garcia, Leslee Hamilton, Robert Hencken, Sam Ho, Jeremy Jones, Charisse Lebron, Karl Lee, Bonnie Mace, Amanda Montez, Tim Orozco, Nick Pham, Stephanie Reyes, John Ristow, George Rix, Pat Sausedo, Erik Schoennauer, Leah Toeniskoetter, Geri Wong, Jim Zito, Kevin Zwick.

Task Force Members Absent:

Shirley Lewis, Pat Colombe, Pastor Oscar Dace, Andrea Flores-Shelton, John Glover, Lea King, Steve Landau, Linda Lezotte, Garrett Rajkovich.

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), Ruth Cueto (Mayor's Office), Ru Weerakoon (Mayor's Office), Nanci Klein (OED), Melissa Cerezo (VTA).

Public Present¹:

Bob Vancleef, Mary Vancleef, Larry Ames, Konstantin Voronin, Dan Mountsier, Jill Borders, Helen Chapman, Nadine Siguenza, Perry Hariri, Roma Dawson, M. Crawford.

1. Welcome

The meeting convened at 6:35 p.m.

2. Review and Approval of February 25, 2015 Task Force Synopsis

The synopsis was approved.

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

3. Water Supply Review

Andrew Sterbenz and Charles Anderson from Schaaf & Wheeler presented the findings from the Water Supply memorandum. The memorandum discussed the regional water retailers' current Urban Water Management Plans (UWMPs) and projected water demand up to the year 2035. Key findings of the water supply summary review included:

1. Water Supply Assessments completed for Envision San José in 2010 showed that there is enough water to serve the planned growth in the Envision San José General Plan.
2. As a result of the recent and severe multi-year drought, mandatory water demand reductions were established, which the water retailers have met or exceeded.
3. While the most recent water supply assessments determined there is enough water for future growth, the three water retailers are currently updating/or will update their UWMPs to ensure that adequate supplies are available to serve future growth.
4. There is not an identified need at this time for the City to update its General Plan policies related to water supply and conservation. While no new policies are proposed at this time, the updated UWMPs will inform future General Plan policies and City ordinances related to water supply.

The presentation was informational with no recommendations from staff. Following Schaaf & Wheeler's presentation, Task Force members were given the opportunity to ask questions and discuss the water supply summary review. One Task Force member asked for clarification regarding why water supply is projected to increase when the expansion of development will decrease water percolation. Representatives from Schaaf & Wheeler stated that water suppliers determine their projected supply by projecting the amount of water they plan on taking out of the groundwater basin; the projected supply does not necessarily reflect the total sustainable yield of the groundwater basin and can therefore increase regardless of the increase of impermeable surfaces.

Task Force member Teresa Alvarado (Santa Clara Valley Water District) stated that the city has been using water more efficiently over time, even with a growth in the population, but that the Santa Clara Valley Water District will not be importing additional water in the future. Another Task Force member asked whether the cost of water will increase due to the General Plan's planned growth. Task Force member Teresa Alvarado responded that the cost of water will increase regardless of planned growth due to the need to modernize water infrastructure.

4. Urban Village Policy Modifications (continued from 2/25/16 meeting)

Jared Hart presented Staff's updated proposed modifications to the Envision San José 2040 General Plan's Urban Village policies. In addition to modifications to Urban Village policy IP-5.2 that was tentatively approved at Task Force meeting #4, Staff recommended the following:

1. To stay in Plan Horizon 1.
2. Maintain the residential Pool policy at its current capacity of 5,000 units.
3. Modify Policy IP-5.10 to require Signature Projects to demonstrate that the project will have a net positive fiscal impact to the City over a 20 year period.
4. Drop staff's recommendation (from February 25, 2016 meeting) to require Signature Projects in Neighborhood Urban Villages to integrate commercial square footage that equates to above the average density of jobs/acre for the given Urban Village or provide the amount of commercial space, excluding parking that is equivalent to a floor area ratio of 0.35, whichever is higher.
5. Drop staff's recommendation (from February 25, 2016 meeting) to delete General Plan Policy IP-2.10 from the General Plan, which reads: "To facilitate the development of complete Urban Village areas, following construction of a Signature Project within a future Horizon Urban Village, move the subject Urban Village into the current Planning Horizon."

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 voiced their concern over the need to move development forward in Urban Villages near transit stations, of which many are within Planning Horizon 2. Task Force member Erik Schoennauer (Land Use Consultant) pointed out that many of the properties surrounding transit stations are designated for public or quasi-public uses (i.e. land owned by the Santa Clara Valley Transit Authority) and proposed that public properties should be able to move forward with development if they are located near transit stations. Task Force member John Ristow (Santa Clara Valley Transportation Authority) stated that they are currently working with Planning Staff to move forward with development at sites near transit and are content with the variety of planning processes that are available to them to move forward.

Other Task Force members voiced their concern regarding whether it is necessary to conduct a fiscal impact analyses for Signature Projects. Task Force member Leah Toenisketter (SPUR) stated that fiscal impacts of development should be measured on an area-wide basis, and that the City should determine the costs for public improvements within an Urban Village and use the financing and assessment tools to help pay for those improvements. Task Force members also expressed the desire to ensure that Signature Projects are of a sufficient size to be catalysts for development within Urban Villages, and the desire for further collaboration between VTA and the City.

During the public comment section of Agenda Item #4, four members of the public wished to speak. Comments focused on the desire to develop residential development along light rail corridors, and concern regarding displacement of residents, the difficulty to develop residential development within the city, and the lack of ability to accommodate additional traffic in Urban Villages.

Following public comment, the Task Force was asked to provide their preliminary recommendations to staff regarding the proposed modifications to Urban Village policies. The following list includes the motions preliminarily approved during this discussion:

1. Motion to move the Berryessa BART Urban Village from Horizon 2 to Horizon 1. The motion passed unanimously.
2. Motion to City Council should direct staff to prioritize their future Urban Village planning efforts on Horizon 2 Light Rail Urban Villages. The motion passed unanimously.
3. Motion to approve Staff recommendations, minus the recommendation that Signature Projects must demonstrate a net positive fiscal impact to the City over a 20 year period. The motion passed 26-4 (Task Force members Darnell, Oliverio, Herrera, and Mace opposed).

5. Recommended Policy and Action Modifications to Facilitate Affordable Housing (continued from 2/25/16 meeting)

Wayne Chen from the Housing Department presented staff's updated proposed modifications to the General Plan's recommended affordable housing policies and actions. Staff's proposed updates to the affordable housing policies and actions continued from the February 24, 2016 Task Force meeting included:

1. Modifying proposed Housing Policy H-2.5 to state that one hundred percent deed restricted affordable housing developments would be allowed on sites outside of the existing Growth Areas on properties with a Mixed-Use Commercial or Neighborhood/Community Commercial land use designation if the development is:
 - a. 1.5 acres or less
 - b. Vacant or underutilized
 - c. Has adjacent properties with a residential General Plan Land Use / Transportation Diagram designation on at least two sides and the development would be compatible with the surrounding neighborhood
 - d. Would not impact the viability of surrounding commercial or industrial properties or businesses
 - e. Located within a ½-mile of an existing transit line
 - f. Integrates commercial uses that support the affordable housing project and/or the surrounding neighborhood
 - g. Adaptively reuses any structures on the City of San José Historic Resources Inventory.

2. Modifying Implementation Policy IP-5.1 (7) to state “Consider financing mechanisms which may be needed to deliver public improvements, affordable housing, amenities, and the like envisioned within the Urban Village Plan.”

Following staff’s presentation, the Task Force was given an opportunity to discuss staff’s proposals. One Task Force member asked how staff planned to implement the proposed affordable housing policies. Staff responded that many funding sources and opportunities are available, such as development agreements, housing impact fees, and inclusionary housing requirements. Another Task Force member asked whether staff looks at the amount of existing affordable housing sites when creating Urban Village Plans. Staff responded that they have previously not conducted that analysis, however they plan to use that information during the creation of future Urban Village Plans. One Task Force member commented that staff did not propose any language requiring a minimum density for affordable housing projects.

During the public comment section of Agenda Item #5, five members of the public wished to speak regarding staff’s proposed affordable housing policies and actions. Comments included the desire for the Task Force to approve staff’s recommended policies and to change proposed policy H-2.5 from at least two sides residential to at least one side residential. One member of the public spoke out in support of protecting historic buildings on proposed affordable housing sites. Two members of the public commented on the displacement of residents from Urban Villages and the need for more affordable housing projects for extremely low income residents.

Following public comment, the Task Force was asked to provide their preliminary recommendations to Staff regarding the proposed modifications to affordable housing policies. The following are the motions preliminarily approved during this item:

- Motion to modify Staff’s proposed policy H-2.5 (c) as follows: “the site has adjacent properties with a residential General Plan Land Use / Transportation Diagram designation on at least one ~~two~~ sides and the development would be compatible with the surrounding neighborhood.” The motion passed 29-1 (Task Force member Herrera opposed).
- Motion to modify Staff’s proposed policy IP-5.2 as follows: “As part of the preparation of an Urban Village Plan, establish an area-wide goal that, with full build out of the planned housing capacity of the given Village, 25% or more of the units built would be deed restricted affordable housing, with 15% of the units targeting households with income below 30% of Area Median Income. This is a goal, not a requirement to be imposed on individual projects.” The motion passed unanimously.
- Motion to modify Staff’s proposed policy IP-5.11 (c) as follows: “Development that demolishes and does not adaptively reuse existing commercial buildings should substantially replace the existing commercial square footage, ~~with an equal or greater amount of new commercial development either in a vertical or mixed-use format.~~” The motion passed unanimously.

- Motion to approve Staff’s recommendations minus the modifications to the above policies. The motion passed unanimously.

6. Staff Recommended Near Term J/ER Ratio Goal

Planning Staff gave an overview of their recommendation to incorporate a near-term J/ER ratio goal of 1 job per 1 employed resident by 2025. Staff clarified that this recommendation was created based on direction from City Council and that the near-term goal is to only be used as a check-in point during the 4-Year Review process. Staff emphasized that no actions are tied to this near-term goal.

One Task Force member motioned to approve Staff’s recommended near-term J/ER ratio of 1/1 job per employed resident. The Task Force unanimously approved Staff’s recommendation. No members of the public wished to speak on this topic.

7. Public Comment – Open Forum

Twenty (20) members of the public attended the meeting. No members of the public wished to speak during the open forum public comment section of the agenda.

8. Announcements

There were no announcements.

9. Adjourn

The meeting adjourned at approximately 9:45 p.m.