

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

**FROM: Jared Hart**

**SUBJECT: December 18, 2019  
TASK FORCE MEETING**

**DATE: December 11, 2019**

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This memo provides information to assist you in preparation for the December 18, 2019 Envision San José 2040 Task Force meeting. 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/GeneralPlanReview>).

The following is a summary of agenda items for the December 18, 2019 Task Force meeting:

### **Agenda Item 2 – Follow-Up Presentation on Urban Village Policy Changes and Public Comment**

Staff will present a refresher on the Urban Village concept and implementation policies to provide clarifications and follow-up on questions from Task Force members.

Task Force members and the public will discuss and provide final comments on Urban Village policy changes.

#### *Follow-Up Urban Village Items from the November 20, 2019 Meeting*

Following staff's presentation at the November 20, 2019 Task Force meeting, Task Force members were given the opportunity to comment and ask questions regarding staff's proposed revision to the Urban Village policies. Below is a summary of the Task Force members' comments and questions and staff's responses. An informational handout on Urban Villages is referenced in Attachment A.

#### **Urban Village Boundaries**

1. Reed & Graham is a resource essential to urban development. Can we help them find them a better location in San José?

*Staff recommended revising the Race Street Light Rail Local Transit Village boundary to exclude the Reed & Graham site and the industrial area just west of the site and east of Lincoln Avenue.*

*Reed & Graham was established in the 1940s at its current location. It has operated among other industrial uses until the last decade where residential and recreational uses, typically deemed as a conflicting land uses to industrial, have developed adjacent to the Reed & Graham site. This is a common issue not only in San José, but also other jurisdictions across*

*California that have areas for industrial uses where newer residential development encroaches. Unfortunately, many industrial uses are displaced because of this incompatible land use pattern.*

*While staff could assist Reed & Graham in finding a suitable relocation site, staff anticipates many challenges in finding viable sites in San Jose, given that there is limited remaining heavy industrial land in the city.*

*Staff has confirmed with Reed & Graham's executive management that their business is thriving, and that they have no current plans to re-locate. Additionally, Reed & Graham is one of two remaining asphalt plants in the South Bay (with the other located in the City of Santa Clara) and their closure would result in negative economic and environmental impacts by raising construction costs across the Bay Area including for the City's own projects, and increasing greenhouse gas emissions from increasing construction truck vehicle miles traveled.*

2. Urban Villages near fixed rail or high-frequency transit stops do not capture the full walk/bike shed from the transit stop. Staff should revise Urban Village boundaries to include the walk/bike sheds from the transit stop.

*VTA defines walk shed as 0.5 miles and bike shed as 3 miles. The analysis to evaluate the walk and bike shed for all Urban Villages is extensive and would need to be done as part of each individual Urban Village planning process when boundary modifications are explored. Including the walk and bike sheds within Urban Village boundaries would result in villages that incorporate large areas of existing single-family residential properties since many Urban Village are comprised of commercial corridors and shopping centers that are surrounded by single-family neighborhoods. As an alternative to this suggestion, staff will conduct this analysis as part of the Urban Village planning process and seek feedback from community members, VTA and other stakeholders on any proposed boundary expansions or modifications.*

3. Are there other Urban Villages like E. Capitol/Foxdale Drive that have similar affordable housing characteristics?

*Staff has identified 27 other Urban Villages with existing deed-restricted affordable housing developments; however, affordable housing developments occupy a relatively small part of the overall area of these other Urban Villages. The E. Capitol/Foxdale Drive Neighborhood Village is a unique situation in which the footprint of the deed-restricted affordable housing development is 95 percent of the Urban Village.*

*Staff have inventoried existing and upcoming deed-restricted affordable housing, as well as Ellis Act properties in Urban Villages, and an Affordable Housing Baseline Analysis is prepared as part of the Urban Village planning process. At the start of the planning process, staff will consider removing deed restricted affordable housing sites and Ellis Act properties from the boundary to protect them from redevelopment or include robust policies that protect*

*existing affordable housing from redevelopment if they are kept within the Urban Village boundary.*

*The City has other policies to protect affordable housing including, but not limited to, the Ellis Act Ordinance, Apartment Rent Ordinance, and Inclusionary Housing Ordinance. The Ellis Act Ordinance applies when a landlord or developer plans to demolish or remove rent-stabilized apartments from the rental market. This ordinance requires 50% of new apartments built on the site of previously rent-stabilized apartments be subject to the Apartment Rent Ordinance. Under the Apartment Rent Ordinance, rent increases may only be given once in a twelve-month period and the maximum annual allowable increase is 5%. The Inclusionary Housing Ordinance requires all residential developers who create new, additional, or modified for-sale or rental units to provide 15% of housing on-site that is affordable to income qualified buyers/renters. The base obligation is where 15% of the inclusionary units are provided on-site. Developers may pay an in-lieu fee if they cannot provide the inclusionary units.*

#### Growth Horizons

4. Why do we have Horizons and how do they work? Do we need them? Can we eliminate and/or accelerate horizons for more flexibility and to encourage more housing development?

*The Envision San José 2040 General Plan Update Task Force identified a tool for phasing residential development and prioritizing planning within Urban Villages to manage San José's expected housing growth. Plan Horizons establish priorities for development of Urban Village plans and location of new housing growth that supports efficient use of the City's land resources and delivery of City services, and supports the existing and future transportation network to minimize potential environmental impacts particularly related to greenhouse gas emissions.*

*Urban Village Growth Horizons are outlined in the Envision San José 2040 General Plan in three horizons. The horizons are ranked by priority, with Horizon 1 being where development has access to existing and planned transit facilities, and adequate infrastructure to support intensification (near Downtown), Horizon 2 being Villages located at light rail and planned heavy rail stations, and Horizon 3 being Villages where development is expected to occur much later (suburbs). The City is currently in Horizon 1, primarily due to the shifting of individual Urban Villages from Horizons 2 and 3 into Horizon 1 due to market demand and prioritization of Urban Village plan preparation for Villages along Light Rail. Major Strategy #12 of the General Plan requires Staff to review the horizons periodically as part of the General Plan 4-Year Review to guide new development to priority growth areas and facilitate community engagement.*

*As part of this 4-Year Review, staff recommended shifting the Five Wounds BART (currently Horizon 2) and S. 24th St./William Ct. (currently Horizon 3) to Horizon 1. However, many Task Force members expressed that they would like to see horizons eliminated to catalyze development.*

*While Horizons function as an overall framework for phasing residential growth within the timeframe of Envision 2040, the General Plan establishes policies to allow residential projects both within the current or future Growth Horizons to proceed if there is:*

- (1) **An approved Urban Village Plan:** If a plan is approved for an Urban Village, residential projects can move forward consistent with the approved Urban Village plan, regardless of the Village’s Growth Horizon. Projects in future Growth Horizons be limited by the Residential Pool Policy IP-2.11 at a cumulative total of 5,000 units, however, staff is recommending eliminating the Residential Pool Policy.*
- (2) **The project is on a site with a residential General Plan land use designation:** Residential development projects may move forward on properties with an underlying residential General Plan land use designation regardless of whether there is an approved Urban Village Plan or the Urban Village’s Growth Horizon.*
- (3) **The project qualifies as a Signature Project:** Residential mixed-use Signature Projects that meet defined criteria serve as a catalyst and advance implementation of the Urban Village strategy and are allowed in any Growth Horizon ahead of the preparation of an Village Plan.*
- (4) **The project is a 100% deed restricted affordable housing development:** One-hundred percent deed restricted affordable housing projects that meets certain criteria may proceed in any Urban Village regardless of whether there is an approved Urban Village Plan or the Urban Village’s Growth Horizon.*

*The table below summarizes when market rate residential projects, Signature Projects, and 100% deed restricted affordable housing projects may proceed based on the Growth Horizon and whether there is an approved Urban Village Plan.*

*Table 1: Types of Projects that Can Proceed Based on Growth Horizon and Approved Urban Village Plan*

<b>Type of Project</b>	<b>Current Horizon (Can Project Proceed –Yes/No)</b>		<b>Future Horizon (Can Project Proceed –Yes/No)</b>	
	<b>With Approved UV Plan</b>	<b>Without Approved UV Plan</b>	<b>With Approved UV Plan</b>	<b>Without Approved UV Plan</b>
<b>Market-Rate Residential or Mixed-Use Residential Project</b>	Yes	No	Yes	No
<b>Signature Project</b>	NA	Yes	NA	Yes
<b>100% Deed Restricted Affordable Housing Project</b>	Yes	Yes	Yes	Yes

*As summarized above, the key determinant for market-rate residential projects proceeding in Urban Villages is the approval of an Urban Village plan. Only Signature Projects, projects on lands with residential General Plan designations, and 100% deed restricted affordable housing projects can move forward in an Urban Village without an approved plan. Eliminating Horizons would remove the general geographical approach to phasing of residential development in Urban Villages and the broad prioritization of where and when to focus Urban Village planning processes. Removing the Horizons, in and of itself, would not, however, change the parameters of when residential development could move forward in Urban Villages. Removal of Growth Horizons would also remove the need to consider moving to the next Horizon during future General Plan Four-Year Reviews.*

*Since the 2011 adoption of the General Plan, 12 Urban Villages have approved Village Plans. The planning process for each Urban Village takes approximately two years. Urban Village Plans require staff and consultant resources, which have been funded through planning grants. On average, staff apply for grants to start the Urban Village planning process two years in advance of the start of the planning process. To expedite the planning processes for Urban Village plan adoption, staff will be developing shorter Urban Village Plan documents, in part by relying on Citywide objective design standards for the Plan. The only policies and design standards that would be included in these shortened Plans would be area-specific policies and design standards that are responsive to the context of an Urban Village. Staff also recommends moving forward with a consolidated planning effort for many of the smaller Urban Villages for efficiency and to allow development in more areas.*

5. If horizons cannot be eliminated, staff should move all Urban Villages with high-frequency transit within its boundaries or within proximity to an Urban Village to Horizon 1.

*Staff reviewed Urban Villages with a light rail station within its boundary or within 0.15-mile of a light rail station that are not in Horizon 1. Staff will support moving the following Urban Villages to Horizon 1 if Horizons are not eliminated; however, as summarized above, the key determinant for market-rate residential projects proceeding in Urban Villages is the approval of an Urban Village plan:*

- *N. Capitol Av/Hostetter Rd*
- *N. Capitol Av/Berryessa Rd*
- *N. Capitol Av/McKee Rd*
- *Oakridge Mall and Vicinity (Edenvale)*
- *Blossom Hill Rd/Cahalan Av*
- *Blossom Hill Rd/Snell Av*
- *Curtner Light Rail/Caltrain*
- *Capitol Ex/Hy 87 Light Rail*
- *Penitencia Creek Light Rail*

Signature Projects

6. Why do the Signature Project policy changes have such prescriptive requirements?

*Staff recommends revising the Signature Project policy to include clear requirements to implement recent State legislation, including Senate Bill 330 (Housing Crisis Act of 2019) and amendments to the Housing Accountability Act, that requires cities to review housing development based on objective standards.<sup>1</sup> Additionally, developers have provided feedback to staff that more clarity is needed on Signature Project requirements. Establishing clear requirements would provide transparency and predictability to both developers and the community. Staff is looking to receive input on the standards themselves – not on whether prescriptive standards should be included. Staff recommendations for the objective standards of the Signature Project policy are listed in Table 2.*

Table 2: Staff Recommended Signature Project Policy Standards

<b>Urban Village Type</b>	<b>Neighborhood Village</b>	<b>Local Transit Village</b>	<b>Commercial Corridor &amp; Center Village</b>	<b>Regional Transit Urban Village</b>
<b>Site Location Requirement</b>	(1) Within an Urban Village AND (2) General Plan Land Use Designation of Urban Village, residential, or commercial			
<b>Site Selection Requirement</b>	(1) Corner parcel; OR (2) Interior parcel of at least 3 acres with 150 ft of street frontage and shall not result in remnant parcels			
<b>Requirement Above Average Jobs Density</b>	≥ 5%	≥ 10%	≥ 10%	≥ 15%
<b>Minimum Residential Density</b>	30 DU/AC	55 DU/AC	55 DU/AC	75 DU/AC
<b>Size</b>	5 to 10 acres: 5% additional > 10 acres: 10% additional			
<b>Open Space Requirement (Publicly Accessible)</b>	≥ 2,000 sq ft	≥ 5,000 sq ft	≥ 5,000 sq ft	≥ 10,000 sq ft
<b>City Policy Compliance</b>	(1) Urban Village Mixed Use zoning districts; (2) Citywide Design Guidelines; AND (3) Major Strategy #6			
<b>Public Meeting Requirement</b>	≥ 2 public meetings			

<sup>1</sup> Per AB 3194, a “Housing Development Project” means a use consisting of any of the following:

- (A) Residential units only.
- (B) Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.
- (C) Transitional housing or supportive housing.

*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. Signature Projects, shown in Table 2, have only been proposed and approved in Commercial Corridor & Center Villages and Local Transit Villages.*

*Three of the Signature Projects listed in Table 3 would exceed staff's recommended commercial requirements based on Urban Village type. Three of the four Signature Projects that do not meet staff's recommended commercial requirements, would only need less than 1,800 square feet of commercial to meet the recommended commercial requirement.*

*Six of the seven Signature Projects listed in Table 3 would exceed staff's recommended open space requirements based on Urban Village type.*

*Staff recommendations for the objective standards of the Signature Project policy are both attainable and still serve the purpose of a Signature Project policy to attract outstanding projects.*

7. Please clarify changes to the approval process for Signature Projects.

*Staff presented additional changes to the Signature Project Policy in the November 20 Task Force Meeting that was not included in the memo. Staff would like to clarify that a change to the approval process for Signature Projects is underway. This is not a General Plan Policy change and therefore not subject to Task Force Discussion. This is a change in Planning staff practice that will be proposed as part of zoning amendments to facilitate development in urban villages. Currently, the City requires a Planned Development Zoning and Permit to be approved by both the Planning Commission and the City Council for Signature Projects. The outcome of this proposed change is that Signature Projects would only need one discretionary permit and would only need to be approved by one approval body. Although, this is not an issue for Task Force discussion, comments from the public and the Task Force are welcome.*

### Residential Pool Policy

8. Does staff recommendation mean projects can move forward in Urban Villages without the constraint of a pool?

*Yes, staff recommendation is to eliminate the residential pool constraint entirely so that projects can move forward without the additional constraint of a pool.*

*Table 3: Signature Projects Recommendation Comparison*

Project	Urban Village Type	Gross Acres	Fair Share Commercial (sq ft)	Provided by Project			Proposed Requirements		
				Project Commercial (sq ft)	% Above Fair Share	Open Space (sq ft)	% Above Fair Share Requirement	Additional Size-Based Requirement	Proposed Open Space Requirement
PD15-059 (Volar)	Commercial Corridor & Center	0.89	47,708	52,167	9% (4,294 sq ft)	11,543	10% (4,771 sq ft)	N/A	5,000
PDC17-047 (Dick's Center)	Commercial Corridor & Center	6.9	105,335	220,000	109% (114,815 sq ft)	80,000	10% (10,534 sq ft)	5% (5,267 sq ft)	5,000
PDC17-040 (Cambrian Park Plaza)	Commercial Corridor & Center	18.13	312,042	395,000	27% (84,251 sq ft)	69,696	10% (31,204 sq ft)	10% (31,204 sq ft)	5,000
PD17-027 (AvalonBay)	Commercial Corridor & Center	20.08	17,800	17,800	0% (0 sq ft)	10,000	10% (1,780 sq ft)	10% (1,780 sq ft)	5,000
PD16-025 (The Orchard)	Local Transit Village (Existing LRT)	10.6	107,860	108,000	0.1% (108 sq ft)	46,609	10% (10,786 sq ft)	10% (10,786 sq ft)	5,000
PD15-044 (Sparta Student Housing)	Local Transit Village (Planned BRT/LRT)	0.627	11,197	11,530	3% (336 sq ft)	1,238	10% (1,120 sq ft)	N/A	5,000
PDC16-036 (Stevens Creek Promenade)	Local Transit Village (Planned BRT/LRT)	3.1	192,542	263,500	37% (71,241 sq ft)	56,628	10% (19,254 sq ft)	N/A	5,000



### **Agenda Item 3 – Task Force Discussion and Preliminary Recommendation on Urban Village Policy Changes**

Task Force members will vote on staff recommendations on the Urban Village policy changes.

### **Agenda Item 4 – Missing Middle Housing Presentation by Opticos Design**

One of the scope items for the General Plan 4-Year Review is to explore allowing two to four units on parcels designated *Residential Neighborhood* in certain areas of the city to create more housing options. Daniel Parolek of Opticos Design, a leading planning firm for missing middle housing, will introduce the topic with a presentation on their research and case studies around the nation. This is only an introduction to this topic and staff recommendations will be presented at the January 30, 2020 Task Force meeting.

### **Agenda Item 5 – Plex Housing Presentation by Mayberry Workshop LLC**

City staff will introduce the term “Plex Housing” that we will use from this point forward to describe staff’s effort in exploring allowing two to four units on *Residential Neighborhood* designated parcels. After the brief introduction, Adam Mayberry of Mayberry Workshop LLC, a local developer of this housing type, will discuss his experience in San José.

### **Agenda Item 6 – Discussion and Questions for Opticos & Mayberry Workshop**

Task Force members and the public may use this time to ask questions to Daniel Parolek and Adam Mayberry on their presentations.

### **Agenda Item 7 – Staff Recommendations on Residential Uses in Neighborhood Business Districts**

The City Council approved the following General Plan Four-Year Review scope of work item related to residential uses in Neighborhood Business Districts:

*Explore policies that would allow limited housing in neighborhood business districts and determining shifts in planned housing capacity to facilitate future residential development in those areas.*

#### **Neighborhood Business Districts**

A Neighborhood Business District (NBD) is a designation that applies to commercial areas along both sides of a street, which function in their communities as local or neighborhood serving business districts, providing community focus and identity through the delivery of goods and services. These districts may also include adjacent non-commercial land uses. The General Plan NBD designation functions as an “overlay” designation which is applied to predominantly commercial land use designations. It is typically applied to two types of commercial areas. The first is older commercial areas where connected buildings create a predominant pattern of a continuous street façade with no, or very small setbacks from the sidewalk. The second is an auto-oriented commercial area built after

World War II that is typically characterized by strip malls or shopping centers with buildings set in the rear and parking near the street frontage. Within an NBD overlay, residential and commercial uses, together with related parking facilities, are seen to be complementary uses, although commercial uses oriented to occupants of vehicles, such as drive-through service windows, are discouraged along major thoroughfares within NBD areas. There are ten NBDs established in the General Plan:

1. East Santa Clara Street
2. The Alameda
3. West San Carlos Street
4. Alum Rock Avenue
5. Story Road
6. Winchester Boulevard
7. Japantown
8. North 13<sup>th</sup> Street / Luna Park
9. Willow Glen
10. Willow Street

Of the ten NBDs, five areas are located outside of an Urban Village and were the focus of staff analysis since NBDs inside Urban Villages already allow residential uses. The five NBDs located outside of Urban Villages are Willow Street, North 13<sup>th</sup> Street, Willow Glen, Story Road, and Japantown. See Attachment B for all NBD maps.

Staff first analyzed the General Plan land use designations in all NBDs. The majority of properties in the North 13<sup>th</sup> Street, Willow Street, and Japantown have a Mixed Use Commercial land use designation which already allows residential as a secondary use. The Mixed Use Commercial land use designation allows residential uses up to 50 dwelling units per acre (DU/AC) if a project includes commercial space equivalent to at least 0.5 FAR, which may be too dense for the smaller lots in NBDs. With the policy framework that staff is recommending, residential uses in North 13<sup>th</sup> Street, Willow Street, and Japantown would be allowed at a lower commercial requirement. Willow Glen (Lincoln Avenue) and Story Road are primarily designated Neighborhood/Community Commercial which does not allow residential, unless an affordable housing project were to qualify under General Plan Policy H-2.9.

The following NBDs are proposed for allowance of limited residential uses:

#### Willow Street

Willow Street, or Calle Willow NBD, is an established Latino district with Spanish-speaking businesses located along both sides of Willow Street between approximately McLellan Avenue and Almaden Avenue. The NBD is approximately 14.8 acres and is comprised of small lots ranging from approximately 0.05 to 0.4 acres with an average parcel size of 0.15 acres. Bus route No. 25, which is VTA's third most ridden line runs through the Willow Street NBD, providing local service every 12 - 15 minutes on weekdays. All but four properties in Willow Street have a Mixed Use Commercial General Plan land use designation.

### North 13<sup>th</sup> Street

The North 13<sup>th</sup> Street NBD is located along both sides of 13<sup>th</sup> Street between E. Hedding Street and Jackson Street, anchored by Backesto Park. The approximately 20.7-acre NBD is primarily comprised of small lots ranging from approximately 0.1 to 1 acre with an average parcel size of 0.2 acres, or 8,700 square feet. The 13<sup>th</sup> Street business corridor was established in the first half of the 20th century by Italian immigrants who built small multi-family houses, and stores with spaces for their families to live above.<sup>2</sup> Similar to Willow Street, all properties in the 13<sup>th</sup> Street NBD have a Mixed Use Commercial General Plan land use designation, which currently allows for residential development. Residential projects within the NBD should only be allowed under certain circumstances to maintain the business character of the district.

In 2018, as part of its work to improve and create livable communities in San José, the American Association of Retired Persons (AARP) hosted a Livable Communities Charrette for Urban Villages and main streets, addressing the North 13<sup>th</sup> Street NBD specifically. Based on this charrette, AARP published a report on recommendations to create more livable communities. The report identified community assets and priorities and addressed the need for more housing and parking in the NBD (<https://states.aarp.org/california/north13th>).

### Willow Glen

The Willow Glen NBD is located along both sides of Lincoln Avenue between Coe Avenue and Minnesota Avenue. The NBD is approximately 45.4 acres in size and contains a range of lots sizes from approximately 0.03 to 2 acres with an average parcel size of 0.3 acres, or 13,000 square feet. Willow Glen is a vibrant, successful, and pedestrian-oriented neighborhood business district with retail, restaurants, and service commercial businesses that could benefit from mixed-use development along its corridor as commercial and residential are complementary uses. The General Plan does not currently allow for residential development in the Willow Glen NBD because all properties have a Neighborhood Community Commercial land use designation.

### Story Road

The Story Road NBD is located on both sides of Story Road, bounded by the US-101 freeway to its southwestern boundary and Lower Silver Creek to its northeastern boundary. Story Road NBD is characterized by larger lots, strip centers, and shopping centers with surface parking lots. Story Road is the largest analyzed NBD at 106.6 acres and is characterized by the widest range of parcel sizes from approximately 0.03 to 8.5 acres with an average parcel size of 0.53 acres. Although it is less walkable, it has more land opportunities for residential development. Additionally, VTA bus line No. 25 also runs through the Story Road NBD, providing local service every 12 - 15 minutes on weekdays. All areas south of Story Road in the NBD are within the Evergreen-East Hills Development Policy (EEHDP) boundary. The EEHDP allows for a limited amount of new residential, commercial, and office development within the policy area by linking supporting transportation infrastructure. One of the Four-Year Review scope of work items to be considered by the Task Force is reworking or closing the EEHDP in the context of the City's transition to Vehicle

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<sup>2</sup> AARP Livable Communities Charrette: North 13th Street Business Corridor, April 30, 2018, <https://states.aarp.org/california/north13th>.

Miles Traveled (VMT) metric for transportation analysis. This item will be discussed by the Task Force during the March 2020 meeting.

Additionally, most of the Story Road NBD overlaps with the Story Road Employment Lands Growth Area, which plans for approximately 1,800 new jobs. Because of the Story Road NBD's size, location near a future Light Rail station (Story Rd. and E. Capitol Expwy.), and opportunities for mixed-use projects, the Story Road NBD would be a good location for new residential or mixed-use development.

### Japantown

The Japantown NBD is 40.6 acres and is located just north of Downtown and is loosely bounded by the parcels north of Taylor Street to the north, N. 7<sup>th</sup> Street to the east, E. Empire Street to the south, and N. 2<sup>nd</sup> Street to the west. Japantown is characterized by a range of parcel sizes from approximately 0.03 to 3 acres with an average parcel size of 0.3 acres. Though not an official historic district, Japantown is eligible to be a National Historic Landmark District and is an important focal point for Santa Clara County's Japanese community. San Jose's Japantown grew from the site where Japanese immigrants first settled in Santa Clara Valley, and remains one of the last three historical Japantowns in the United States.

The Japantown NBD boundary overlaps the Jackson-Taylor Residential Strategy area east of N. 6<sup>th</sup> Street. The Jackson-Taylor Residential Strategy area already has residential capacity and over 700 residential units have been built in the Specific Plan area since adoption of the General Plan.

Considering the historic and cultural sensitivity of Japantown and its overlay with the Jackson-Taylor Residential Strategy, staff recommends that policy changes apply only to the section of Taylor Street within the Japantown NBD. This area would include the parcels within the Japantown NBD along Taylor Street, bounded by N. 6<sup>th</sup> Street to the east and N. 2<sup>nd</sup> Street to the west (see Attachment B). In this sub-area of the Japantown NBD, parcels range from 0.15 to 0.85 acres. Additionally, VTA bus line No. 61 runs through the Japantown NBD along Taylor Street, providing local service every 12 - 15 minutes on weekdays.

### **Staff Recommendation**

Staff recommends amending the General Plan to include Willow Street, North 13<sup>th</sup> Street, Willow Glen, Story Road, and Japantown (Taylor Street only) NBDs as Growth Areas in Appendix 5 of the General Plan to allow limited residential development. Staff also recommends text changes to the NBD overlay to allow housing if a project meets the following preliminary criteria that would be further defined by staff after additional analysis:

- NBDs should still fulfill the purpose of being business-first and any residential development should not impact viability of surrounding commercial businesses. Part of that viability is generally maintaining commercial frontage and connectivity.
- New development in NBDs should generally complement the existing scale and density of the existing urban fabric and comply with the Citywide Design Guidelines.
- These NBDs do not have a residential growth capacity assigned to them. Staff recommends reallocating 600 residential units from Urban Villages to allow entitlement of residential or

mixed-use residential projects in these NBDs. The capacity would function as a pilot and could be increased as part of a General Plan Annual Review or Four-Year Review.

To implement the above criteria and allow for residential development within NBDs, staff recommends revising the existing Neighborhood Business District overlay or creating a new land use designation to be applied to the NBDs. Proposed revisions to the existing NBD overlay or a new mixed-use NBD land use designation to facilitate the policy framework described above will be further analyzed by staff in the spring and summer of 2020 and will be brought to City Council for consideration in December 2020 with other General Plan Four-Year Review policy recommendations.

*Action Items for Staff: Building on the policy framework described above, staff will hire a consultant and initiate a study to help inform the following specific NBD related policy recommendations to be considered by City Council in December 2020:*

- *Appropriate areas within the five NBDs for housing development.*
- *Whether and how much commercial space should be required on-site (feasibility analysis).*
- *Appropriate residential density for each NBD.*

#### **Agenda Item 8 – Task Force Discussion and Public Comment on Staff Recommendations on Residential Uses in Neighborhood Business Corridors**

Task Force members will be given an opportunity to discuss, provide input, and ask questions about staff recommendations on allowing residential uses in Neighborhood Business Districts. Members of the community will be provided with an opportunity to address the Task Force. In order to maintain the Envision San José 2040 4-Year Review timeframe, the Task Force should plan on proposing preliminary recommendations at the January 30 meeting.

#### **Agenda Item 9 – Announcements**

There are no announcements.

#### **Next Meeting**

The next meeting is scheduled for January 30, 2019 at 6:00 p.m. This meeting will discuss affordable housing strategies.

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](mailto:jared.hart@sanjoseca.gov). Kieulan can be reached by phone at (408) 535-3844 or by email at: [kieulan.pham@sanjoseca.gov](mailto:kieulan.pham@sanjoseca.gov).

Jared Hart  
Division Manager

Attachment:

- A) Urban Village Info Sheets
- B) Maps of the Neighborhood Business Districts

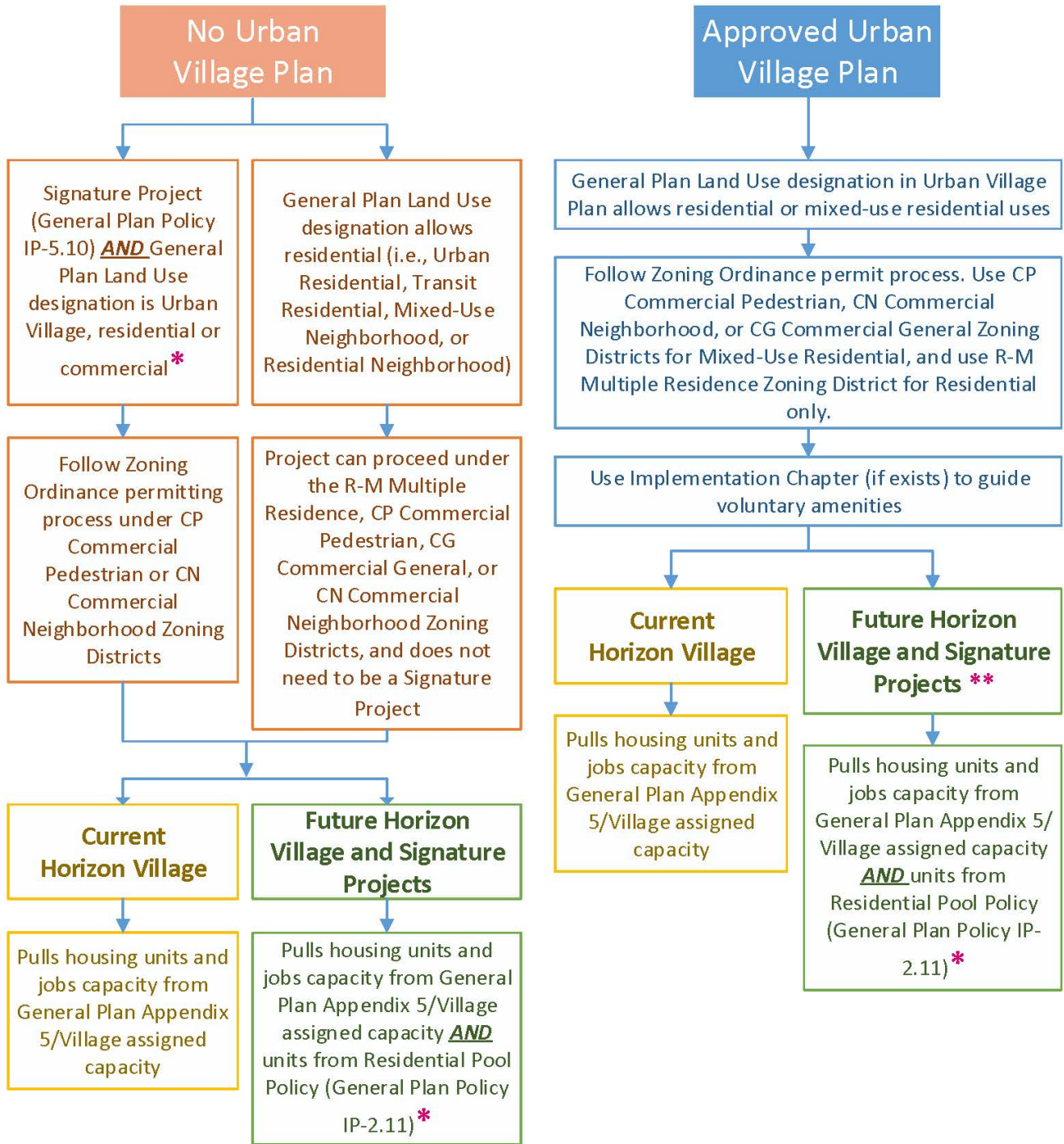
# ATTACHMENT A

## Urban Village Info Sheets

### I. Urban Village Info Sheets

<i>When to Use Capacity-Related Policies for Urban Village Residential Development.....</i>	<i>A-2</i>
<i>No Growth Horizons or Residential Pool Policy for Urban Village Residential Development...A-3</i>	<i>A-3</i>
<i>Original Signature Projects Policy Requirements Diagram.....</i>	<i>A-4</i>

# When to Use Capacity-Related Policies for Urban Village Residential Development



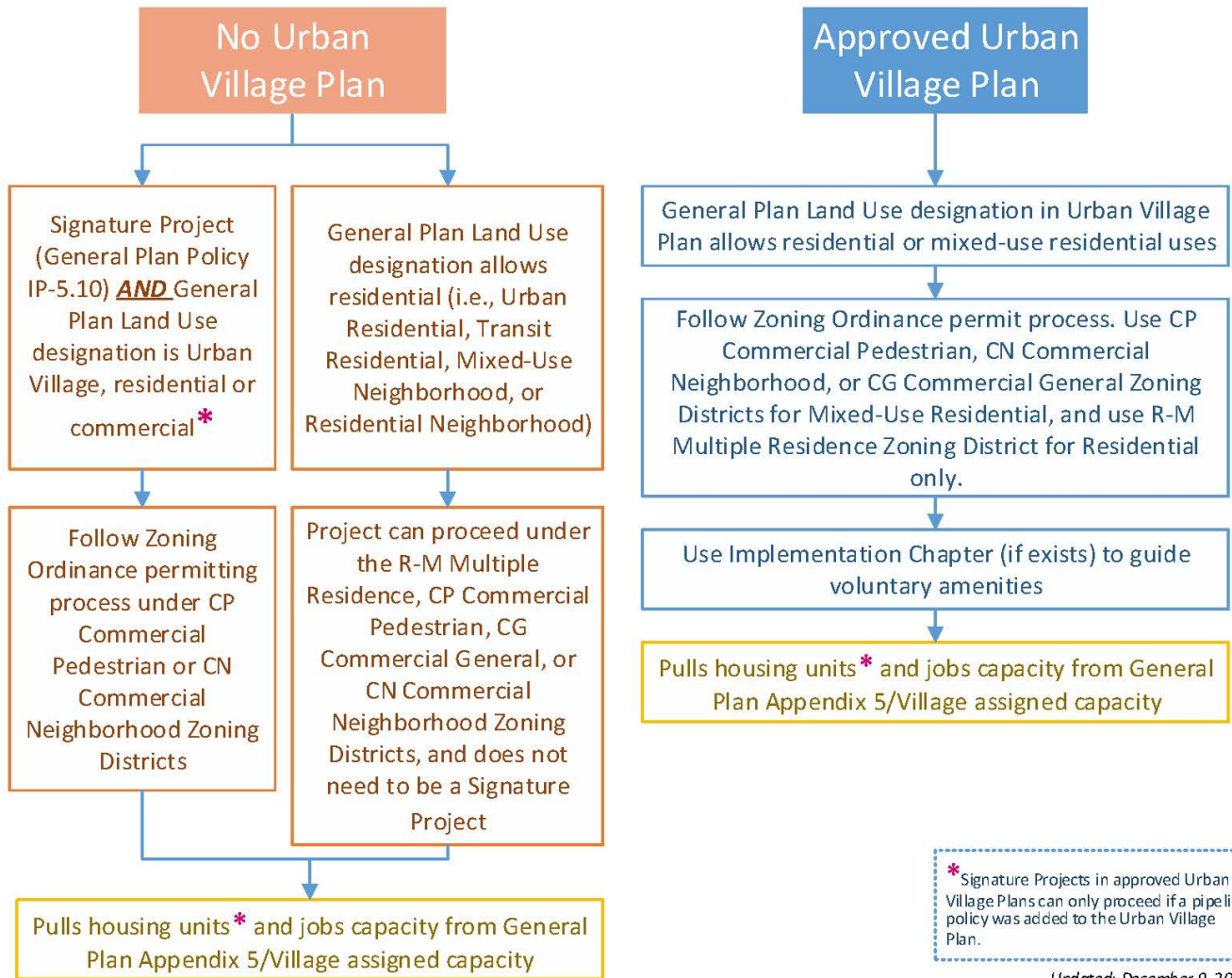
\* Signature Projects (regardless of their Horizon) and residential/residential mixed-use projects in a future Horizon (Horizons 2 and 3) pull from the Residential Pool Policy (General Plan Policy IP-2.11). The Residential Pool Policy caps to total residential units allowed to move forward at 5,000. This is not a cap on residential units, but a phasing mechanism. General Plan Appendix 5 distributes capacity to Village areas.

\*\* Signature Projects in approved Urban Village Plans can only proceed if a pipeline policy was added to the Urban Village Plan.

Updated: December 9, 2019



# No Growth Horizons or Residential Pool Policy for Urban Village Residential Development



Updated: December 9, 2019



\*Signature Projects (regardless of their Horizon) and residential/residential mixed-use projects in a future Horizon (Horizons 2 and 3) pull from the Residential Pool Policy (General Plan Policy IP-2.11). The Residential Pool Policy caps total residential units allowed to move forward at 5,000.

Updated: December 9, 2019

**ATTACHMENT B**  
**Maps of Neighborhood Business Districts**  
**(NBDs)**

I. All Neighborhood Business Districts.....B-2

II. Neighborhood Business Districts Analyzed.....B-3

*Willow St.*.....B-3

*North 13<sup>th</sup> St.*.....B-4

*Willow Glen.*.....B-5

*Story Road.*.....B-6

*Japantown.*.....B-7

III. Neighborhood Business Districts Not Analyzed.....B-8

*East Santa Clara Street.*.....B-8

*The Alameda.*.....B-9

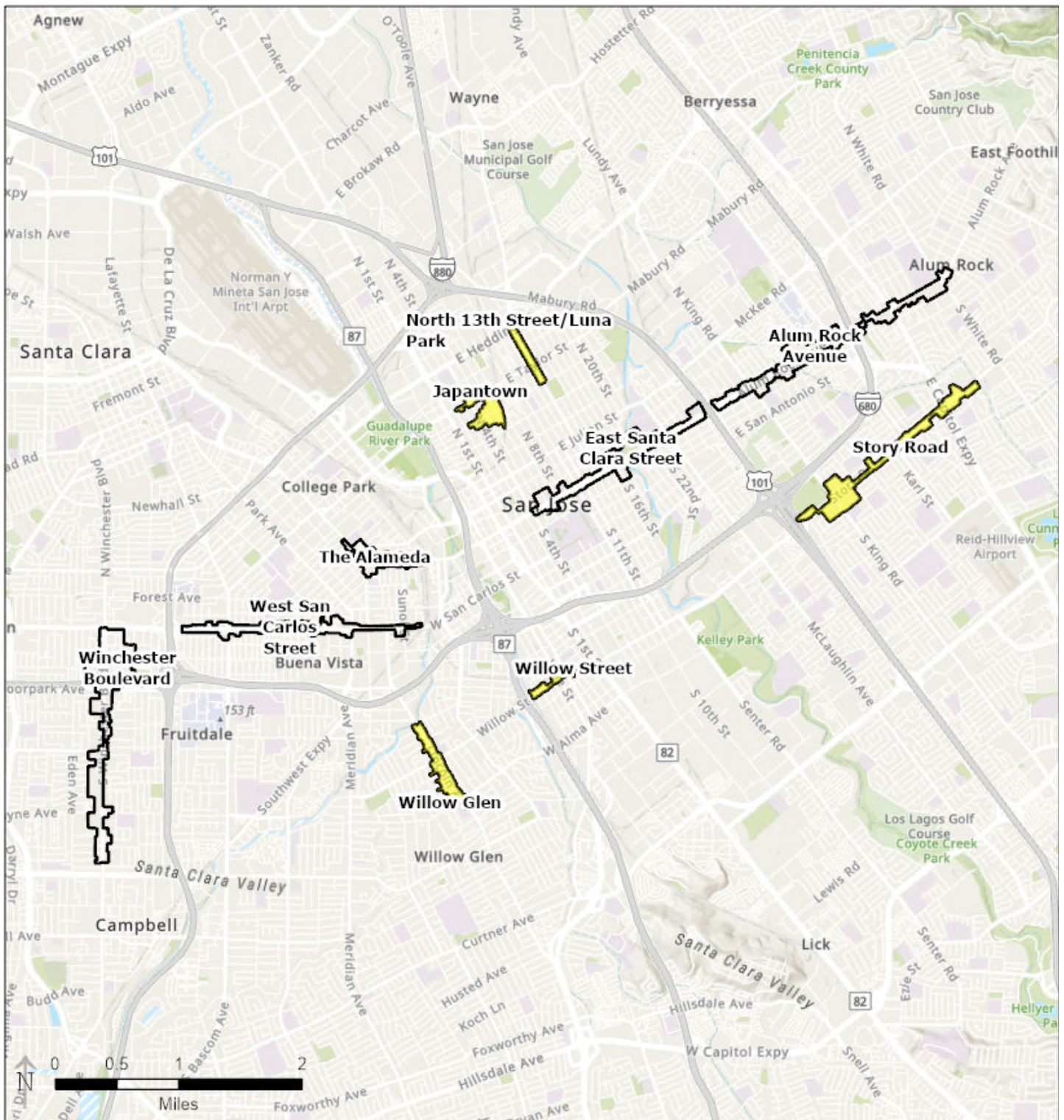
*West San Carlos Street.*.....B-10

*Alum Rock Avenue.*.....B-11

*Winchester Boulevard.*.....B-12



# I. All Neighborhood Business Districts

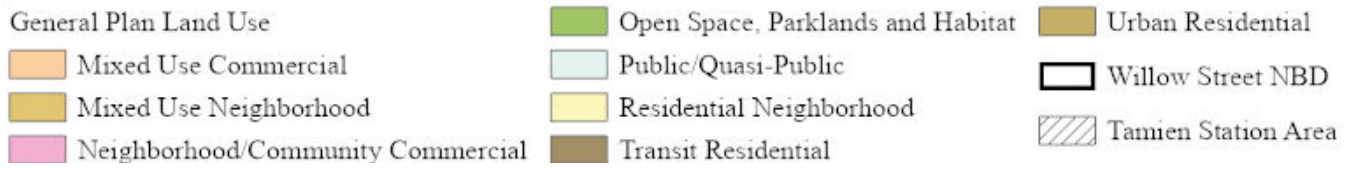
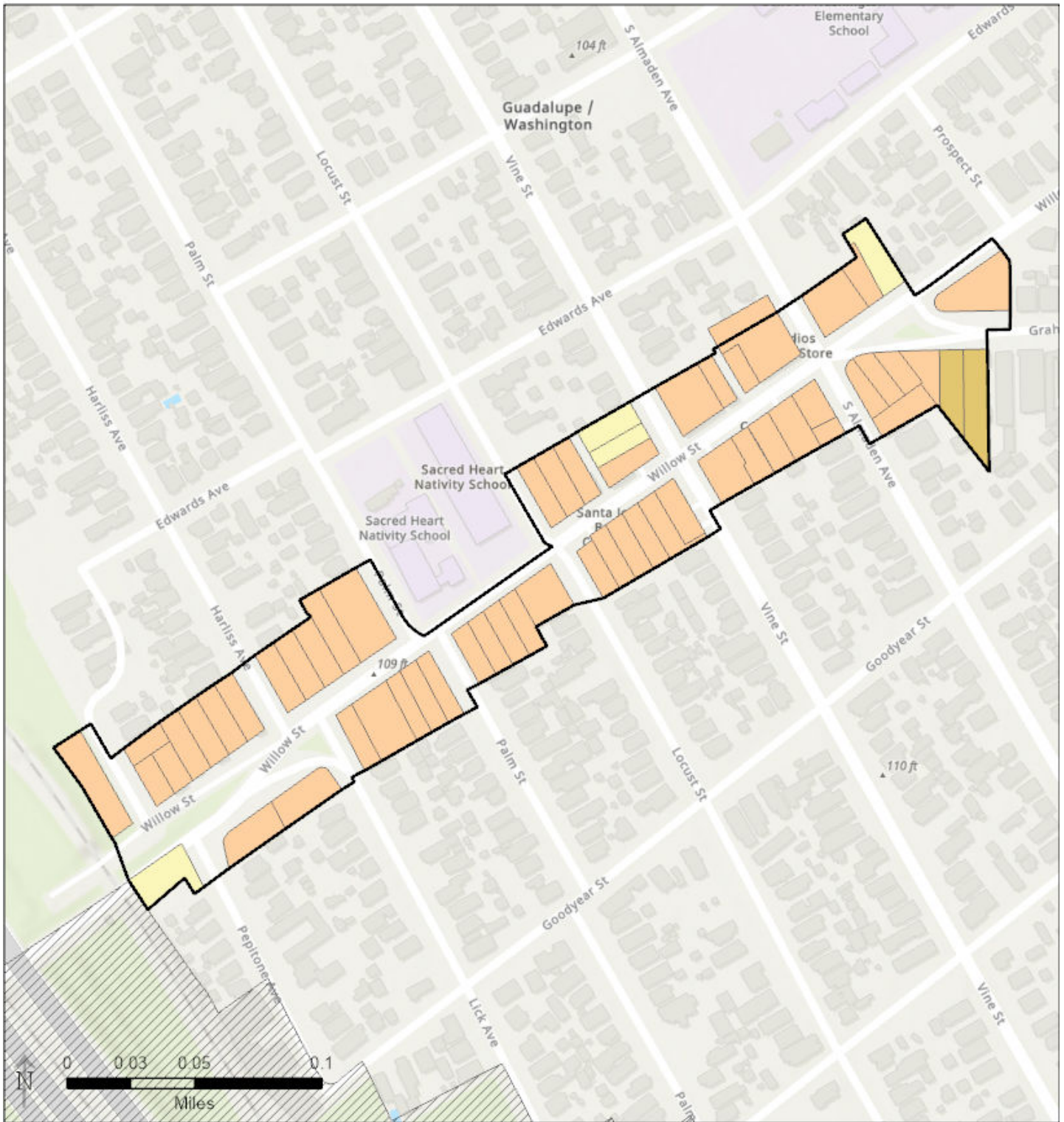


Analyzed Neighborhood Business Districts

Neighborhood Business Districts

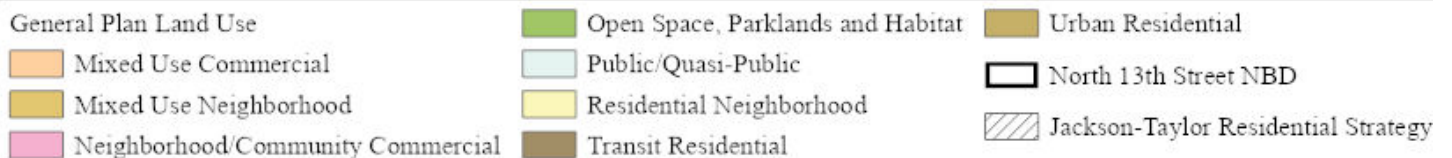
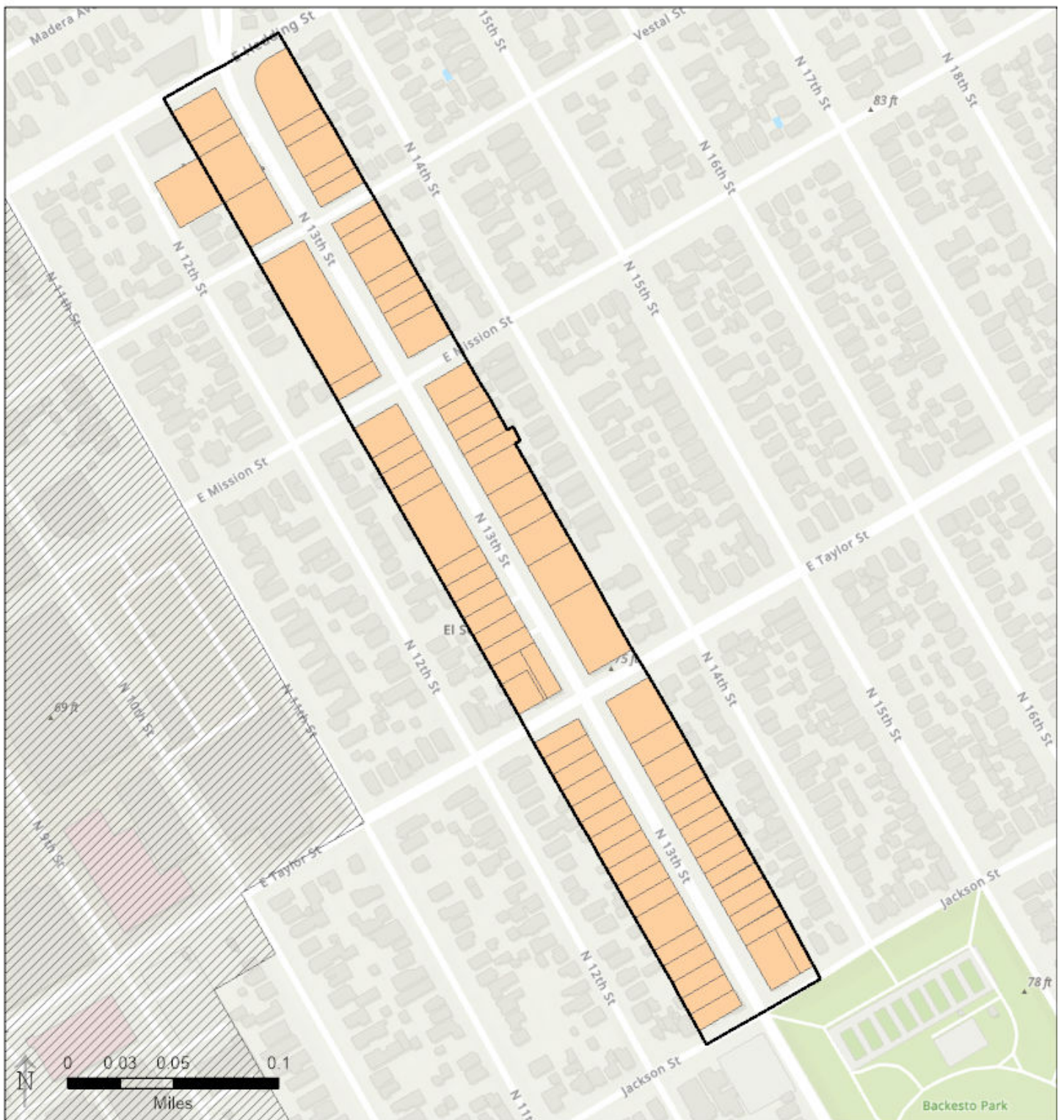


## II. NBD Analyzed: Willow Street



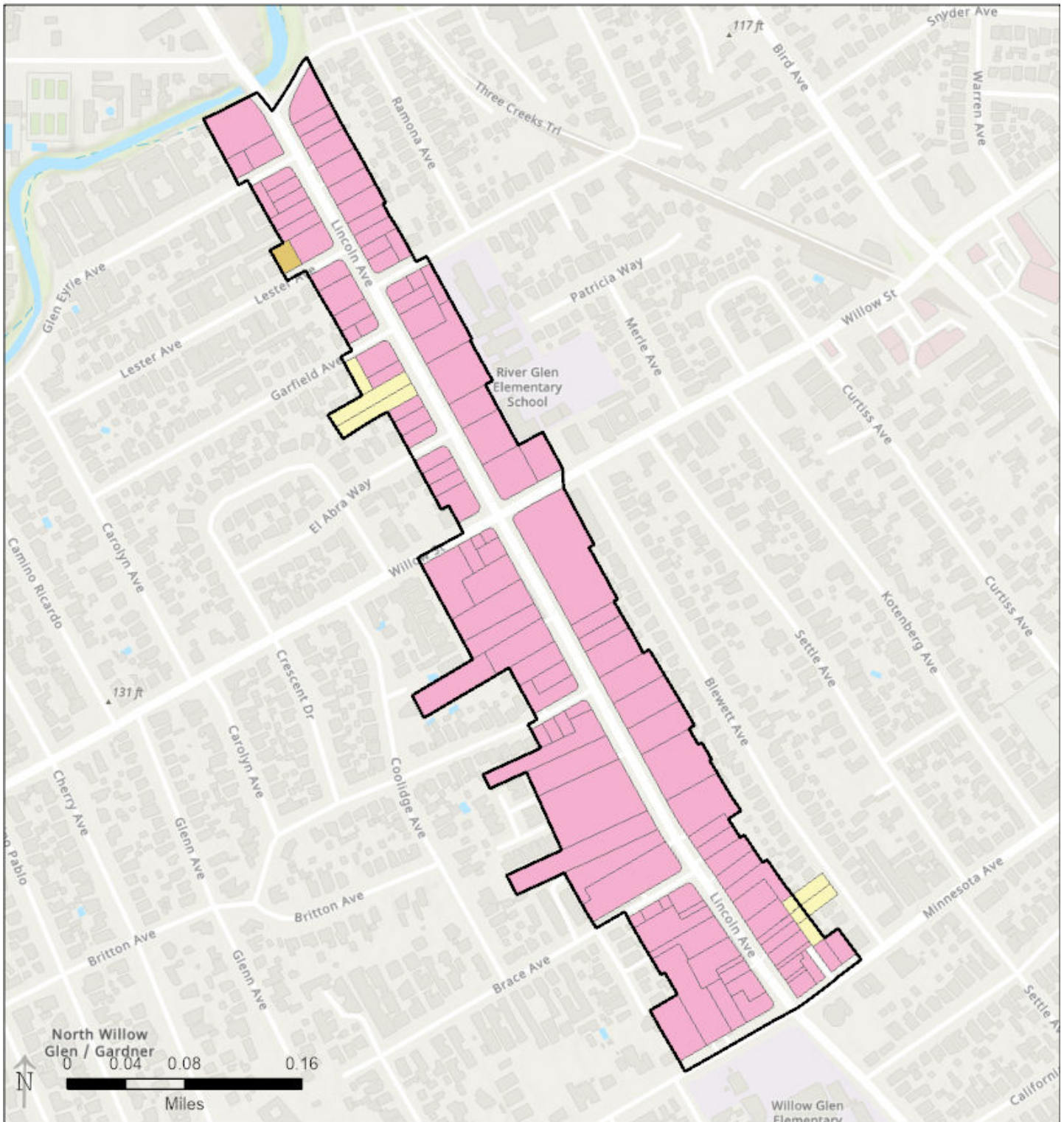


## II. NBD Analyzed: North 13th Street



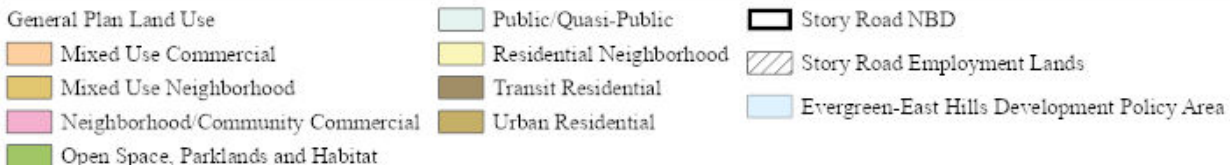
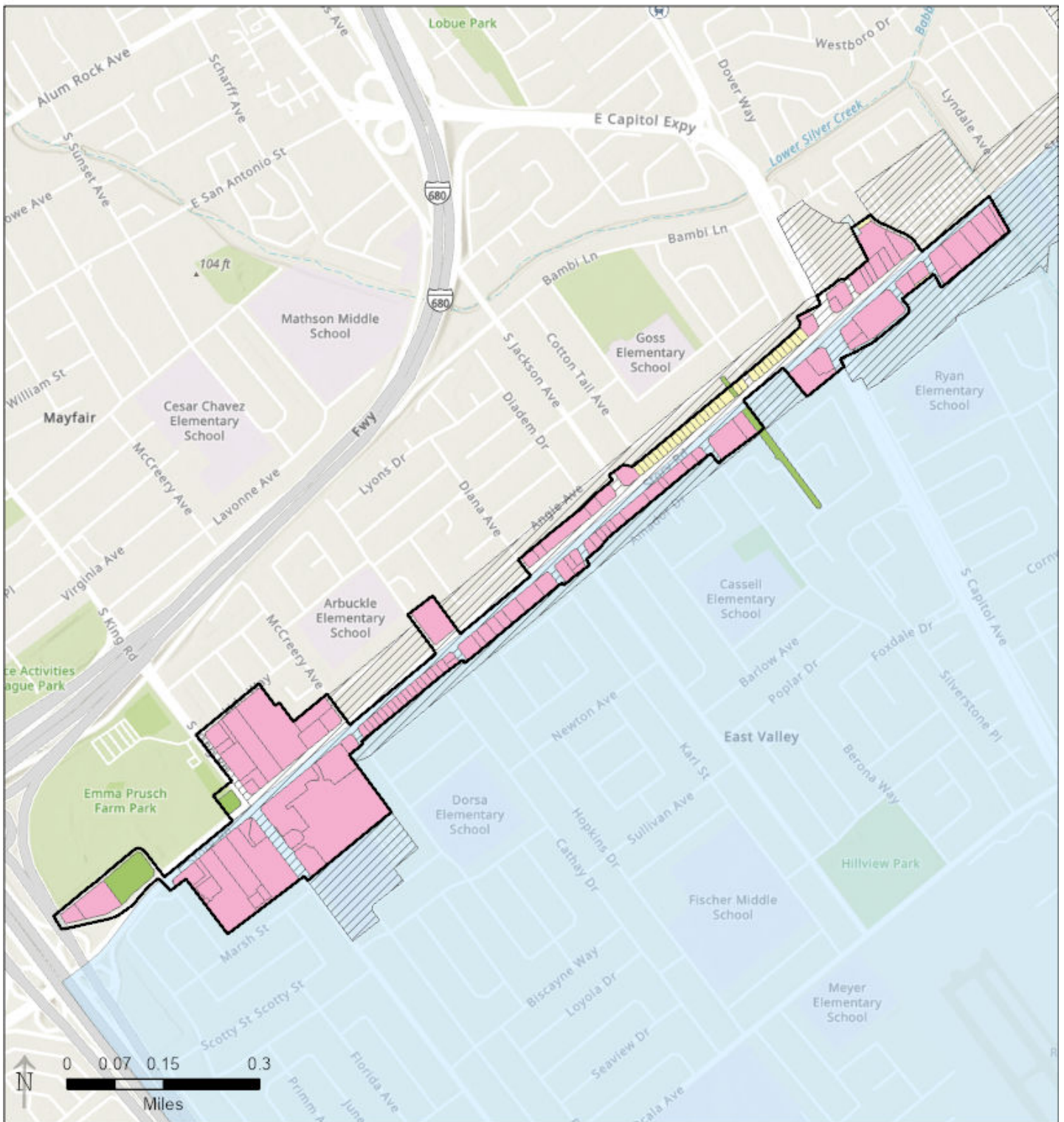


## II. NBD Analyzed: Willow Glen



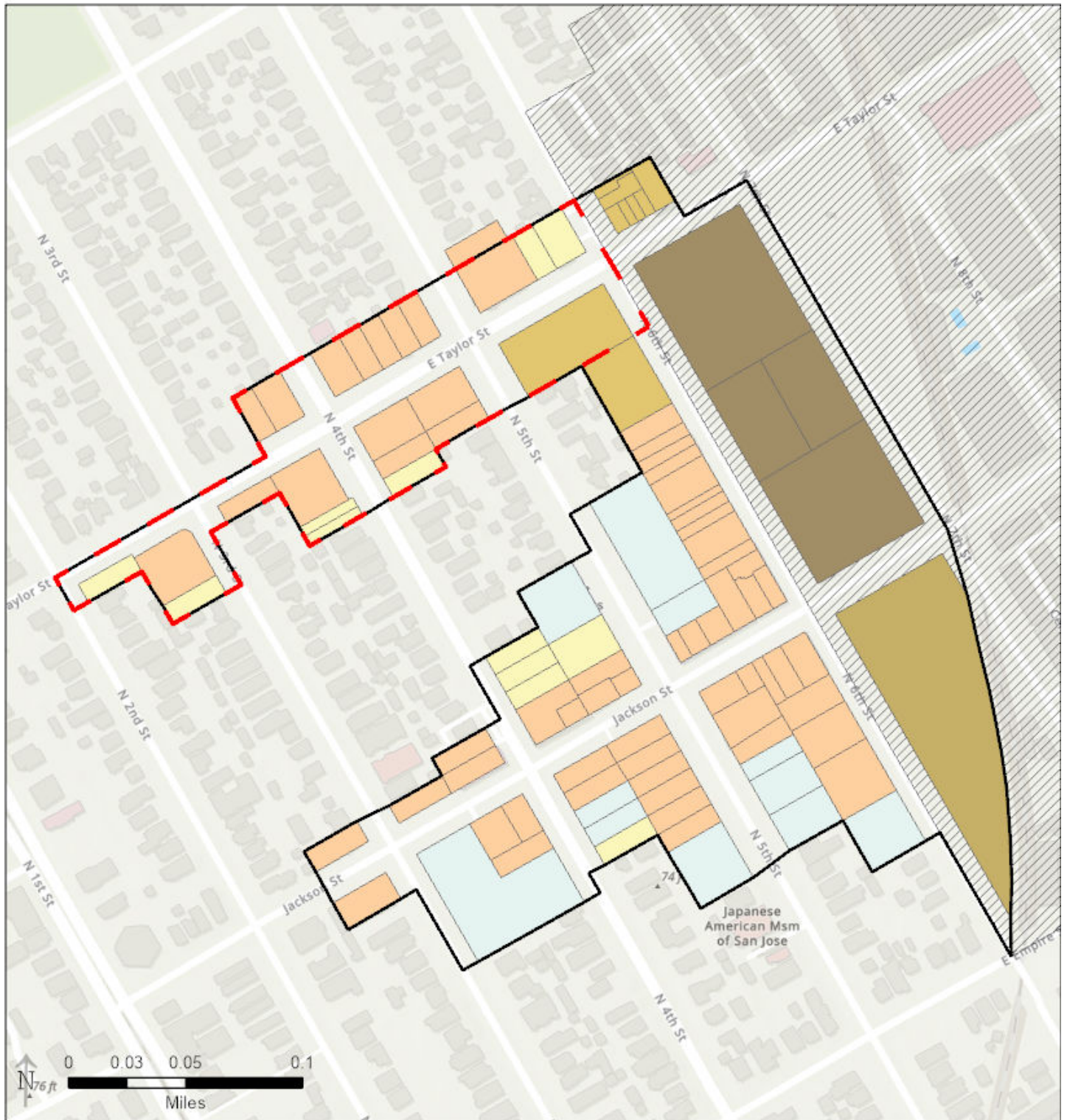


## II. NBD Analyzed: Story Road





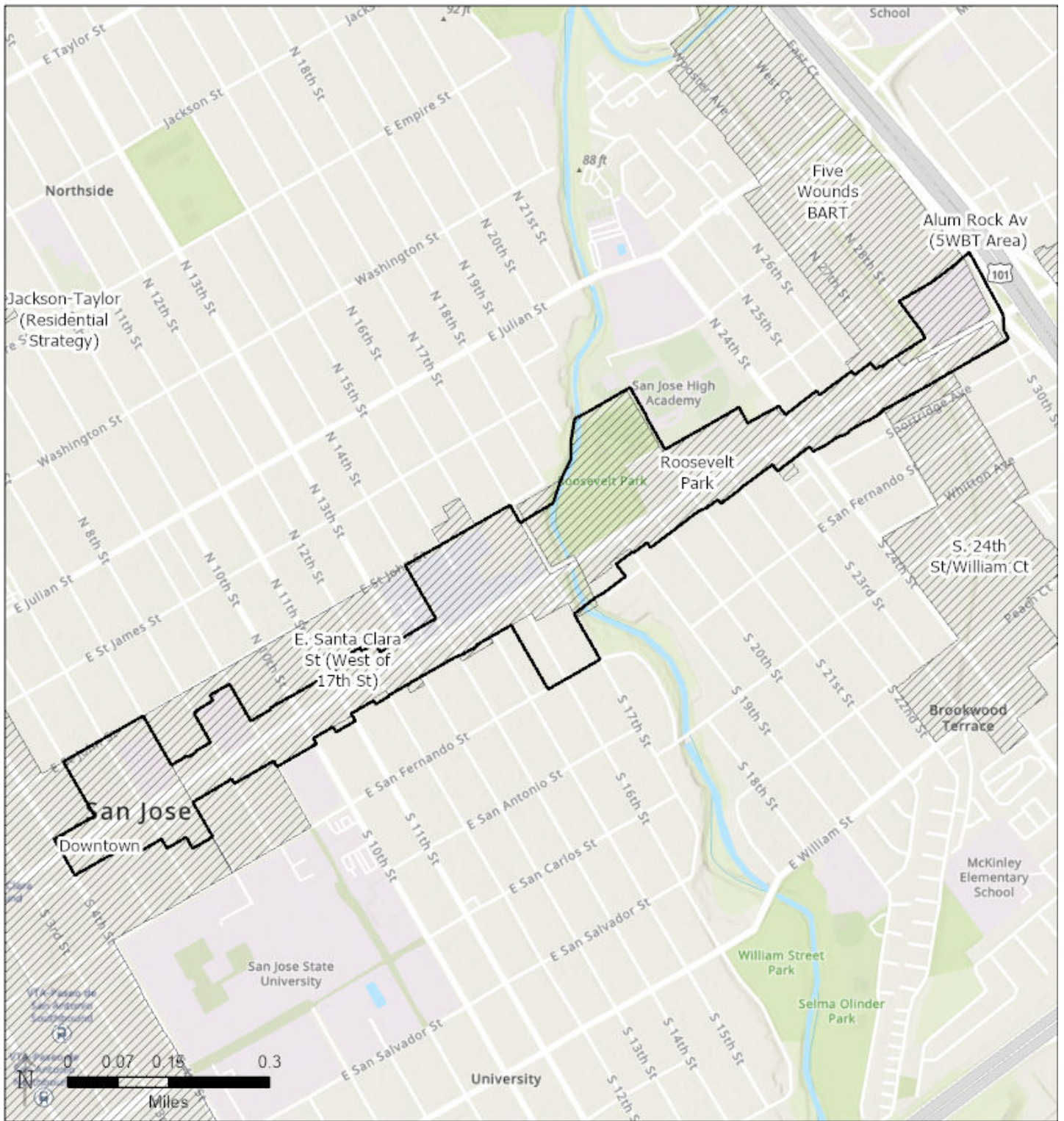
## II. NBD Analyzed: Japantown



- |                                   |                          |                                      |
|-----------------------------------|--------------------------|--------------------------------------|
| General Plan Land Use             | Public/Quasi-Public      | Proposed Taylor Street Only NBD Area |
| Mixed Use Commercial              | Residential Neighborhood | Japantown NBD                        |
| Mixed Use Neighborhood            | Transit Residential      | Jackson-Taylor Residential Strategy  |
| Neighborhood/Community Commercial | Urban Residential        |                                      |
| Open Space, Parklands and Habitat |                          |                                      |



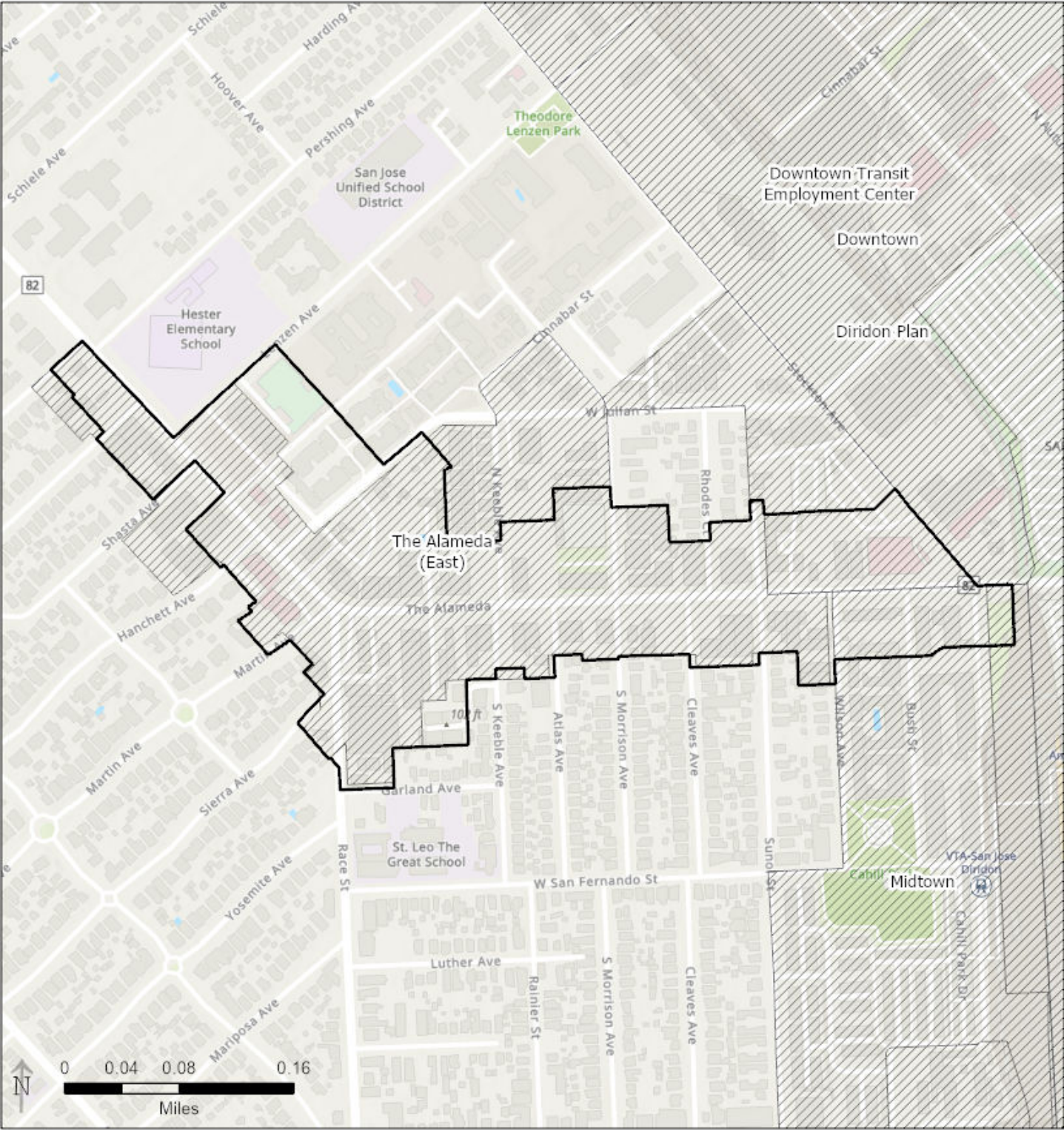
# III. NBD Not Analyzed: East Santa Clara Street



- East Santa Clara Street NBD
- Other Growth Areas



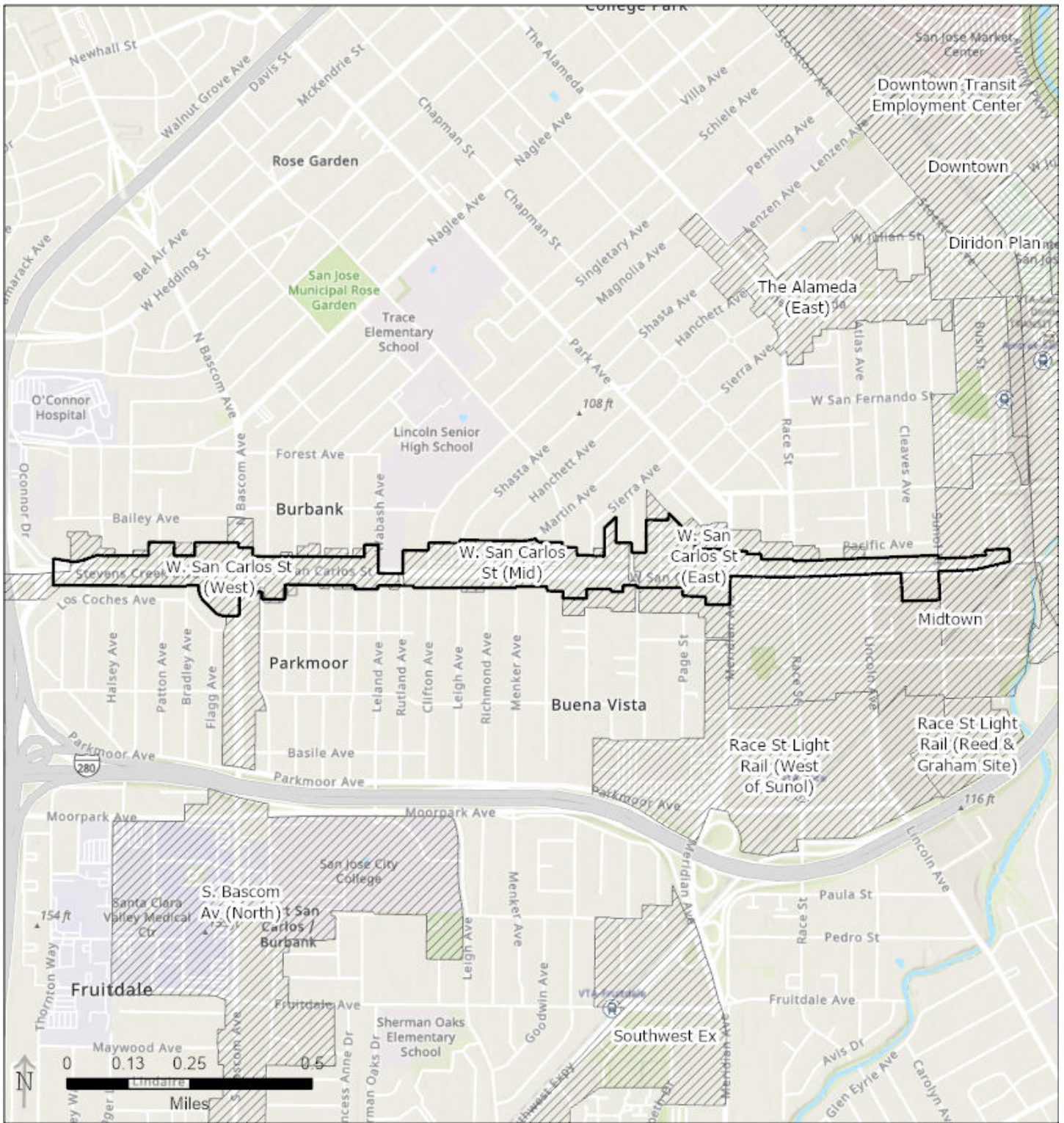
# III. NBD Not Analyzed: The Alameda



- The Alameda NBD
- Other Growth Areas



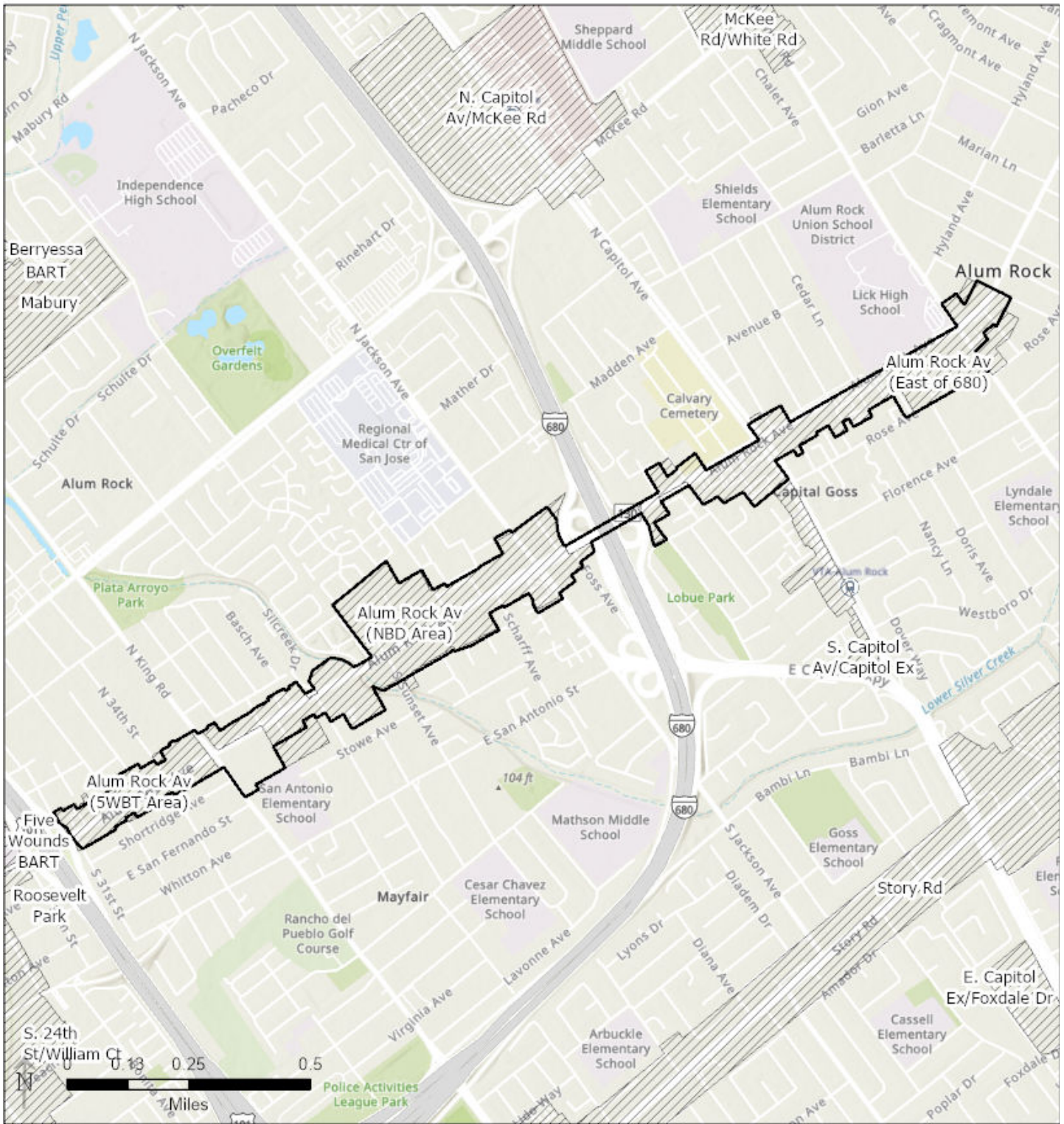
# III. NBD Not Analyzed: West San Carlos Street



- West San Carlos Street NBD
- Other Growth Areas



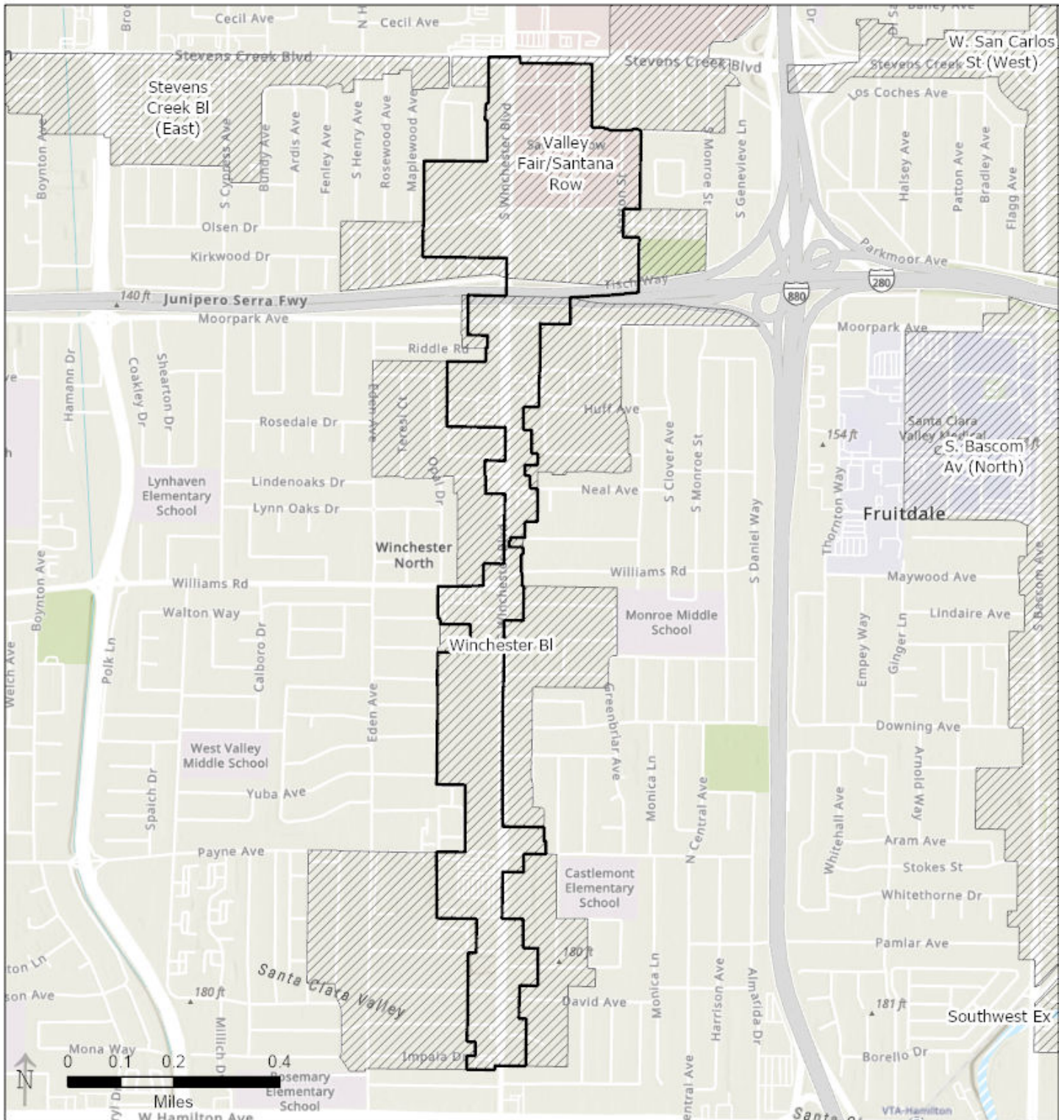
# III. NBD Not Analyzed: Alum Rock Avenue



- Alum Rock Ave NBD
- Other Growth Areas



# III. NBD Not Analyzed: Winchester Boulevard



- Winchester Boulevard NBD
- Other Growth Areas