

**TO: Envision San José 2040
4-Year Review Task Force**

FROM: Jared Hart

**SUBJECT: November 20, 2019
TASK FORCE MEETING**

DATE: November 13, 2019

Thank you for your participation in the Envision San José 2040 General Plan 4-Year Review! This memo provides information to assist you in preparing for the Envision San José 2040 4-Year Review Task Force meeting on November 20, 2019. Links to the referenced documents and other resource materials (e.g., reading materials and correspondence) are posted on the Envision San José 2040 4-Year Review website (<http://www.sanjoseca.gov/index.aspx?nid=4803>) (<http://www.sanjoseca.gov/GeneralPlanReview>).

The following is a summary of agenda items for the November 20, 2019 Task Force meeting:

Agenda Item 2 – Task Force Roles and Responsibilities:

Planning staff will present the roles and responsibilities of the Envision San José 2040 Task Force members, including the 4-Year Review project schedule. Roles of the Task Force include evaluating information and making focused recommendations to City Council. Responsibilities include preparing for meetings and regular attendance. Additionally, Attorney’s Office staff provide a presentation covering Brown Act requirements.

Agenda Item 3 – Background and Scope of General Plan 4-Year Review:

Planning staff will present a brief overview of the Envision San José 2040 General Plan to provide overall context for the Task Force. The presentation will also include a detailed outline of the 4-Year Review scope as directed by the General Plan and City Council.

Agenda Item 4 – Four-Year Review Progress Report:

Staff will present the 4-Year Review Progress Report which details the City’s progress towards achieving key goals and policies set forth in the Envision San José 2040 General Plan, including information on land use and development patterns since the Plan’s adoption.

Agenda Item 5 – Presentation and Discussion on Urban Village Policy Modifications:

Overview of Urban Village Planning

The Envision San José 2040 General Plan promotes the development of Urban Villages to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth. There are 61 designated Urban Villages in the Envision 2040 General Plan (see Attachment A: Growth Areas and Urban Villages Horizon Map). Urban Villages are intended to be attractive to an innovative and economically diverse workforce, enhance established neighborhoods, and be consistent

with the Plan’s environmental goals. Development of vibrant, walkable, mixed-use Urban Villages at strategic locations throughout the City is key to achieving planned jobs and housing growth in a form consistent with the General Plan’s vision.

All 61 Urban Villages have been allocated planned jobs and housing growth based on their location, local development patterns, and other factors. In all, the General Plan plans for 82,760 new jobs and 60,583 new housing units in Urban Villages. The distribution of planned jobs and housing growth in Urban Villages and all other designated Growth Areas is detailed in Appendix 5 of the General Plan (<http://www.sanjoseca.gov/DocumentCenter/View/7541>). The development of planned jobs and housing growth in each Urban Village is implemented through the Urban Village Planning process, as established by implementation policies in Chapter 7 (IP-5.1 – IP-5.9) and Appendix 6 (Urban Village Planning Guidelines) of the General Plan.

The General Plan requires the preparation of comprehensive Urban Village plans that support the full amounts of planned job and housing growth capacity before issuance of entitlements for residential development within any of the Urban Villages. Without an approved Urban Village Plan, only non-residential development may proceed within Urban Villages, except for: 1) properties within Urban Villages with a currently underlying residential land use designation¹; 2) City Council approved “Signature Projects”; and 3) residential projects that are 100% affordable deed restricted to low income residents (earning 80% or less of the Area Median Income).

Consistent with the Community Based Planning Major Strategy, the preparation of Urban Village Plans provides for continued community involvement in the implementation of the General Plan and for land use and urban design issues to be addressed at a finer level of detail. Community meetings are convened by the Planning Division during Urban Village plan development, with regular participation from the Department of Transportation; Office of Economic Development; Housing; Parks, Recreation, and Neighborhood Services; and the Office of Cultural Affairs/Public Art. Policy IP-5.2 of the General Plan establishes a goal of one year to develop an Urban Village Plan, with the possibility of a longer process in order to conduct sufficient community engagement.

Presently, the City Council has approved 12 Urban Village Plans. These plans incorporate a form-based planning approach and provide more detailed information related to allowable uses, density, height, and FAR that are permitted within each Urban Village. In addition to the 12 approved Urban Village Plans, two Urban Villages are in progress, and three Urban Villages are funded and anticipated for initiation. Note that Southwest Expressway and Race Street Light Rail Urban Villages will be one combined Urban Village planning effort with two districts to reflect each Urban Village.

Table 1. Urban Village Plan Status

Urban Village Plan	Status	Anticipated Completion
The Alameda (Horizon 1)	Approved	Complete
Five Wounds (Horizon 2)	Approved	Complete
Alum Rock (Horizon 1)	Approved	Complete
East Santa Clara (Horizon 1)	Approved	Complete
Little Portugal (Horizon 1)	Approved	Complete

¹ Most sites within Horizon 2 and Horizon 3 Urban Villages have a Neighborhood/Community Commercial or other non-residential designation, so that new residential development is planned only to occur when the City commences the identified Plan Horizon for that Urban Village area.

Roosevelt Park (Horizon 1)	Approved	Complete
Stevens Creek (Horizon 1)	Approved	Complete
West San Carlos (Horizon 1)	Approved	Complete
Santana Row/Valley Fair (Horizon 1)	Approved	Complete
South Bascom North (Horizon 1)	Approved	Complete
Winchester Boulevard (Horizon 1)	Approved	Complete
24 th & William (Horizon 3)	Approved	Complete
Berryessa BART (Horizon 1)	In Progress	Summer 2020
N. 1 st Street (Horizon 1)	In Progress	Fall 2020
Southwest Expressway (Horizon 1)	To be Initiated	Spring 2021
Race Street Light Rail (Horizon 1)	To be Initiated	Spring 2021
Eastside Alum Rock/Alum Rock Ave (Horizon 1)	To be Initiated	Fall 2022

Urban Village Plan Horizons

Major Strategy #12, Plan Horizons and Periodic Major Review, establishes a framework to monitor achievement of key General Plan goals and the use of Plan Horizons to phase implementation of the Plan over time. Specifically, the General Plan provides a tool for phasing residential development within Urban Villages to carefully manage San José’s expected housing growth. Plan Horizons establish clear priorities for locations, type, and amount of new development in the Growth Areas; support efficient use of the City’s land resources and delivery of City services; and minimize potential environmental impacts.

The Envision San José 2040 General Plan Update Task Force identified Planning Horizon objectives that identified economic development, fiscal sustainability, and environmental leadership as the key goals for land use planning; and indicated that new growth capacity should be planned to strongly support transit use and to create walkable, Urban Village areas which incorporate retail and other commercial uses, public services and adequate infrastructure, including parks and public open spaces.

As key goals of the General Plan are to improve the Jobs-to-Housing balance and the City’s long-term fiscal health, proposals for commercial and other combinations of non-residential development in Urban Villages can be pursued at any time consistent with existing land use designations. However, to provide for residential development, the General Plan includes each Urban Village in a series of three incremental growth Horizons so that the amount of new housing and the City’s need to provide services for those new residents are increased gradually over the timeframe of the Plan.

Currently, the City is in Horizon 1. As specified in General Plan Policy IP-2.10 (Chapter 7, page 9), priority is given for new residential growth to occur in areas proximate to Downtown, with access to existing and planned transit facilities, and adequate infrastructure to support intensification, and proximate to other Growth Areas. The Policy IP-2.9 table below shows which Growth Areas are included within each Plan Horizon. Each Plan Horizon would open additional geographic areas to the possibility of residential development (See Attachment B: Urban Village Categories Map).

Table 2. Table from General Plan Policy IP-2.9

Base: Capacity for new housing development not regulated by Plan Horizons	<ul style="list-style-type: none"> • Downtown • Specific Plan areas • North San José • Vacant / underutilized lands • Residential neighborhoods • Existing entitlements
Horizon 1	<ul style="list-style-type: none"> • East Santa Clara Street • Alum Rock Avenue (King to 680) • West San Carlos Street • The Alameda • Berryessa BART Urban Village • North 1st Street • Race Street Light Rail • Southwest Expressway • Alum Rock Avenue (East of 680) • Stevens Creek Boulevard • Santana Row/Valley Fair • Winchester Boulevard • South Bascom Avenue (North)
Horizon 2	<ul style="list-style-type: none"> • Five Wounds BART • Local Transit (Existing) Urban Villages
Horizon 3	<ul style="list-style-type: none"> • Local Transit (Planned) • Commercial Corridors and Centers • Neighborhood Urban Villages

The General Plan’s Horizon policies include flexibility to allow the implementation of Urban Villages to be responsive to market conditions, while meeting overall Plan objectives by providing policies to move Urban Villages to the next Horizon. The two mechanisms to move Urban Villages to the next Horizon include the General Plan 4-Year Review and the Annual Performance Review.

General Plan Annual Review

As specified in General Plan Policy IP-3.5 below, the City Council, as part of the General Plan Annual Review, may consider modifying Urban Village Growth Areas, including creation of new Urban, removal of existing Urban Villages, modification of an Urban Village plan, modification of Growth Area boundaries, or modification of a Plan Horizon for an Urban Village.

IP-3.5 Annual Review may include consideration of required General Plan Amendments for proposals to modify identified Urban Village Growth Areas, including creation of new Urban Villages, removal of existing Urban Villages or modification of a Growth Area’s boundaries, or to modify the identified Plan Horizon for an Urban Village...

General Plan 4-Year Review

As part of the General Plan 4-Year Review process, and detailed in implementation Policy IP-2.5, the City Council considers whether the jobs/housing balance, fiscal sustainability, and infrastructure are sufficiently strong to move all Urban Villages in a future Horizon (Horizon 2 or Horizon 3) into the current Plan Horizon.

IP-2.5 During each Major Review of the Envision General Plan evaluate input provided by the reconvened Task Force and achievement of the following key General Plan goals to inform the City Council’s decision, regarding needed changes, to begin the next General Plan Horizon, or to increase the number of residential units available for non-specific Urban Village areas:

1. Jobs/Housing Balance – Demonstrate improvement of the City’s jobs to employed resident ratio (J/ER) consistent with achievement of 1.0 job per employed resident by 2025, and 1.1 jobs per employed resident by the year 2040.
2. Fiscal Sustainability – Demonstrate sustainable improvement above 2010 levels in the level of service for City services provided to the San José community.
3. Housing Supply – Verify that the current Planning Horizon contains adequate capacity to meet San José’s Regional Housing Needs Allocation for the upcoming 4-year term.
4. Infrastructure – Confirm that adequate infrastructure and service facilities, especially transit, exist or that a secure plan for them is in place to support the planned jobs and housing capacity in the current and contemplated Horizon.

Based on data from the current General Plan 4-Year Review, the J/ER ratio has remained relatively unchanged since adoption of Envision San José 2040. Planned housing capacity in Horizon 1 is adequate to meet the City’s current Regional Housing Needs Allocation (RHNA)². Current Horizon 1 Urban Villages are located in Bus Rapid Transit (BRT) corridors and station areas, along fixed rail transit, or corridors with frequent bus service.

Signature Projects

Signature Projects (Policy IP-5.10)

A Signature Project is a development proposal within an Urban Village area that clearly advances and can serve as a catalyst for the full implementation of the General Plan Urban Village strategy. For this reason, a residential, mixed-use Signature Project may also proceed ahead of preparation of a Village Plan. A Signature Project may be developed within an Urban Village designated as part of the current Plan Horizon, or in a future Horizon Urban Village area by making use of the residential Pool capacity (see below). Residential, mixed-use Signature projects must meet the following requirements to proceed within Urban Village areas in advance of the preparation of an Urban Village Plan:

² The California Department of Housing and Community Development and California Department of Finance (DOF) calculate statewide housing needs based upon population projections and regional population forecasts. The Association of Bay Area Governments (ABAG) then assigns the region’s housing allocation to each jurisdiction, known as the Regional Housing Needs Allocation or RHNA.

1. Within the Urban Village areas, Signature projects are appropriate on sites with an Urban Village, residential, or commercial Land Use / Transportation Diagram designation.
2. Incorporates job growth capacity above the average density of jobs/acre planned for the developable portions of the entire Village Planning area and, for portions of a Signature project that include housing, those portions incorporate housing density at or above the average density of dwelling units per acre planned for the entire Village Planning area.
3. Is located at a visible, prominent location within the Village so that it can be an example for, but not impose obstacles to, subsequent other development within the Village area.

Additionally, a proposed Signature project will be reviewed for substantial conformance with the following objectives:

4. Includes public parklands and/or privately maintained, publicly-accessible plazas or open space areas.
5. Achieves the pedestrian friendly design guideline objectives identified within this General Plan.
6. Is planned and designed through a process that provided a substantive opportunity for input by interested community members.
7. Demonstrates high-quality architectural, landscape and site design features.
8. Is consistent with the recommendations of the City’s Architectural Review Committee or equivalent recommending body if the project is subject to review by such body.

To date, the City has approved six Signature Projects (two of which are under construction) and one other Signature Project is currently being evaluated by Planning staff consistent with Policy IP-5.10, and all other applicable guidelines and regulations.

Table 3. Signature Projects

Project (File No.)	Residential Units	Commercial Square Feet	Status
Sparta Student Housing (PD15-044)	86	11,530	Under Construction
Volar (File No. PD15-059)	307	52,167	Approved
The Orchard (File No. PD16-025)	188	108,000	Under Construction
Stevens Creek Promenade (PD17-014)	582	243,000	Approved
AvalonBay West Valley (PD17-027)	300	17,800	Approved
Bascom Gateway Station (PD18-015)	590	276,894	Approved
Cambrian Park Plaza (PDC17-040)	340	265,000	Under Review

Residential Pool Capacity (Policy IP-2.11)

General Plan Policy IP-2.11 establishes a Residential Pool which allocates 5,000 housing units to be used within Urban Villages that have approved plans but are not within the current Horizon or are identified as Signature Projects. Projects using the Pool policy must conform to the corresponding Urban Village Plan, the site’s General Plan land use designation, and may not exceed the planned housing yield of the corresponding Urban Village Plan. If depleted, the 5,000 units may be replenished as part of the General Plan Four-Year Review per City Council direction. The projects listed in the table below have utilized the Pool capacity. As of November 2019, there are ~~2,880~~ 2,947 units remaining in the Residential Pool.

Table 4. Residential Pool

Project (File No.)	Units
Sparta Student Housing (PD15-044)	86
Volar (File No. PD15-059)	307
The Orchard (File No. PD16-025)	188
Stevens Creek Promenade (PD17-014)	582
AvalonBay West Valley (PD17-027)	300
Bascom Gateway Station (PD18-015)	590
William and 22nd St (PDA07-013-01)	67
Subtotal	2,120 2,053
Remaining	2,880 2,947

Staff Recommendations

Urban Village Boundary Modifications

Staff analyzed all existing Urban Villages and considered limited redistribution of planned jobs and housing growth based on market demand and other changes in the planning context, including removing certain urban villages or adding new urban villages.

Evergreen Village

Evergreen Village (V55) is a 49-acre Horizon 1 Neighborhood Village with a residential capacity of 385 units and 0 jobs. The Village is already almost entirely built out with single-family homes, townhomes, a thriving and recently updated shopping center and a highly used public plaza. There are two remaining opportunity sites for development; one is approximately 0.3 acres and designated Mixed-Use Neighborhood, just east of the pond and west of the shopping center and public plaza, while the other is a 1-acre site designated as Mixed-Use Neighborhood at the corner of Ruby Avenue and Aborn Road. Because the Urban Village is already established with active and fairly recent development and has limited opportunities for growth, an Urban Village planning effort for 385 units in this area would not be fruitful. Staff recommends eliminating this Urban Village.

Staff recommends moving 289 units of residential capacity from Evergreen Village to Downtown; the shift of residential capacity Downtown will be discussed further under a separate 4-Year Review scope of work item. The balance of 96 units are proposed to be moved to the Berryessa BART Urban Village as part of Council consideration of this Plan in the summer of 2020. Residential development on the remaining Evergreen Village properties designated Mixed-use Neighborhood could move forward

using existing capacities planned in the Evergreen Area. Evergreen and its Area Development Policy is a 4-Year Review scope item that the Task Force will discuss at its February meeting.

E. Capitol/Foxdale Drive

E. Capitol/Foxdale Dr (V52) is a Horizon 3 Neighborhood Village spanning 14 acres with a residential and jobs capacity of 170 units and 100 jobs. Approximately 95 percent of the Village is occupied by the Foxdale Village Apartments, while the other five percent is a recently developed commercial office. The Foxdale Village Apartments was built in 1970 and is a deed restricted affordable housing project that provides 114 rental housing units for low income families. Due to the Village's small size and existing uses, redevelopment of the Village is unlikely and undesirable, as it would displace existing low-income families from rent restricted affordable housing, which would be inconsistent with the General Plan's goals and policies related Affordable Housing.

Of the 170 units of residential capacity within the E. Capitol/Foxdale Drive Urban Village, one hundred units are proposed to be shifted to the Little Portugal Urban Village, with the balance of 70 units shifted to Downtown. Residential development is beginning to move forward in the Little Portugal Urban Village. One 71-unit affordable project was approved in 2017, and another 123-unit mixed-used residential project (File No. PD18-016) is currently under review and anticipated to be considered by Planning Commission in Fall 2020. If this additional project is approved, the Little Portugal Village would only have only 116 units of capacity remaining from the original 310-unit capacity. Staff recommends this shift of 100 units to this Horizon 1 Urban Village to allow for additional near term residential development to support the existing 522 Bus Rapid Transit line and future ridership at the planned 28th Street/Little Portugal BART station.

The 100 planned jobs (30,000 square feet) from the E. Capitol/Foxdale Drive Urban Village are proposed to be shifted to the S. Bascom (North) Urban Village. The S. Bascom (North) Village, which is in Planning Horizon 1 has an employment capacity of 1,000 new jobs, or 300,000 square feet of commercial space. In September 2019, the City Council approved the Bascom Station (Dick's Center) Signature Project for 200,000 square feet of commercial/retail uses, which exhausted two-thirds of the planned employment capacity of the Village on one site. Staff is proposing to shift the 100 planned jobs from the E. Capitol/Foxdale Drive Urban Village to the S. Bascom (North) Village to allow for future commercial development in other areas of the S. Bascom (North) Urban Village.

Race Street Light Rail Urban Village

The Race Street Light Rail (VR9) is a Horizon 1 Local Transit Village that consists of two parts: (A) west of Sunol, and (B) Reed & Graham Site. Reed & Graham is an asphalt and recycled aggregates corporation established at the site since 1928. It is one of only two remaining asphalt facilities in Santa Clara County and provides asphalt for public capital improvement and roadway maintenance projects, as well as for private development. The General Plan land use designation of the site is Neighborhood/Community Commercial, a designation that supports neighborhoods serving commercial uses and does not support residential. Given its location adjacent to elevated Interstate 280, the long standing industrial use of this property, as well as the industrial uses on adjacent properties, Urban Villages type uses and development, including residential development, are not suitable on this site. Additionally, the area east of Lincoln Avenue and west of the Reed & Graham site are existing industrial sites on land designated as Combined Commercial/Industrial and would not be locations that would be suitable for Urban Village type uses with the adjacent Graham & Reed site. Staff are therefore proposing to modify the Race Street Light Rail Urban Village boundary to remove

the Reed & Graham site and areas east of Lincoln Avenue from the Village, and not include consideration of the redevelopment of this property as part of the upcoming Race Street Urban Village Planning process.

Proposed Capitol Caltrain Station Urban Village

The San José City Council created the Monterey Corridor Working Group led by Councilmembers Maya Esparza and Sergio Jimenez in January 2019. The working group began meeting in May 2019 and is comprised of relevant stakeholders of the Monterey Corridor. The working group is studying issues and opportunities in the Monterey Corridor relating to blight removal and beautification, economic development, and transportation planning, and is developing a workplan to identify important improvements for the area over the next two years. Input staff has received from the working group related to land use planning includes building upon the Monterey corridors unique and eclectic surroundings through strategies that enhance and preserve existing uses and businesses and add housing to further create a sense of place, which would support transportation investments.

In their November 7, 2019 meeting, the Monterey Corridor Working Group considered adding a new Horizon 1 Urban Village on the east side of Monterey Road adjacent to the Capitol Caltrain station. This area is already planned for employment growth as part of the W. Capitol Expressway/Monterey Rd. Employment Lands Growth Area and adding residential capacity would allow mixed-use development adjacent to a current regional rail transit station. In October 2019, Caltrain's Board of Directors voted to adopt a long term 2040 Service Vision (business plan), which lays out an ambitious plan for growing service over the next 20-plus years. As part of this vision plan, service to the Capitol Caltrain Station is anticipated to increase significantly in the future, making this area a strategic node for mixed-use development.

The Monterey Corridor Working Group will meet in January 2020 and make an official recommendation to staff. Depending on the Working Group's recommendation, Staff may bring this proposal to the General Plan 4-Year Review Task Force Meeting in February 2020 for its consideration.

Staff Recommendation: Staff recommends the following changes:

- Remove the Evergreen Village and E. Capitol/Foxdale Dr.
- Redistribute planned housing units to the Little Portugal Urban Village and Downtown.
- Redistribute planned jobs to S. Bascom (North) Urban Village.
- Modify the boundary of the Race Street Light Rail Urban Village

See Attachment C for maps of proposed Urban Villages to be removed or added and Attachment D for a complete strikeout/underline version of staff's recommended text changes to General Plan.

Plan Horizons

Consistent with Policy IP-2.5, staff evaluated the City’s jobs/housing balance, level of service for City services, housing supply, and infrastructure to determine whether to move to the next Plan Horizon (Horizon 2). Most Horizon 1 Urban Villages are served by BRT, fixed rail transit, or located within regional transit station areas. However, the current jobs to employed residents ratio of 0.82 is only slightly higher than when the Envision 2040 General Plan was adopted in 2011, when the J/ER ratio was 0.80. Additionally, demand for City services has increased since 2011 as reflected by the Adopted Operating Budget each year. The City continues to provide services and infrastructure to meet the current needs and anticipate future needs from potential population growth. Furthermore, the current Horizon 1 Urban Villages and other base Growth Areas (i.e., Downtown and Specific Plan Areas) contain adequate capacity to meet the City’s Regional Housing Needs Allocation of 35,080 units. In total, the General Plan has capacity for 83,882 residential units in Horizon 1 Urban Villages and other base Growth Areas.

Based on staff experience developing Urban Village Plans in different Horizons, community support for growth and intensification has been stronger in Horizon 1 Urban Villages, which are in more urban areas of the City. Additionally, City Council directed staff in June 2018 as part of the Housing Crisis Workplan to move key Horizon 2 Urban Villages located along existing fixed rail or Bus Rapid Transit (BRT) into Horizon 1 to accelerate residential development. City Council also directed staff also to move the Winchester, Santana Row/Valley Fair, Stevens Creek, and South Bascom (North) Urban Villages from Horizon 3 to Horizon 1 because West San José is the location in San José where market rate housing development is most likely to break ground in the current market. In December 2018, as part of the 2018 General Plan Annual Review, City Council approved shifting four Horizon 2 urban villages and the four west San Jose villages to Horizon 1 (GPT18-007), effectively making 16,349 additional housing units available for development. As part of this Horizon shift, jobs and housing capacity did not change in these Urban Villages.

Table 5. GPT18-007 Shifted Urban Village Horizons

Urban Village Plan	Former Horizon	Planned Housing Units	Urban Village Plan Approved
North 1 st Street	2	1,345	No
Race Street Light Rail	2	2,080	No
Southwest Expressway	2	2,668	No
East Side Alum Rock	3	1,175	No
Stevens Creek Boulevard	3	3,852	Yes
Santana Row/Valley Fair	3	1,910	Yes
Winchester Boulevard	3	1,759	Yes
South Bascom Avenue (North)	3	1,560	Yes
Total		16,349	

Based on staff’s analysis of criteria identified in Policy IP-2.5 and Urban Village horizon shifts approved during the 2018 General Plan Annual Review, staff is not recommended a whole sale move to Horizon 2. However, staff is recommending shifting the Five Wounds BART (currently Horizon 2) and S. 24th St./William Ct. (currently Horizon 3) to Horizon 1.

The Five Wounds BART Urban Village is one of four Regional Transit Urban Villages and, of the three Villages placed in a Horizon, it is the only Village not in Horizon 1. The Five Wounds BART Village has a planned housing capacity of 854 units and 4,050 planned jobs. The S. 24th St./William Ct. Urban Village is located directly south of the Five Wounds BART Village adjacent to the future Alum Rock/28th Street BART station (also known as the 28th Street/Little Portugal BART Station), and has a planned housing and jobs capacity of 217 and 100, respectively. These two Urban Villages were not included in Horizon 1 with adoption of the General Plan because of the uncertainty about the funding and timeframe of the Silicon Valley BART extension reaching downtown San Jose. However, since the previous General Plan 4-Year Review, Santa Clara County voters approved Measure B in 2016, a 30-year, half-cent countywide sales tax to enhance transit, highways, expressways and active transportation (bicycles, pedestrians and complete streets), which allocated \$1.5 billion to VTA's BART Silicon Valley Phase II Downtown San Jose & Santa Clara, 6-mile, four station extension. In total VTA has secured over \$5.5 billion in funding for the BART Silicon Valley Phase II project, including a recent Federal Transit Administration's Pilot Program for Expedited Project Delivery (<https://www.transit.dot.gov/funding/grants/pilot-program-expedited-project-delivery-3005b>).

In addition, in December 2018, the City Council approved amendments to the Five Wounds BART and S. 24th St./Williams Ct. Urban Villages related to interim land use policies, and other minor updates. With approval of the updates, the City Council provided further direction to staff based on a memo from Mayor Liccardo and Councilmember dated November 30, 2018 to explore additional changes to the Five Wounds BART Urban Village Plan to allow certain key properties to develop as mixed-use projects in advance of the BART station.

Furthermore, VTA has released three draft Playbooks for the future 28th Street, Downtown, and Santa Clara BART stations to help encourage the development of Transit Oriented Communities (<https://www.vta.org/programs/transit-oriented-communities>). The Playbooks, which were developed in coordination with the City, put forth recommendations aimed at capitalizing on the multi-billion-dollar investment of the BART Silicon Valley Phase II extension. One of the recommendations in the draft Playbook for the 28th Street BART Station is to “move Five Wounds and 24th and William Urban Villages into Horizon 1 as part of the next 4-year review of the General Plan;” enabling mid-scale incremental residential development to occur on the outer edges of the station area prior to BART funding and construction to help meet housing needs in the short to medium term and help build the market that will attract desired commercial development.

For these reasons, staff is recommending shifting the Five Wounds BART and S. 24th St./William Ct. to Horizon 1. Shifting these two Villages to Horizon 1 would effectively make 1,062 additional housing units available for development.

Staff Recommendation: Staff does not recommend a move to Horizon 2 but recommends shifting the Five Wounds BART (currently Horizon 2) and S. 24th St./William Ct. (currently Horizon 3) to Horizon 1.

Horizon shifts will be reflected in Appendix 5 text changes proposed as part of Task Force Meeting #4 capacity shifts discussion.

Residential Pool Policy

Staff considered whether to reset the number of units in the Residential Pool to 5,000 to allow entitlement of residential projects within Urban Village areas not included within the current plan horizon. Since the adoption of the General Plan in 2011, only approximately 40 percent of the 5,000-unit residential pool was used.

The Pool was originally established to limit residential growth in areas not within the current Plan Horizon. The Envision San José 2040 General Plan was intended to focus on promoting job growth to fix the jobs/housing imbalance in the city; however, with the current regional housing crisis, this policy could be an additional and unnecessary hurdle in our need for more housing.

Additionally, all Urban Villages with adopted plans, with the exception of Five Wounds and 24th St./William Ct. that staff are recommending to shift to Horizon 1 as part of this General Plan Four-Year Review, are already in Horizon 1. Part of the intent of this policy is to allow projects to move forward in Villages with approved plans that are not in the current Horizon, so with this shift, there is little need for this policy.

Staff Recommendation: Staff recommends removing Policy IP-2.11, the Residential Pool policy to reduce housing growth barriers.

See Attachment D for a complete strikeout/underline version of staff's recommended text changes to General Plan Policy IP-2.11.

Urban Village Planning Implementation Policy IP-5.5

General Plan Implementation Policy IP-5.5 is focused on procedures for Urban Village plan development, specifically that Urban Village plans must include land uses that adequately plan for the full jobs and housing capacity planned for a Village. Staff propose modifications to General Plan Policy IP-5.5 to provide flexibility in the Urban Village planning process for establishing the location, timing and mix of residential and commercial development in an Urban Village Plan area. Policy IP-5.5, currently reads:

IP-5.5 Employ the Urban Village Planning process to plan land uses that include adequate capacity for the full amount of planned job and housing growth, including identification of optimal sites for new retail development and careful consideration of appropriate minimum and maximum densities for residential and employment uses to insure that the Urban Village Area will provide sufficient capacity to support the full amount of planned job growth under this Envision Plan. The Urban Village Plan should be consistent with the following objectives:

1. The Urban Village planning process is not a mechanism to convert employment lands to non-employment uses.
2. Other City policies such as raising revenues, for example which could occur through the conversion of employment lands to non-employment uses shall not take precedent over the jobs first principle.
3. The General Plan's jobs first principles apply to Urban Villages and that residential conversions are not allowed to proceed ahead of the job creation that is necessary to

balance the residential elements of the Village Plan. This policy means that jobs and housing can move together on a case by case basis.

The three objectives above were added to the Policy by the City Council through a General Plan text amendment (GPT14-004) in September 2014. The purpose of the text amendment was to strengthen the jobs first principles of the General Plan by providing clear direction on the jobs-first objectives that should be achieved as part of the preparation and implementation of an Urban Village plan.

While the purpose of the 2014 text amendment is consistent with General Plan goals and policies of employment land preservation and enhancement, it has resulted in barriers in land use planning during the development of Urban Village plans for establishing the location, timing and mix of residential and commercial development. Specifically, some Urban Village plans have included requirements to maintain a Village-wide base floor area ratio (FAR) of commercial space that must be analyzed during the development entitlement process. This can impact the ability of mixed-use development projects to move forward if a certain Village-wide FAR is not maintained, even if it is assumed that future development would balance residential and commercial uses. Additionally, this has limited the ability for staff and the community as part of the development of Urban Village plans to strategically recommend that some sites within Villages be allowed to develop as 100% residential projects.

Furthermore, since the current regional housing crisis is at the forefront of the City's current planning objectives, staff recommends that this policy should be amended to its original structure at adoption of the General Plan in 2011, which would effectively remove the three criteria listed above. This would allow more flexibility for housing and mixed-use development to move forward, while still planning for and accommodating the planned jobs and housing growth in Urban Villages.

Staff Recommendation: Staff recommends revising IP-5.5 to remove the listed three objectives, reverting it back to the original General Plan policy language.

See Attachment D for a complete strikeout/underline version of staff's recommended text changes to General Plan Policy IP-5.5.

Urban Village Planning Implementation Policy IP-5.10 (Signature Project Policy)

Based on experience implementing Implementation Policy IP-5.10, known as the Signature Project Policy, and feedback from applicants; staff analyzed ways to modify the policy to establish appropriate, clear, and more predictable minimum residential densities and minimum commercial requirements for Signature Projects, based on General Plan Urban Village typologies. Since adoption of the General Plan, specific requirements given to Signature Projects can have the appearance of being subjective and inconsistent. The proposed modifications would provide clear, objective, and consistent standards for a Signature Project.

The Signature Project Policy allows residential and mixed-use Signature Projects in an Urban Village to proceed in advance of preparation of an Urban Village Plan under these conditions:

- **Compatibility:** Located on a site with an Urban Village, residential, or commercial land use designation.
- **Density:** Provides above average job and housing density for the Urban Village

- **Location:** Located at a visible, prominent location
- **Open Space:** Includes publicly-accessible plazas or open space areas
- **Pedestrian Orientation:** Achieves pedestrian-friendly design guidelines of the General Plan
- **Community Outreach:** Provides substantive opportunity for community input
- **Design:** Demonstrates high-quality architectural, landscape, and site design features and is consistent with recommendations from the City's Urban Design Review process

Staff recommends refining each of these requirements by Urban Village typology to achieve the goals and vision set for each Urban Village category and to refine the policy to include objective and measurable standards. Each Urban Village is assigned one of the following categories:

- **Regional Transit Urban Villages:** Planned at locations with unique access to major transit facilities of regional significance. Because these locations have a large public investment in transit facilities and are regionally accessible, they are envisioned to have the highest feasible concentration and density, with emphasis on employment growth to support the Regional Employment Center Strategy.
- **Local Transit Villages:** Located along light rail or bus rapid transit facilities and planned for a balanced mix of job and housing growth at relatively high densities with greater emphasis placed upon building complete communities while supporting use of the local transit system.
- **Commercial Corridor and Center Urban Villages:** Planned to take advantage of the redevelopment potential for existing, underutilized commercial sites. These sites usually have some access to transit but were identified primarily because of their redevelopment potential.
- **Neighborhood Urban Villages:** Planned to enhance established neighborhoods by integrating a mix of uses, including retail, food markets, offices, public services, housing, places of worship, public parks and plazas, within or adjacent to existing or emerging neighborhoods.

Past Signature Projects were analyzed to determine the average residential units and commercial square footage required and provided, and these values were used to inform the following recommended updates to the Signature Project Policy:

- **Location:** Located on a corner lot, or an interior parcel at least three acres or greater with a minimum of 150 feet of street frontage.

Staff recommends a prominent location or a site with a minimum size and frontage for viability of the commercial component required in a Signature Project. Projects located at intersections or with more frontage have better visibility and therefore a better chance at success. Signature Projects are also intended to be a cornerstone project for an Urban Village area and shall be in a location where it is most visible to passersby.

- **Job Density:** Provide jobs density above the average by the following minimum increments:
 - Neighborhood Village: 5%
 - Local Transit Village: 10%
 - Commercial Corridor and Center Village: 10%
 - Regional Transit Urban Village: 15%
 - Added size requirement:
 - 5 to 10 acres: Provide 5% additional
 - Greater than 10 acres: Provide 10% additional

Staff analyzed Signature Projects approved and under review to determine the recommended requirements. So far, Signature Projects have only been submitted and approved in Commercial Corridor and Center Urban Villages and Local Transit Villages. On average, Signature Projects in both Commercial Corridor and Center Urban Villages and Local Transit Villages provided approximately 40 percent above the Urban Village's fair share of commercial square footage. Signature Projects on larger sites tended to provide more above the Village's average than those on smaller sites. Additionally, staff recommends more commercial square footage on larger site because those sites can accommodate more when compared to less flexibility on smaller project sites. Based on past projects, future Signature Project developers should have no problem providing the additional commercial square footage recommended by staff.

- **Housing Density:** Provide a minimum residential density of:
 - Neighborhood Village: 30 DU/AC
 - Local Transit Village: 55 DU/AC
 - Commercial Corridor and Center Village: 55 DU/AC
 - Regional Transit Urban Village: 75 DU/AC

Staff recommends minimum residential densities to meet the vision of each Urban Village typology. As mentioned earlier, Neighborhood Villages are within established mostly residential neighborhoods and therefore has a less dense minimum of 30 dwelling units per acre. Local Transit Villages and Commercial Corridor and Center Villages have larger opportunity sites or provides an opportunity to support the local transit system and would have a higher density of 55 dwelling units per acre. Regional Transit Urban Villages have access to transit with regional significance and are recommended with the highest density and 75 dwelling units per acre, which is also the minimum residential density requirement established by VTA and BART.

- **Open Space:** Includes either public parkland or publicly-accessible plazas or open space areas. If providing publicly-accessible plazas or open space areas, the minimum sizes are:
 - Neighborhood Village: 2,000 square feet
 - Local Transit Village: 5,000 square feet
 - Commercial Corridor and Center Village: 5,000 square feet
 - Regional Transit Urban Village: 10,000 square feet

Staff recommends the minimum sizes above based on existing policies and based on the amount of open space provided by past Signature Projects. Policies in the West San Carlos, South Bascom, The Alameda, and East Santa Clara Street Urban Village Plans have required a minimum size of 2,000 square feet for all publicly-accessible open space, which staff used as the recommended requirement in Neighborhood Village Signature Projects. Past Signature Projects have provided an average of approximately 47,000 square feet of publicly accessible open space; therefore, the staff recommended open space minimum sizes should be attainable by potential developers.

- **Pedestrian Orientation and Design:** Compliance with the following City policies:
 - Standards of the Citywide Design Guidelines
 - Complete Streets Design Guidelines

Staff recommends compliance with standards in City policies because they are objective and measurable. The Urban Design Review Process that was required prior may be subjective and unclear. Developers of Signature Projects have a clear path forward in how a project should be designed with the requirement to comply to the standards of those documents.

- **Community Outreach:** Provide two or more City-hosted project community meetings

Staff recommends a minimum of two City-hosted project community meetings because this has been the standard protocol for most Signature Projects. More public meetings may lead to a project with more public acceptance, but a minimum of two meets a balance of staff resourcing and public approval.

To summarize, staff's intended outcome of the recommended modifications to Policy IP-5.10 is to provide clear, objective, and consistent standards for a Signature Project.

Staff Recommendation: Staff recommends updates to Policy IP-5.10 as detailed above to establish clear and objective standards for Signature Projects to move forward.

See Attachment D for a complete strikeout/underline version of staff's recommended text changes to General Plan Policy IP-5.10.

Agenda Item 6 – Public Comment

Members of the community will be provided with an opportunity to address the Task Force and provide input on the Agenda discussion items.

Reading/Resource Materials

To provide additional background materials for the November 20, 2019 meeting, a number of reading materials are included in the meeting packet related to the 4-Year Review Process. These materials are required reading, and include:

- Task Force Meeting Agenda
- 4-Year Review Schedule and Outline of Task Force Meetings
- Task Force Roles and Responsibilities
- Scope of Envision San José 2040 4-Year Review
- Envision San José 2040 4-Year Review Progress Report (November 13, 2019)

Next Meeting

The next meeting is scheduled for Wednesday, December 18, 2019. The first half of the meeting will be dedicated to continued discussion on Urban Village implementation policy updates. The Task Force will then provide a recommendation on Urban Village implementation policy changes. The latter half of the meeting is reserved for a presentation on staff recommended housing policy changes, and an overview of the Opportunity Housing scope of work item.

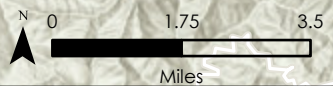
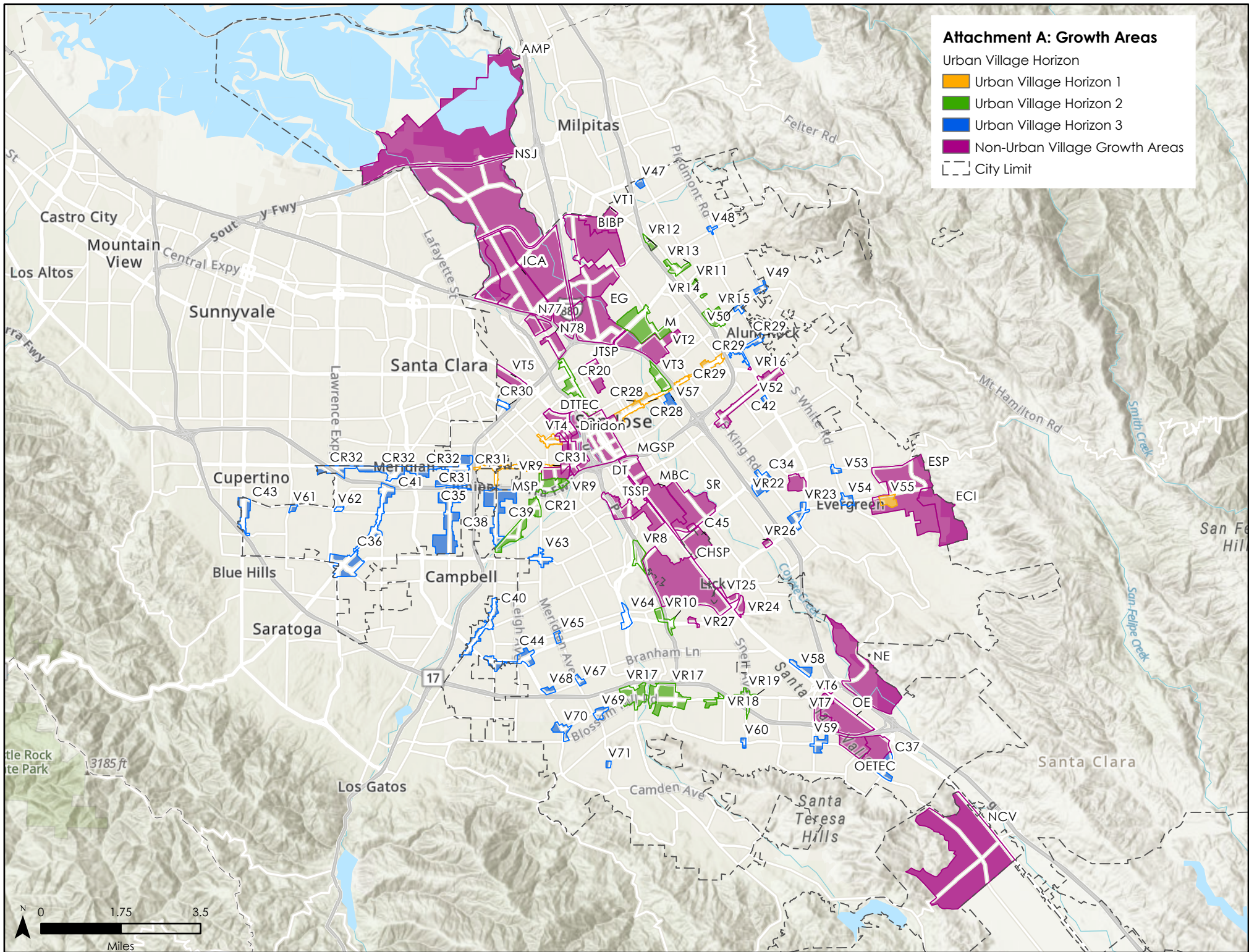
If you have any questions, please contact either myself or Kieulan Pham. I can be reached by phone at (408) 535-7896 or by email at: jared.hart@sanjoseca.gov. Kieulan can be reached by phone at (408) 535-3844 or by email at: kieulan.pham@sanjoseca.gov.

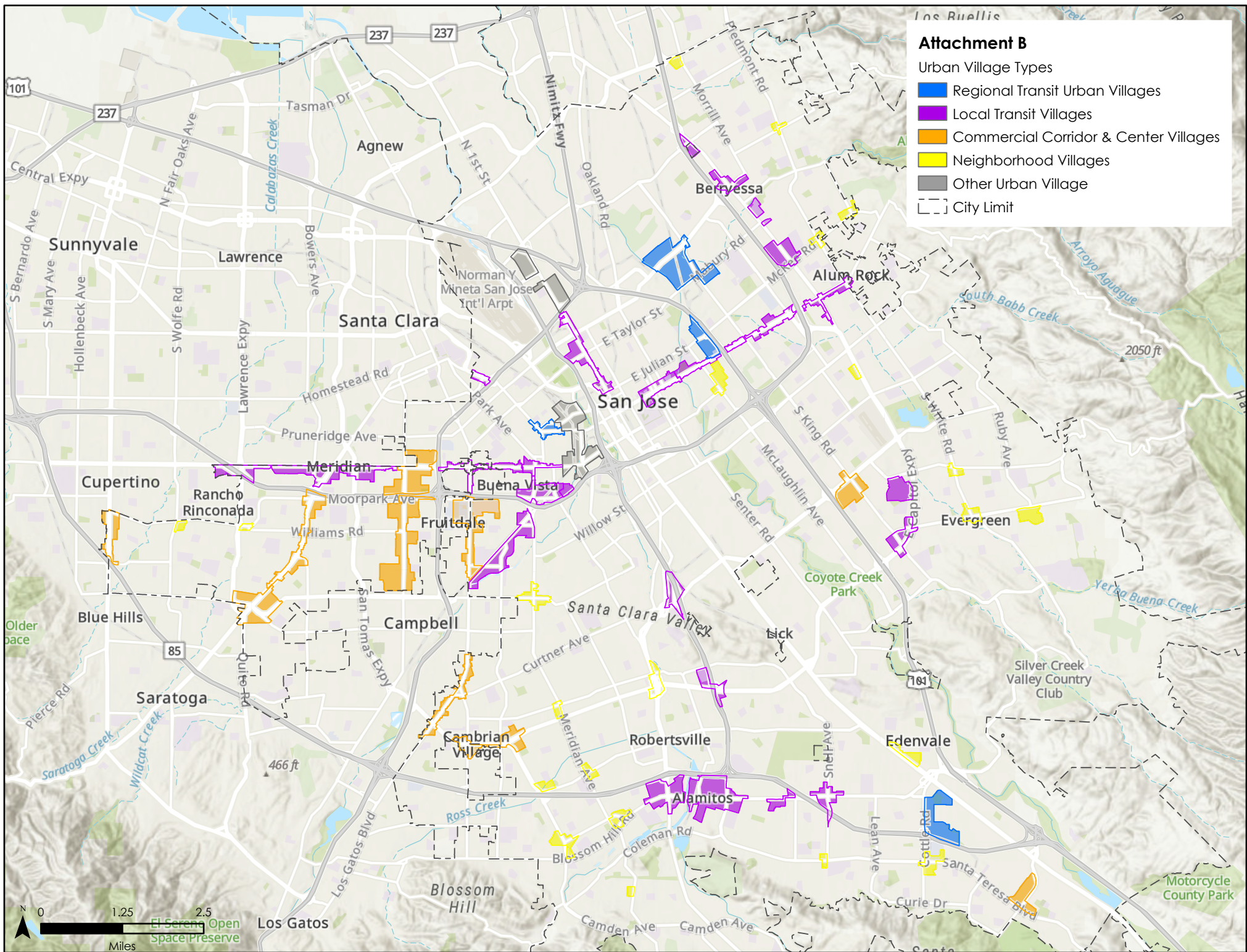
Jared Hart
Division Manager

- Attachment A: Map of Growth Areas
- Attachment B: Map of Urban Village Types
- Attachment C: Urban Village Boundary Modifications
- Attachment D: Staff Recommendations on Urban Village Policies (strikeout/underline format)

Attachment A: Growth Areas

- Urban Village Horizon
- Urban Village Horizon 1
- Urban Village Horizon 2
- Urban Village Horizon 3
- Non-Urban Village Growth Areas
- City Limit

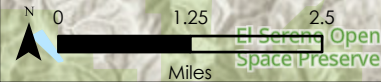




Attachment B

Urban Village Types

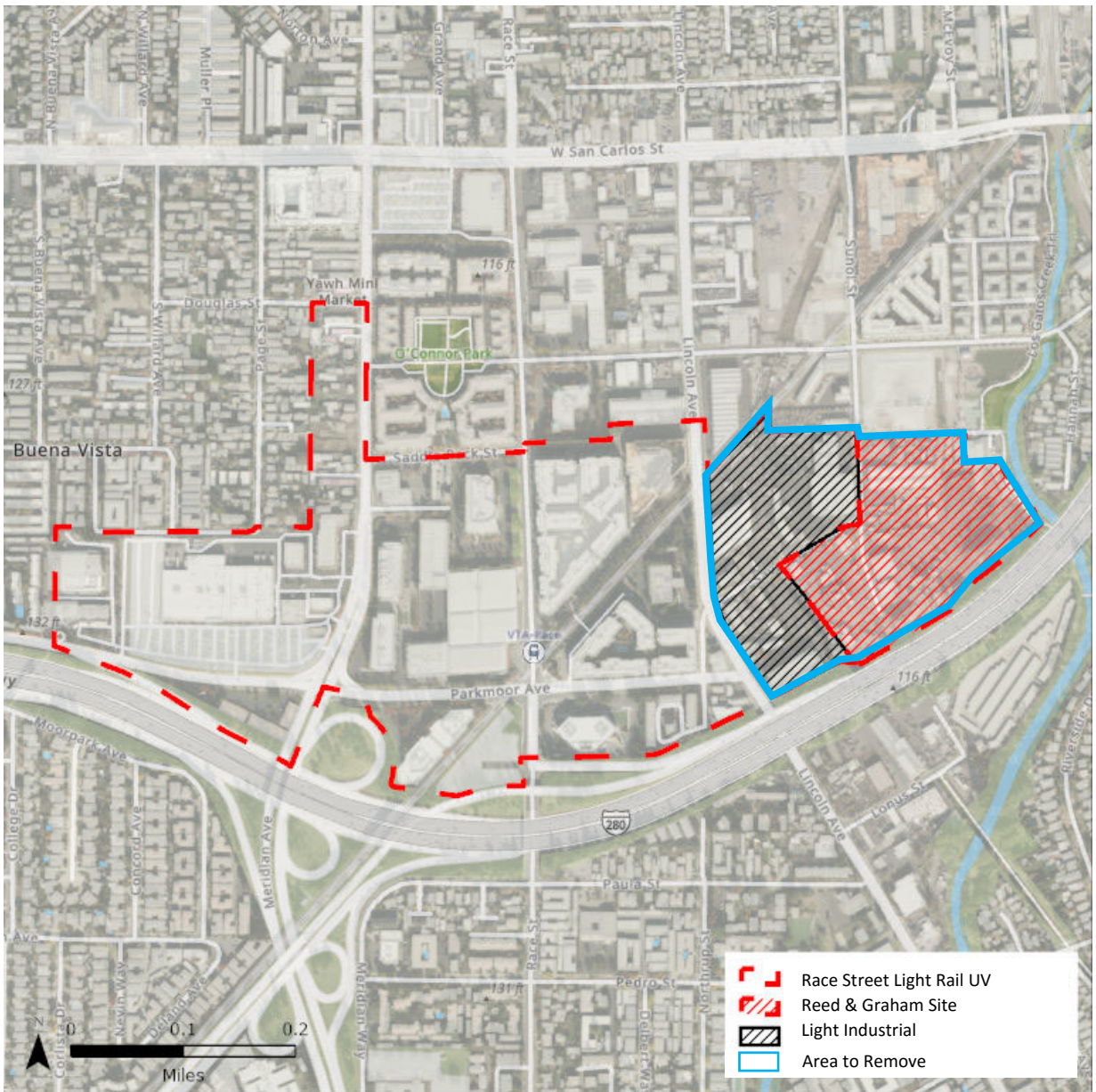
- Regional Transit Urban Villages
- Local Transit Villages
- Commercial Corridor & Center Villages
- Neighborhood Villages
- Other Urban Village
- City Limit



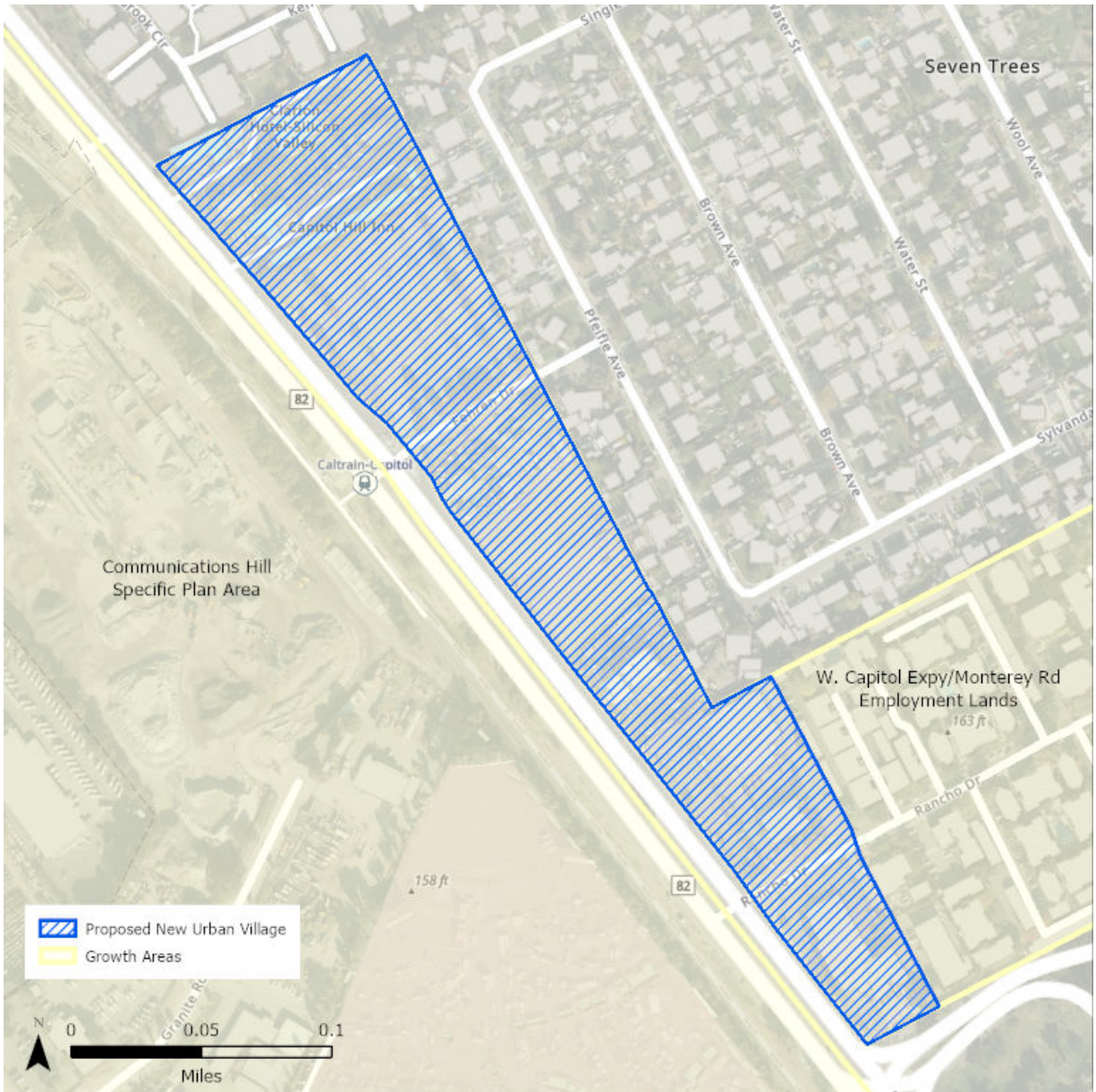
2. Remove E. Capitol/Foxdale Dr (V52)



3. *Modify the boundary of Race Street Light Rail Urban Village (VR9)*



4. Consider creating new Urban Village adjacent to the Capitol Caltrain Station (to be revisited at the February 2020 Task Force meeting after the Monterey Corridor Working Group Meeting in January 2020)



Attachment D

Staff Recommendations on Urban Village Policies

1. *Recommendation: Remove Policy IP-2.11 (Residential Pool Policy)*

Chapter 7, “Implementation”, Page 9

~~Policy IP-2.11~~

~~Provide a “Pool” of residential unit capacity which may be allocated to allow entitlement of residential projects within Urban Village areas not included within the current Plan Horizon, and for Signature Projects as defined in Policy IP-5.10, that are part of the current Plan Horizon or in a future Horizon. This Pool is initially established as 5,000 units, and may be replenished as part of a General Plan Major Review. The 5,000-unit Pool is not additional capacity to the General Plan’s planned housing yield, but instead is drawn from the respective Urban Village’s planned housing yield when utilized. Projects receiving allocation must conform to the Land Use / Transportation Diagram and advance the goals and policies of the respective Urban Village Plan. Preparation of an Urban Village Plan for the subject Urban Village is necessary prior to allocation of these units unless the project qualifies as a Signature Project in a future Horizon Urban Village.~~

Chapter 7, “Implementation”, Page 19

Policy IP-5.12

Residential projects that are 100% affordable deed restricted by a public entity for a period not less than 55 years to low income residents (earning 80% or less of the Area Median 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 the following criteria:

1. The project does not result in more than 25% of the total residential capacity of a given Urban Village being developed with affordable housing ahead of that Village’s Growth Horizon. For Villages with less than a total housing capacity of 500 units, up to 125 affordable units could be developed, however the total number of affordable units cannot exceed the total planned housing capacity of the given Village.
2. The development is consistent with the Urban Village Plan for a given Village, if one has been approved by the City Council.
3. Development that demolishes and does not adaptively reuse existing commercial buildings should substantially replace the existing commercial square footage.
4. The project is not located on identified key employment opportunity sites, which are sites generally 2 acres or larger, located at major intersections and for which there is anticipated market demand for commercial uses within the next 10 to 15 years.
5. ~~Affordable housing projects built in Villages under this policy would not pull from the residential Pool capacity.~~

2. *Recommendation: Revise Policy IP-5.5 (Urban Village Development)*

Policy IP-5.5 Revisions (Chapter 7, “Implementation”, Page 18)

Policy IP-5.5

Employ the Urban Village Planning process to plan land uses that include adequate capacity for the full amount of planned job and housing growth, including identification of optimal sites for new retail development and careful consideration of appropriate minimum and maximum densities for residential and employment uses to ensure that the Urban Village Area will provide sufficient capacity to support the full amount of planned job growth under this Envision Plan. ~~The Urban Village Plan should be consistent with the following objectives:~~

- ~~1. The Urban Village planning process is not a mechanism to convert employment lands to non-employment uses.~~
- ~~2. Other City policies such as raising revenues, for example which could occur through the conversion of employment lands to non-employment uses shall not take precedent over the jobs first principle.~~
- ~~3. The General Plan’s jobs first principles apply to Urban Villages and that residential conversions are not allowed to proceed ahead of the job creation that is necessary to balance the residential elements of the Village Plan. This policy means that jobs and housing can move together on a case by case basis.~~

Recommended Policy IP-5.5

Policy IP-5.5

Employ the Urban Village Planning process to plan land uses that include adequate capacity for the full amount of planned job and housing growth, including identification of optimal sites for new retail development and careful consideration of appropriate minimum and maximum densities for residential and employment uses to ensure that the Urban Village Area will provide sufficient capacity to support the full amount of planned job growth under this Envision Plan.

3. Recommendation: Revise Policy IP-5.10 (Signature Project Policy)

Policy IP-5.10 Revisions (Chapter 7, “Implementation”, Page 19)

Policy IP-5.10

Allow non-residential and mixed-use (with residential) developments to proceed within Urban Village areas prior to the adoption in advance of the preparation of an Urban Village Plan in any of the three Plan Horizons as a “Signature Project.” ~~In addition, a residential, mixed-use “Signature” project may also proceed ahead of preparation of a Village Plan. A~~ The Signature Project shall act as a catalyst for future development within the Urban Village, as prescribed in General Plan Major Strategy #5: Urban Villages. elearly advances and can serve as a catalyst for the full implementation of the Envision General Plan Urban Village strategy. A Signature project may be developed within an Urban Village designated as part of the current Plan Horizon, or in a future Horizon Urban Village area by making use of the residential Pool capacity. A residential, mixed-use Signature project may proceed within Urban Village areas in advance of the preparation of an Urban Village Plan if it fully meets the following requirements:

A signature project shall:

1. Within the Urban Village areas, Signature projects are appropriate Locate on a sites with an urban village with a Land Use / Transportation Diagram designation of Urban Village, residential, or commercial Land Use / Transportation Diagram designation.
2. Incorporates job growth capacity above the average density of Exceed projections of jobs/acre planned for the developable portions of the entire Village Planning area (see Appendix 5) with 5% more for Neighborhood Villages; 10% for Local Transit and Commercial Corridor and Center Villages; and 15% for Regional Transit Urban Villages. Additionally, regardless of urban village type, additional commercial is required as follows for a project site if: project site is between five and up to 10 acres in size must provide additional 5%; project site is between above 10 acres provide additional 10%. This additional percentage is a cumulative amount with the original above and beyond requirement.

and, for portions of a Signature project that include housing, those portions incorporate housing density at or above the average density of dwelling units per acre planned for the entire Village Planning area. The commercial/office component of the Signature project must be constructed before or concurrently with the residential component.

In addition, projects including residential units shall exceed densities of 30 dwelling units per acre for projects in Neighborhood Villages, 55 dwelling units per acre for projects in Local Transit an Commercial Corridor and Center Villages, and 75 dwelling units per acre for projects in Regional Transit Villages.

3. Is + Located at a visible, prominent strategic location within the urban village area to serve as an example for future development. so that it can be an example for, but not impose obstacles to, subsequent other development within the Village area. Strategic locations shall be defined as a corner within the village, or an interior parcel of at least three acres with at

least 150 feet of street frontage. A signature project shall not result in the creation of remnant parcels of less than one acre.

Additionally, a proposed Signature project will be reviewed for substantial conformance with the following objectives:

4. Include ~~public parklands and/or privately maintained~~, publicly-accessible ~~plazas or~~ open space areas (such as a public park or privately-maintained plaza). Size requirements for a privately-maintained open space are as follows: at least 2,000 square feet for Neighborhood Urban Villages; at least 5,000 square feet for Local Transit and Commercial Corridor and Center Urban Villages; and at least 10,000 square feet for Regional Transit Urban Villages.
5. ~~Achieves the pedestrian friendly design guideline objectives identified within this General Plan. Comply with the City's urban village mixed-use zoning district and Citywide Design Guidelines design standards. Implement elements of pedestrian-friendly design and execute design goals identified in this General Plan (See Major Strategy #6: Streetscape for People, Complete, Complete Street guidelines, and Urban Design Guidelines).~~
6. ~~Is planned and designed through a process that provided a substantive opportunity for input by interested community members. Document feedback from Village area residents regarding design of the project to reflect character and identity of Village. Provide a minimum of two community meetings to collect feedback from village residents of the design and quality of the project.~~
7. ~~Demonstrates high-quality architectural, landscape and site design features.~~
8. ~~Is consistent with the recommendations of the City's Urban Design Review process or equivalent recommending process if the project is subject to review by such a process.~~

Recommended Policy IP-5.10

Allow non-residential and mixed-use (with residential) development to proceed within Urban Village areas prior to the adoption of an Urban Village Plan in any of the three Plan Horizons as a "Signature Project." The Signature Project shall act as a catalyst for future development within the Urban Village, as prescribed in General Plan Major Strategy #5: Urban Villages. A signature project shall:

1. Locate on a site with an urban village with a Land Use / Transportation Diagram designation of Urban Village, residential, or commercial.
2. Exceed projections of jobs/acre planned for the developable portions of the entire Village Planning area (see Appendix 5) with 5% more for Neighborhood Villages; 10% for Local Transit and Commercial Corridor and Center Villages; and 15% for Regional Transit Urban Villages. Additionally, regardless of urban village type, additional commercial is required as follows for a project site if:
project site is between five and up to 10 acres in size must provide additional 5%;
project site is between above 10 acres provide additional 10%. This additional percentage is a cumulative amount with the original above and beyond

requirement. In addition, projects including residential units shall exceed densities of 30 dwelling units per acre for projects in Neighborhood Villages, 55 dwelling units per acre for projects in Local Transit and Commercial Corridor and Center Villages, and 75 dwelling units per acre for projects in Regional Transit Villages.

3. Locate at a strategic location within the urban village area to serve as an example for future development. Strategic locations shall be defined as a corner within the village, or an interior parcel of at least three acres with at least 150 feet of street frontage. A signature project shall not result in the creation of remnant parcels of less than one acre.
4. Include publicly-accessible open space areas (such as a public park or privately-maintained plaza). Size requirements for a privately-maintained open space are as follows: at least 2,000 square feet for Neighborhood Urban Villages; at least 5,000 square feet for Local Transit and Commercial Corridor and Center Urban Villages; and at least 10,000 square feet for Regional Transit Urban Villages.
5. Comply with the City's urban village mixed-use zoning district and Citywide Design Guidelines design standards. Implement elements of pedestrian-friendly design and execute design goals identified in this General Plan (See Major Strategy #6: Streetscape for People, Complete, Complete Street guidelines, and Urban Design Guidelines).
6. Document feedback from Village area residents regarding design of the project to reflect character and identity of Village. Provide a minimum of two community meetings to collect feedback from village residents of the design and quality of the project.