



ENVISION SAN JOSÉ 2040

2020 GENERAL PLAN ANNUAL PERFORMANCE REVIEW EXECUTIVE SUMMARY

This Executive Summary accompanies the 2020 General Plan Annual Performance Review. It provides an overview and dashboard of metrics pertaining to progress on the 12 General Plan Major Strategies, some of which are combined in this summary, as measured from November 2011 when the City Council adopted the General Plan.



COMMUNITY BASED PLANNING

19-20	26	702
FISCAL YEAR	PLANNING MEETINGS HELD	TOTAL ATTENDEES

The City is committed to open government and community participation in its governance activities.

Due to the COVID-19 pandemic, community meetings in all departments were suspended for three months (March through May) as the City's Emergency Operations Center's Virtual Community Engagement Section, led by Planning staff, developed tools, processes, and strategies for virtual community engagement outreach that could be implemented citywide. By June 2020 staff implemented an online outreach and engagement program to maintain community outreach during the shelter-in-place order.

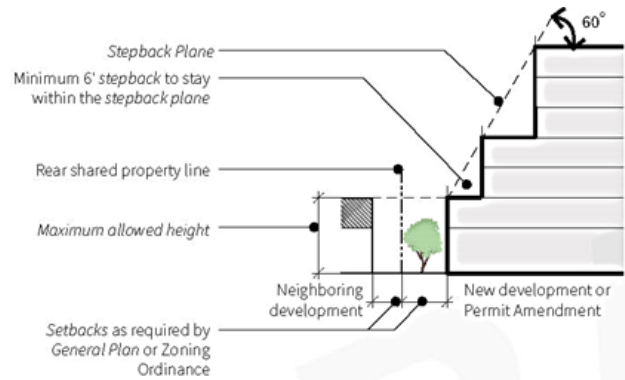


FORM-BASED PLAN & URBAN VILLAGES

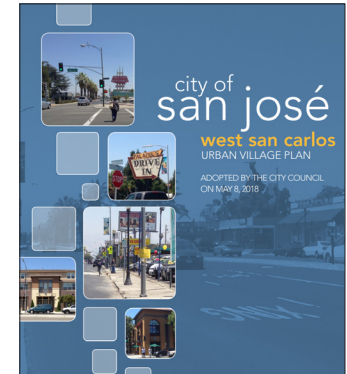
SINCE THE 2011 ADOPTION OF THE GENERAL PLAN:

12	9,523*	3.8*
APPROVED URBAN VILLAGE PLANS	APPROVED HOUSING UNITS IN URBAN VILLAGES	MILLION SQ. FT. OF APPROVED COMMERCIAL SPACE IN URBAN VILLAGES

The Planning Division applies form-based principles during the review of development proposals and in the preparation of Urban Village Plans. The General Plan identifies Urban Villages within San José that focus on jobs and high density growth to foster vibrant, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth.



Draft Citywide Design Standards and Guidelines diagram.



URBAN VILLAGE PLANS UNDER DEVELOPMENT

Urban Village Plan	Status	Anticipated Dates
Berryessa BART	In Progress	Winter 2021
N. 1st St.	In Progress	Summer 2021
Southwest Expressway	To be Initiated	Spring 2021
Race Street Light Rail	To be Initiated	Spring 2021
Five Wounds (Update)	To be Initiated	Summer 2022
Alum Rock Ave. (E. of 680)	To be Initiated	Fall 2022

*May show a reduction from FY18-19 due to the removal of the Downtown Growth Area and Diridon Station Area Plan from the Urban Village classification.

FOCUSED GROWTH & REGIONAL EMPLOYMENT CENTER

SINCE ADOPTION OF THE GENERAL PLAN IN NOVEMBER 2011,
BUILDING PERMITS HAVE BEEN ISSUED FOR OVER:

26.9
THOUSAND NEW
RESIDENTIAL UNITS

18.6
MILLION SQ. FT. OF
NEW COMMERCIAL
DEVELOPMENT

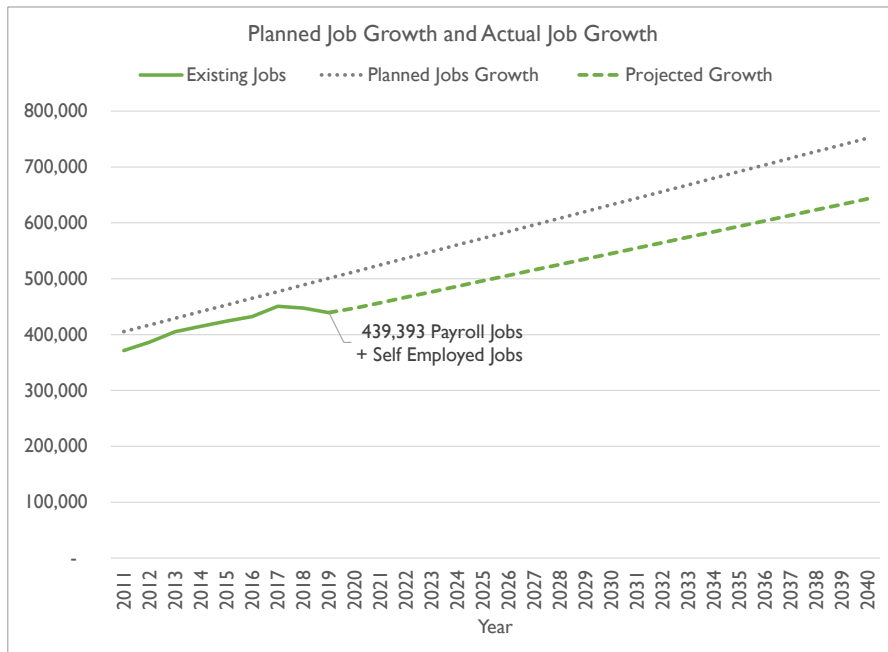
10.7
MILLION SQ. FT. OF NEW
INDUSTRIAL/OFFICE
DEVELOPMENT

At the end of calendar year 2019, San José had a total of 408,711 payroll jobs and approximately 30,682 self employed jobs. These numbers do not include the job losses from COVID-19 due to the data release schedule. Approximately 68,000 of these jobs were created since the adoption of the General Plan in November 2011 and represents a 18% increase from 2011 (California Employment Development Department). On average, this is approximately 7,500 new payroll jobs per year. The General Plan includes a planned job capacity of 382,000 new jobs, equating to approximately 13,000 new jobs per year.

1.1
JOBS PER EMPLOYED
RESIDENTS GOAL (2040)

0.81
JOBS PER EMPLOYED
RESIDENTS (CURRENT)

San José largely remains a bedroom community, having more employed residents than jobs within the City. The jobs-to-employed-resident (J/ER) ratio is an indicator of a city's fiscal strength; jobs-based development generates city revenue while residential-based development necessitates greater demand for the provision of services. The General Plan sets a J/ER ratio goal of 1.1 by 2040. According to the most recent data, the City's J/ER ratio is 0.81, meaning there are 0.81 jobs per employed resident in San José.



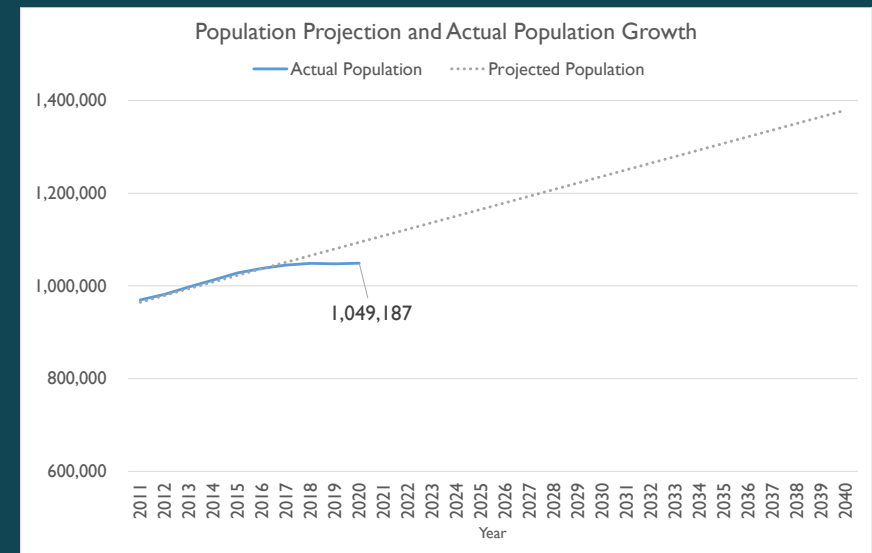
New growth is directed and encouraged within the City's Growth Areas to preserve and enhance the quality of established neighborhoods, and reduce environmental and fiscal impacts.

83%
RESIDENTIAL
DEVELOPMENT BUILT*
within growth areas

75%
COMMERCIAL
DEVELOPMENT BUILT*
within growth areas

71%
INDUSTRIAL / OFFICE
DEVELOPMENT BUILT*
within growth areas

As of January 2020, San José had an estimated population of 1,049,187 people, representing an almost unmeasurable 0.13% increase from 2019 and an 8% increase from 2011. San José's population growth is plateauing likely due to low birth rates, and an increase in out-migration and a decrease in in-migration to the city due to high costs of living. This stands as approximately 53% of the total population of Santa Clara County (State of California, Department of Finance).



* Based on building permits issued since adoption of the General Plan in November 2011

MEASURABLE SUSTAINABILITY / ENVIRONMENTAL STEWARDSHIP

Approved by the City Council in February 2018, Climate Smart San José uses the General Plan as a foundation and creates a pathway for San José to reach the State's target of 80% reduction below 1990 levels of Greenhouse Gas emissions by 2050. In October 2018, San José was named as a winning City in the Bloomberg American Cities Climate Challenge. San José plans to use support from the Climate

CLIMATE SMART SAN JOSE

A People-Centered Plan for a Low-Carbon City



Challenge to focus on turbocharging the implementation of Climate Smart San José. Specifically, San José will work with Bloomberg and partners to develop and implement a shared electric-vehicle strategy, including education and incentives, implementation of high-priority segments for the City's walking and bicycling network, inclusion of new mobility options such as bike- and scooter-sharing systems, development of a roadmap to eliminate natural gas use in residential housing, and require solar and EV-readiness in new construction.

LIFE AMIDST ABUNDANT NATURAL RESOURCES

The General Plan promotes access to the natural environment by building a world-class trail network and adding parks and other recreational amenities.

100
MILES OF OFF-STREET
TRAILS BY 2022
(GOAL)

61
MILES OFF-STREET
TRAILS OPEN TO THE
PUBLIC
(2020)

STREETSCAPES FOR PEOPLE

392 MILES OF ON-STREET BIKE WAYS

San José is becoming a place where biking is a regular and common activity for people for all ages and abilities. Better Bike Plan 2025 will update San José Bike Plan 2020 to create a bicycle network that is:



Safe. We want to eliminate roadway fatalities and major injuries for all – people walking, bicycling, and driving – as soon as possible. This bike plan supports our Vision Zero San José initiative.



Comfortable. We want to create a bicycle network that enriches the lives of everyone who lives, works, or plays in San José.



Convenient. We want more people biking! This plan will help us toward the goal of at least 15% of trips made by bike by 2040.

DESIGN FOR A HEALTHFUL COMMUNITY

The General Plan supports the physical health of community members by promoting walking and bicycling as travel options, encouraging access to healthful foods, and supporting the provision of health care and safety services. Specifically, the Land Use and Transportation Chapter includes a set of balanced, long-range, multi-modal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. One such policy includes reducing the automobile commute mode share to no more than 40% by 2040, with goals to increase various other modes accordingly.

Mode	2040 Goal	San Jose (Current)
Drive Alone	No more than 40%	76.0%
Carpool	At least 10%	11.7%
Transit	At least 20%	4.4%
Walk	At least 15%	1.7%
Bicycle	At Least 15%	0.8%



DESTINATION DOWNTOWN

Downtown San José has seen significant market interest in new commercial developments with 13 million square feet in pending commercial entitlements. Most recently, two sites broke ground in Downtown: Jay Paul Company's 1.3 million-square-foot office tower at 200 Park Ave and a 1.3 million-square-foot commercial tower building for Adobe, Inc.

Since adoption of the General Plan, the City has approved development permits for approximately 7,500 residential units and approximately 5.3 million square feet of commercial/office space in the downtown. Of those approvals, over 4,100 units and 1.88 million square feet were within a quarter-mile of planned BART stations.

Google has acquired and secured rights to more than 55 acres in the area around Diridon station and SAP Center. As of October 2020, updated plans were submitted and the Draft EIR was released for public review and is anticipated to go to public hearing in spring 2021. The project includes up to 7.3 million square feet of office space, 5,900 new units of housing, 300 hotel rooms, 800 rooms for limited-term corporate accommodations, 500,000 square feet for active uses, 100,000 square feet for an event center, 130,000 square feet for a central utilities plant, and 100,000 square feet for logistics/warehouse.

Due to COVID-19, pandemic many events that occur annually in the downtown were cancelled to comply with the Santa Clara County's shelter-in-place order to limit the spread of the COVID-19.

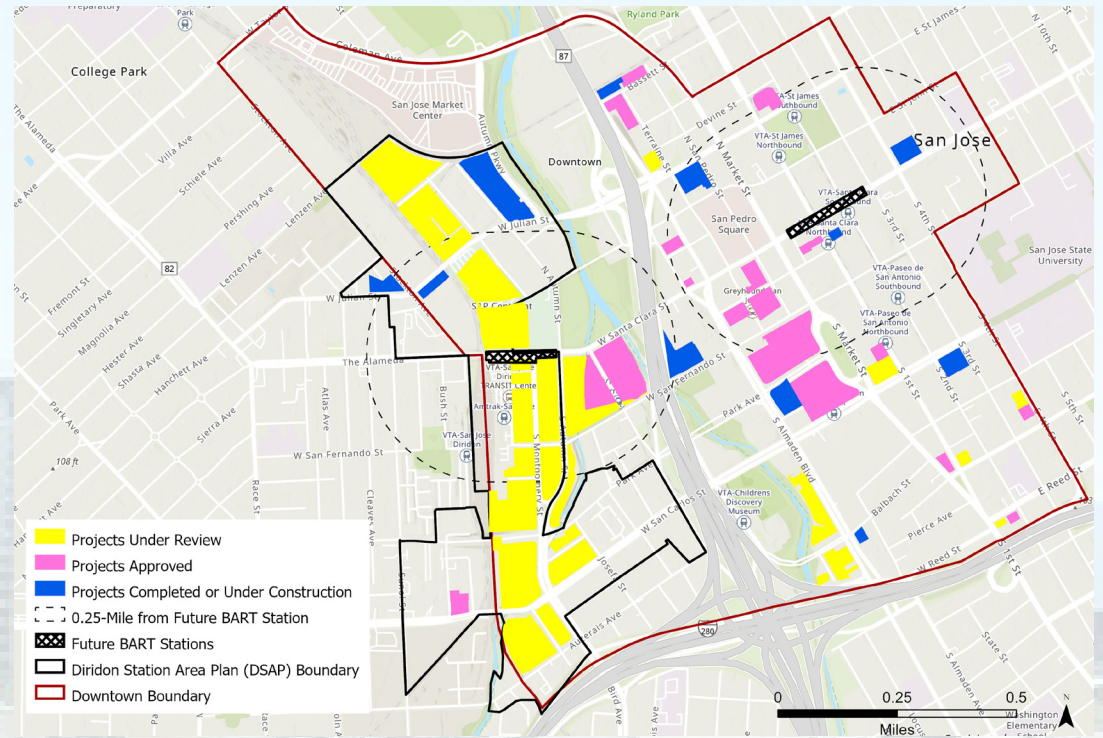
Office vacancies have declined since General Plan adoption in 2011. From 23.6% to the current vacancy rate of 9.7%.

Office Vacancies in Downtown San José



Source: CBRE Marketview Silicon Valley Office

Downtown Development Activity



The General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley.



100 Block Mural Project at South First Street



Adobe at W San Fernando

HOUSING

The Association of Bay Area Governments (ABAG) assigns the City of San José's Regional Housing Needs Allocation (RHNA)

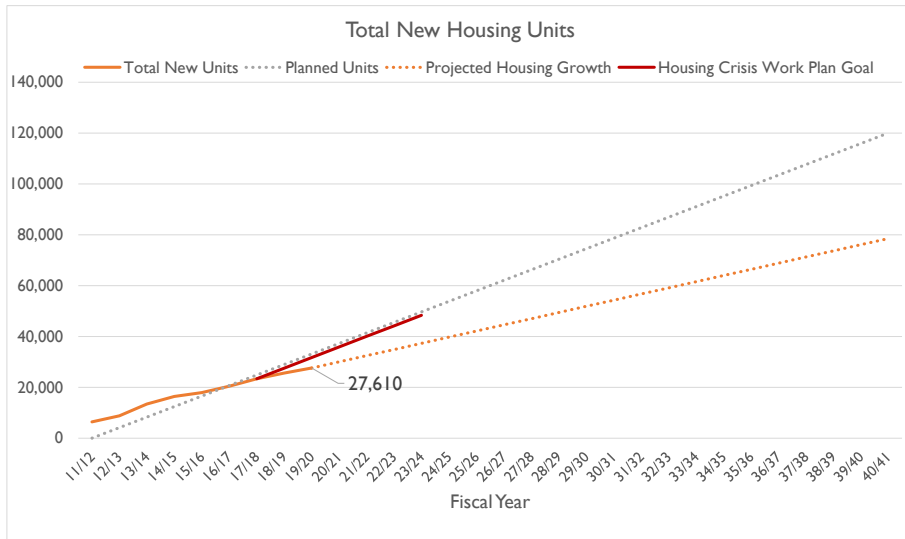
While not a Major Strategy by itself, housing plays an integral role in the General Plan through the Housing Element, and as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The General Plan plans for 120,000 new residential units over the time-frame of the Plan.

Housing Crisis Work Plan

In September 2017, the Mayor issued a memorandum entitled "Responding to the Housing Crisis." The memo set a citywide goal of 25,000 homes, at least 10,000 of those affordable, be constructed or approved by 2022. In June

2018, City Council approved a Housing Crisis Workplan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy actions to facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022.

RHNA	2014-2023 RHNA
New housing units goal	35,080
Permitted units (building permits issued)	12,880 (through 2019)
Percentage permitted as affordable	27% (through 2019)
Percentage permitted as market rate	73% (through 2019)



60%
AFFORDABLE GOAL
(21,849 UNITS)

40%
MARKET RATE GOAL
(14,231 UNITS)

PLAN HORIZONS AND PERIODIC MAJOR REVIEW

Eight privately-initiated General Plan Land Use/Transportation Diagram Amendment requests are included in the 2020 General Plan Annual Review hearing cycle:

1. GP18-015/PDC18-038/PD19-020 (1250 Campbell Avenue): Light Industrial to Transit Residential
2. GP20-002/H20-004 (276 Woz Way): Public-Quasi Public to Downtown
3. GP19-012/C19-042 (329 Gifford Avenue): Residential Neighborhood to Downtown
4. GP20-001/C20-007 (790 Portswood Drive): Transportation Utilities to Residential Neighborhood
5. GP20-002 (1953 Via Reggio Court): Mixed Use Commercial to Urban Residential
6. GP20-003 (1975 Cambrianna Drive): Public/Quasi-Public to Residential Neighborhood
7. GP20-004/GPT18-009/PDC17-022 (1st and Virginia): Mixed Use Commercial and Mixed Use Neighborhood to Transit Residential
8. GPT20-001 (Five Wounds Urban Village): Proposal to amend the interim policies and Urban Village land use designation in the Five Wounds Urban Village Plan

There are also two proposed City-initiated General Plan Amendments in this year's Annual Review cycle:

1. GPT19-006: Text Amendment for Climate Smart updates to the General Plan
2. GPT20-003/GP20-006: Text Amendment to make minor modifications to the General Plan and Midtown Specific Plan

FISCALLY STRONG CITY

In total, the City's 2020-2021 Proposed Capital Budget and 2021-2025 Proposed CIP reflect a 30.6% decrease and a 16.2% decrease, respectively over the previous fiscal year, due in large part to the unanticipated economic downturn resulting from the COVID-19 pandemic and necessary shelter-in-place restrictions to slow the virus' spread. The budget shortfall is driven by reduced revenues or activity levels across several capital programs, including reduced resources for parks and recreation facilities due to lower expected revenues from Construction and Conveyance taxes collected on real estate transactions, a lower level of transportation improvements due to reduced construction taxes collected from private development activity, and a lower level of capital investment at the Airport due to significantly reduced passenger activity levels. The City expects several years of budgetary shortfalls as the economy recovers from the recession and returns to pre-crisis levels.



**2020 GENERAL PLAN
ANNUAL PERFORMANCE
REVIEW
FOR FY2019-20**

OCTOBER 2020

Department of Planning, Building and Code Enforcement
Planning Division



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INTRODUCTION



View the complete General Plan at
<https://www.sanjoseca.gov/home/showdocument?id=22359>

When adopted in November 2011, the **Envision San José 2040 General Plan** (General Plan) provided for an annual performance review to enable evaluation of progress on the General Plan’s strategies and implementation actions. Implementation Policy IP-3.1 specifies: “Beginning in 2013, hold one Annual Review hearing for the Planning Commission and the City Council to review and consider privately proposed amendments to the Envision General Plan and to evaluate its Performance Measures.”

This annual performance review report fulfills this evaluation requirement. The report describes the status, conditions, and/or progress pertinent to the 12 Major Strategies and related actions contained in the General Plan. The 12 interrelated and mutually supportive Major Strategies are considered fundamental to the achievement of the City’s Vision and together promote the continuing evolution of San José into a great city.

Although the beginning of the fiscal year was business as usual in 2019, events in the year 2020 have been unprecedented. The COVID-19 global pandemic has had significant impacts on San José and has affected implementation of the Major Strategies in the General Plan in the past fiscal year of FY2019-20.

As the COVID-19 pandemic unfolded in the east, the City formed a Pandemic Management Team in late January 2020, and activated its Emergency Operations Center virtually on February 28 and began implementing the City’s Pandemic Response Plan. The Pandemic Management Team coordinated closely with Santa Clara County Health and directly with Dr. Sara Cody, Santa Clara County Public Health Officer, to manage information, monitoring, reporting, response, and public education regarding the COVID-19 pandemic. The City launched a daily Flash Report for COVID-19 Mitigation and Response to disseminate crucial public health information to city residents on March 6.

On March 16, 2020 the Santa Clara County Public Health Officer issued a shelter in place order to slow the spread of COVID-19. Except for essential travel, services, and businesses (e.g., grocery/supply shopping, health services, financial services and outdoor activities), travel on foot, bicycle, scooter, motorcycle, automobile, or public transit and operating other businesses especially involving customer interaction were prohibited. With the rise of COVID-19 cases and legal orders to keep residents safe and limit new cases, some City staff continued to work remotely, while others worked on-the-ground as part of the Emergency Operations Center to provide help residents and businesses impacted by COVID-19. As the pandemic continues into the fall with a predicted resurgence in cases, City staff continue to be nimble in providing essential services and informing the community on COVID-19 resources and news updates.

The social and economic impacts of COVID-19 are widespread and has affected almost all 12 Major Strategies of the General Plan which is discussed throughout this report.



View of Downtown San José from Martin Luther King Jr. Library. (Source: flickr.com, Darshan Karia)

PERFORMANCE ANALYSIS

MAJOR STRATEGY #1 – COMMUNITY BASED PLANNING

The City is committed to open government and community participation in its governance activities. The General Plan includes five goals, 23 policies, and two action items related to community outreach, going far beyond State requirements for providing public outreach and community engagement in land use planning activities.

The City’s Public Outreach Policy, Policy 6-30, establishes a protocol for distribution of information related to development activity and encourages early and frequent communication between staff, applicants, and the public on specific development applications. In early 2019, the Office of the City Auditor performed an audit of the Planning Division’s current development noticing practices and provided recommendations in March 2019. Recommendations include:

- Update Council Policy 6-30 to reflect realistic goals for on-site notices;
- Create an updated contact list and map of neighborhood associations to involve neighborhood leaders early in the development review process;
- Provide notices in the predominant language of the neighborhoods;
- Clarify guidance on noticing radii for various permit types in Council Policy 6-30; and
- Create a mechanism for community feedback on noticing and hearing processes for periodic updates and improvements.

In response to the recommendations, staff identified target completion dates within the next two years depending on staffing and resources. Staff developed feedback surveys (including online surveys) for the public to comment on the existing process and to provide suggestions on how to improve community meetings, development noticing, and public hearings. Implementation of these surveys began in September 2019 and staff continues to collect and respond to community feedback. In September 2020, staff developed the Neighborhood and Business Association map with updated contact information that will allow staff to notify community leaders of development proposals in their community earlier in the development review process.

Figure 1.
Planning Division
Community Meetings

Fiscal Year	Meetings	Total Attendees
19-20	26	702
18-19	63	1,795
17-18	40	1,686
16-17	58	2,686
15-16	49	2,158
14-15	27	1,246
13-14	50	1,483
12-13	49	1,429
11-12	31	442
Total	393	13,627

The Planning Division tracks its community outreach meetings on development proposals, General Plan amendments, and ordinance updates, as well as the development of Urban Village and other area plans. As shown in Figure 1, between FY2011-12 and FY2019-20, the Planning Division held 393 community meetings, an average of 44 meetings per year. The number of meetings and attendees in FY2019-20 are less than the community meeting average from FY2011-12 to FY2018-19 due to COVID-19 and the temporary hiatus of community meetings to comply with social distancing County mandate.

Due to the COVID-19 pandemic, community meetings in all departments were suspended for three months (March through May) as the City’s Emergency Operations Center’s Virtual Community Engagement Section, led by Planning staff, developed tools, processes, and strategies for virtual community engagement

outreach that could be implemented citywide. By June 2020 staff implemented an online outreach and engagement program to maintain community outreach during the shelter-in-place order. In FY2019-20, approximately 26 meetings were held with over 700 attendees. Since the implementation of virtual community outreach in June 2020 to September 2020, approximately 19 virtual community meetings were held with almost 800 attendees.



The 4-Year Review Task Force Meeting is held through a virtual platform with over 30 individual Task Force members and over 25 public attendees. The meeting was streamed lived through multiple platforms and recorded for on-demand viewing.

MAJOR STRATEGY #2 – FORM-BASED PLAN

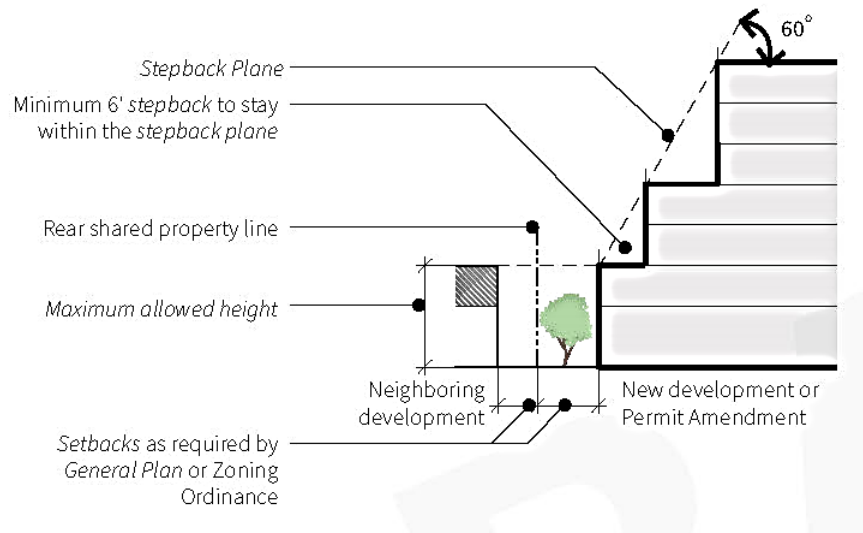
Land use designations that address the form and character of the built environment, as well as appropriate uses and densities, enable the General Plan to clearly articulate a vision for San José’s future urban form.

The General Plan subscribes to form-based planning. Form-based planning principles address the form, character, land uses and densities for future development. Additionally, the principles provide for flexibility for economic activity, address neighborhood concerns about compatibility of new development, and promote ongoing development of complete, cohesive neighborhoods.

View the Draft Citywide Design Standards and Guidelines at <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/start-a-new-project-or-use/design-guidelines/citywide-design-guidelines-update>

The Planning Division applies form-based principles during the review of development proposals and in the preparation of Urban Village plans. Additionally, development applications within the Downtown are evaluated according to the Downtown Design Guidelines and Standards (DDGS), which provide direction for the design of new development in the Downtown area. The DDGS was adopted by City Council on April 23, 2019. Currently, the update to the San José Citywide Design Standards and Guidelines (Citywide DSG) is in its final stages and is expected to be finalized and go to the City Council for its consideration by January 2021. The update will consolidate residential, commercial, and industrial design guidelines into one document, thereby advancing the General Plan’s Major Strategy #2 – Form-Based Plan.

Below is an example diagram of form-based planning from the Draft Citywide DSG, including massing and height transition.



Draft Citywide DSG – Building massing relationship to context.

MAJOR STRATEGY #3 – FOCUSED GROWTH

San José is the tenth largest city in the country and the third largest city in the state of California. Since the adoption of the General Plan, San José has had an overall increase in population since adoption of the *Envision San José 2040 General Plan* and remains the largest city in Santa Clara County with more than half of the county’s total population.

- **Population Growth.** As of January 2020, San José had an estimated population of 1,049,187 people, an 8% increase from 2011 (see Figure 2). This stands as approximately 53% of the total population of Santa Clara County (State of California, Department of Finance). While population in San José has increased since 2011, there was effectively no increase in residents between 2019 and 2020. The flattening population growth in San José can be attributed to decreasing birth rates and a low net migration of residents leaving the area due to high housing and living costs, while fewer newcomers are moving to San Jose for employment opportunities than past years due to high housing and living costs and federal restrictions on working visas and immigration.
- **Job Growth.** As of December 2019, San José has a total of 439,313 jobs, of which approximately 68,000 of these jobs were created since the adoption of the General Plan, which represents an 18% increase from December 2011 (California Employment Development Department, Census ACS 2010-2017). On average, this is approximately 8,500 new jobs per year. Continuing the slowing job growth trend from 2018, in 2019 there was a 2% job loss equivalent to approximately 8,400 jobs. This was an expected economic slowdown and market correction as economic growth has had an increasing trend for years. Unfortunately, due to the California Employment Development Department (CEDD) data release cycles for cities, this does not capture the impact of COVID-19 on employment in San José; however, impacts from COVID-19 on employment are further discussed under Major Strategy #4 – Innovation/Regional Employment Center. The General Plan includes a planned job capacity of 382,000 new jobs until the year 2040, equating to approximately 13,000 new jobs per year.

Figure 2. Population and Growth in San José

Year	# Residents
2011	970,011
2012	981,678
2013	997,781
2014	1,012,694
2015	1,028,040
2016	1,037,952
2017	1,045,047
2018	1,048,875
2019	1,047,871
2020	1,049,187

The Focused Growth Major Strategy directs both population and job growth to identified Growth Areas through the intensification and redevelopment of existing properties. Residential developments located outside of Growth Areas are limited to neighborhood infill to preserve and enhance the quality of established neighborhoods and reduce environmental and fiscal impacts.

New Development in Growth Areas

The Planning Division tracks building permits for new residential units and non-residential square footage in a Geographic Information Systems (GIS) database for a range of purposes. The database can be queried to determine the location of building permits relative to Growth Areas.

- Since adoption of the General Plan, approximately of 83% of residential development, 75% of commercial development, and 71% of industrial development have occurred within Growth Areas (these numbers reflect issued building permits from November 2011 to June 2020).

- For FY2019-20, 73% of residential development, 65% of commercial development, and 66% of industrial/office development occurred within Growth Areas. Figures 3 to 5 map the spatial distribution of new development in FY2019-20 by residential units per square mile and square feet of new industrial/office and commercial space per square mile.

Figure 3. FY2019-20 Building Permits Issued per Square Mile for New Residential Units

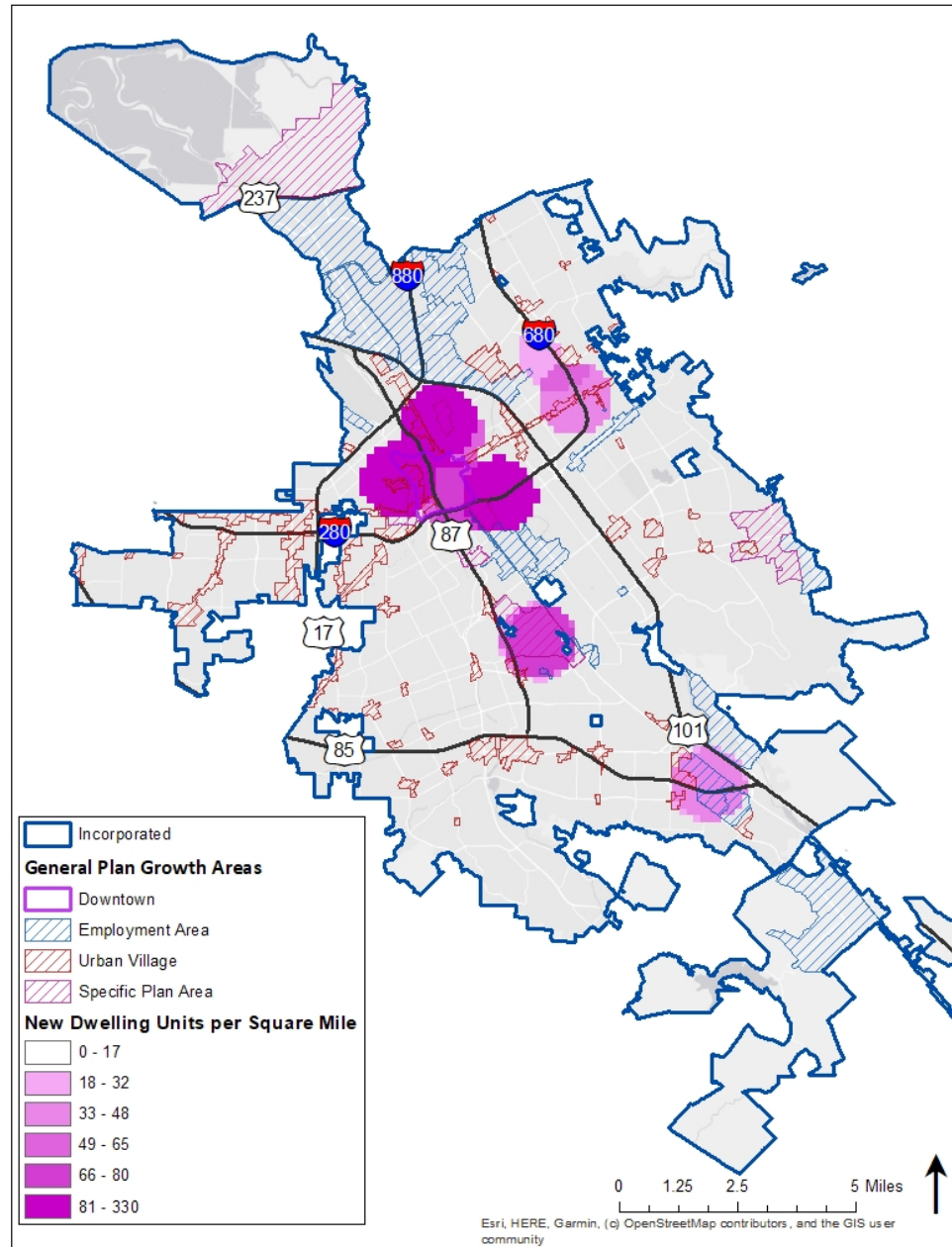


Figure 4. FY2019-20 Building Permits Issued (square feet) per Square Mile for New Commercial Space

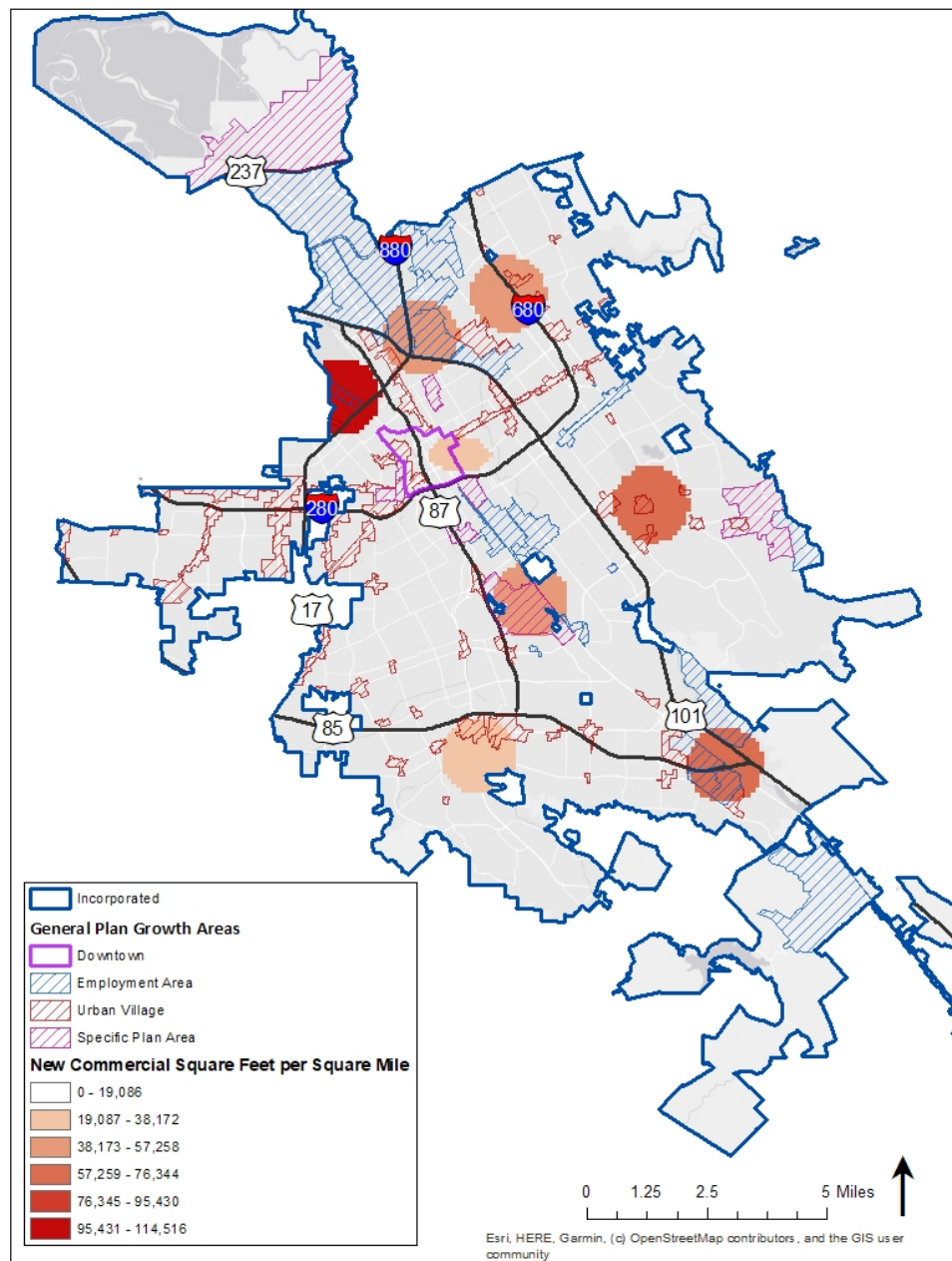
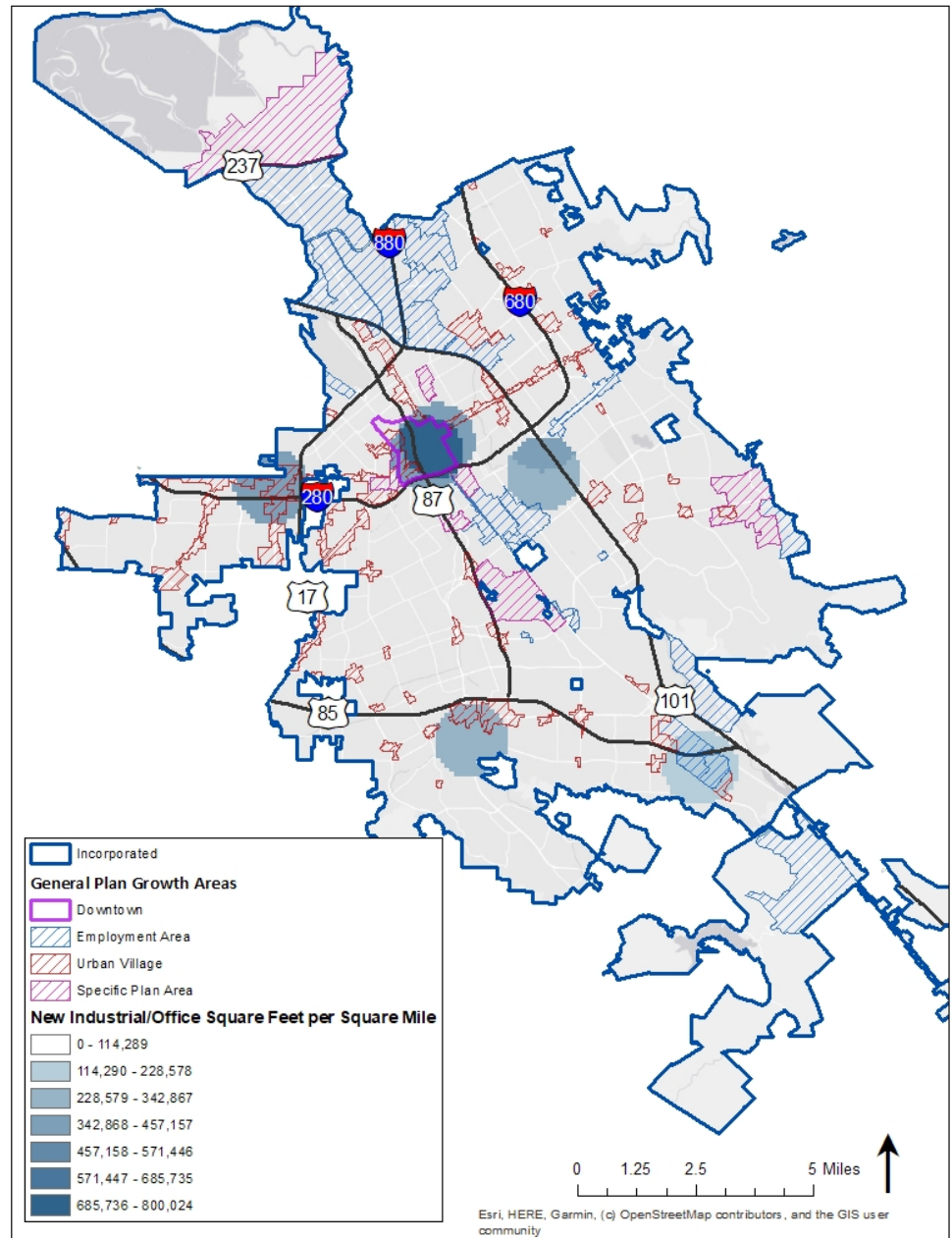


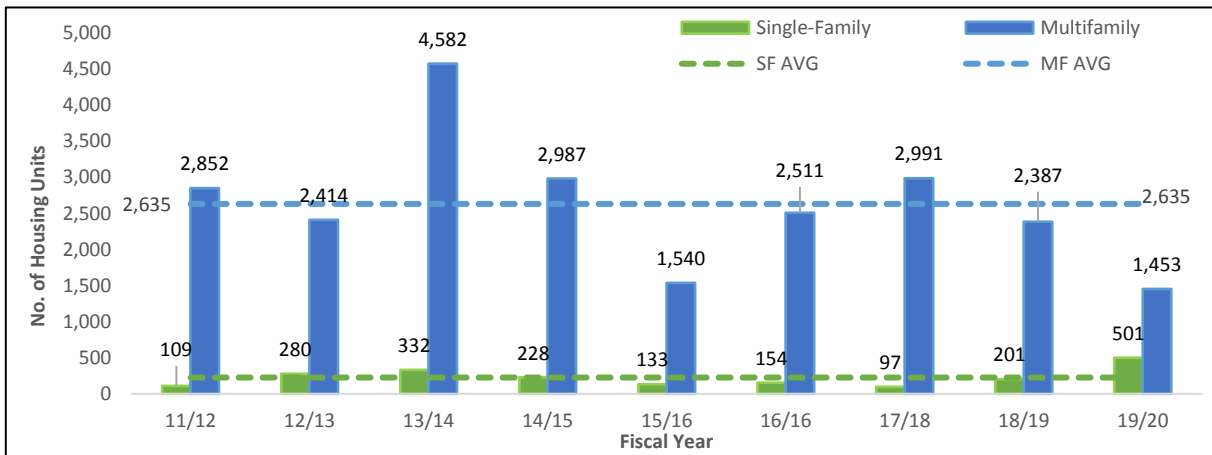
Figure 5. FY2019-20 Building Permits Issued (square feet) per Square Mile for New Industrial/Office Space



From November 2011 through FY2019-20, the Department of Planning, Building and Code Enforcement (PBCE) has issued building permits for new construction citywide totaling over 26,900 housing units, 18.6 million square feet of commercial development, and 10.7 million square feet of industrial/office development.

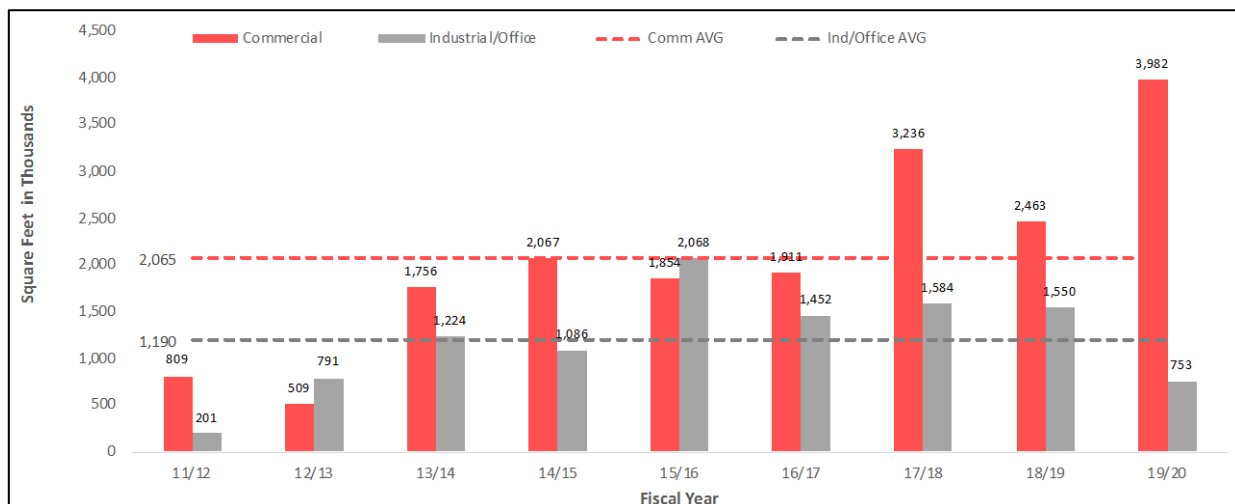
Overall building permits issued for new construction of housing units declined by 25% compared to FY2018-19; however, applications for single family homes more than doubled compared to last year and ADU applications continue to rise as shown in Figure 6 with single-family building permits which more than doubled since the last fiscal year. The streamlining of the ADU application process have increased the demand of ADUs throughout San José. On the other hand, multifamily development building permit activity slowed significantly, likely due to the uncertainty from the COVID-19 pandemic. Despite the expected decrease in building permit activity due to COVID-19, the FY2019-20 commercial and industrial/office building permit activity almost tied with the record issuance in FY2017-18 (shown in Figure 7). This is likely due to the increase in development interest in Downtown.

Figure 6. Building Permits Issued for New Residential Units FY2011-12 to FY2019-20



Source: Fee and Tax Activity Report, Fiscal Year, PBCE

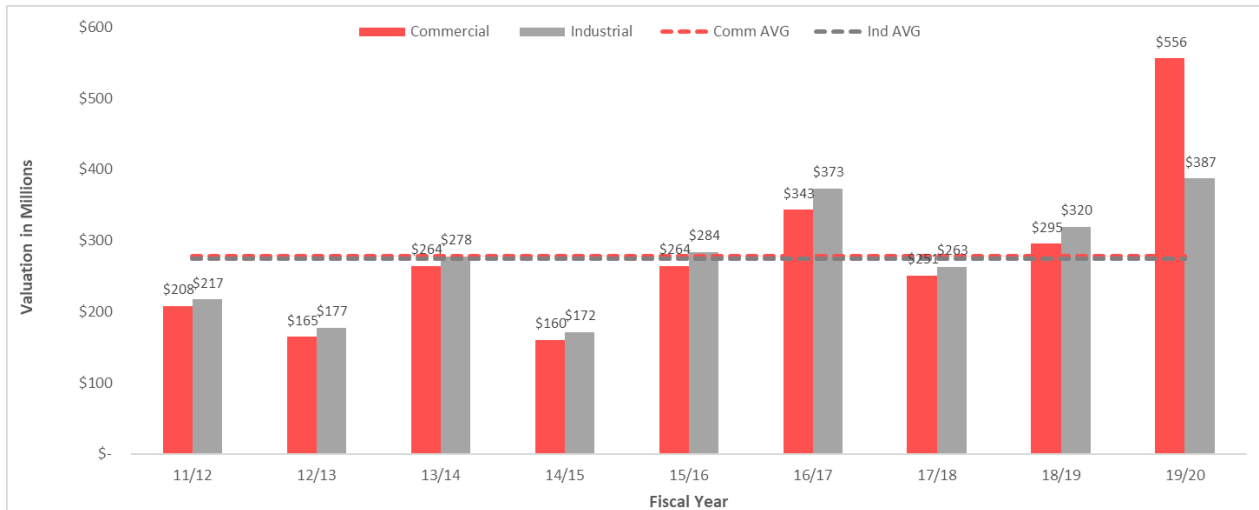
Figure 7. Building Permits Issued for New Commercial and Industrial/Office (square feet) FY2011-12 to FY2019-20



Source: Fee and Tax Activity Report, Fiscal Year, PBCE

The City of San José also measures the valuation of permit activity for new construction and alterations. Valuation of alterations, or improvements, indicate the level of investment in renovations to existing buildings. Valuations of commercial and industrial/office were higher than FY2018-19. Notably, industrial/office alteration valuation was nearly double the previous year which may be attributed to the high costs of industrial/office development or large office purchases in Downtown.

Figure 8. Valuation of Commercial and Industrial/Office Alterations FY2011-12 to FY2019-20 (in Millions)



Source: Fee and Tax Activity Report, Fiscal Year, PBCE (Valuation figures adjusted to 2020 dollars (per SJ-SF-OAK CPI)

In addition to evaluating building permits, Planning staff analyzed planning permits to understand development trends. Planning permits include planned development rezoning and site development permit applications. Since 2011, the majority of residential entitlements from planning permits have been approved within Downtown, the Jackson-Taylor Specific Plan area, the Midtown Specific Plan area, North San José, and the Tamien Station Specific Plan area. Within non-Urban Village growth areas, 2,011 residential units and 2.8 million square feet of commercial, office, and industrial space were entitled in FY2019-20. Approximately 15,600 residential units and approximately 26 million square feet of non-residential uses are pending approval/under review citywide as of September 2020, which includes a monumental submittal from Google for their *Downtown West* mixed-use development proposal consisting of approximately 8.9 million square feet of non-residential uses and 5,900 residential units. San José has also seen an increase in investment in Downtown, with a substantial increase in pending applications for residential and non-residential entitled, which is discussed further in Major Strategy #9. It also includes two pending Signature Projects and other projects in Urban Villages which is discussed further in Major Strategy #5. In FY2019-20, residential entitlements within San José were approved at an average of 80 dwelling units per acre. Nearly all residential entitlements were for projects at a density of 45 dwelling units per acre or greater, which can be fiscally positive to the City.

MAJOR STRATEGY #4 – INNOVATION/REGIONAL EMPLOYMENT CENTER

San José, the Bay Area’s largest city and the nation’s tenth largest city, continues to play a vital role in local, regional, state, and national economies. The Innovation/Regional Employment Center Major Strategy emphasizes economic development to support San José’s growth as a center of innovation and regional employment. The General Plan advances the strategy by:

- Planning for 382,000 new jobs and a jobs-to-employed-resident (J/ER) ratio of 1.1/1;
- Supporting job growth within existing job centers;
- Adding new employment lands; and
- Designating job centers at regional transit stations.



Of the nation’s 20 largest cities, only San José has more nighttime residents than daytime workers, reflecting that it has less than a 1:1 jobs-to-employed-resident ratio.

To achieve the General Plan’s goal of becoming a regional employment center, San José needs to generate and attract approximately 13,000 new jobs per year. Since 2011, San José has attained roughly 68,000 new jobs, but also added approximately 82,900 employed residents (10,400 annually). In 2019, despite the decrease in number of jobs (2%) and a decrease in number of employed residents (0.3% decrease) the J/ER is relatively stable. However, these numbers do not include the economic impact of the COVID-19 pandemic and shelter-in-place order to limit the spread of the virus in 2020. City-level employment data is provided by the California Employment Development Department (CEDD) which is typically released several months after the end of a calendar year. Both COVID-19 impacts and J/ER are further discussed below.

COVID-19 Impacts on Employment

Although not on a city-level, the CEDD also provides data on a monthly basis for the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), which is comprised of the combined areas of Santa Clara and San Benito counties. This data reflects the direct and indirect loss of jobs due to the COVID-19 pandemic and shelter-in-place restrictions. The CEDD data, issued in September 2020, estimated that total wage and salary employment in the MSA is 1,063,300 jobs, a decline of 8.4% year-over-year, over the past twelve months (August 2019 to August 2020). Overall, the greatest job losses occurred between March and April with 145,000 jobs lost (12.5%) and with some recovery activity between April to August 2020 for a total net loss of 93,200 jobs (8%). The hardest hit sectors are Education and Health Services, Leisure and Hospitality, and Retail Trade which only saw a 14.2%, 32.5%, and 43.2% recovery from February 2020 (pre-COVID) to August 2020, respectively.

CEDD also provides labor market information such as unemployment and civilian labor force for the MSA. In August 2019, the unemployment rate was only 2.7% and skyrocketed to 10.8% in June 2020 due to the pandemic. As of August 2020, the unemployment rate has decreased to 7.6%. However, the civilian labor force has also seen a declining trend with 35,200 workers (3.2%) lost from August 2019 to August 2020 likely due to out migration, relinquishing jobs for family care, those on furlough, and many others. The unemployment rate, or the number of people suffering with financial hardships, is likely higher than reported because it may not capture those without jobs that are not and perhaps cannot actively look for employment under COVID-19 circumstances.

It may take years to assess the full impact of COVID-19 on the local economy as data is limited. The FY2020-21 report should capture the 2020 COVID-19 impacts on San José employment.

Jobs-to-Employed-Resident (J/ER) Ratio

Despite its growth and vibrancy, San José is the only large city (having a population greater than 500,000) in the United States that is largely a bedroom community, meaning more residents leave San José for employment in other communities than workers from other communities commute into San José. This imbalance has led to significant negative fiscal, environmental and quality of life impacts for San José. The J/ER ratio is an indicator of a city’s fiscal strength; In general, employment-based development generates city revenue while residential-based development necessitates the provision of city services, the cost of which outweighs the revenue collected. The City monitors its J/ER ratio using a combination of data from the U.S. Census Bureau’s American Community Survey (ACS) and payroll data from the CEDD. According to the most recent data, the City’s J/ER ratio is 0.81, meaning there are 0.81 jobs per every employed resident in San José. San José has not shown a significant improvement in the J/ER ratio since 2011, in part because of the significant increase in San José’s employed residents (see Figure 9).

The J/ER ratios show a declining trend across the region compared to 2018, with San José dipping slightly in J/ER from 0.82 to 0.81. Milpitas, Mountain View, and Palo Alto showed a greater J/ER decrease, while Cupertino and Fremont remained steady. As shown in Figure 9, San José remains the city with the lowest J/ER ratio, even when compared to similar cities such as Fremont.

Figure 9. Jobs per Employed Resident for Select Local Cities, 2010-2019

City	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
San José	0.83	0.80	0.81	0.83	0.82	0.82	0.82	0.85	0.82	0.81
Cupertino	1.12	1.23	1.20	1.33	1.47	1.64	1.75	1.85	1.99	1.99
Fremont	0.84	0.85	0.86	0.86	0.90	0.96	0.96	0.98	0.98	0.98
Milpitas	0.99	1.17	1.17	1.19	1.18	1.18	1.17	1.26	1.25	1.20
Mountain View	1.60	1.77	1.83	2.59	1.84	1.92	1.67	1.74	1.77	1.70
Palo Alto	3.00	3.14	3.27	3.20	3.13	3.36	3.33	3.36	3.40	3.08
San Francisco	1.02	1.16	1.17	1.24	1.26	1.29	1.30	1.29	1.29	1.31
Santa Clara	1.75	1.95	2.02	2.02	1.77	1.79	1.70	1.69	1.77	1.78
Sunnyvale	1.18	1.18	1.16	1.13	1.06	1.06	1.04	1.08	1.04	1.08

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (employed residents and self-employed jobs); California Employment Development Department (jobs)

The data reinforces the importance of the General Plan’s jobs focus and the need to maintain employment land for future job growth. Although the J/ER ratio has remained relatively unchanged since adoption of the General Plan, the City has approved projects that are improving employment opportunities within San José.

In FY2019-20, entitlement of major commercial and industrial/office projects included:

- Jay Paul DiNapoli Office, an approximately 1.3 million square feet office tower was approved at 200 Park Avenue in Downtown. (H18-045)
- South Bascom Gateway Station was approved for the construction of a 200,000-square-foot office building and 590 residential units in the South Bascom Avenue (North) Urban Village. (PD18-015)
- Cloud 10 Skyport Plaza was approved for construction of a nine-story office building and a one-story industrial office building totaling 350,000 square feet in North San José. (PD18-039).
- CityView Plaza was approved for construction of 3.8 million square feet of office and commercial space in Downtown. (H19-016)

View an interactive map of Key Economic Development Projects at: <https://csj.maps.arcgis.com/apps/Shortlist/index.html?appid=b6ab6d3f16c34736914cb0b523ef1a93>



CityView Plaza.

MAJOR STRATEGY #5 – URBAN VILLAGES

The 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. Urban Villages are intended to be attractive to an innovative workforce, enhance established neighborhoods, and are consistent with the Plan’s environmental goals.

The General Plan establishes an Urban Village planning process that includes ongoing community involvement and public workshops that enables land use and urban design issues to be addressed at a finer level of detail. Planning Division staff facilitate these community meetings and workshops, and coordinate the participation of staff from the Department of Transportation; Parks, Recreation, and Neighborhood Services; Housing; Public Works; the Office of Economic Development; and the Office of Cultural Affairs. These departments are integral to the Urban Village planning process.

Urban Village Plans and Horizons

City Council has approved 12 Urban Village plans since adoption of *Envision San José 2040 General Plan*. Over the last year, the Berryessa BART Urban Village and North 1st Street Urban Village planning processes continued to progress and are anticipated for completion in winter 2021 and summer 2021 respectively. These plans incorporate a form-based planning approach and provide detailed information related to allowable uses, density, and floor area ratio (FAR) that are permitted within each Urban Village. To find descriptions of approved and proposed Urban Village plans, visit the City’s website: <https://www.sanjoseca.gov/your-government/departments/planning-building-code-enforcement/planning-division/citywide-planning/urban-villages/approved-urban-village-plans>

Figure 10 outlines six regional or local transit Urban Village plans that are in various stages of development.

Figure 10. Urban Village Plans Currently Under Development

Urban Village Plan	Status	Anticipated Dates
Berryessa BART	In Progress	Winter 2021
N. 1 st St	In Progress	Summer 2021
Southwest Expressway	To be Initiated	Spring 2021
Race Street Light Rail	To be Initiated	Spring 2021
Five Wounds (Update)	To be Initiated	Summer 2022
Eastside Alum Rock/Alum Rock Ave. (E. of 680)	To be Initiated	Fall 2022

Development Activity in Urban Villages

Since the 2011 adoption of the General Plan, planning development permits have been approved for approximately 9,523 housing units and 3.8 million square feet of non-residential uses (commercial and industrial) within Urban Villages. In FY2019-20, approximately 1,540 residential units and 516,667 square feet of non-residential uses were approved.

Residential development is currently limited by the General Plan to Urban Villages that are in the current planning horizon, or Horizon I, and have a Council approved

Urban Village Plan. However, there are several tools that allow residential development to occur within later Horizons: Signature Project Policy (Policy IP-5.10), Affordable Housing in Urban Villages Policy (Policy IP-5.12), and the Residential Pool Policy (Policy IP-2.11).

Signature Projects. The General Plan establishes a Signature Project policy to allow residential, mixed-use projects to proceed ahead of preparation of an Urban Village plan if the projects meet an established set of requirements related to density, design, and the provision of employment space and parks (Policy IP-5.10).

One new Signature Project, Bascom Gateway Station or Dick's Center (PDC17-047/PD18-015) was approved in FY2019-20. To date, City Council has approved six Signature Projects, two of which are under construction. The Signature Projects are described below:

1. **File No. PDC15-049/PD15-044 (Sparta Student Housing):** Demolition of approximately 6,400 square feet of existing commercial buildings and construction of 86 multifamily residential units and 11,530 square feet of commercial space in a 7-story building (E. Santa Clara Street Urban Village; Horizon 1). Sparta Student Housing began construction in summer 2019.
2. **File No. PDC15-065/PD15-059 (Volar):** Planned development permit to allow up to 307 residential units and up to 52,167 square feet of commercial and office uses in a 18 story building on a 0.89 gross acre site (350 S. Winchester Boulevard; Valley Fair/Santana Row Urban Village; Horizon 3 at the time of project approval). As of September 2020, Volar has not broken ground.
3. **File No. PDC16-002/PD16-025 (The Orchard or North Capitol):** Planned development permit to allow up to 188 residential units, 108,000 square feet of commercial space, and a one-acre park on a 10.6 gross acre site (641 N. Capitol Avenue; N. Capitol Ave/McKee Rd Urban Village; Horizon 2). The Orchard began construction in 2018 and is nearing completion.
4. **File No. PDC16-036/PD17-014 (Stevens Creek Promenade or FortBay):** Planned Development Permit to allow construction of a 6-story approximately 233,000-square-foot office building, a 6-story parking garage, an 8-story mixed use building containing approximately 10,000 square feet of ground floor commercial and up to 289 residential units, and an 8-story residential building containing approximately 205 market rate residential units and approximately 88 affordable residential units (total of up to 293 residential units) on an approximately 10-gross acre site (4300-4600 Stevens Creek Boulevard; Stevens Creek Boulevard Urban Village; Horizon 1). As of September 2020, the project has not broken ground.



Rendering of the Sparta Student Housing Signature Project approved in 2016

5. **File No. PDC17-056/PDI7-027 (AvalonBay West Valley):** Planned Development Permit to allow the construction of up to 300 residential units, 17,800 square feet of retail/commercial space, residential amenities including two pools, and 1,110 new parking spaces within the existing multi-family residential development on an approximately 20-gross acre site (700 Saratoga Avenue; Saratoga Avenue Urban Village; Horizon 3). As of September 2020, AvalonBay West Valley has not broken ground.



Rendering of the AvalonBay West Valley Signature Project approved in 2019

6. **File No. PDC17-047/PDI8-015 (Bascom Gateway Station or Dick's Center):** Planned Development Permit to allow the construction of 590 multifamily residential units, 200,000 square feet of office space, and 76,894 square feet of commercial space on an approximately 7-gross acre site (1330 S. Bascom Avenue; S. Bascom North Urban Village; Horizon 1). As of September 2020, the project has not broken ground.

As of September 1, 2020, there are two Signature Project applications on file that staff is evaluating for consistency with Policy IP-5.10 and other applicable guidelines and regulations:

- **File No. PDC20-007 (Cambrian Park Plaza):** Planned Development Zoning to allow the construction of up to 305 multifamily residential units, 25 townhomes, and 49 single-family residential homes, 154,680 square feet of office or residential care, 58,360 square feet of retail/commercial space, 229 hotel rooms, and 1.6 acres of public open space on an approximately 18-gross acre site.
- **File No. PDC19-049/PD20-006 (El Paseo and 1777 Saratoga Ave Mixed Use Village):** Planned Development Permit to allow the construction of up to 741 multifamily residential units, 67,500 square feet of retail, and 450,000 square feet of office or educational facility on an approximately 11-gross acre site.

Policy IP-5.12 (Affordable Housing). General Plan Policy IP-5.12 allows affordable residential projects to proceed ahead of the current Horizon or preparation of an Urban Village plan if the project is 100% affordable deed restricted for no less than 55 years to low income residents (earning 80% or less of the Area Median Income).

In FY2019-20, the first and only project was approved under this policy:

- I. **File No. CP18-022/T18-034 (397 Blossom Hill Road):** Demolition of an approximately 32,000-square-foot building and to construct a 147-unit senior affordable housing building with approximately 16,066 square feet of commercial uses on an approximately 2.0-gross acre site. As of September 2020, the project has not broken ground.

Residential Pool Policy. 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 Figure 11 below have utilized the Pool capacity.

Figure 11. Residential Pool Policy Capacity

<i>Project (File No.)</i>	<i>Units</i>
Sparta Student Housing (PD15-044)	86
Volar (PD15-059)	307
The Orchard (PD16-025)	188
Stevens Creek Promenade (PD17-014)	582
AvalonBay West Valley (PD17-027)	300
Bascom Gateway Station (PD18-015)	590
SUBTOTAL	2,053
REMAINING CAPACITY	2,817

As part of the General Plan Four-Year Review process currently underway, the General Plan Task Force at their December 2019 made a recommendation to eliminate policy IP-2.11. Staff and the Task Force recommendations are anticipated to be considered by City Council in spring 2021. If the Residential Pool policy is removed from the General Plan the 5,000-unit cap would no longer apply and there would be no residential cap for projects in Urban Villages that are not within the current horizon.

MAJOR STRATEGY #6 – STREETSAPES FOR PEOPLE

The General Plan includes goals and policies that emphasize street design for people, not just cars, and that support a diverse range of urban activities and functions. To further support the Streetscapes for People strategy, the General Plan established Grand Boulevard and Main Street roadway designations, which are intended to meet the needs of all users while fostering a positive identity of a community.

Grand Boulevards serve as major transportation corridors that connect City neighborhoods, such as N. 1st Street, Capitol Avenue, and E. Santa Clara Street. Main Streets are roadways that support retail and service activities that serve the local neighborhood residents, such as Blossom Hill Road, Story Road, and S. Bascom Avenue.

As part of the Urban Village planning process and consistent with Policy IP-5.1, Urban Village Plans should include streetscape and urban design guidelines, recommended streetscape improvements, and pedestrian circulation plans. All of the Urban Village Plans approved thus far contain goals and policies and identified improvements to enhance pedestrian circulation and the streetscape and public right of way.

Complete Streets Design Standards and Guidelines. Consistent with the General Plan, specifically Action Item CD-4.14, the City Council approved the City of San José’s Complete Streets Design Standards and Guidelines on May 1, 2018. The Complete Streets Design Standards and Guidelines, developed by the Department of Transportation (DOT), establish design principles that are focused on developing streets that are people-oriented, connected, and resilient. Significant content from the National Association of City Transportation Officials’ (NACTO) design guides was adapted and incorporated into San José’s Complete Streets Design Standards and Guidelines. NACTO design guidance recognizes that cities are places for people and shifts the parameters of designing urban streets from only considering automobile movement to emphasizing access, safety and mobility for all roadway users. The Complete Streets Design Standards and Guidelines will be applied to capital projects and public roadway improvements associated with private development projects.

For more information on the Better Bikeways SJ, check out <https://www.sanjoseca.gov/your-government/departments/transportation/biking/better-bikeways>

Better Bikeways SJ. During summer and fall 2018, the DOT worked with the Knight Foundation and the NACTO to develop a two-year plan to increase bicycling in central San José. With about half of San José’s residents and jobs located within a 4-mile distance (less than a 30-minute bike trip) of City Hall, and with a strong network of public transit, central San José is an ideal setting for bicycling infrastructure as a transportation investment. This plan is known as “Better Bikeways SJ.” The DOT will build the network of bikeways in this plan over the next two years, using a toolkit already available for streets: separating bikes and traffic using inexpensive, traffic-tested materials, switching the position of parking lanes and bike lanes during paving projects to let parked cars do the work of protecting the bikeway. By coordinating with planned pavement maintenance work, the City has the potential to build more than a dozen miles of protected bike lanes, extended by a network of low-stress neighborhood streets, in less time than a typical capital project for one street would take. This network will extend from the downtown area through and beyond the ring of freeways bordering it (Highways 280, 101, 87, and 880). As of July 2020, this initiative has installed and/or enhanced a total of 10.7 miles of downtown bikeways. Improvements include:

- 4.2 miles of protected bikeways
- 1.5 miles of bike lanes
- 5.0 miles of shared lanes on calm streets

Better Bike Plan 2025. The DOT is developing the *Better Bike Plan 2025*, an update to the *Better Bike plan 2020*. The *Better Bike Plan 2025* strives to eliminate roadway fatalities and major injuries for people walking, bicycling, and driving; create a bicycle network that enriches the lives of everyone who lives, works, or plays in San José; and increase trips made by bike to at least 15% of by 2040. DOT held two workshops to gather input from the community to help draft recommendations for new projects and programs that support bicycling. A draft plan was circulated for review in late in spring of 2020 and proposed over 400 miles of separated bikeways. October 6, 2020, City Council unanimously approved the Better Bike Plan 2025.

For more information on the Better Bike Plan 2025, check out <https://www.bikesanjose.com>

Access and Mobility Plan. The San José Access & Mobility Plan will lay out a set of strategies to bring the bold transportation goals of *Envision 2040 San José General Plan* and *Climate Smart San José* to life. The Plan will develop projects and policies that make progress on goals such as increased walking, biking, and transit use; decreased auto dependence; increased safety; and making streets designed around people, not cars. The Plan will also result in a data and analytics system, which will keep the City on track and help us adjust strategies.

For more information on the Access and Mobility Plan, check out <https://www.sanjoseca.gov/your-government/departments-offices/transportation/planning-policies/san-jos-access-and-mobility-plan>

The Plan is being developed in three phases:

- Phase 1 (complete): “Directives.” In this phase, staff consolidated the City’s transportation policies and goals into one document, proposed key performance indicators to measure success when the plan is implemented, and drafted the RFP for Phases 2 and 3 of the effort.
- Phase 2 (in progress): “Strategies,” will develop the major strategies to implement the Phase 1 directives.
- Phase 3 (in progress): “Decision Support System,” will develop the data sources, analytics, and evaluative tools to help staff make informed decisions. Staff will use these tools to for on-going evaluation and adjust strategies when needed.



Bicyclists using a buffered bike lane along West San Fernando Street.
Source: www.Bikesanjose.com

MAJOR STRATEGY #7 – MEASURABLE SUSTAINABILITY/ENVIRONMENTAL STEWARDSHIP

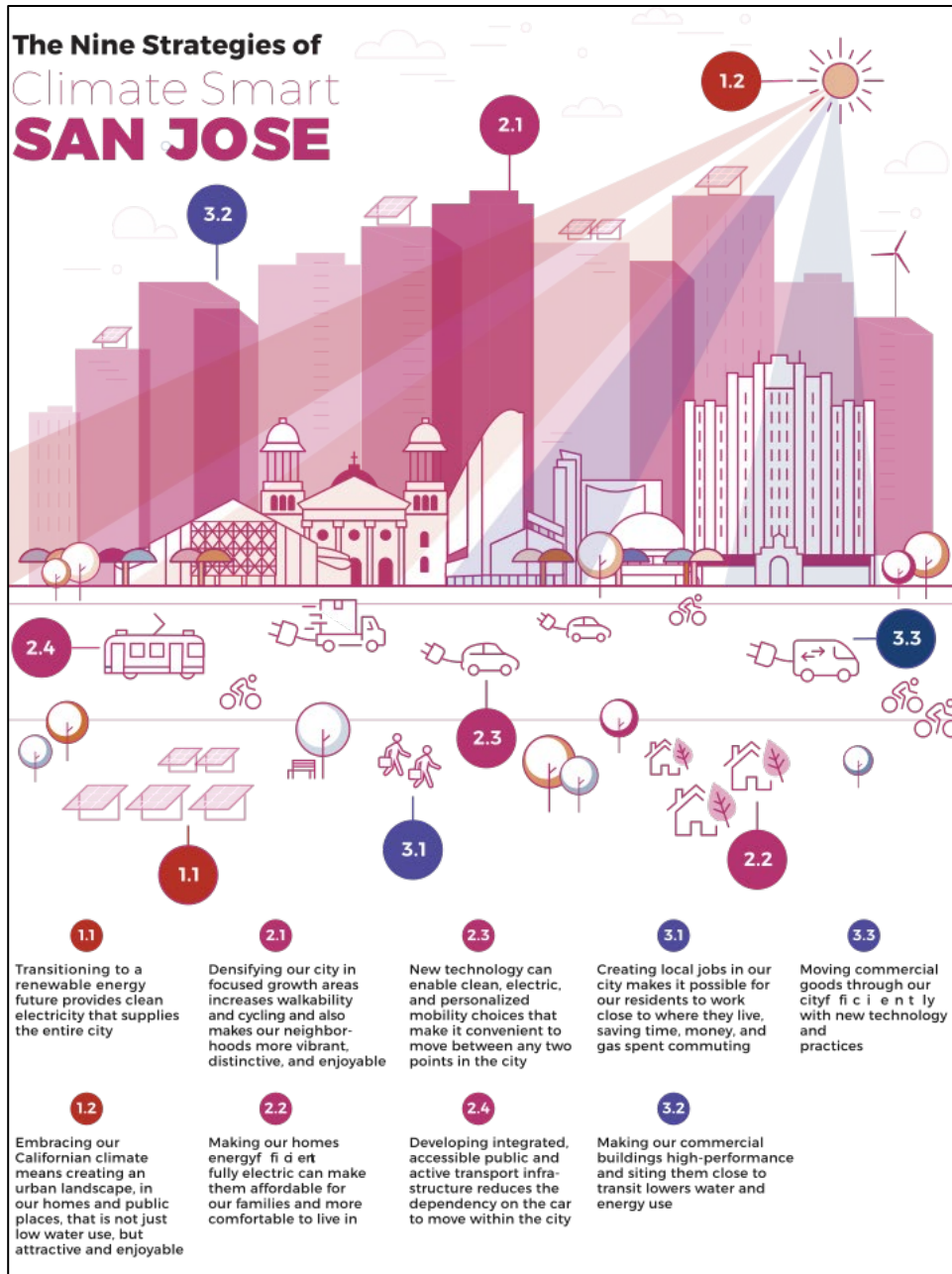
In April 2015, the City Council directed staff to reprioritize and focus on two overarching goals of the Green Vision: 1) ensuring a more sustainable water supply and 2) reducing greenhouse gas emissions. The City Council memo stated that the Green Vision would no longer be reported annually in a standalone report, but that the remaining goals of the Green Vision should remain within their respective department's work plans and be reported through the performance-based budget process. Due to the absence of a standalone report, the General Plan Annual Review, will no longer track progress of the Green Vision goals. Instead the Annual Performance Review will summarize progress on implementation of *Climate Smart San José*, which has replaced the Green Vision as described below. Appendix A includes an update on the City's achievement of these goals. Some of Green Visions goals have been incorporated into *Climate Smart San José* and other goals are tracked separately.

Climate Smart San José. Action Item IP-17.3 of the General Plan calls for the City to participate in the development of a Sustainable Community Strategy that is consistent with San José's goals for Environmental Leadership as well as the economic, fiscal and other goals and policies contained within the *Envision 2040 General Plan*. In 2017, led by Environmental Services Department staff, the City began drafting the Green Vision's replacement, *Climate Smart San José*. Approved by the City Council in February 2018, *Climate Smart San José* builds on the *Envision San José 2040 General Plan* by highlighting and interpreting goals related to the community's profile of carbon emissions and then providing additional analysis and recommendations. *Climate Smart San José* uses the General Plan as a foundation and goes further by creating a pathway for San José to reach the State's target of 80% reduction below 1990 levels of Greenhouse Gas emissions by 2050 as well as achievement of the Paris Climate Agreement goals. The Paris Climate Agreement sets a goal for the reduction in carbon emissions required by 2050 to keep the rise in average global temperature to below two degrees Celsius.

Climate Smart San José establishes nine strategies, each associated with quantitative milestones to ensure clear, timely progress tracking. To enable and facilitate implementation, it also includes a City Action Plan and Playbooks for various audiences, including residents and developers. Environmental Services staff have created a Citywide Climate Smart San José Steering Committee and Technical Advisory Group to align City departments and facilitate implementation of the plan. Environmental Services staff will also provide semi-annual updates to the City Council on progress implementing the *Climate Smart San José* plan. For more information on implementation of *Climate Smart San José* see the October 2020 semi-annual update: <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4633911&GUID=AF1FACA4-E45E-4264-8D27-C3C4B012D824&Options=&Search=>

For more information about the Climate Smart San José, visit: <https://www.sanjoseca.gov/your-government/environment/climate-smart-san-jos>

Figure 12. Climate Smart San Jose's Strategy to Meet the Paris Climate Agreement



American Cities Climate Challenge. The American Cities Climate Challenge from Bloomberg Philanthropies selected 25 cities that will receive assistance to accelerate their efforts to tackle climate change and promote a sustainable future for their residents. In October 2018, the City of San José was named as a winner in Bloomberg American Cities Climate Challenge, providing resources and support valued up to \$2.5 million to support the implementation of *Climate Smart San José*. San José staff is currently working with Bloomberg and its partners to:

- Evaluate and update parking requirements for new development to enable no- and low-parking development, particularly in the downtown and other areas around transit;

- Develop and implement a shared electric-vehicle strategy, including education and incentives;
- Implement high-priority segments for the City’s walking and bicycling network and the inclusion of new mobility options such as bike- and scooter-sharing systems;
- Develop a roadmap to eliminate natural gas use in residential housing; and
- Require solar and EV-readiness in new construction.

As part of its American Cities Climate Challenge (ACCC) commitment, the City agreed to pursue adoption of a “reach code” for new residential and commercial construction, aligned with Climate Smart goals. “Reach Codes” require development projects to exceed the minimum Building Energy Efficiency requirements. In September 2019, City Council adopted a reach code for new residential and non-residential construction in San Jose. The new reach code encourages all-electric buildings and requires increased electric vehicle charging infrastructure (EVCI) and solar-readiness; a natural gas prohibition ordinance effecting low-rise residential buildings; and, a municipal all-electric building policy. The new reach code has been in effect since January 1, 2020, but City Council directed staff to analyze whether electrification should be required for all wood frame construction up to seven stories, which was presented at the June 9, 2020 City Council meeting. The presentation included a recommendation to expand the natural gas prohibition to all new construction, with some exemptions allowed, and Council directed staff to bring back a draft expanded electrification ordinance which is expected in November 2020.

MAJOR STRATEGY #8 – FISCALLY STRONG CITY

The General Plan establishes a land use planning framework that promotes fiscal balance of revenue and costs to allow the City to deliver high-quality municipal services. The Fiscally Strong City Major Strategy was created in part to counteract the negative fiscal consequences of past land use patterns.

Land Use and Fiscal Health

Past land use patterns have resulted in a predominance of low-density, single-family residential uses (43% of the City’s total land area and 94% of land designated for residential uses) compared to only approximately 15% of job-generating employment land. The remaining land is higher density residential, public, or other uses.

Low-density sprawl results in a disproportionate cost to the City due to high capital investments and ongoing operations and maintenance for infrastructure, serving less people and businesses than the City otherwise could in a higher-density built environment. High concentrations of jobs and housing contribute to place-making and economic development, boosting demand for retail and services, and facilitating transportation alternatives such as walking, bicycling, and public transit.

As the City begins to achieve its goals for a more urban, transit-connected community, it is anticipated that its service and infrastructure cost structure will become more efficient with lower marginal costs and higher marginal benefits per resident.

Budget Overview

Key measures for determining the City’s fiscal strength are the Capital and Operating Budgets, including the Capital Improvement Program (CIP). The CIP relies on special funds, construction taxes, and development impact fees. Development impacts fees can only be used to mitigate the impact of new development and cannot contribute to City services or deferred infrastructure maintenance because the fees are limited to the extent or degree to which new development generates a demand for various public facilities.

In total, the City’s 2020-2021 Proposed Capital Budget and 2021-2025 Proposed CIP reflect a 30.6% decrease and a 16.2% decrease, respectively over the previous fiscal year, due in large part to the unanticipated economic downturn resulting from the COVID-19 pandemic and necessary shelter-in-place restrictions to slow the virus’ spread. The budget shortfall is driven by reduced revenues or activity levels across several capital programs, including reduced resources for parks and recreation facilities due to lower expected revenues from Construction and Conveyance taxes collected on real estate transactions, a lower level of transportation improvements due to reduced construction taxes collected from private development activity, and a lower level of capital investment at the Airport due to significantly reduced passenger activity levels.

The City’s General Fund is the primary operating fund used to account for all revenues and expenditures of the City, which are not related to special or capital funds that were created for a specific purpose. As per the “2020-2021 Proposed Operating Budget Message” (<https://www.sanjoseca.gov/home/showdocument?id=58406>), an anticipated General

Fund shortfall of \$71.6 million is projected for 2020-2021. Large shortfalls are expected over the next five years from the COVID-19 induced recession and is anticipated to total \$178 million.

The General Fund position was originally forecasted for better performance with less and smaller shortfalls when compared to the projection in the 2020-2024 Forecast issued in February 2019. However, the 2021-2024 Forecast was issued just before the COVID-19 pandemic and the associated sudden economic downturn. For this reason, the 2021-2024 Forecast will likely be far different than the City's actual fiscal performance in the next several years.

In the 2020-2021 Proposed Budget, the total net funding is \$4.1 billion for all City funds (General, Special, and Capital). This is \$523.6 million (11.2%) below the 2019-2020 Adopted Budget. This decrease primarily reflects the loss of revenue anticipated across all City resources as a result of the COVID-19 pandemic. Before the COVID-19 pandemic, the City's highest budget priorities this year include Tier 1 - Fiscal Resilience, Tier 2 – Affordable Housing and Homelessness Solutions Funded by Measure E, and Tier 3 – Contingent Expenditures. However due to the economic impacts of the COVID-19 pandemic, resource constraints make full alignment with budget priorities near impossible. The City expects several years of budgetary shortfalls as the economy recovers from the recession and returns to pre-crisis levels.

These priorities, among other items, are addressed in the Capital and Operating Budgets available on the Budget Office website: <https://www.sanjoseca.gov/your-government/departments-offices/office-of-the-city-manager/budget/budget-documents>.

MAJOR STRATEGY #9 – DESTINATION DOWNTOWN

The General Plan envisions Downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley, providing employment, entertainment, and cultural activities more intensely than any other area in the City. The General Plan also supports a significant amount of job and housing growth within the downtown: specifically, 58,659 new jobs and 15,160 new dwelling units by 2040. San José continues to work towards these goals by attracting high-density, mixed-use development and by hosting cultural and recreational activities, entertainment, and sporting events.

Through the General Plan 4-Year Review process, staff will consider additional shifts of planned housing and jobs capacity to Downtown to accommodate anticipated higher demand for commercial and residential development in Downtown. The planned growth shifts are anticipated for consideration by City Council in spring 2021.

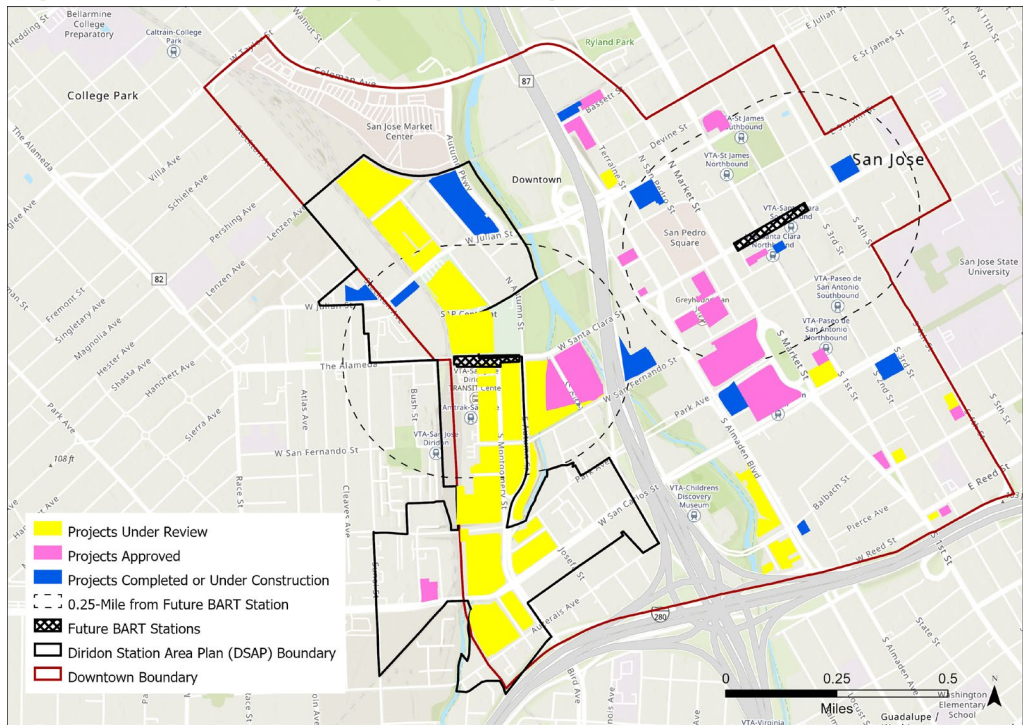
Downtown Development Activity and Vacancy Rates

Residential activity has been flourishing within the downtown since the end of the recession; however, the COVID-19 pandemic has slowed residential activity this year. Within FY2019-20, planning development permits were approved for approximately 674 new residential units. There has also been interest in development of new commercial and office space in various downtown locations, with entitlements approved for approximately 1.5 million square feet of commercial and office space. Major projects included 200 Park Ave (800,000 square feet of office space in a 1.3-million-square-foot building) and the McEvoy Affordable Housing Project (365 residential units).

For more information about the Downtown Development Activity; see the Office of Economic Developments Key Economic Development Project list: <https://www.sanjoseca.gov/home/showdocument?id=64330>

Since adoption of the General Plan, the City has approved development permits for approximately 7,500 residential units and approximately 5.3 million square feet of commercial/office space in the downtown. Of those approvals, over 4,100 units and 1.88 million square feet were within a quarter-mile of planned Bay Area Rapid Transit (BART) stations (see Figure 13).

Figure 13. Downtown Development Activity, FY2011-12 to FY2019-20



Retail and office space activity. Downtown San José has more than 9 million square feet of office space. For the first time in more than a decade, Downtown San José has seen significant market interest in new commercial developments with 13 million square feet in pending commercial entitlements. Construction of two new office towers recently broke ground as well; Jay Paul Company’s 1.3 million-square-foot office tower at 200 Park Ave, and Adobe’s new 1.3 million-square foot office tower at 333 West San Fernando. This is, in part, a result of the limited availability and high cost of land elsewhere in Silicon Valley combined with the desire of many companies and their employees to be located on major transit lines in urban locations. Additionally, Google has acquired and secured rights to more than 55 acres in the area around Diridon station and SAP Center and recently unveiled their vision for 7.3 million square feet of new office space on approximately 80 acres in the Diridon Station Area Plan project area. As of October 2020, updated plans were submitted and the Draft EIR was released for public review and is anticipated to go to public hearing in spring 2021. The project includes up to 7.3 million square feet of office space, 5,900 new units of housing, 300 hotel rooms, 800 rooms for limited-term corporate accommodations, 500,000 square feet for active uses, 100,000 square feet for an event center, 130,000 square feet for a central utilities plant, and 100,000 square feet for logistics/warehouse.

The large interest in Downtown are also reflected in the commercial and office vacancies. The percentage of office vacancies has declined since General Plan adoption in 2011, when the office vacancy rate in the Downtown was 23.6%. In FY2019-20, the vacancy rate was 9.7%, a 3.3% decrease from FY2018-19 (see Figure 14). Despite the COVID-19 global pandemic and economic uncertainty, Downtown San José saw two significant office sales. Century | Urban purchased 160 W. Santa Clara, a 228,587-square-foot Class A Office building and Jay Paul Company continues

to invest in Downtown San Jose by purchasing a 73,800-square-foot building from Wells Fargo. As the COVID-19 pandemic and economic uncertainty continues, the impact to office vacancies may not fully realized until the next fiscal year.

Figure 14. Office Vacancy Rate in Downtown (FY2011-12 to FY2019-20)



Source: CBRE Marketview Silicon Valley Office

BART Silicon Valley Phase II

In April 2018, the Valley Transportation Authority (VTA) and BART boards of directors both approved the Final Subsequent Environmental Impact Report (SEIR) for Phase II of the BART extension to Silicon Valley, including two new BART stations in the Downtown (the Downtown San José Station and Diridon Station). The single bore construction method originally selected for BART under Santa Clara Street through Downtown is currently under evaluation due to concerns over emergency egress and challenges with train operations and proposed ventilation designs that differ compared to the rest of the BART underground system. Two methods to address these concerns are under consideration: one with a single bore for the entire length of the alignment, and the other through the use of twin-bore tunnels for a portion of the alignment from the Berryessa Station tail tracks to the 13th Street mid tunnel ventilation facility. One method will be chosen after both methods are analyzed for feasibility, operation, scheduling, and cost. Project construction is anticipated to begin in 2022, with testing starting in 2028. Recently, the US Department of Transportation has allocated \$125 million under the Federal Transit Administration’s (FTA’s) Expedited Project Delivery Pilot Program. VTA is required to raise a minimum of 75% of the total project cost through non-federal contributions. In turn, the FTA will expedite the review and evaluation of application materials under the streamlined process.

Cultural, Entertainment and Visitor Activity

Downtown San José includes the largest concentration of San José’s civic and cultural amenities, including City Hall, the Martin Luther King Jr. Library, the convention center, the San José Arena/SAP Center, multiple museums, numerous theaters, public art, and outdoor gathering venues. The South First Area (SoFA) cultural district is also within the Downtown, home to multidisciplinary art organizations of all sizes and commercial arts-based businesses.

Downtown San José is Vibrant with Numerous Museums, Performance Venues, and Events

- Tech Museum of Innovation
- Children’s Discovery Museum
- San José Museum of Art
- Symphony Silicon Valley
- Opera San José
- Silicon Valley Ballet
- San José Stage Company
- City Lights Theatre
- Children’s Musical Theatre
- Theatre on San Pedro Square
- SoFA cultural district
- San José Jazz Festival
- South First Fridays/SubZERO
- Christmas in the Park
- Downtown Farmer’s Market
- Silicon Valley Turkey Trot
- San José Convention Center
- Summer in St. James Park
- Viva CalleSJ
- Fountain Blues Festival
- Music in the Park
- SoFA Street Festival

Many cultural events and festivals continue adding to the vibrancy of the downtown, such as Christmas in the Park, the San José Jazz Summerfest, and the annual Silicon Valley Turkey Trot. However, due to the COVID-19 pandemic many cultural events, festivals and conventions were canceled or unable to be held in FY2019-20 due to social distancing requirements and a ban on large public gatherings. Like many cities around the world, COVID-19 not only impacted cultural events, but travel and visitation. San José has seen a reduction of approximately 50% of revenue citywide as the economic impact continues to ripple across the hospitality and service sectors nationwide.



100 Block Mural Project at South First Street by various artists in collaboration with the Exhibition District. (Source: NBCBay Area)

Team San José 2019 Annual Report. Team San José is an agency seeking to promote San José as a destination to stimulate economic development, particularly at the City’s hotels, restaurants, and arts venues. Team San José releases an annual report discussing performance measures set by the City. The Team San José 2019 Annual Report is summarized in Figure 15.

Also shown in Figure 15 are the dashboard metrics for FY2019-20 that Team San José presented to the Community and Economic Development Committee on September 28, 2020 to provide an update on impacts of COVID-19 on tourism in San José. These dashboard metrics are not part of Team San José’s performance metrics, but they provide insight into industry trends and the current environment. To address the unique circumstances surrounding COVID-19, Team San José has set different goals and performance metrics for FY2020-21.

To view the Team San José 2019 Annual Report, visit: <https://www.sanjose.org/sites/default/files/PDFs/2019-annual-report.pdf>

To view the Team San José FY2019-20 Update visit: <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4628258&GUID=E6385229-3011-476F-A1AE-F11580DD2B37>

Figure 15. Team San José 2019 Annual Report

Performance Measure	2014	2015	2016	2017	2018	2019
San José Convention and Cultural Facilities generated revenue (millions)	\$28.5	\$39.1	\$47.5	\$52.7	\$61.7	\$64.0
San José Convention and Cultural Facilities gross operating profit (millions)	\$6.5	\$9.9	\$13.7	\$15.6	\$16.8	\$14.7
# of attendees that visited San José Convention and Cultural Facilities (millions)	1.2	1.49	1.48	1.34	1.43	1.12
Total local taxes generated from attendees (millions)	\$12	\$11.2	\$11.8	\$10	\$289	\$320
Total spent by attendees at San José hotels, restaurants, and attractions (millions)	\$91.1	\$134.9	\$158	\$111	\$130	\$122.6
Direct spending returned for every tax dollar invested into San José Convention and Cultural Facilities	\$2.45	\$2.89	\$2.38	\$1.99	\$3.28	N/A*
Total performances booked by Team San José's theater and events team	355	611	436	622	544	N/A*

* In 2019, the Team San José Report is no longer measuring these metrics.

// ECONOMIC IMPACT

Direct Spending
FYTD \$62,653,107
FYTD YOY ↓ 50.7%

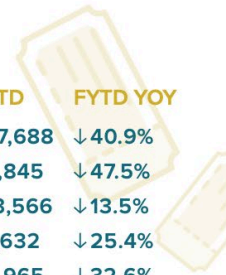
Local Tax
FYTD \$2,717,258
FYTD YOY ↓ 54.7%



// VENUE ATTENDANCE

Total Venue Attendees
715,087

	FYTD	FYTD YOY
Convention Center	247,688	↓ 40.9%
California Theatre	28,845	↓ 47.5%
Center for the Performing Arts	163,566	↓ 13.5%
San Jose Civic	87,632	↓ 25.4%
Montgomery Theater	22,965	↓ 32.6%



// OPERATING REVENUES

F & B
FYTD \$12,271,602
FYTD YOY ↓ 55.9%

Labor
FYTD \$9,514,085
FYTD YOY ↓ 51.4%

Building Revenue
FYTD \$4,257,458
FYTD YOY ↓ 47.0%

Other
FYTD \$3,336,941
FYTD YOY ↓ 56.2%



// HOTEL INFO

	FYTD	FYTD YOY
Occupancy	57.5%	↓ 25.7%
Average Daily Rate	\$181.73	↓ 9.3%
Revenue Per Room	\$141.95	↓ 6.6%

// ROOM NIGHT BOOKINGS

	FYTD	FYTD YOY
Future Room Night Sales	105,975	↓ 40.1%



Team San José Update for FY2019-20 dashboard metrics. FYTD: Fiscal Year to Date. YOY: Year Over Year (comparing a year's statistics to the same period of the prior year).

MAJOR STRATEGY #10 – LIFE AMIDST ABUNDANT NATURAL RESOURCES

The General Plan promotes access to the natural environment by, among other things, building a world-class trail network and adding parks and other recreational amenities. Service level objectives for parks and recreational facilities were last updated in the 2020-2024 Adopted Capital Improvement Program (CIP), but not in the most recent 2021-2025 Proposed CIP, and are summarized in Figure 16.

Figure 16. Parks and Recreation Facilities Service Level Objectives

Service Level Objectives	Actual Service Level as of 06/30/18	Estimated Service Level 2019-20*	Estimated Service Level 2020-2024*
3.5 acres of neighborhood and community recreational lands per 1,000 population	2.9	2.7	2.7 (Acres)
7.5 acres of regional/city parklands per 1,000 population (valley floor)	14.9	13.9	13.8 (Acres)
500 square feet of community center floor area per 1,000 population	536.3	501.8	495.5 (sq. ft.)

*For footnotes please see following link: <https://www.sanjoseca.gov/home/showdocument?id=48671>

The 2019-2020 level of service estimate for neighborhood and community recreational lands and regional/city-wide parklands are expected to decrease marginally compared to the 6/30/2018 actuals due to an anticipated increase in population. As San José’s population continues to grow, it will become increasingly difficult to maintain current service levels with limited property available for recreational development. To achieve the objective of 3.5 acres per 1,000 residents by 2021, the Parks, Recreation, and Neighborhood Services Department would need to develop approximately 104 acres of neighborhood and community serving recreational lands annually.

Figure 17. Parks and Community Facilities Infrastructure

Infrastructure	Sites/Acreage
Park Sites	209
Park Acreage	3,537
Developed Acreage	2,112
Open Space	1,069
Undeveloped Land	356
Trail Mileage	61.68
City Operated Community Centers	11
Partner Operated Re-Use Sites	30

Source: <https://www.sanjoseca.gov/home/showdocument?id=58012>

The City’s trail network includes 40 trail systems under development along river, creek, and overland alignments, with 61 miles of trails open to the public. To meet the City’s goal to expand the City’s trail network to 100 miles by the year 2022, PRNS will need to build eight miles of trails per year. Given the pace of trail development over the past 10 years, it is not anticipated that the City will achieve this goal.

The overall size of the Parks and Community Facilities Development CIP has decreased by \$62.9 million; from \$359.9 million in the 2020-2024 Adopted CIP to \$297.0 million in the 2021-2025 Proposed CIP. This decrease is primarily due to the following:

- Lower C&C Tax revenue (\$14.4 million)
- General Fund projects that are currently allocated in 2019-2020, therefore are not being captured in the 2021-2025 CIP total (\$11.8 million)
- Completion of the several projects, including Arcadia Softball Facility (\$8.5 million); 2017 Flood – Watson Park Turf, Lighting, and Electricity Mitigation (\$2.6 million); Tamien Park Development Phase II (\$2.5 million); Iris Chang Park Development (\$2.3 million); and Camden Community Center Improvements (\$1.5 million)

MAJOR STRATEGY #11 – DESIGN FOR A HEALTHFUL COMMUNITY

The General Plan supports the physical health of community members by promoting walking and bicycling as travel options, encouraging access to healthful foods, and supporting the provision of health care and safety services. Specifically, the Land Use and Transportation Chapter includes a set of balanced, long-range, multi-modal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. One such policy includes reducing the drive-alone commute mode share to no more than 40% by 2040, with goals to increase various other modes accordingly (see Figure 18).

Figure 18. Commute Mode Split Targets for 2040

MODE	2040 GOAL
Drove alone	No More than 40%
Carpool	At least 10%
Transit	At least 20%
Bicycle	At least 15%
Walk	At least 15%
Other means (including work at home)	See Note 1

Note 1: Working at home is not included in the transportation model so the 2040 Goal shows percentages for only those modes currently included in the model.

In order to measure the proportion of commute travel using modes other than the single-occupant vehicle, the most recent data available was collected from the U.S. Census Bureau American Community Survey (ACS) (2014 through 2018) for San José. As shown in Figure 19, there has not been a meaningful change in commute mode shares. Out of the five targets set for commute modes, only the Carpool Target has been met. It should also be noted that 12% of San José residents work outside of Santa Clara County.

Figure 19. San José Commute Modes, Workers 16+ Years, 2011-2018

Mode	Year							
	2007-11	2008-12	2009-13	2010-14	2011-15	2012-16	2013-17	2014-18
Drove alone	78.0%	77.8%	77.5%	77.7%	77.1%	76.3%	75.9%	76.0%
Carpooled	10.6%	10.8%	11.3%	11.1%	11.3%	11.6%	11.7%	11.7%
Public transit (excluding taxicab)	3.4%	3.5%	3.5%	3.7%	3.9%	4.1%	4.5%	4.4%
Walked	2.0%	1.8%	1.7%	1.6%	1.6%	1.6%	1.7%	1.7%
Bicycle	0.9%	0.9%	0.9%	0.9%	1.0%	0.9%	0.9%	0.8%
Other means	1.4%	1.3%	1.3%	1.2%	1.2%	0.8%	1.2%	1.3%
Worked at home	3.7%	4.0%	3.9%	3.9%	3.9%	4%	4.1%	4.2%
Work outside Santa Clara County	11.2%	11.2%	11.1%	11.1%	11.3%	11.3%	11.7%	12.0%

Source: United States Census Bureau, American Community Survey, 5-year Estimates, Table S0801

Reflective of development patterns and access to public transit, residents living in Downtown San José use a higher percentage of alternative transportation modes compared to citywide statistics, as shown in Figure 20.

Figure 20. Commute Modes for Downtown Block Groups, Workers 16+ Years, 2013 - 2018

Means of Transportation	2009-2013	2010-2014	2011-2015	2012-2016	2013-2017	2014-2018
Drove alone	61.7%	60.6%	63.3%	63.1%	63.7%	65.2%
Carpooled	5.4%	5.7%	3.9%	5.1%	5.8%	7.1%
Public transportation (excluding taxicab)	15.7%	13.4%	14.8%	15.8%	18.0%	15.1%
Walked	7.5%	9.2%	7.3%	8%	6.7%	5.8%
Bicycle	2.1%	2.7%	2.9%	1.9%	1.4%	1.5%
Taxicab	0.5%	0.5%	0.7%	0.4%	0.3%	0.2%
Worked at home	4.6%	4.8%	5.0%	4.3%	5.3%	4.5%
Other means	2.2%	3.2%	2.0%	0.8%	0.3%	0.5%

Source: American Community Survey, 5-Year Estimates, B08301

Other measures of determining whether San José is achieving a balanced transportation network include WalkScore, BikeScore, and TransitScore. These annual online assessments measure a geographical area’s walkability, bikeability, and access to public transit. According to this year’s analysis, San José has a WalkScore of 49 out of 100 (somewhat walkable), a BikeScore of 62 out of 100 (bikeable – some bike infrastructure), and a TransitScore of 41 out of 100 (some transit). The city’s Bike Score increased by 3 points from the previous year, the Transit Score stayed the same, and the Walk Score decreased by 2 points.



The VTA Next Network project completed its launch in early 2020. It is a redesign of the transit network and is one component of VTA’s Transit Ridership Improvement Program. The Transit Ridership Improvement Program is an effort to make public transit faster, more frequent and more useful for Santa Clara County travelers. The Next Network project concerns VTA’s transit operations and seeks to 1) better connect VTA transit with the Milpitas and Berryessa BART stations; 2) increase overall system ridership; improve VTA’s farebox recovery rate. VTA’s implementation of the Next Network project will support the commute mode split targets of the General Plan. Due to the COVID-19 pandemic, ridership has plummeted on VTA lines. After observing the pandemic’s effect on transit patterns and ridership, the VTA Board of Directors will vote on changes to service in January 2021. Potential service change scenarios will undergo community outreach, financial consideration, and equity consideration prior to that time.

Additionally, the long anticipated Phase I of the VTA BART Silicon Valley extension is complete and opened for passenger service on June 13, 2020. A project decades in the making, BART finally extends service to San Jose and Milpitas, providing easy transit access to the San Francisco, Oakland, and the rest of the East Bay. Unfortunately, the opening of the Berryessa BART Station, although open for passenger ridership in time for the completion of the Berryessa BART Urban Village

Plan, coincided with the COVID-19 pandemic, which dampened fanfare and ridership.

Shared Micro-Mobility. The micro-mobility movement in San José began in 2013 with the Bay Area Bike Share pilot program and has since evolved to include bike share stations, docked/dockless bikes, and electric assist bikes. During summer 2018, in partnership with the City, Ford GoBike started to pilot a 200 bike “dockless” bike share system in North San José. However, Motivate, the bike share operator, was purchased by Lyft in 2019 and discontinued the dockless pilot and Lyft rebranded Ford GoBike to Bay Wheels. As of August 2020, the City has 83 completed stations and one pending station.

State law provides only basic guidance on regulating bike share systems and e-bikes/e-scooters. DOT has created a new regulatory framework and permit system, coordinated with the City Attorney's Office, and adopted by Council in December 2018. This framework applies to "micro-mobility" devices, such as e-scooters and bike shares. DOT has issued three permits to e-scooter companies, allowing for a total of up to 4,400 scooters. Currently, Lyft (owner of Bay Wheels) have the exclusive right to operate bike share in San Jose, as granted by the City Council in 2015. Thus, the City cannot issue permits to bike share operators for the time-being.

Additional e-scooter safety measures were mandated in FY2019-20. All e-scooter operators in San José were mandated to participate in an evaluation process to demonstrate the effectiveness of the technology they will rely upon to prevent the use of shared e-scooters on the sidewalk and reduction in e-scooter speeds to five miles per hour when sidewalks are being used in designated areas. The sidewalk prevention technology requirement is effective on the following street segments:

- 1st, 2nd, 3rd, and 4th Street between San Carlos Street and St. John Street
- San Fernando Street between Cahill and 10th Street

Operators that cannot fully meet this requirement at the time of permit issuance shall deploy a Sidewalk Tech Prevention Study and Demonstration Pilot. Reports were submitted to the City by the January 31, 2020 deadline.

Transportation Safety. DOT and the Police Department are actively involved in improving the safety and mobility of the City's residents through outreach and education programs in accordance with General Plan Policy TR-2.4. These departments have oversight over a variety of programs, many of which are funded through grants. Over the past five years, DOT has received approximately \$30 million through various grants, including over \$25 million from the One Bay Area Grant (OBAG), to implement projects and programs that focus on improving traffic safety and enhancing pedestrian and bicyclist mobility.

The following programs focus on improving safety and mobility in San José (*Annual Transportation System Safety Report, 2020*):

- **Road Safety Outreach with Older Adults:** With funding from a 2019-2020 California Office of Traffic Safety grant, DOT hired California Walks as a consultant to deliver 15 pedestrian safety presentations and 15 walk audits of locations identified by older adults. These sessions, done via Zoom to comply with social distancing requirements, offered the opportunity to

View the Annual Transportation System Safety Report at: <https://www.sanjoseca.gov/home/showdocument?id=61139>

introduce Vision Zero to the older adult audience and solicit their input on where safety improvements are needed.

- **Pedestrians Experiencing Homelessness:** Following an uptick in pedestrian fatalities involving people experiencing homelessness since 2014, DOT sought input on the creation of an outreach campaign for homeless residents from San José's Destination: Home Lived Experience Advisory Board (comprised of people who have current or past experience of homelessness), other Vision Zero cities, and strategic communications consultancies. In June 2020, California Office of Traffic Safety announced its intent to award San José \$110,000 in grant monies for the 2020-2021 grant cycle, which may make San José the first city in the nation to develop this kind of road safety outreach campaign.
- **Walk 'n Roll San José:** The City is currently working with 55 elementary and middle schools to encourage walking and bicycling – increasing the number of children who walk or bike to school by an average of 29% in the 55 schools.
- **Traffic Safety Education:** In FY2019-20, fewer people received traffic safety education due to social distancing and school closures. In typical years, traffic safety education is done at school assemblies, special events, and bike rodeos. As more data analysis has shown that older adults and people experiencing homelessness are involved in traffic fatalities, DOT has expanded programs that serve these audiences. In addition, the Police Department's Traffic Enforcement Unit also participates in school safety programs at schools, including *Every 15 Minutes* where high school students learn about the serious impacts of driving under the influence.

To improve traffic safety, the City launched Vision Zero San José in April 2015. Vision Zero San José seeks to create a community culture that prioritizes traffic safety and ensures that incidents on the City's roadways do not result in severe injury or death. Vision Zero San José also identifies Safety Priority Streets, or street segments that have the greatest need for roadway safety improvements, as they have the highest frequency of fatal and severe injuries. On February 11, 2020, City Council adopted the 2020 Vision Zero Action Plan, and committed an initial investment of \$6.8 million to provide for more rigorous and systematic data analytics, delivery of more and substantial corridor-based safety projects to reduce traffic fatalities and severe injuries, and engagement and education of the community to move towards a safety first culture.



- **Vision Zero Responses to COVID-19:** During the initial months of the COVID-19 pandemic period, shelter-in-place orders reduced traffic volumes and crashes, but did not reduce traffic fatalities. California cities experienced much greater traffic speeds than usual. Speed is the top known contributing factor to fatal and severe injuries in recent data years. As of June 2020, DOT has responded to the COVID-19 pandemic in three ways:
 - Disabled signal coordination to reduce speeds given lower congestion (March);
 - Automated the pedestrian phase at 100 downtown signals so pedestrians do not have to touch a common surface to cross the street (April);
 - Speed Safety campaign: Slow Down, Save Lives; 20 mph is Plenty (May); and

- Investing more in districts with higher number of fatal and severe injuries, which occur more in what MTC defines and Communities of Concern.

Viva CalleSJ. Viva CalleSJ was scheduled for May 17, 2020 but was postponed due to COVID-19 and restrictions on public gatherings. Despite the postponement, Viva CalleSJ continued to engage residents by showcasing the Viva CalleCSJ Cinco de Viva route online. View the route at <https://www.youtube.com/watch?v=2FQ4unPPIr0>

Viva Parks. Like many other recreational events, the fifth year of the ¡Viva Parks! free summer series, was disrupted and cancelled for 2020 due to the COVID-19 pandemic. In past years, this summer series allowed residents to have a little extra fun added to summer evenings in their neighborhood parks. Every Monday through Thursday from June to August, the 13-week series featured a variety of events, including healthy food demonstrations, resource tables, cultural dance performances, bounce houses, group games and classes, free movie nights, and special activities like a climbing wall, skate competitions and hay rides.

MAJOR STRATEGY #12 – PLAN HORIZONS AND PERIODIC MAJOR REVIEW

The General Plan contains Plan Horizons to phase implementation of housing development over time and to allow the City Council to evaluate the timing of additional housing growth relative to the City's overall economic and fiscal health.

The City Council determines when to begin the next Plan Horizon based on analysis from the General Plan's Four-Year Review process. The Four-Year Review process requires the reassembly of a community stakeholder task force to evaluate changes in the planning context and achievement of goals, as well as provide recommendations to staff. The City's first Four-Year Review process began in November 2015 and concluded in December 2016. The second Four-Year Review task force meetings began in fall 2019 and is anticipated to conclude in December 2020. Staff recommendations will be submitted to City Council in spring 2021, a longer period than the first Four-Year Review due to delays related to the COVID-19 pandemic. The task force will consider policy changes related to the following topics as approved by the City Council:

- Coyote Valley: Redistribution of planned job growth and long-term future
- Allowing single-family parcels to redevelop to 2-4 units with certain parameters
- Residential uses in underutilized business corridors
- Urban Village implementation and affordable housing goals
- Commercial space requirements for affordable development projects
- Reallocation of planned residential capacity to Downtown
- Vehicle Miles Traveled Tier II Policies
- Evergreen-East Hills Development Policy

View information on the General Plan Four-Year Review process at: <http://www.sanjoseca.gov/generalplanreview>

2020 General Plan Land Use/Transportation Diagram Amendments

Eight privately-initiated General Plan Land Use/Transportation Diagram Amendment requests are included in the 2020 General Plan Annual Review hearing cycle. The following are the proposed General Plan land use designation changes:

1. **GP18-015/PDC18-038/PDI9-020** (1250 Campbell Avenue): Light Industrial to Transit Residential
2. **GP20-002/H20-004** (276 Woz Way): Public-Quasi Public to Downtown
3. **GP19-012/CI9-042** (329 Gifford Avenue): Residential Neighborhood to Downtown
4. **GP20-001/C20-007** (790 Portswood Drive): Transportation Utilities to Residential Neighborhood
5. **GP20-002** (1953 Via Reggio Court): Mixed Use Commercial to Urban Residential
6. **GP20-003** (1975 Cambrianna Drive): Public/Quasi-Public to Residential Neighborhood

7. **GP20-004/GPT18-009/PDC17-022** (1st and Virginia): Mixed Use Commercial and Mixed Use Neighborhood to Transit Residential
8. **GPT20-001** (Five Wounds Urban Village): Proposal to amend the interim policies and Urban Village land use designation in the Five Wounds Urban Village Plan

There are two proposed City-initiated General Plan Amendments in this year's Annual Review cycle:

1. **GPT19-006**: Text Amendment for Climate Smart updates to the General Plan
2. **GP20-003/GP20-006**: Text Amendment to make minor modifications to the General Plan and Midtown Specific Plan

Consistent with Policy IP-3.6, which requires all General Plan Amendment proposals to analyze their projects' effects on transportation, each General Plan Amendment request has completed an environmental analysis through the California Environmental Quality Act (CEQA). More information on the General Plan Amendment requests is available in the project staff reports and CEQA documents.

Policy IP-3.4 requires the City to maintain the total planned housing growth capacity as a cumulative result of any Amendments approved during a single Annual Review. The City's total job and housing capacity will not change as a result of the proposed General Plan Land Use/Transportation Diagram amendments.

HOUSING

While not a Major Strategy, housing plays an integral role in the General Plan through the Housing Element, as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The following section provides a brief summary of progress over the last year in achieving the General Plan’s housing goals.

Housing Goals and Regional Housing Allocation

Statewide housing needs are calculated by the California Department of Housing and Community Development (HCD) and the California Department of Finance (DOF) based upon regional population forecasts. The Association of Bay Area Governments (ABAG) assigns the region’s housing allocation to each jurisdiction, known as the Regional Housing Needs Allocation (RHNA). San José’s RHNA for the current eight-year cycle is outlined in Figure 21.

Figure 21. Regional Housing Needs Allocation for San José

	2014-2023 RHNA
New housing units goal	35,080
% affordable goal	60%
% market rate goal	40%
Permitted units (building permits issued)	12,880 (through 2019)
Percentage permitted as affordable	27% (3,430) (through 2019)
Percentage permitted as market rate	73% (9,450) (through 2019)

As shown above, the vast majority of new residential development has been market rate projects. In calendar year 2019, San José issued building permits for a total of 2,425 multifamily units, of which 853 (approximately 35%) were affordable units. Challenges continue in the financing and provision of affordable housing. While most of San José’s housing production has been market rate, there is a significant need for affordable homes for residents in lower-wage jobs in the service and support economy.

To advance affordable housing goals, the Housing Element of the General Plan includes a work plan that outlines actions to promote new construction, rehabilitation, and preservation of affordable housing units, as well as activities to end homelessness, promote equitable development, and create healthy and sustainable communities and neighborhoods.

Housing Crisis Workplan

In September 2017, the Mayor issued a memorandum entitled “Responding to the Housing Crisis.” The memo set a citywide goal of 25,000 homes, at least 10,000 of those affordable, to be constructed or approved by 2022. The memo also identified a large number of items to address the housing crisis. In June 2018, City Council approved a Housing Crisis Workplan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy

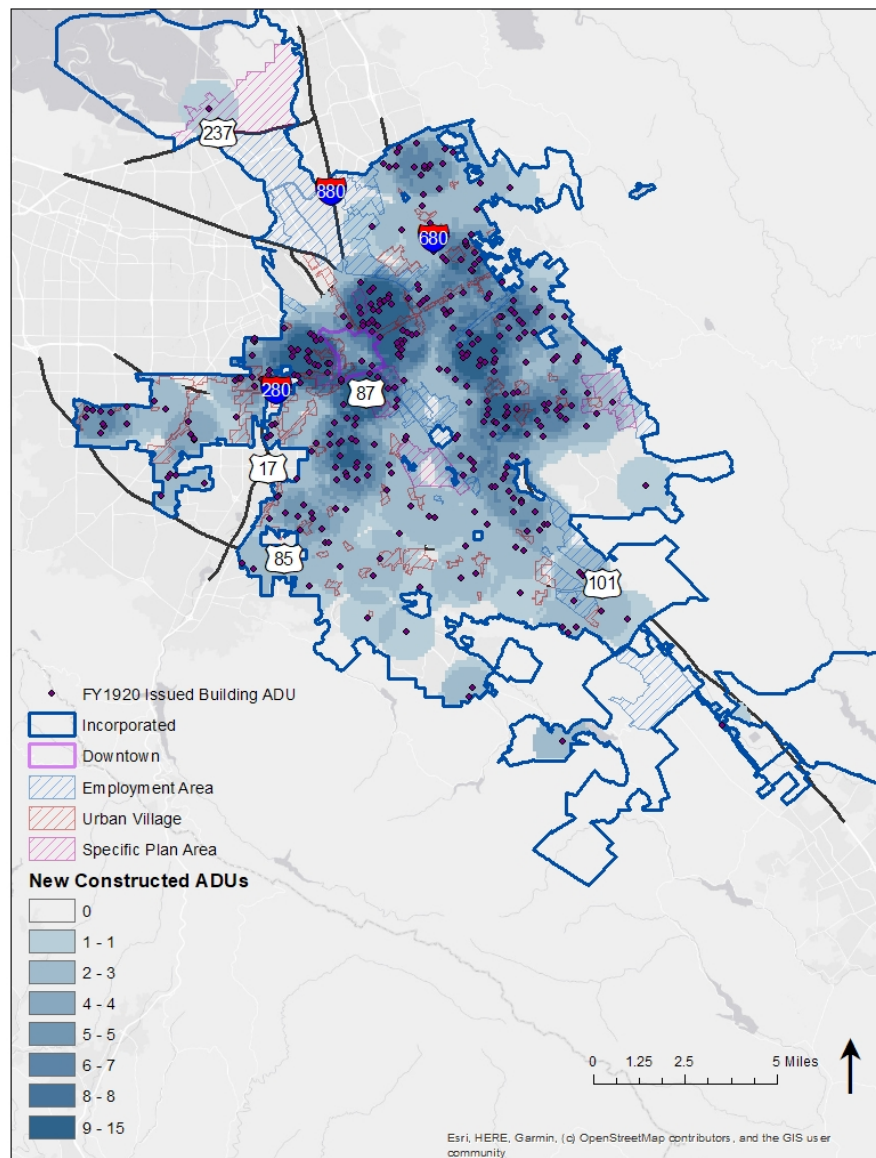
View the Housing Element webpage and access the full report at: <https://www.sanjoseca.gov/you/-government/departments/planning-building-code-enforcement/planning-division/citywide-planning/housing-element>

actions to facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022. As of September 2020, 60% of the City's 25,000-unit goal is already entitled, under construction, or complete with 19% (2,902 units) being affordable units and the remaining 81% (12,057 units) being market-rate units.

Other Actions to Facilitate Housing

Accessory Dwelling Units. Accessory dwelling units (ADUs) are listed on the City Council Priority List as Priority #7 and on the Housing Crisis Workplan as Priority #3. In 2018, the City further relaxed Zoning Code regulations to encourage development of secondary dwelling units. As Zoning Code regulations have been relaxed for secondary units, building permit issuance for ADUs has grown exponentially in the past three years: FY2017-18 (154 units), FY2018-19 (296 units), and FY2019-20 (392 units). As of January 2020, City Council Priority #7 is considered complete and was removed from the priority list. For a map of the new ADUs, see Figure 22.

Figure 22. FY2019-20 Building Permit Issuance for Accessory Dwelling Units



Downtown High-Rise Incentive Program. Increasing the number of residents in the Downtown has long been viewed as critical to support transit, retail, and the generation of more jobs in the City's core. Since 2007, City Council has approved incentives to attract residential high-rise projects to the Downtown, including reductions in park fees construction taxes, affordable housing impact fees and inclusionary housing in-lieu fees. In August 2020, the City Council approved the Downtown Residential High-Rise Inclusionary Housing Ordinance (IHO) In-Lieu Fee Reduction that will set the IHO in-lieu fee for residential high-rise projects¹ in the Downtown to \$0, if the projects can obtain building permits by June 30, 2023. In addition, these projects would need to obtain Certificates of Occupancy for 80% of dwelling units on or prior to June 30, 2025.

Commercial Linkage Fee. Development of new non-residential buildings increases the number of jobs in San José. Because a share of the new workers in these new jobs will have household incomes that qualify them as Extremely Low, Very Low, Low and Moderate Income, new commercial development will result in an increased need for affordable housing (*Commercial Linkage Nexus Analysis*, Keyser Marston Associates, August 2020). In September 2020, City Council approved of the Commercial Linkage Fee that will require new commercial developments to pay a fee towards construction of affordable housing units. The purpose of the commercial linkage fee is to fund construction of affordable housing to mitigate the increased demand for affordable housing from workers in newly developed workplace buildings.

COVID-19 Response. Since the issuance of the County's shelter-in-place orders in March 2020, the Housing Department has been focused on development of emergency housing for COVID-19 positive and exposed residents currently living in overcrowded housing, encampments, shelters, or other circumstances making it difficult for the individual to self-quarantine. The City has coordinated with the County and non-profit organizations to generate temporary shelters and additional services for the vulnerable residential population. In addition, the City Council has approved for temporary moratoriums for non-payment of rents due to income loss from COVID-19 effects.

View the Shelter Crisis Declaration for COVID-19 Emergency memo at: <https://sanjose.legistar.com/View.ashx?M=F&ID=8225329&GUID=6714DB37-0136-4E59-92FF-35C171F94902>

Mobile Home Park Protection. The City of San José has 59 mobile home parks with approximately 10,836 mobile/manufactured homes housing, roughly 35,000 residents, which is the largest number of mobile homes and households in any city in California. Since 2015, the City Council approved Title 20 (Zoning Code) changes to the Municipal Code, General Plan text amendments, and adopted a new City Council Policy 6-33 "Conversion of Mobilehome Parks to Other Uses" to preserve San José's mobile home parks and to protect their residents. On March 10, 2020, the City Council approved the creation of a new General Plan land use designation specific to mobilehome parks and applied that new designation to two mobilehome parks determined to be the most at risk of conversion. The City Council further directed staff to apply the new designation to the remaining 56 mobilehome parks in the City. At that time, staff explained that additional staffing resources would be required with the Department of Planning, Building, & Code Enforcement in order the process the 56 General Plan amendments, and consideration of adding these resources would need to come as a part of the

¹ Defined as ten or more floors or stories in height not including any nonresidential uses where the highest occupied floor has a floor level elevation that is at least 150 feet above street level.

FY2020-21 Budget Process. However, given the difficult budget situation created by COVID-19, the City Council did not choose to allocate new resources towards this effort in FY2020-21.

CONCLUSION

The City of San José has made notable progress towards achieving the Major Strategies of the *Envision San José 2040 General Plan*. This progress is evidenced by:

- new dense, mixed-use development experienced in the General Plan's Growth Areas;
- decrease in office vacancies in the Downtown;
- adoption of Urban Village Plans;
- implementation of multi-modal Capital Improvement projects; and
- implementation of sustainability goals and policies.

While the City has advanced many of the General Plan's goals, some performance measures were largely impacted by the COVID-19 pandemic and shelter-in-place orders. Many of the goals set forth in the General Plan are long term and may see recovery; however, it is too early to tell. Some of the primary General Plan implementation challenges include raising the City's jobs to employed residents ratio, meeting desired service-level standards for City services, increasing the percentage of affordable housing, and improving the distribution of commute mode shares which is expected to become more difficult as the City's budget is forecasted to have a large deficit in the next few years. As the COVID-19 pandemic continues into late 2020, its short- and long-term impacts are still in progress. With such unprecedented and sudden changes to the economy and limited data available, the impacts will not be fully realized until years to come. Although times are uncertain, we remain hopeful for a recovery that keeps our long-term goals within reach.

Appendix A

Measurable Sustainability and Climate Smart Bold Goals Status Table

Policy IP-3.8: Evaluate achievement of the following goals for environmental sustainability as part of each General Plan annual review process.

As stated in the Measurable Sustainability/Environmental Stewardship section of this report, the General Plan Annual Review will no longer track progress of the Green Vision goals following this year’s report. Instead, the Annual Performance Review will summarize progress on implementation of the *Climate Smart San José* Plan, which has replaced the Green Vision. Further progress and reporting metrics can be found at the Climate Smart webpage: <https://data.prospectsv.org/>

	<i>Goal</i>	<i>Status</i>
1	By 2021, San José Clean Energy (SJCE) will offer 100 percent greenhouse gas-free power as a base product	San José Clean Energy (SJCE) launched service to 308,000 residential and commercial customers in February 2019 sourced with 45 percent renewable energy from solar, wind, and geothermal.
2	By 2040, San José will be the world first one gigawatt (GW) solar city	Total solar capacity installed is 168 MW.
3	By 2030, 60 percent of all passenger vehicles in the city will be electric, making us the electric car capital of the U.S.	The City of San José is exploring the development of reach codes to electrify buildings and transportation vehicles. New Buildings Institute is guiding the City’s reach code evaluation and stakeholder engagement process.
4	From 2020, 100 percent of new homes will be Zero Net Energy (ZNE) and, by 2030, 25 percent of all existing homes will be energy efficient and all-electric	The City of San José is exploring the development of reach codes to electrify buildings and transportation vehicles. New Buildings Institute is guiding the City’s reach code evaluation and stakeholder engagement process.
5	By 2030, San José will create an additional 22 million square feet of commercial workspace located within a half mile of transit	For FY2019-20 the City has issued 2.35 million square feet of commercial/office/retail within a half mile of transit.
6	By 2030, San José will have developed 40,000 dwelling units in its urban villages and focused growth areas	Since the adoption of the General Plan in 2011, the City has issued approximately 11,534 units within its urban village and focused growth areas.
7	By 2040, only four out of ten commute trips in San Jose will be taken in single-occupancy vehicles	An estimated 2.5% of commutes journeys are by walking and cycling.
8	By 2030, San José will reduce its per capita residential water consumption by 30 percent compared to 2009 levels	In 2019, Residential water consumption was 49.4 gallons per capita per day a reduction of 19 percent compared to 2009 levels of residential water consumption of 60 gallons per day.

	Goal	Status
12	Quantitatively track the City's education program on the public use of water. Adjust the program as needed to meet Envision General Plan goals. (Responsible Management of Water Supply MS-17.6)	With the Governor's Executive Order to "Make Conservation a Way of Life" and the considerable effort that was put in to educating the public about water supply and efficient water use, the City remains committed to conservation programs and messaging. Staff continued to participate in public outreach events such as attending a San José Earthquakes game, conducting messaging at Christmas in the park, and hosting three workshops in the City service area. Additional outreach was conducted through print and social media such as radio ads, magazine advertisements, LED signage, web ads and through the ESD website. Outreach was conducted providing water-savings tips in multiple languages and reached an audience of approximately 200,000. San José residents continue to receive bi-monthly reports comparing their water use to similarly-sized households and receive customized tips on how to continue to increase their water savings.
<i>The following are goals associated with the Green Vision and not all data is officially tracked for the General Plan Annual Review.</i>		
	Measure annually the shares of the City's total Carbon Footprint resulting from energy use in the built environment, transportation, and waste management. (Reduce Consumption and Increase Efficiency Action MS-14.7)	San José's 2017 community inventory totals 5.7 million metric tons of carbon dioxide equivalent (MT CO ₂ e). More than half of the emissions come from vehicle use and another one-third come from community-wide energy use. For more information, please see the 2017 Inventory of Community Greenhouse Gas Emissions Report (http://www.sanjoseca.gov/DocumentCenter/View/84566).
	Prepare for City Council consideration by 2012 an ordinance that would enact regional landfill bans during the near- and mid-terms for organic material such as food waste and yard trimmings that contribute to methane generation in landfills. (Environmental Stewardship Action MS-8.8)	Complete. As of April 1, 2016, all local jurisdictions are required to comply with Mandatory Commercial Organics Recycling (AB 1826). Each jurisdiction is required to implement an organics recycling program to divert organics from the businesses subject to this act, thereby imposing a state-mandated local program. Staff is assessing the implementation of AB 1826 to ensure any future ordinance to enact regional landfill bans for organic material is consistent with state legislation. All applicable City customers are in compliance with AB 1826 due to the structure of the City's waste management systems. In 2017, SB 1383 was passed to reduce short lived climate pollutants (such as methane) through organic waste diversion and food waste recovery. The State is in the process of developing a guide to implement SB 1383 and City staff are monitoring its progress.

	<i>Goal</i>	<i>Status</i>
	<p>Quantitatively track the City’s education program on the public use of water. Adjust the program as needed to meet Envision General Plan goals. (Responsible Management of Water Supply MS-17.6)</p>	<p>With the Governor’s Executive Order to “Make Conservation a Way of Life” and the considerable effort that was put in to educating the public about water supply and efficient water use, the City remains committed to conservation programs and messaging. Staff continued to participate in public outreach events such as attending a San José Earthquakes game, conducting messaging at Christmas in the park, and hosting three workshops in the City service area. Additional outreach was conducted through print and social media such as radio ads, magazine advertisements, LED signage, web ads and through the ESD website. Outreach was conducted providing water-savings tips in multiple languages and reached an audience of approximately 200,000. San José residents continue to receive bi-monthly reports comparing their water use to similarly-sized households and receive customized tips on how to continue to increase their water savings.</p>
	<p>Provide all residents with access to trails within 3 miles of their homes. (Trail Network Measure TN-2.13)</p>	<p>Complete.</p>