

ENVISION SAN JOSÉ 2040

2022 GENERAL PLAN ANNUAL PERFORMANCE REVIEW EXECUTIVE SUMMARY

This Executive Summary accompanies the 2022 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

21-22

FISCAL YEAR

71

PLANNING VIRTUAL & IN-PERSON MEETINGS

2,172

TOTAL ATTENDEES

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

Out of 120 respondents who completed the post-meeting feedback surveys during calendar year 2022, 73% understood how to participate in the public hearing, 68% strongly agreed or agreed they had enough advance notice of the hearing date and time, and 66% strongly agreed or agreed that their input, or someone else's input was similar, expressed, and recorded.

The Planning Division incorporates various multilingual public outreach modes for community meetings and public hearings. Notices for community meetings and public hearing includes messages in multiple languages to inform about the availability of multilingual interpretation services during meetings. Approximately 400,000 notices were distributed in 2022 calendar year. Staff coordinates with relevant City Council District office and neighborhood groups to evaluate needs for interpretation services based on the predominant language of neighborhoods. During 2022, the Capitol Caltrain Station Area Planning workshop included Spanish interpretation, the Oakland Road Hotel Project provided Vietnamese interpretation, the Five Wounds Urban Village Plan provided multiple language interpretation and the Icon/Echo Project in Downtown San José provided Mandarin Chinese interpretation.



FORM-BASED PLAN & URBAN VILLAGES

SINCE THE 2011 ADOPTION OF THE GENERAL PLAN:

14

APPROVED URBAN VILLAGE PLANS

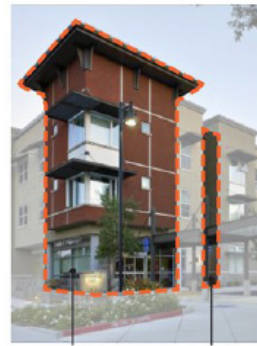
11,894*

APPROVED HOUSING UNITS IN URBAN VILLAGES

5.7*

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.



Articulated corner with exaggerated roof element Architectural break



Articulated building corner with public plaza Architectural break

Adopted Citywide Design Standards and Guidelines diagram.



NORTH 1ST STREET LOCAL TRANSIT VILLAGE PLAN



Approved North 1st Street Urban Village Plan

URBAN VILLAGE PLANS UNDER DEVELOPMENT

Urban Village Plan	Status	Anticipated Dates
Capital Caltrain Station Area	In process	TBD
Five Wounds (Update)	In process	Winter 2024
Little Portugal (Update)	In process	Winter 2024
24th and Williams (Update)	In process	Winter 2024
Roosevelt Park (Update)	In process	Winter 2024
East side Alum Rock/Alum Rock Ave	To be Initiated	TBD

*Excludes 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:

30.2
THOUSAND NEW
RESIDENTIAL UNITS

24
MILLION SQ. FT. OF
NEW COMMERCIAL
DEVELOPMENT

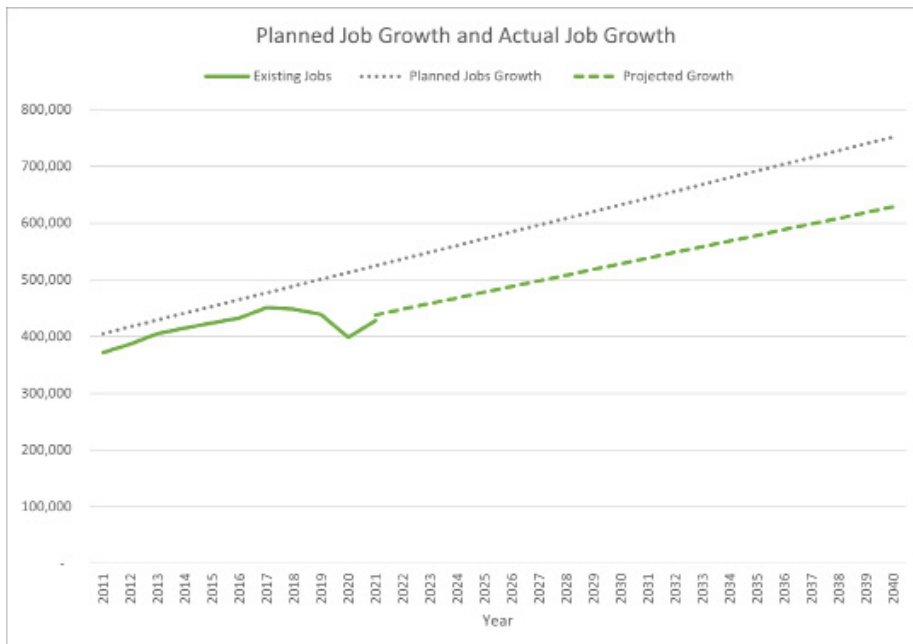
11.1
MILLION SQ. FT. OF
NEW INDUSTRIAL
DEVELOPMENT

At the end of fiscal year 2021-2022, San José had a total of 427,894 payroll jobs. San José has lost approximately 22,866 payroll jobs since its peak in 2017. San José is approximately 56,500 jobs above the levels since the adoption of the General Plan in November 2011, which represents a 15% increase from 2011 (California Employment Development Department). The General Plan includes a planned job capacity of 382,000 new jobs, equating to approximately 13,000 new jobs per year but the City has been adding only an average of approximately 5,500 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.



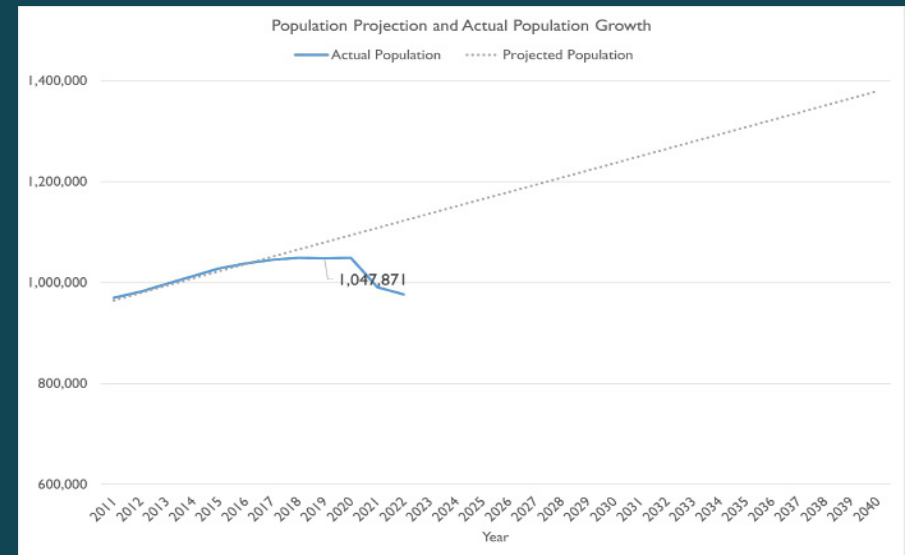
New growth is directed and encouraged within the City's Growth Areas to preserve and enhance the quality of established neighborhoods, and reduce environmental and fiscal impacts.

83%
RESIDENTIAL
DEVELOPMENT BUILT*
within growth areas

86%
COMMERCIAL
DEVELOPMENT BUILT*
within growth areas

81%
INDUSTRIAL
DEVELOPMENT BUILT*
within growth areas

As of January 2022, San José had an estimated population of 976,842 people, representing a 1.5% decrease from 2020 and an 0.6% increase from 2011. San José's population growth is declining 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 and remote work options. The population of San José stands as approximately 51.5% 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. Significant achievements since the adoption of Climate Smart San José include:

CLIMATE SMART SAN JOSE

A People-Centered Plan for a Low-Carbon City



- The establishment of San José Clean Energy, a Community Choice Aggregator that, as of 2022, expects to serve 98% of electricity customers in San José with 95% carbon-free power as a base product.
- The City Council approval of a reach code in 2020 and Natural Gas Infrastructure Prohibition Ordinance in 2021 that, together, require all new construction in San José to be all-electric and meet higher requirements for electric vehicle (EV) infrastructure than required by the state building code.
- The City Council approval in 2022 of the Move San José Plan, Emerging Mobility Action Plan, and Transit First Policy.
- The City Council approval of updated parking and transportation demand management (TDM) ordinance in 2022 that removes the parking minimum requirements and establishes TDM requirements for new development citywide.

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)

62.3
MILES OFF-STREET
TRAILS OPEN TO THE
PUBLIC
(2022)

STREETSCAPES FOR PEOPLE

460 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 updated 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.

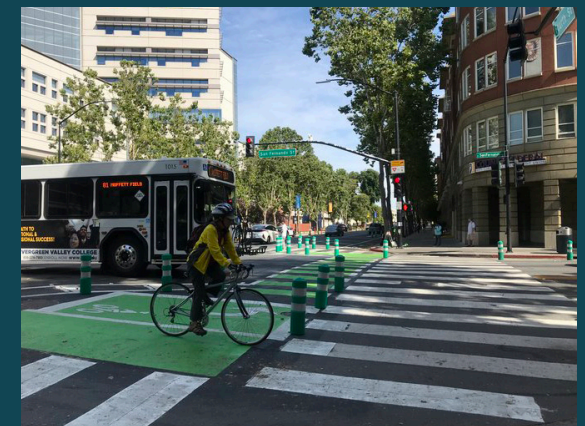


Convenient. We want more people biking! This plan will help us toward the goal of at least 15% of trips made by bike by 2040.

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%	75%
Carpool	At least 10%	11.1%
Transit	At least 20%	<2%
Walk	At least 15%	10%
Bicycle	At Least 15%	<2%



DESTINATION DOWNTOWN

Residential activity has been flourishing within the Downtown since the end of the recession; however, the COVID-19 pandemic has slowed residential activity. Within FY2021-22, planning development permits were approved for approximately 259 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 5.5 million square feet of commercial and office space. Major projects included Westbank's Park Habitat at 180 Park Ave (1.2 million square feet of office, retail and museum space) and the redevelopment of CityView Plaza at 125 S Market (3.8 million square feet of commercial office).

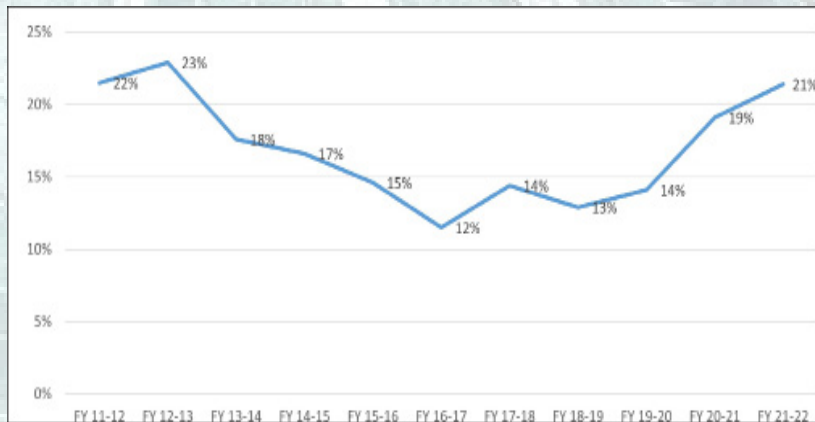
Since the adoption of the General Plan, the City has approved development permits for approximately 8,984 residential units and approximately 18.8 million square feet of commercial/office space in the downtown/diridon area. Downtown West entitlements make up a majority of the activity with 5,900 residential units and 7.8 million square feet of commercial.

The large interest in Downtown is also reflected in the long term trend of 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 FY2021-22, the vacancy rate rose from 19% to 21%. The rise in vacancy is likely due to the COVID-19 pandemic and the change in work patterns with hybrid and remote work continuing even as Covid-19 restrictions have lifted and infection rates remain low. Hybrid work models may dampen the demand for Class A office space as many companies right-size their office space to adjust to hybrid models.

Downtown Development Activity



Office Vacancies in Downtown San José



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



The Sonic Runway in front of San José City Hall



Adobe at W San Fernando

HOUSING

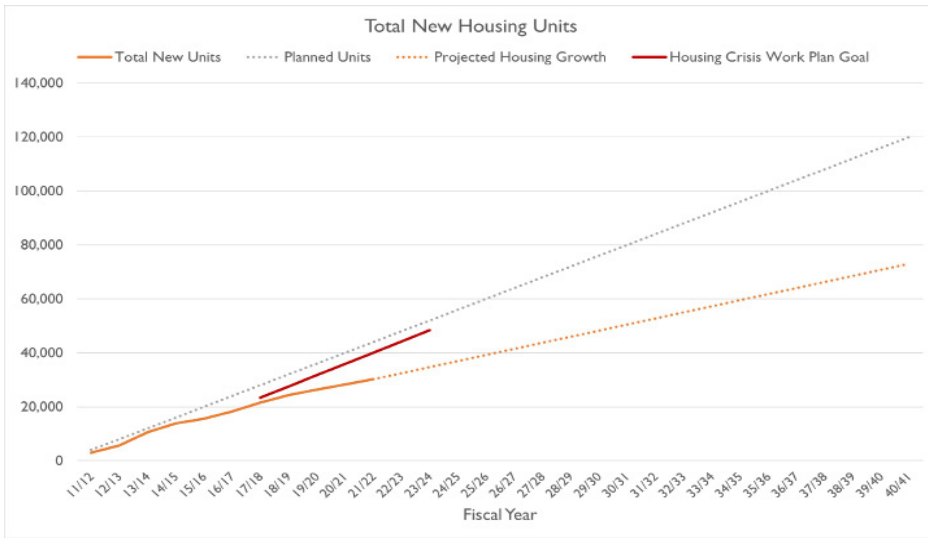
The Association of Bay Area Governments (ABAG) assigns the City of San José's Regional Housing Needs Allocation (RHNA)

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 June 2018, City Council approved a Housing Crisis Work Plan 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 2023. As part of the Work Plan, a Housing Catalyst Team was assembled with

key staff from multiple departments across the City that oversee the policy creation and implementation related to housing production. The goal of 15,000 market-rate units approved, under construction, or completed by 2023 was met. However, the continued challenges related to the cost of construction have presented problems for projects looking to initiate construction. The affordable housing goal has not been met. As of 2022, 4,087 affordable apartments were entitled, under construction, or completed. Given the successes of the Housing Crisis Work Plan, the work plan has been transitioned to a new Housing Catalyst Team Work Plan to be brought forward in the summer of 2023 and will closely align with the City's Housing Element Update..



60%
AFFORDABLE GOAL
(21,849 UNITS)

40%
MARKET RATE GOAL
(14,231 UNITS)

PLAN PERIODIC MAJOR REVIEW

Four privately-initiated General Plan Land Use/Transportation Diagram Amendment requests are included in the 2022 General Plan Annual Review hearing cycle. The following are the proposed General Plan land use designation changes:

1. GPI9-010/PDC20-023/PD20-013 (120 Granite Rock Way): Combined Industrial/Commercial to Heavy Industrial
2. GP22-001/C22-014 (0 Pecten Court): Public/Quasi-Public to Heavy Industrial
3. GP22-007/C22-022 (2267 Plummer Ave): Residential Neighborhood to Public/Quasi-Public
4. GP22-008/GPT22-005/C22-023 (945 West Julian Street & 379 North Morrison Avenue): Mixed Use Commercial to Transit Residential. Text Amendment to add the Transit Residential land use designation to The Alameda Urban Village Plan also with the addition of a 0.50 commercial FAR and changing the height diagram to change the maximum height of the subject site from 55 feet to 85 feet.

RHNA	2014-2023 RHNA
New housing units goal	35,080
Permitted units (building permits issued)	21,898 (through 2022)
Percentage permitted as affordable	25% (5,519) (through 2022)
Percentage permitted as market rate	75% (16,374) (through 2022)

FISCALLY STRONG CITY

In total, the City's 2022-2023 Proposed Capital Budget reflect a 17% increase over the previous fiscal year, and is primarily attributable to a higher level of resources in the San José Clean Energy Fund, planned bond issuances in the San José-Santa Clara Wastewater Treatment Plant Capital Fund, remaining funding provided in the American Rescue Plan Fund, higher General Fund resources, and balances rebudgeted from 2021-2022 to complete continuing and multi-year projects.



**2022 GENERAL PLAN
ANNUAL PERFORMANCE
REVIEW
FOR FISCAL YEAR 2021-22**

MARCH 2023

Department of Planning, Building and Code Enforcement
Planning Division



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INTRODUCTION



When adopted in November 2011, the **Envision San José 2040 General Plan** (General Plan) provided for an annual performance review process 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.

Events in the past few fiscal years have been unprecedented. Fiscal Year 2020 began in the middle of a global pandemic with shelter-in-place restrictions and state-wide lockdowns. The COVID-19 global pandemic has had significant impacts on San José and although the worst of the pandemic is over, there is still uncertainty for the future. The pandemic has affected implementation of the Major Strategies in the General Plan in the past fiscal years.



View of the Downtown San José skyline. (Photo: J. Borrelli)

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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.

Table 1: Planning Division Community Meetings

Fiscal Year	Meetings	Total Attendees
21-22	71	2,172
20-21	115	3,581
19-20	26	702
18-19	63	1,795
17-18	40	1,686
16-17	58	2,686
5-16	49	2,158
14-15	27	1,246
13-14	50	1,483
12-13	49	1,429
11-12	31	442
Total	579	19,380

The City’s Public Outreach Policy, Council 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. The Planning Division tracks its community outreach meetings on development proposals, General Plan amendments, ordinance updates, the development of Urban Village and other area plans. As shown in Table 1, in FY2021-2022, the Planning Division held approximately 71 virtual community meetings with almost 2,172 unique viewers. In 2022, there were three large community meetings for development projects (1) El Paseo De Saratoga Signature Project with 127 attendees, (2) Costco Project with 196 attendees, and the (3) Union Avenue Affordable Housing Project with 104 attendees. Between FY2011-12 and FY2021-22, the Planning Division held 580 community meetings, an average of 53 meetings per year.

Housing Element Update Outreach Strategy

In early 2022, for the update of the Housing Element, staff developed and implemented a robust, inclusive and innovative public participation strategy to involve all segments of the population and gathered a wide range of feedback on key components of the

Housing Element Update. Over the past year, in conjunction with the Housing Department, staff conducted numerous focus group meetings, five community meetings, hosted a table at the Vietnamese American Organization’s Community Day, and screened a movie, “A Reckoning in Boston,” to educate community members and discuss past redlining practices and fair housing issues. The target audience for the focus groups included people of protected classes, including formerly unhoused, LGBTQ+, affordable housing residents and indigenous people.

[View the Draft 2023-2031 Housing Element.](#)

City Auditor’s Recommendations

In early 2019, the Office of the City Auditor performed an audit of the Planning Division’s current development noticing practices. The Auditor’s recommendations included updating Council Policy 6-30, providing notices in the predominant language of the neighborhoods and creating a mechanism for community feedback on noticing and hearing processes for periodic updates and improvements. The current plan is to maintain the December 2024 targeted completion date for Council Policy 6-30 and other recommendations.

In response to the recommendations, staff developed feedback 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. Since September 2019, staff continues to collect and respond to community feedback. Out of 120 respondents who completed the survey during calendar year 2022, 73% understood how to participate in the public hearing, 68% strongly agreed or agreed they had enough advance notice of the hearing date and time, and 66% strongly agreed or agreed that their input, or someone else's input was similar, expressed, and recorded.

[View the Neighborhood and Business Association Information Page.](#)

The Planning Division maintains the Neighborhood and Business Association map with updated contact information developed in September 2020, which allows staff to notify community leaders of development proposals in their community earlier in the development review process.

Advancing Outreach with an Equity Lens

The Planning Division incorporates various multilingual public outreach modes for community meetings and public hearings. Notices for community meetings and public hearing includes messages in multiple languages to inform about the availability of multilingual interpretation services during meetings. Approximately 400,000 notices were distributed in 2022 calendar year. Staff coordinates with relevant City Council District office and neighborhood groups to evaluate needs for interpretation services based on the predominant language of neighborhoods. Interpretation services are provided by pre-approved vendors. For virtual community meetings, simultaneous interpretation services are provided in separate virtual breakout "rooms" during the meeting. During 2022, the Capitol Caltrain Station Area Planning workshop included Spanish interpretation, the Oakland Road Hotel Project provided Vietnamese interpretation, the Five Wounds Urban Village Plan provided multiple language interpretation and the Icon/Echo Project in Downtown San José provided Mandarin Chinese interpretation.

For the community meetings for the Five Wounds Urban Village Update Plan, City staff improved community survey efficacy among non-English speakers by including photographs that visually define and convey types of possible future development. Staff also co-developed a redesigned community meeting series of notifications with VTA staff for improved efficacy amongst non-English speakers. Engagement strategies included improved messaging and interactive walking surveys of the area. City staff secured support from key community-based organizations (CBO), CBO leaders, and religious groups to improve engagement and inform residents and businesses about the project.



An in-person focus group meeting for the Housing Element.

The Language Access Coordinator (LAC) for the City's Planning, Building, and Code Enforcement Department is working to improve language access and opportunities for public information to be translated into multiple languages for the public. There is an English-Spanish glossary of commonly used Planning terms available on the City webpage as well. Staff maintains a multilingual guide on public hearings in English, Spanish, and Vietnamese.

MAJOR STRATEGY #2 – Form-Based Plan

The General Plan uses a form-based approach to address the long-term development of the City. By using the General Plan Land Use and Transportation Diagram and Plan Goals and Policies, the City can address the form, character, land uses, and densities for the future development of San José.

The Planning Division applies form-based principles during the review of development proposals and in the preparation of Urban Village plans.

[View the Citywide Design Standards and Guidelines](#)

[View the Downtown Design Guidelines and Standards](#)

On February 23, 2021, The Citywide Design Standards and Guidelines (Citywide DSG) were adopted by City Council for areas within the San José’s Urban Growth Boundary, except for Downtown. The Citywide DSG helps the City facilitate growth, set expectations for high-quality site and building design, and maintain and enhance the character of its neighborhoods and communities. The standards and guidelines allow designers and developers the ability to improve upon evaluating a potential site, building, and pedestrian level impact of their project. Within the DDGS are the guiding principles that address (1) health and active design, (2) a well-designed development, and (3) identity and culture. Additionally, development applications within the Downtown are evaluated using the Downtown Design Guidelines and Standards (DDGS), which provide direction for the design of new development in the Downtown area.

Below is an example from the Design Standards and Guidelines that addresses building to support a cohesive urban fabric. By defining corners using *articulation*, corner plaza, taller *massing*, or exaggerated roof elements and providing significant architectural breaks in the building mass to sculpt the buildings, designers and developers can support a cohesive urban fabric.



Articulated Corner Diagram in the Citywide Design Guidelines

In November 2022, form-based planning and design standards and guidelines guided a redevelopment of the Cambrian Park Plaza Signature Project. The existing 170,427 square feet of retail and 764 parking spaces on the site is proposed to be demolished to develop 305 apartments, a 229-room hotel, a 110-bed assisted living facility, and 50 senior independent living residences on this site. The project showcases a balance of urban village density with a transitional stepdown design to the surrounding neighborhoods.



City Council Approved Cambrian Park Plaza Development in November 2022

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. San José is the largest city in Santa Clara County with more than half of the County’s total population.

- Population Growth.** As of January 2022, San José had an estimated population of 976,482 people, an 1.5% decrease from January 2021 (see Table 2) and equating approximately 51.5% of the total population of Santa Clara County (State of California, Department of Finance). While population in San José has increased since 2011, 2021 marked the first year where the population growth decreased. The flattening and decrease in population growth in San José can likely be attributed to the COVID-19 Pandemic and other contributing factors like decreasing birth rates, high housing and living costs, and a decline in immigration from outside of the United States. Given that Silicon Valley is likely to remain a center of innovation in the world, San José’s population growth is anticipated to become positive again, although at a slower rate than historic trends.
- Job Growth.** As of December 2021, San José has a total of 427,894 jobs, of which approximately 56,564 of these jobs were created since the adoption of the General Plan, representing an 15.2% increase from December 2011 (California Employment Development Department, Census ACS 2010-2021). While jobs have increased since adoption of the General Plan in 2011, the total number of jobs started to decrease in 2018 and continued to decrease annually through 2020. There was, however, a 7.7% increase in jobs between 2020 and 2021, reflecting the recovery from the COVID-19 induced economic outcomes. 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. Prior to the large decline in 2020, San José was adding on average 7,700 jobs annually. Including 2021¹, San José has added approximately 5,656 jobs annually since 2011, far below the goal of 13,000 jobs annually.

New Development in Growth Areas

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.

Table 2: Population 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
2021	991,144
2022	976,482

Table 3: Payroll + Self Employed Job in San José

Year	Payroll + Self Employed Jobs
2011	371,330
2012	386,524
2013	405,032
2014	414,663
2015	423,961
2016	432,208
2017	450,760
2018	447,831
2019	439,004
2020	398,136
2021 ¹	427,894

¹ The latest available data is from December 2021.

The Planning Division tracks entitlement applications and building permit applications for new residential units and non-residential square footage using City’s permit management software and in a Geographic Information Systems (GIS) database for a range of purposes. These databases are then used to track the degree to which the City is successfully focusing jobs and population growth into the General Plan’s Growth Areas, consistent with the Focused Growth Major Strategy. This growth is tracked by documenting where new residential, commercial, and industrial development is occurring in the city.

- Since adoption of the General Plan, approximately 83% of residential development, 86% of commercial development, and 81% of industrial development have occurred within Growth Areas. These numbers reflect issued building permits from November 2011 to June 2022.
- For FY2021-22, 64% of residential development, 83% of commercial development, and 0.50% of industrial development occurred within Growth Areas. Figures 4 through 6 map the spatial distribution of new development in FY2020-21 by residential units and square feet of new commercial and industrial.

Figure I. FY2021-22 Building Permits Issued for New

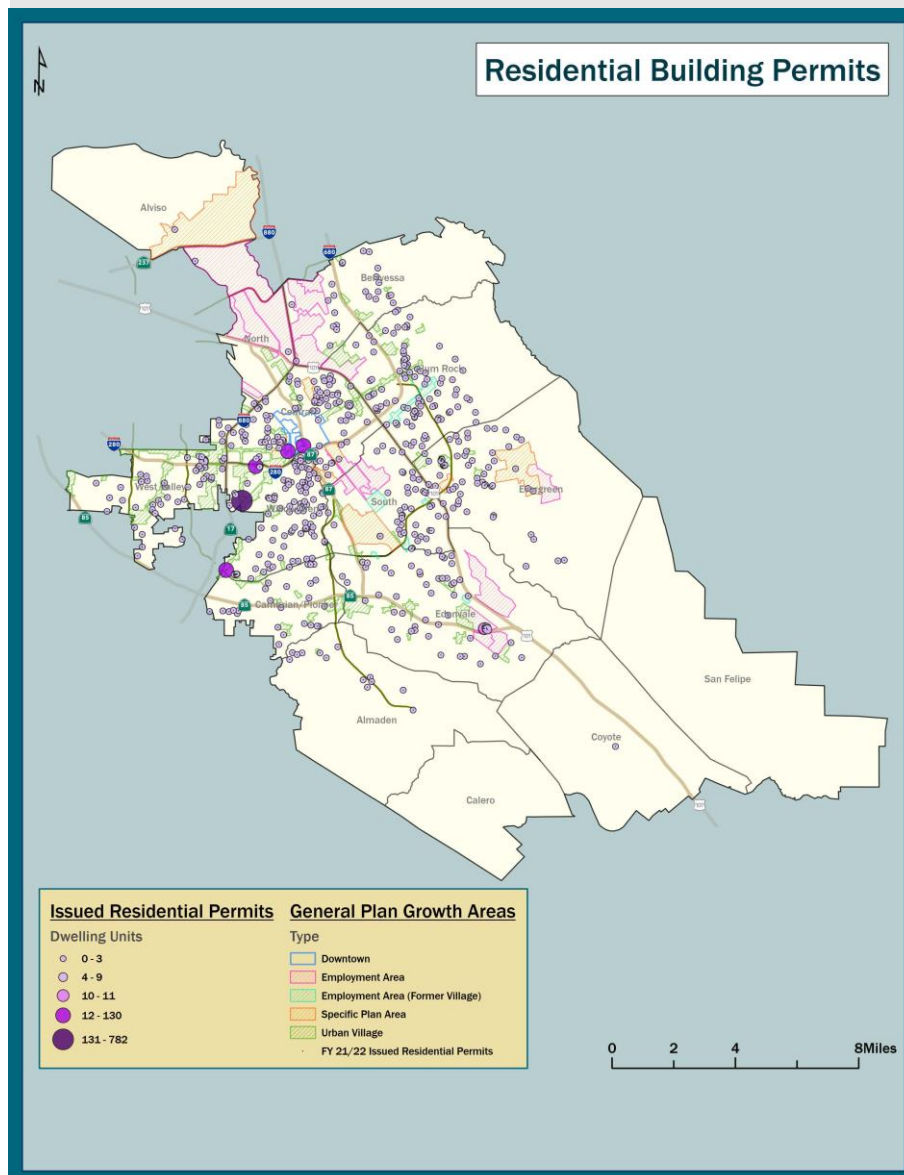


Figure 2. FY2021-22 Building Permits Issued (square feet) for New Commercial

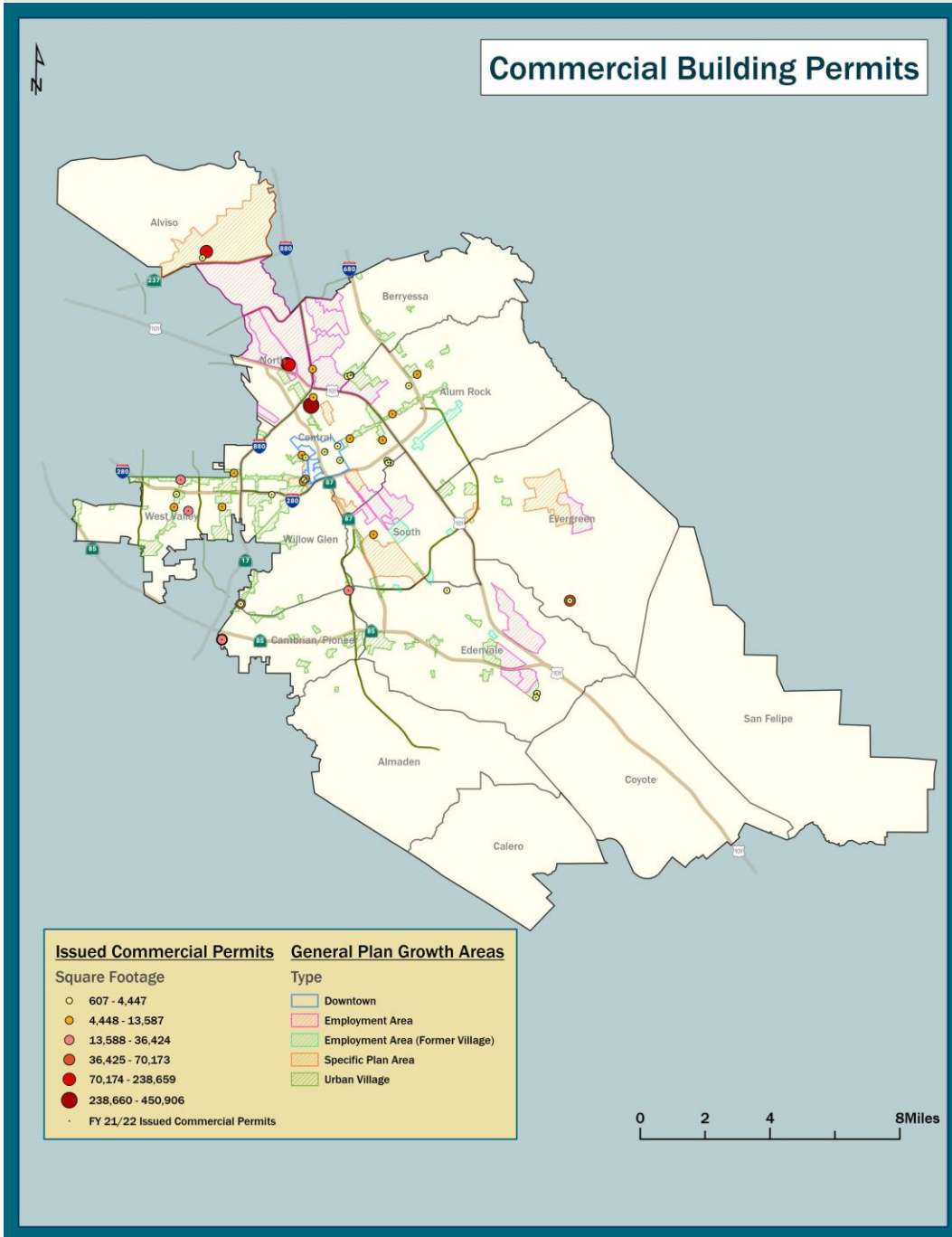
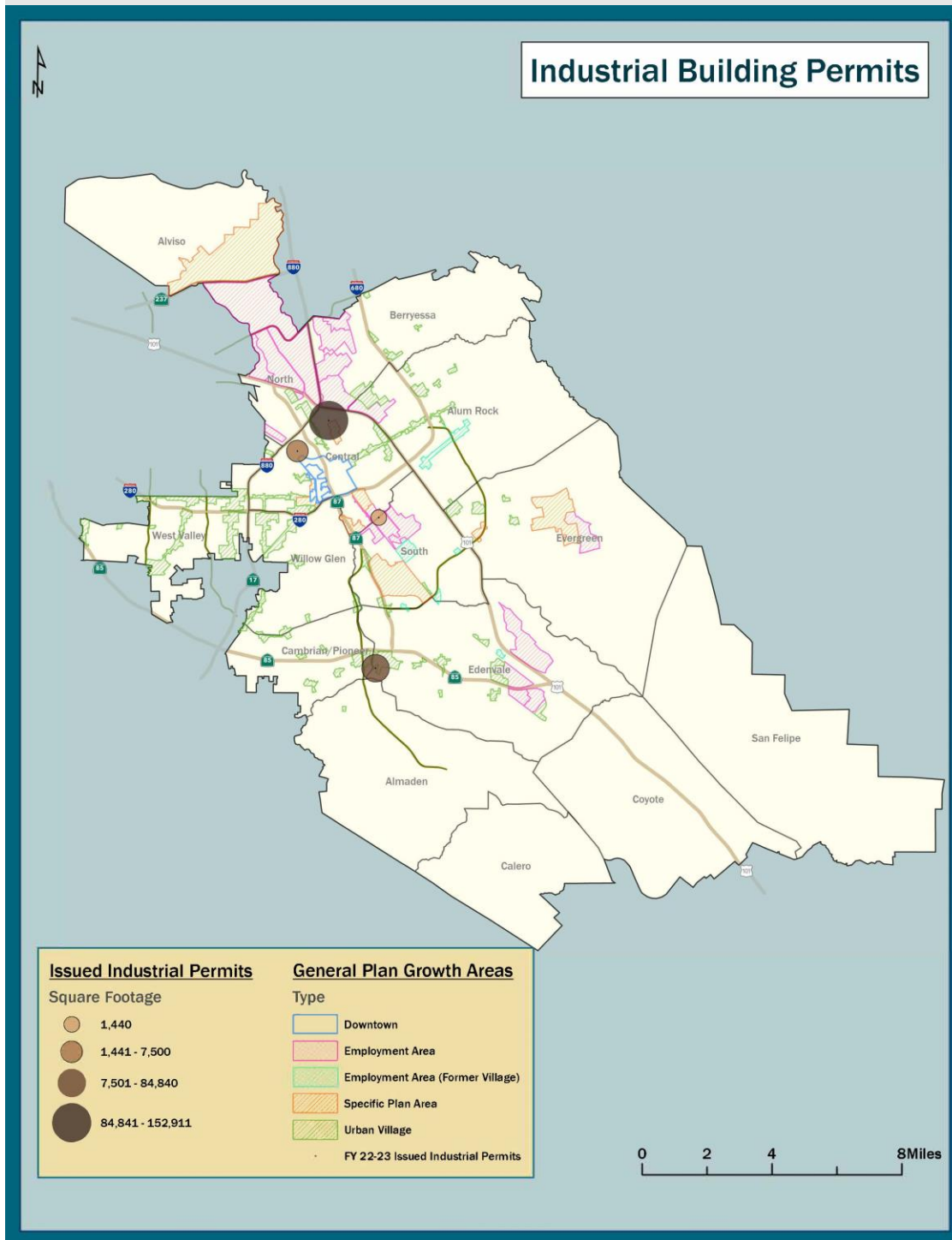


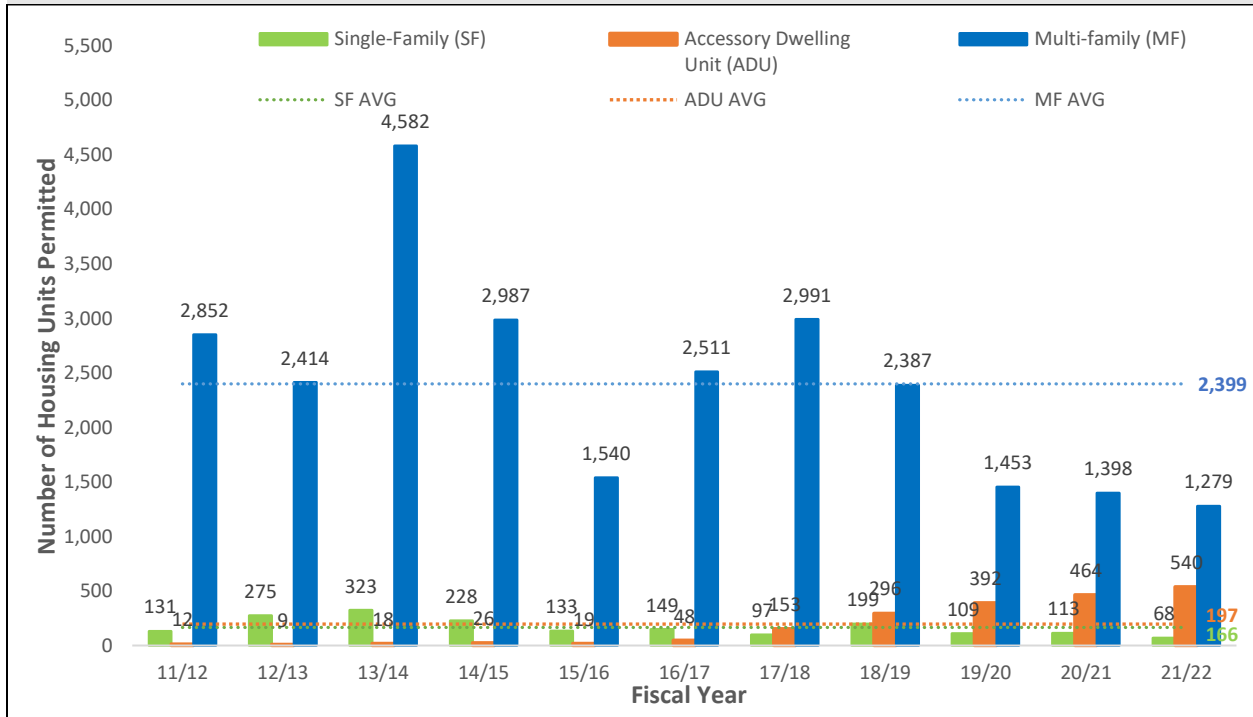
Figure 3. FY2019-20 Building Permits Issued (square feet) for New Industrial



New Development Citywide

From FY2011-12 through FY2021-22, the Department of Planning, Building and Code Enforcement (PBCE) has issued the following numbers of building permits for new construction; citywide totaling approximately 30,200 housing units, 24 million square feet of commercial development, and 11.1 million square feet of industrial development.

Figure 4. Building Permits Issued for New Residential Units FY2011-12 to FY2021-22



Source: Permit Fee Activity Report, Fiscal Year, PBCE

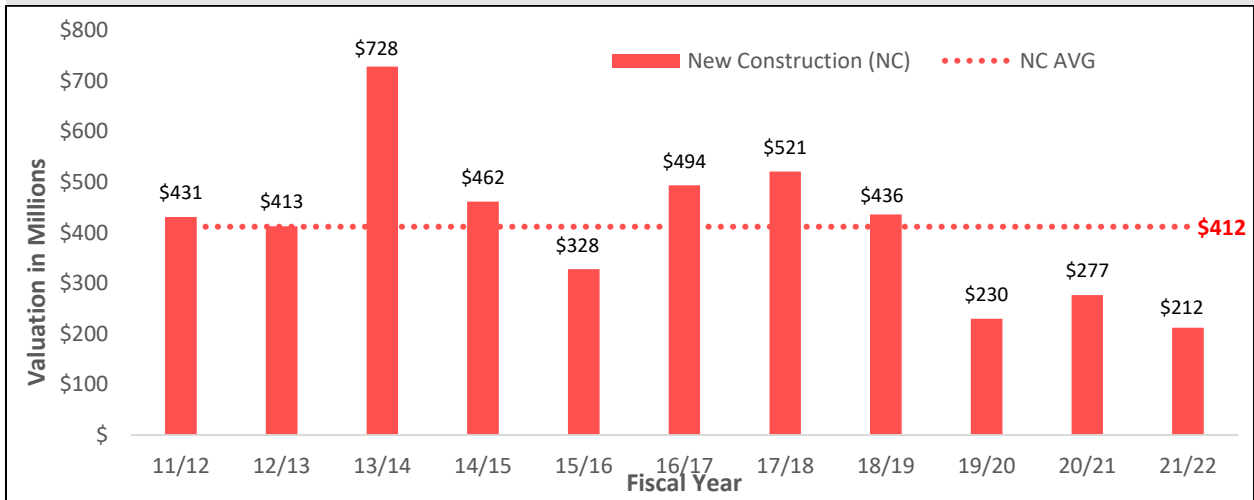
New Residential Construction in Fiscal Year 2021-22

Residential Units

Overall building permits issued for new construction of housing units slightly declined by 4.5% with 1,887 units compared to FY2020-21 with 1,975 units (see Figure 4 above). However, different housing types have had different changes in the number of building permits issued compared to the previous fiscal year.

Building permits issued for single-family units decreased significantly in FY2021-22 with only 68 units being permitted. This is a decline of approximately 40% from the previous year. On the other hand, building permits issued for accessory dwelling units (ADUs) increased significantly in FY2021-22 with 540 units being permitted. This is an increase of approximately 16% over the previous fiscal year. Building permits issued for ADUs continues to increase year over year since FY2016-17. Building permits issued for multi-family units decreased slightly in FY2021-22 with 1,279 units begin permitted. This is a decrease of approximately 8.5%. The lower level of building permits being issued for multi-family units has remained lower than the average since the Covid-19 pandemic started in FY2019-20.

Figure 5. Construction Valuation for New Residential Construction FY2011-12 to FY2021-22

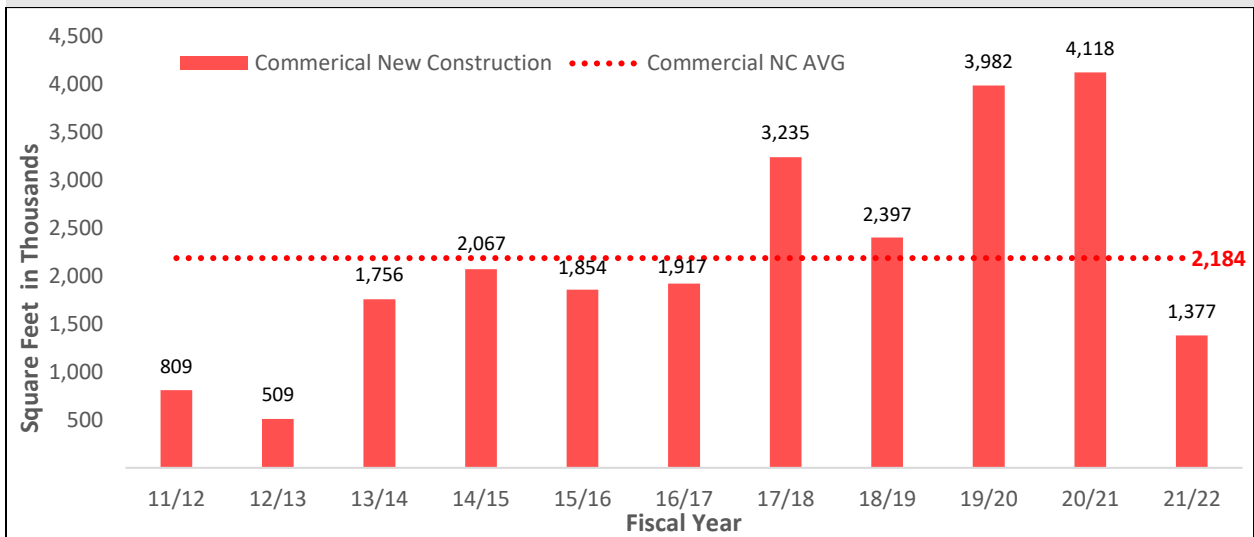


Source: Permit Activity Report, Fiscal Year, PBCE

Residential Valuation

Construction valuation is another indicator of new development that is tracked in the City of San José. The overall valuation of new residential development decreased in FY2021-22 to \$212 million (see Figure 5 above). This is a decrease of approximately 23% from the previous year. This continues the trend of the last three year with residential valuation being below the average since the start of the Covid-19 pandemic that started in FY2019-20.

Figure 6. Square Footage for New Commercial Construction FY2011-12 to FY2021-22



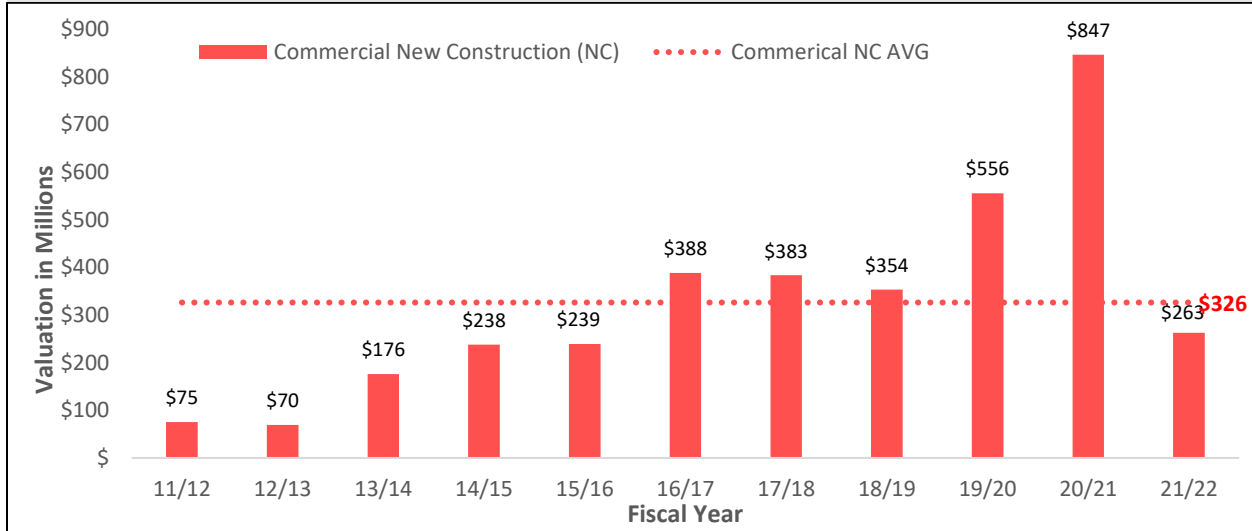
Source: Permit Activity Report, Fiscal Year, PBCE

New Commercial Construction in Fiscal Year 2021-22

Commercial Square Footage

The overall square footage of new commercial development decreased very significantly to 1.37 million square feet compared to the previous fiscal year with 4.11 million square feet (see Figure 6 above). This is a decrease of 66.5% from the previous year. This is the first year since the start of the Covid-19 pandemic that there has been a significant decrease in new commercial construction.

Figure 7. Construction Valuation for New Commercial Construction FY2011-12 to FY2021-22

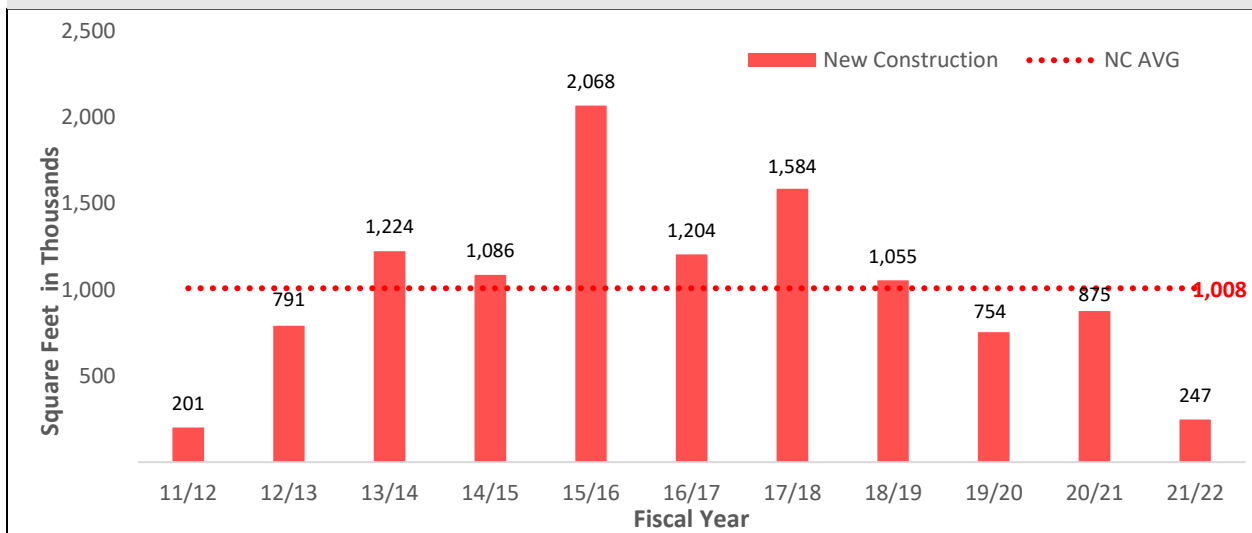


Source: Permit Activity Report, Fiscal Year, PBCE

Commercial Valuation

The overall valuation of new commercial development decreased very significantly in FY2021-22 to \$263 million (see Figure 7 above). This is a decrease of approximately 69% from the previous fiscal year. This mirrors the same very significant decrease in new commercial square footage in FY2021-22 compared to the previous fiscal year.

Figure 8. Square Footage for New Industrial Construction FY2011-12 to FY2021-22



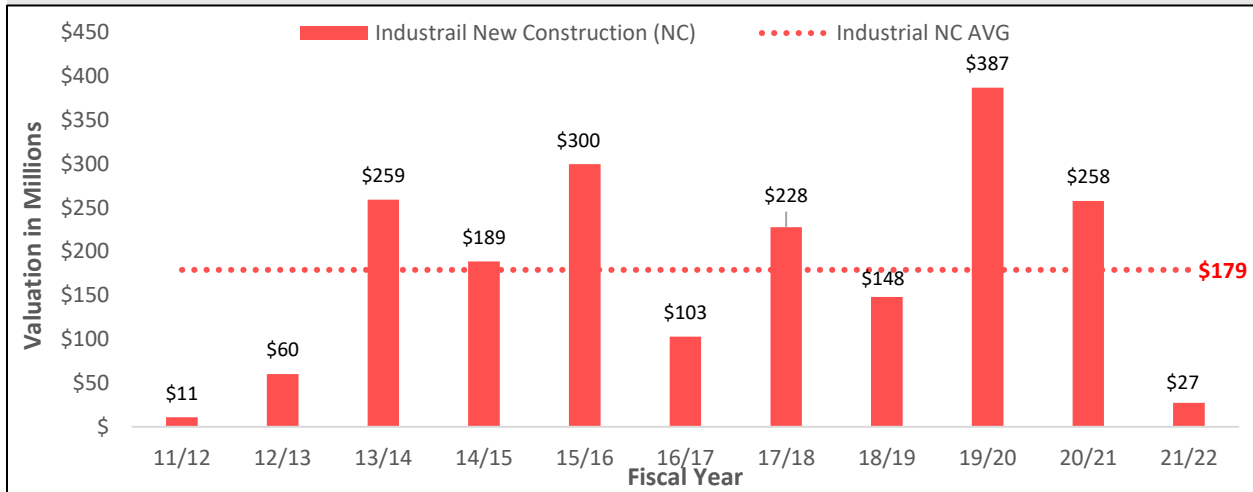
Source: Permit Activity Report, Fiscal Year, PBCE

New Industrial Construction in Fiscal Year 2021-22

Industrial Square Footage

The overall square footage of new industrial development decreased very significantly to 247 thousand square feet compared to the previous fiscal year with 875 thousand square feet (see Figure 8 above), a decrease of approximately 72% from the previous year. This is the first year since the start of the Covid-19 pandemic that there has been a significant decrease in new industrial construction and is the lowest new industrial valuation since FY2011-12.

Figure 9. Construction Valuation for New Commercial Construction FY2011-12 to FY2021-22



Source: Permit Activity Report, Fiscal Year, PBCE

Industrial Valuation

The overall valuation of new industrial development decreased very significantly in FY2021-22 to \$27 million (see Figure 9 above). This is a decrease of approximately 89.5% from the previous fiscal year. This mirrors the same very significant decrease in new industrial square footage in FY2021-22 compared to the previous fiscal year. The percentage of decrease may be due to construction types of lower valuation.

Planning Entitlements

In addition to evaluating building permits, planning staff analyzed planning permits to understand development trends. In FY2021-22 1,748 residential units, and 8.2 million square feet of commercial, office, and industrial were entitled. Approximately 9,681 residential units and 10 million square feet of commercial, office, and industrial development are pending approval as of December 2022. Detailed data about entitlements within Urban Village growth areas are further discussed in Major Strategy #5 Urban Villages and entitlements within Downtown are further discussed in Major Strategy #9 Destination Downtown.

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; and
- Supporting job growth within existing job centers; and
- 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. Between 2011-2021, San José has attained roughly 56,500 new jobs (5,650 jobs annually), but also added approximately 58,100 employed residents. In 2019, despite the decrease in number of jobs (2%), the J/ER held relatively stable due to a decrease in number of employed residents (0.3% decrease). In 2020, the decrease in jobs accelerated, losing approximately 40,686 jobs (9.7%) and 46,200 (8.4%) employed residents, likely reflecting peak COVID-19 conditions on employment and shelter-in-place order to limit the spread of the virus in 2020. In 2021, J/ER ratio is back to 2019 level, though with smaller number of jobs and employed residents. San José, now with approximately 428,000 jobs, needs 11,100 more jobs to recover from the job loss (2.6%) between 2019 and 2021. Sustained improvements in J/ER requires adding new employment lands as envisioned in the General Plan 2040. City-level employment data is provided by the California Employment Development Department (CEDD) which is typically released with one year lag. 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 monthly data 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 and the recovery since then. The CEDD data, issued in December 2022, estimated that total wage and salary employment in the MSA is 1,195,900 jobs, an increase of 4.1% year-over-year, from December 2021 to December 2022. Overall, the greatest job losses occurred between March 2020 and April 2020 with 145,000 jobs lost (12.5%) in the MSA. As of December 2022, recovery is complete, though not in all industries, and San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) has 30,100 more jobs in comparison to the peak levels in February 2020. Recovery was driven by job gains in Professional and Business Services (19,200 jobs), Information (11,000 jobs), Healthcare and Social Assistance (11,000 jobs) and Manufacturing (6,500 jobs) industries. The hardest hit sectors, such as Educational Services (-2,700), Leisure and Hospitality (-4,600), and Retail Trade (-2,100) are still recovering and not back to February 2020 (pre-COVID) employment levels.

CEDD also provides labor market information such as unemployment and civilian labor force for the MSA. In February 2020, the unemployment rate was only 2.6% and skyrocketed to 10.8% in June 2020 due to the pandemic and decreased to 7.6% in August of 2020. As of December 2022, the unemployment rate has decreased to 2.1%. 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.

It may take years to assess the full impact of COVID-19 on the local economy as there are lingering impacts and paradigm shifts in employment. Many large tech companies have delayed their return-to-work timelines and are considering hybrid work models moving forward. As of March 1st, 2023, office occupancy is still around 40% in San José metro area. This shift in employment may impact future demand for retail, commercial and office as well as how employment uses are designed and function in the future.

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 community’s 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 Table 4).

The J/ER ratios show a recovery trend across the region, with minor fluctuations in smaller cities. As shown in Table 4, San José remains the city with the lowest J/ER ratio from surrounding cities, and the only city under a 1.0. Since 2019, San José has lost approximately 15,900 employed residents and approximately 11,100 payroll jobs. Similar to San José, other cities have lost employed residents however payroll jobs have held consistent resulting in higher jobs to employed-resident ratios.

Table 4: Jobs per Employed Resident for Select Cities, 2011-2021

City	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
San José	0.80	0.81	0.83	0.82	0.82	0.82	0.85	0.82	0.81	0.80	0.81
Cupertino	1.23	1.20	1.33	1.47	1.64	1.75	1.85	1.99	1.99	2.15	2.2
Fremont	0.85	0.86	0.86	0.90	0.96	0.96	0.98	0.98	0.98	1.06	1.12
Milpitas	1.17	1.17	1.19	1.18	1.18	1.17	1.26	1.25	1.20	1.10	1.18
Mountain View	1.77	1.83	2.59	1.84	1.92	1.67	1.74	1.77	1.70	1.89	1.84
Palo Alto	3.14	3.27	3.20	3.13	3.36	3.33	3.36	3.40	3.08	3.27	3.07
San Francisco	1.16	1.17	1.24	1.26	1.29	1.30	1.29	1.29	1.31	1.30	1.31
Santa Clara	1.95	2.02	2.02	1.77	1.79	1.70	1.69	1.77	1.78	1.92	1.69
Sunnyvale	1.18	1.16	1.13	1.06	1.06	1.04	1.08	1.04	1.08	1.21	1.17

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.

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 further 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. These Urban Village plans provide detailed information related to allowable uses, density, height, and floor area ratio (FAR) that are permitted within each Urban Village.

Urban Village Plans

Approved Urban Village Plans

City Council has approved 14 Urban Village plans since adoption of Envision San José 2040 General Plan. The most recent Urban Village planning process completed was for the North 1st St Urban Village, with City Council approving the Plan on March 22, 2022.

Table 5: Approved Urban Village Plans

Plans	Date Approved
Regional Transit Urban Village Plans	
The Alameda	December 16, 2016
Berryessa BART	June 21, 2021
Five Wounds	November 19, 2013
Local Transit Urban Village Plans	
Alum Rock	October 22, 2013
East Santa Clara Street	October 23, 2018
Little Portugal	November 19, 2013
North 1 st Street ²	March 22, 2022
Roosevelt Park	November 19, 2013
Stevens Creek Boulevard	August 8, 2017
West San Carlos Avenue	May 8, 2018
Commercial Corridor Urban Village Plans	
Santana Row/Valley Fair	August 8, 2017
South Bascom Avenue (North)	May 8, 2018
Winchester Boulevard	August 8, 2017
Neighborhood Urban Village Plans	
24 th Street/Williams Street	November 19, 2013

² The North 1st Street Urban Village was approved by City Council on March 22, 2022.

Descriptions of the approved Urban Village plans are available on the Urban Villages website.

[View the Urban Village Plans \(sanjoseca.gov\)](https://sanjoseca.gov)

Urban Village Plans in Process

The planning process for the Capitol Caltrain Station Area Plan began in January of 2022. An update to four previously approved Urban Village Plans (Five Wounds, Little Portugal, 24th & Williams, and Roosevelt Park) began in September of 2022 with all four plans planned to be updated concurrently. The planning process for the Capitol Caltrain Station Area Plan began in January of 2022. This process is, however, currently to be determined (TBD), due to recent vacancy of the project manager. The Alum Rock Ave (East of 680) is anticipated to begin the planning process in the summer of 2023.

Table 6: Urban Village Plans Currently Under Development

Urban Village Plan	Status	Anticipated Dates
Capitol Caltrain Station Area Plan	In Progress	TBD
Five Wounds (Update)	In Progress	Winter 2024
Little Portugal (Update)	In Progress	Winter 2024
24 th & William (Update)	In Progress	Winter 2024
Roosevelt Park (Update)	In Progress	Winter 2024
Eastside Alum Rock/Alum Rock Ave. (E. of 680)	Summer 2023	Summer 2023

Development Activity in Urban Villages

Since the 2011 adoption of the General Plan, planning development permits have been approved for approximately 11,894 housing units and 5.7 million square feet of non-residential uses (commercial and industrial) within Urban Villages. In FY2021-22, approximately 688 residential units and 360 thousand square feet of non-residential uses were approved within Urban Villages.

Residential development was previously limited by the General Plan to Urban Villages in the current planning horizon, or Growth Horizon 1, and had a Council approved Urban Village Plan. The Growth Horizon framework was removed, however, by City Council on December 7, 2022, as part of the most recent Four-Year Review of the General Plan.

For residential development to move forward in Urban Villages that do not yet have an approved Urban Village plan, the General Plan includes two policies that allow residential development: Signature Project Policy (Policy IP5.10) and Affordable Housing in Urban Villages Policy (Policy IP-5.12

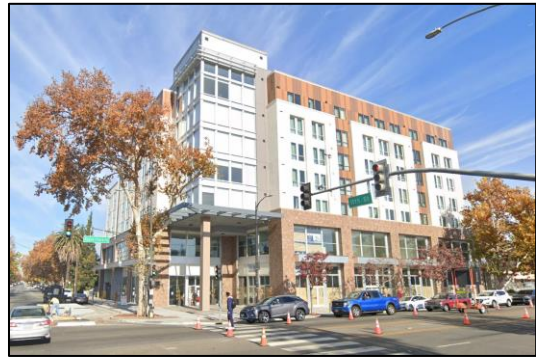
Signature Projects

General Plan Policy IP-5.10 establishes a “Signature Project” policy to allow residential, mixed-use projects to proceed ahead of an approved plan if the projects meet an established set of requirements related to density, design, and the provision of employment space and parks. Three Signature projects received entitlement in 2022. One project has completed construction and is going through the final inspection process and two other projects are under construction. Following is a comprehensive list of the Signature projects:

Projects Under Construction

1. **File Number: PDC15-049/PD15-044
(Sparta Student Housing)**
Address: 505 East Santa Clara Avenue
Approved: September 20, 2016
Status: Final inspections in progress on completed construction

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) (See Figure 14).



Sparta Student Housing Signature Project

2. **File Number: PDC16-002/PD16-025 (The Orchard or North Capitol)**
Address: 641 North Capitol Avenue
Approved: January 10, 2017
Status: Construction complete on all residential units, one commercial building complete, one commercial building started construction, and one commercial building has not started construction

Planned development permit on a vacant lot 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. (N. Capitol Ave/McKee Rd Urban Village)

3. **File No. PDC17-047/PD18-015
(Bascom Gateway Station or Dick's Center)**
Address: 1330/1410 South Bascom Ave
Approved: September 10, 2019
Status: Residential building under construction, office building has not started construction

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 (South Bascom (North) Urban Village).

Approved Projects

1. **File Number: PDC15-065/PD15-059 (Volar)**
Address: 350 Winchester Boulevard
Approved: June 13, 2017
Status: Construction has not begun, permit extension till March 2024

Planned development permit to allow for demolition of a 26,850 square foot commercial building and allow construction of 307 residential units and 52,167 square feet of commercial and office uses in an 18-story building on a 0.89 gross acre site. (Valley Fair/Santana Row Urban Village)

2. **File No. PDC16-036/PD17-014
(Stevens Creek Promenade or FortBay)**
Address: 4300 Stevens Creek Boulevard
Approved: February 26, 2017

Status: Superseded by PDC20-021/PD20-012

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 (Stevens Creek Boulevard Urban Village).

3. File No. PDC17-056/PD17-027 (AvalonBay West Valley):

Address: 700 Saratoga Ave

Approved: June 11, 2019

Status: Construction has not begun, permit extension till March 2024

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 (Saratoga Avenue Urban Village).

Since the last Annual Review Report was completed, three more Signature Project applications have been approved.

1. File No. PDC20-007/PD20-007 (Cambrian Park Plaza):

Address: 14200 Union Avenue

Approved: November 2, 2022

Status: Construction has not started

Planned Development Zoning to allow the construction of up to 305 multifamily residential units, 25 townhomes, 48 single-family residential homes, and 27 accessory dwelling units, 181,340 square feet of hotel, retail, and residential care use, 229 hotel rooms, and 4 acres of public open space on an approximately 18-gross acre site (Camden Avenue/Hillsdale Avenue Urban Village).

2. File Nos. PDC19-049/PD20-006 (El Paseo and 1777 Saratoga Ave Mixed Use Village)

Address: 1312 El Paseo de Saratoga

Approved: June 21, 2022

Status: Construction has not started

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 (Paseo de Saratoga Urban Village).



Rendering of El Paseo Signature Project

3. File Nos. SP20-012/T20-012 (Blossom Hill)

Address: 605 Blossom Hill Road

Approved: August 9, 2022

Status: Construction has not started

Special Use Permit to allow the construction of one six-story mixed use building with 13,590 square feet of commercial space and 239 market-rate multi-family residential units and one five-story multifamily residential building with 89 affordable housing units, with trail improvements to Canoas Creek, and the subdivision of one lot into five lots on a 5.39-gross acre site (Blossom Hill Road/Calahan Avenue Urban Village).

Pending Projects

Currently, there are no pending Signature projects.

Affordable Housing in Urban Villages

General Plan Policy IP-5.12 allows affordable residential projects to proceed ahead of the 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).

Projects Under Construction

1. **File No. CPI8-022/TI8-034 (Blossom Hill Senior Affordable Housing)**

Address: 397 Blossom Hill Road

Approved: December 11, 2019

Status: Construction in progress

Conditional Use Permit to allow the 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 (Blossom Hill Road/Snell Avenue Urban Village).

2. **File No. H20-013 (Affirmed Housing)**

Address: 3090 South Bascom Avenue

Approved: February 28, 2021

Status: Construction in progress

AB 2162 Ministerial Permit to allow the demolition of an existing 11,811 square-foot commercial building and construction of a 5-story, 79-unit supportive housing development, with 29 units reserved for permanent supportive housing, and a State Density Bonus Request for up to four incentives/concessions, 619 square feet of commercial space on an approximately 0.64 gross acre site (South Bascom Avenue (South) Urban Village).

3. **File No. H21-004**

Address: 2350 South Bascom Avenue

Approved: February 4, 2022

Status: Construction in progress

SB 35 Ministerial Permit for a 6-story mixed-use, multifamily project consisting of 123 affordable units and 1,437 square feet of ground floor commercial on an approximately 0.96-gross acre site (South Bascom Avenue (South) Urban Village).

Approved Projects

1. **File No. CP20-025**

Address: 2880 Alum Rock Avenue

Approved: October 7, 2021

Status: Construction has not started

Conditional Use Permit to allow the demolition of an existing vacant 8,200 square foot commercial building and associated surface parking, the removal of three ordinance-size trees and two non-ordinance trees, and the construction of one mixed-use six-story building (Building A) with 7,000 square feet of commercial space and 119 residential units (100% affordable) and one multifamily residential six-story building (Building B) with 45 units (100% affordable) with associated podium garage parking, landscaping, and amenities (Alum Rock Avenue (East of 680) Urban Village).

2. **File No. H21-020**

Address: 1007 Blossom Hill Road

Approved: August 3, 2022

Status: Construction has not started

Site Development Permit to allow the demolition (approx. 11,275 square feet) of an existing commercial building (Fish Market) and the construction of a seven-story building, with five-stories of multi-family 100% affordable residential housing units (271 units) over a two-story parking garage, and removal of 26 ordinance-size trees and 35 non-ordinance size trees on an approximately 1.85-gross acre site (Oakridge Mall (Edenvale) Urban Village).

3. **File No. MP22-006**

Address: 2388 South Bascom Avenue

Approved: January 27, 2023

Status: Construction has not started

SB35 Ministerial Permit to allow the construction of one building as part of a 100% affordable residential project with 64 housing units, with 63 income-restricted units and one on-site manager unit on an approximately 0.63-gross acre site. The project includes State Density Bonus concessions (South Bascom Avenue (South) Urban Village).

Pending Projects

1. **File No. H20-026**

Address: 2188 The Alameda

Status: Permit in process

AB 2162 Ministerial Permit to allow the demolition of an existing 55-unit hotel (27 units operating as hotel supportive housing plus 28 hotel units) and 4,192 sq. ft. of non-residential space with removal of 4 non-ordinance sized trees; and construction of new 6-story, 118-unit supportive housing development including 2 managers units of which a minimum of 50% are permanent supportive units and 21,170 sq. ft. of non-residential support spaces with 39 parking spaces, on an approximately 0.9 gross acre site (The Alameda (West) Urban Village).

2. **File No. MP22-011**

Address: 525 North Capitol Avenue

Status: Permit in process

SB 35 Ministerial Permit to allow for the of the demolition of an existing concrete pad and new construction of a 5-story mixed-use affordable housing project consisting of 160 affordable housing rental units and 2,600 sf of community serving flex space, with no trees proposed for removal, and request for one concession (private open space) and 5 waivers (development standards) on a 0.97 gross-acre site (North Capitol Ave/McKee Road Urban Village).

It should be noted that this proposed affordable housing project is proposed on the site of approved Signature Project PDC16-002, which was discussed above and is nearing completion. The developer of this Signature Project reneged on its commitment to build the commercial space as required by the General Plan and as approved by City Council. The proposed affordable housing project is located on a portion of this land dedicated for commercial uses in this Signature Project. The affordable housing developer is, however proposing to include a portion of the originally approved commercial space within its affordable housing development.

3. **File No. MP22-014**

Address: 1371 Kooser Road

Status: Permit in process

SB 35 Ministerial Permit to allow for the demolition of the existing Chuck E Cheese restaurant and construction of 7-story, 100% affordable housing apartment consisting of 191 residential units, of which 8 are set aside as Rapid Rehousing Units and 2 are for managers, with a 2-level parking garage with 130 parking spaces, State Density Bonus request for two concessions (reduction in private open space and building setback); including the removal of 8 trees of which 6 are ordinance size trees, on a 1.62 gross-acre site (Kooser Road/Meridian Ave Urban Village).

4. **File No. MP22-009**

Address: 5885 Santa Teresa Boulevard

Status: Permit in process

SB 35 Ministerial Permit to construct 49 affordable unit multi-family building on an approximately 1.46-gross acre site (Santa Teresa Boulevard/Snell Avenue Urban Village).

MAJOR STRATEGY #6 – STREETSCAPES FOR PEOPLE

The General Plan includes ambitious transportation goals and policies that emphasize a human-centered street network supporting a more equitable, environmentally sustainable, economically dynamic, dense, and transit-oriented city. The transportation goals and policies of the General Plan aim to increase bicycle, pedestrian, and transit travel while reducing motor vehicle trips, thereby increasing the city's share of travel by biking, walking, and taking transit.



Protected bicycle lanes and pedestrian cross walks ensure pedestrian safety. Photo: San José Department of Transportation.

2022 marks a big year for transportation in San José. Many streetscape efforts that have been underway over the last few years are either being implemented or have been approved by the City Council for implementation. The Vision Zero Action Plan (2020) (Major Strategy #11 – Design for a Healthful Community), Better Bike Plan 2025 (2020), En Movimiento (2021), the Valley Transportation Authority (VTA) Complete Streets studies, and other local and regional transportation activities are guiding the Department of Transportation's project delivery work. In addition, the City Council approved

several planning efforts including Move San José (Major Strategy #11), Emerging Mobility Action Plan (Major Strategy #11), Transit-First Policy, Downtown Transportation Plan, and West San José Multimodal Transportation Improvement Plan (MTIP).

In 2022, the City has also embarked on new planning efforts including the North San José MTIP and transit-priority complete streets studies for the Stevens Creek-San Carlos corridor, Santa Clara Street, King Road, and Monterey Road. Together, the approved, ongoing, and new efforts in 2022 has helped the city move towards a safer, more equitable, and more environmentally sustainable transportation system.

Better Bike Plan 2025

[View the Better Bike Plan 2025](#)

Approved by the City Council in 2020, the Better Bike Plan 2025 defines a roughly 550-mile network of all-ages-and-abilities, low-stress, on-street bikeways which connect with the city's off-street trail network. Low-stress, on-street bikeways generally include two types of facilities – protected bikeways (a bikeway that features vertical elements physically separating bicyclists and motorized traffic, typically on higher-volume streets) and bike boulevards (a bike route that features traffic calming elements). The Plan identifies Five-Year Priority Projects for an ambitious implementation

strategy for the first five years of the Plan. In addition, the Plan emphasizes the use of quick-build construction strategies as interim solutions while preparing for updates with permanent materials as funding becomes available. Notable accomplishments in 2022 include:

- Installed 33 miles of new on-street bikeways and upgraded 18 miles of existing on-street bikeways. The current 460-mile on-street network combines with the City's existing 63 miles of off-street trails for a 523-mile usable network. Table 7 shows on-street bikeway mileage from 2015 to 2022;

- Conducting the design phase of permanent bikeway updates (San Fernando Street and the Downtown Better Bikeways) and new protected bikeways (Bascom Avenue and the Julian-McKee corridor);
- Completed construction of the US-101 Blossom Hill Road interchange improvement which includes /US-101 bicycle and pedestrian overcrossing;
- The City received a silver-level Bicycle Friendly Community Status by the League of American Bicyclist.

Table 7. On-Street Bikeway Mileage by Year, 2015-2022

On-Street Bikeway Type	2015	2016	2017	2018	2019	2020	2021	2022
Basic Bike Lane (Class 2)	175	186	198	199	202	203	203	185
Buffered Bike Lane (Class 2)	85	88	96	112	122	123	126	157
Bike Boulevard (Class 3)	0	0	0	4	4	4	4	16
Bike Route with “Sharrows” (Class 3)	23	33	49	49	55	80	81	86
Protected Bikeway (Class 4)	0	1	1	12	12	13	13	16
Total	283	308	344	376	395	423	427	460

Transit-First Policy

View the [Transit-First Policy](#)

City staff developed a Transit-First Policy per the 2020 Council Policy Priority #14: Citywide Transit First Policy Framework. Approved by the City

Council in August 2022, the Policy aligns the City’s transportation goals by supporting a transit system that is equitable, reliable, and competitive. The Policy includes two components: (1) a policy to prioritize transit vehicle operation and riders’ access to transit stops in the design of Grand Boulevards (i.e., the city’s transit priority corridors) and streets serving frequent transit routes; and (2) a toolkit describing the costs and benefits of implementing transit-supportive improvements as well as where and when to implement these improvements.



A transit stop with bench seating, shade cover, trash receptacles, and transit information.

En Movimiento: East San José Multimodal Transportation Improvement Plan (MTIP)

Approved by the City Council in 2021, *En Movimiento* is a community-based, long-range transportation plan that builds from and advances past planning efforts to identify and prioritize transportation projects in East San José. The plan includes nine community transportation goals, a prioritized list of 29 improvement projects with conceptual designs, financing, and implementation strategies, and the establishment of a Community Advisory Group. Notable accomplishments in 2022 include:

- Constructed quick-build bike improvements on McLaughlin Avenue and San Antonio Street;
- Conducting a community-based design process for seven bike boulevards in East San José.

[View the En Movimiento](#)

Downtown Transportation Plan

Approved by the City Council in November 2022, the Downtown Transportation Plan is a community-based, long-range multimodal transportation improvement plan for Downtown San José. The Plan identifies five community transportation goals, 17 strategies, and a prioritized list of 56 projects, programs, and policies to be implemented in 20 years. The Plan also calls for four big moves in enhancing Santa Clara Street, realigning light rail tracks, completing trail gaps, and addressing freeway barriers for pedestrian and bicyclists.

[View the Downtown Transportation Plan](#)

West San José Multimodal Transportation Improvement Plan (MTIP)

[View the West San José MTIP](#)

Approved by the City Council in December 2022, the West San José MTIP is a companion transportation plan to five Urban Village Plans in West San José. It advances the goals and objectives of the Urban Village Plans within its boundary by establishing a prioritized list of transportation projects and programs. The Plan brings together existing transportation planning and programming efforts and identifies top-priority transportation projects and programs.

Complete Streets Plans

The City develops complete street plans for projects identified in the Vision Zero program, Better Bike Plan 2025, and multimodal transportation improvement plans. The VTA also develops some complete street plans. Through community-based planning processes, complete street plans identify design features that prioritize bicycle, pedestrian, and transit travel while serving motorists according to the approved citywide or area plans.



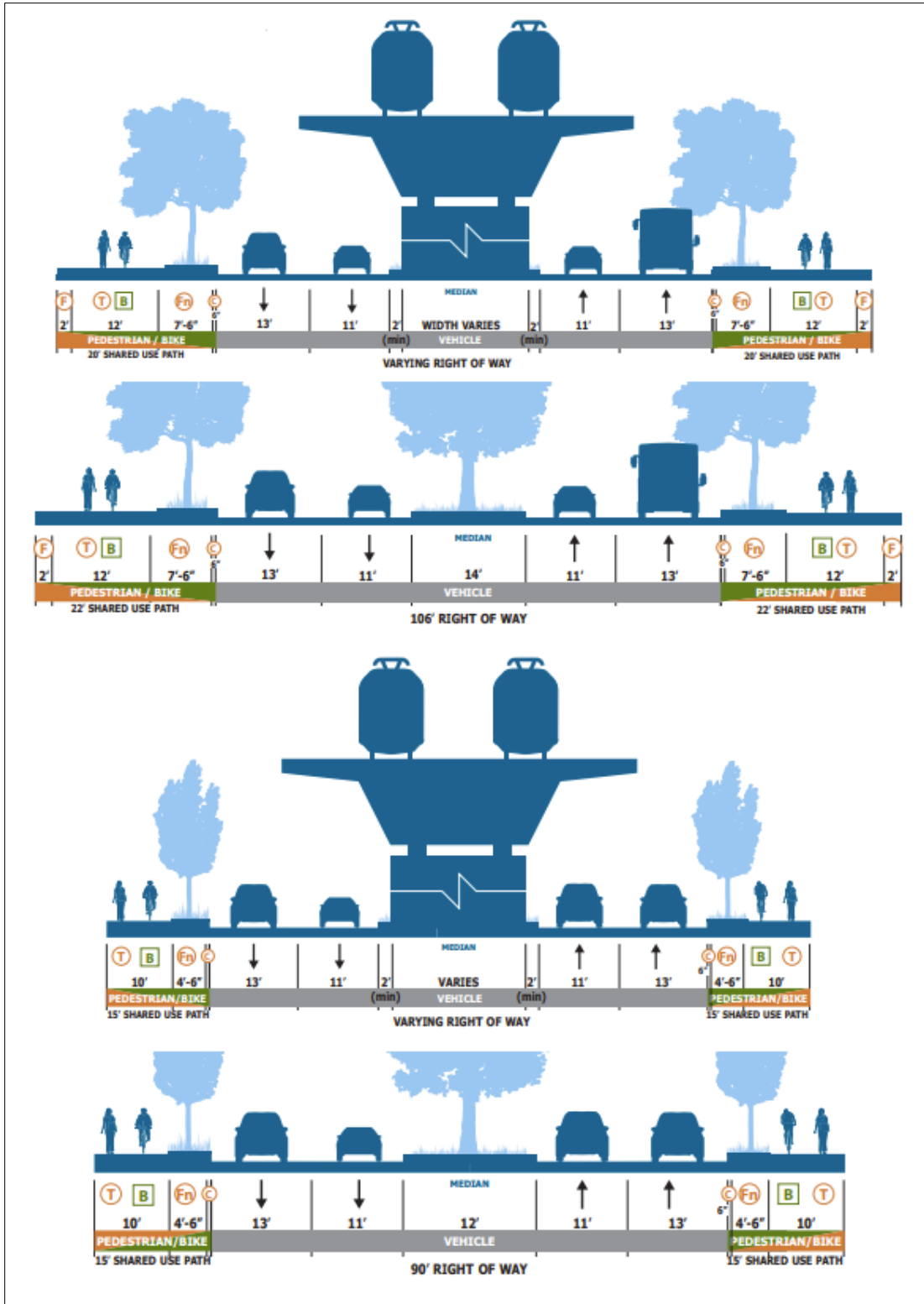
A sidewalk in front of the SoFA Market in Downtown San Jose.

The San José Complete Streets Design Standards and Guidelines, approved by the City Council in 2018, establishes 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. Complete streets plans include conceptual designs and subsequent detailed civil designs that comply with the City's Complete Streets Design Standards and Guidelines.

Notable accomplishments in 2022 include:

[View the San José Complete Streets Design Standards and Guidelines.](#)

- Story-Keyes – The City is designing and will subsequently construct the western portion of the corridor (west of Third Street) in accordance with the VTA's Story-Keyes Corridor Complete Street Study. In 2022, the City has been awarded a grant to design and construct the transit priority corridor from Third Street to King Road;
- Bascom Avenue – In 2021, the City and VTA began the environmental and design work for the northern portion of Bascom Avenue between I-880 and Hamilton Avenue in accordance with the VTA's Bascom Corridor Complete Street Study. In 2022, the VTA has been awarded a grant to construct this northern portion;
- Tasman Avenue – The Tasman Corridor Complete Streets Study, a joint project with VTA and the cities of Sunnyvale, Santa Clara, San José, and Milpitas, was approved by the VTA Board in 2021;
- Monterey Road – The City is developing design plans for short-term, quick-build transit priority improvements on Monterey Rd. The design plans will explore opportunities to improve safe bike and pedestrian access to bus stops and enhance transit facilities, including dedicated bus lanes with protected bike lanes on Monterey Road from Alma Street to Ford Drive;
- Santa Clara Street – Since December 2022, the City has started a complete street study to develop a preferred design alternative and roadmap for transforming Downtown's 'main drag' between Diridon and US-101;
- Stevens Creek Boulevard – Since December 2022, the City has been collaborating with the County of Santa Clara, VTA, City of Santa Clara, and City of Cupertino on a Stevens Creek Corridor Vision Study. The study aims to develop conceptual design plans for the multijurisdictional corridor;
- King Road – The City is conducting a complete street study for King Road between Capitol Expressway and I-280, aiming to make King Road an inviting place to walk, bike, and take transit for historically under-resourced East San José communities.



Design Standards for Monterey Road with High-Speed Rail (HSR) Cross Sections.

Regional Highway Projects

The City has worked on modernizing major infrastructure with a goal to provide safe, direct connections between communities divided by freeways. Complying with the City's Complete Streets Design Standards and Guidelines, these projects are designed to connect trails and major bike and pedestrian corridors as well as provide full separation of cars from people when feasible. Notable accomplishments in 2022 include:

- US-101 Blossom Hill Road Interchange – The City completed construction of upgrades to the interchange which includes a pedestrian- and bicycle-only path structure fully separated from the vehicular structure. The outstanding work to complete includes visual screens, landscaping, and signal activation at Monterey Road/Blossom Hill Road;
- US-101/De La Cruz Boulevard/Trimble Road Interchange – The City is undergoing construction of upgrades to the interchange which would include a pedestrian- and bicycle-only undercrossing structure below the US-101 southbound ramps.

MAJOR STRATEGY #7 – MEASURABLE SUSTAINABILITY/ENVIRONMENTAL STEWARDSHIP

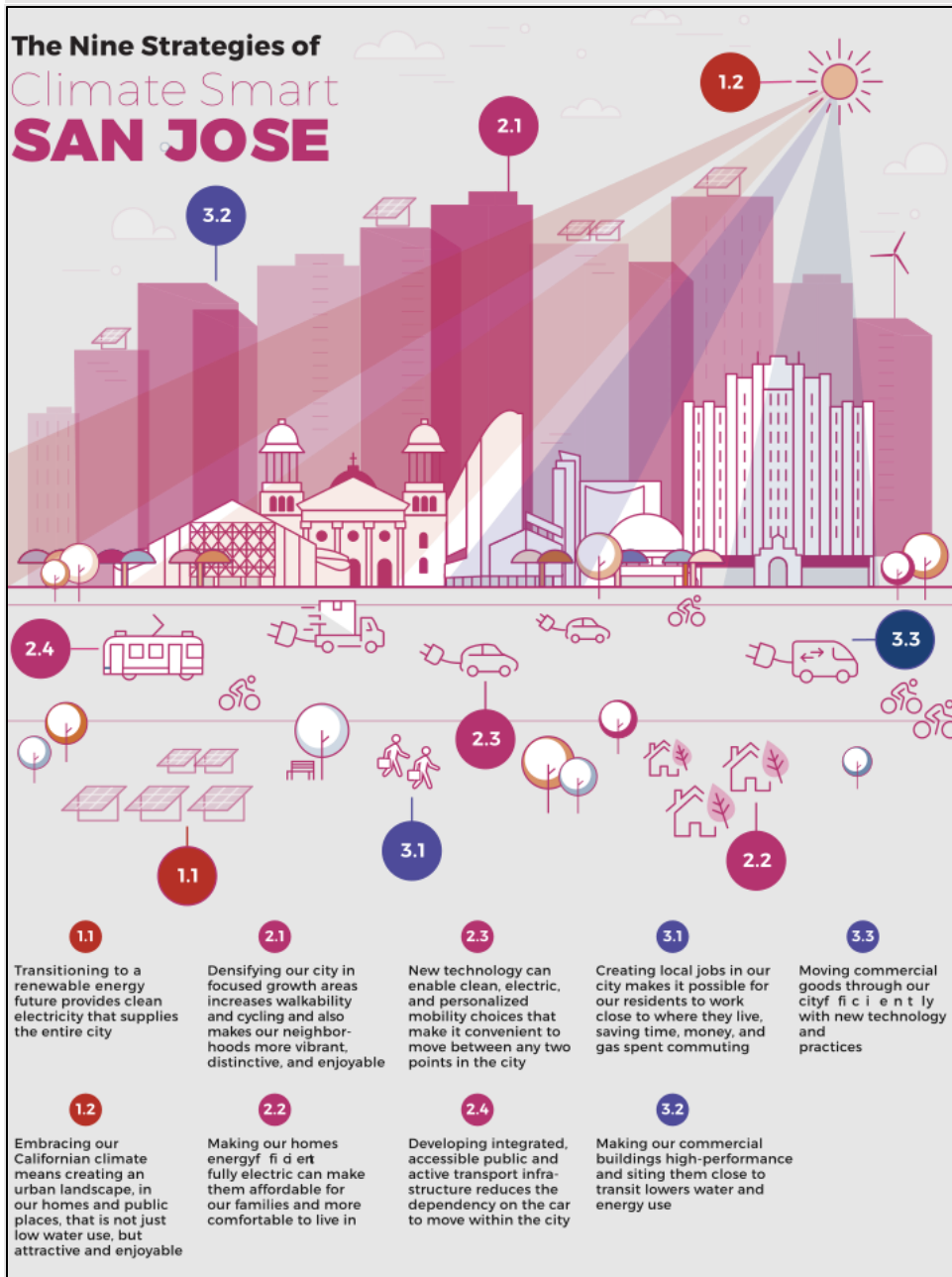
Climate Smart San José

View the [Climate Smart San José Data Dashboard](#)

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 *Climate Smart San José*, a replacement for the previous sustainability strategy, the Green Vision. Approved by the City Council in February 2018, *Climate Smart San José* builds on the *Envision San José 2040 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 reductions in line with 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. Progress on these milestones is tracked on the publicly accessible Climate Smart Data Dashboard. To enable and facilitate implementation, *Climate Smart San José* 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 provide semi-annual updates to the City Council on progress implementing the *Climate Smart San José* plan. Appendix A includes an update on the City’s achievement of these goals.

Figure 10. Climate Smart San José's Strategy to Meet the Paris Climate Agreement



Carbon Neutral by 2030

On November 8, 2021, the San José City Council unanimously voted to build on the ambition of *Climate Smart San José* and adopt a goal of reaching net-zero greenhouse gas emissions by 2030. This means that by 2030 the City intends to reduce the community's net GHG emissions (from our transportation, buildings, grid-supplied energy, industry, and treatment of waste) to zero. On June 14, 2022, the City Council adopted the *Pathway to Carbon Neutrality by 2030*, which recommends strategies and supporting actions to accelerate the City's Climate Smart work and put San José on a course to achieve its carbon

neutrality goal. Progress on the Pathway to Carbon Neutrality by 2030 will also be tracked on the publicly accessible Climate Smart Data Dashboard.

Achievements

Significant achievements since the adoption of *Climate Smart San José* include:

- The establishment of San José Clean Energy, a Community Choice Aggregator that, as of 2022, expects to serve 98 percent of electricity customers in San José with 95 percent carbon-free power as a base product
- The City Council approval of a reach code in 2020 and Natural Gas Infrastructure Prohibition Ordinance in 2021 that, together, require all new construction in San José to be all-electric and meet higher requirements for electric vehicle (EV) infrastructure than required by the state building code
- The City Council approval in 2022 of the *Move San José Plan*, *Emerging Mobility Action Plan*, and *Transit First Policy* (Major Strategy #6 and #11);
- The City Council approval of updated parking and transportation demand management (TDM) ordinance in 2022 that removes the parking minimum requirements and establishes TDM requirements for new development citywide.

[View the Parking and Transportation Demand Management \(TDM\) Ordinance](#)

Major Initiatives

Current areas of work driving forward progress on *Climate Smart San José* goals include:

- The Zero Emissions Neighborhood (ZEN) pilot program, which will bring multiple climate-smart improvements to the Santee neighborhood in East San José, starting with urban greening and zero-emissions urban freight
- The Building Retrofit Accelerator, which will support the conversion of at least 250 existing San José homes to energy-efficient, all-electric technologies, as well as supporting green workforce development
- The Induction Cooktop Checkout program, which offers San José residents the chance to try out clean, healthy, all-electric cooking with an induction cooktop at no cost
- The Climate Smart Challenge and Go Green Teams program, which provide residents with information on how they can contribute to *Climate Smart San José* goals and opportunities to connect with other interested residents

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 13.5% 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 2022-2023 Adopted Budget totals \$6.0 billion for all City funds, which is 17.0% above the 2021-2022 Adopted Budget³ and is primarily attributable to a higher level of resources in the San José Clean Energy Fund, planned bond issuances in the San José-Santa Clara Wastewater Treatment Plant Capital Fund, remaining funding provided in the American Rescue Plan Fund, higher General Fund resources, and balances rebudgeted from 2021-2022 to complete continuing and multi-year projects. The Table below shows the adopted budget for 2021 and 2022 fiscal years.

³ City of San José. October 31, 2022. 2022-2023 Adopted Operating Budget Message: <https://www.sanjoseca.gov/home/showpublisheddocument/91539/638029939909030000>.

Table 8: Adopted Budget 2022-2023

2022-2023 Adopted Budget –All Funds			
	2021-2022 Adopted	2022-2023 Adopted	% Change
General Fund	\$ 1,586,737,216	\$ 1,916,689,476	20.8%
Special Funds	2,755,411,520	3,012,492,461	9.3%
<Less: Operating Transfers>	(787,269,130)	(872,639,407)	10.8%
Net Operating Funds	3,554,879,606	4,056,542,530	14.1%
Capital Funds	1,569,724,897	1,947,900,683	24.1%
<Less: Capital Transfers>	(5,259,000)	(13,065,000)	148.4%
Net Capital Funds	1,564,465,897	1,934,835,683	23.7%
Total	\$ 5,119,345,503	\$ 5,991,378,213	17.0%

Capital Improvement Program (CIP)

The City's Capital Improvement Program (CIP) includes 14 programs within each of the six City Service Areas, focusing on infrastructure renovation, renewal, and expansion. This includes roads, sewer systems, parks, fire and police facilities, and airport facilities. Funding for the CIP comes from special funds, construction taxes, and development impact fees, which can only be used to mitigate the impact of new development and cannot contribute to City services or deferred infrastructure maintenance.

The budget continues to be impacted by the unanticipated economic downturn resulting from the COVID-19 pandemic.⁴ Despite these challenges, City made progress in delivering improvements to critical public assets, including projects from the San José's Disaster Preparedness, Public Safety and infrastructure projects funded by Measure T. While capital-related revenues have stabilized, and some have even significantly increased from pre-pandemic levels, especially Construction & Conveyance (C&C) Tax revenues or new revenues from the issuance of bonds, funding challenges remained for many programs for various reasons, such as fixed fee rate, rising costs etc. Additionally, an infrastructure backlog of \$1.7 billion and an additional \$91.5 million annual maintenance needs to sustain the City's infrastructure in functional condition has been identified. The City is searching for additional resources such as leveraging grant opportunities to address the backlog and maintain public assets appropriately.

Equity considerations, including race and income data, are increasingly being incorporated into the evaluation of infrastructure rehabilitation needs and service delivery such as, including the incorporation of race and income data as a factor to help prioritize the rehabilitation of deteriorated sanitary sewer pipe, to the extent legally permissible, and as a prioritization criterion for the Local and Neighborhood Pavement Maintenance Program.

General Fund

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

⁴ City of San José. 2022-2023 Proposed Capital Budget, 2023-2027 Capital Improvement Program: <https://www.sanjoseca.gov/home/showpublisheddocument/85146/63786859298760000>.

specific purpose.⁵ As the pandemic led to many changes in how organizations operate, the City continued to prioritize the needs of the community by innovating new methods to provide services and lead in unexpected ways. External resources were aggressively pursued and rapidly deployed to support vulnerable residents, including the coordination of food services and the sheltering of homeless residents. This was made possible by the Federal government funds (CARES, ARP, FEMA, etc.) and significant allocations from the State of California (e.g., Homeless Housing, Assistance and Prevention) to focus pandemic response and recovery efforts.

View the [Budget Office website](#).

While these actions allowed the city to fund important community services in the short term, ongoing revenues are not sufficient to maintain this expanded service level. The city council's approval of the Mayor's March Budget Message for Fiscal Year 2022-2023 acknowledged this challenge and gave direction to focus on key areas and evaluate which existing one-time services should be maintained. The 2022-2023 Adopted Budget successfully allocated ongoing funding to many previously one-time funded services and made important investments in alignment with investment priorities. Each funding source was brought into balance to sustainably continue city programming and services in accordance with city council direction, priorities, and policies.

The forecasted surpluses for the General Fund were modest and did not reflect the surge of spending on community and economic recovery initiatives. The 2022-2023 Adopted Budget ensures investments are made to advance key objectives and prioritize the continuation of vital community services previously funded on a one-time basis.

Management of 2021-2022 Budget

The City managed 138 budgeted funds in 2021-2022, taking actions throughout the year to ensure that revenues and expenditures remained in alignment with actual performance.⁶ The City leveraged external funding sources, including from the American Rescue Plan Act, to continue existing and initiate new community and economic recovery workstreams. The broader economic recovery happened more quickly and robustly than expected, providing a surge of revenues across several City funds, including the General Fund. Due to careful forecasting, monitoring, and management throughout all City funds, overall 2021-2022 revenues and expenditures ended the year very close to budgeted expectations. The General Fund Ending Fund Balance of \$559.0 million was \$51.4 million above the fund balance estimate assumed when the 2021-2022 Adopted Budget was developed, and \$33.7 million after required clean-up and rebudget actions necessary to close out 2021-2022.

These priorities, among other items, are addressed in the Capital and Operating Budgets available on the Budget Office website.

⁵ City of San José. October 31, 2022. 2022-2023 Adopted Operating Budget Message: <https://www.sanjoseca.gov/home/showpublisheddocument/91539/638029939909030000>.

⁶ City of San José. September 30, 2022. 2021-2022 Annual Report Memorandum: <https://www.sanjoseca.gov/home/showpublisheddocument/90007/638005628339430000>.

MAJOR STRATEGY #9 – DESTINATION DOWNTOWN



A street view of the San Jose Miro Towers apartments.
Photo: J. Borrelli

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.

As part of the General Plan 4-Year Review process, staff shifted development capacity for 12,619 additional housing and 47,150 additional jobs to Downtown to accommodate anticipated higher demand for commercial and residential development in Downtown.

Downtown Development Activity

Since the adoption of the General Plan, the City has approved development permits for approximately 8,984 residential units and approximately 18.8 million square feet of commercial/office space in the

downtown (see Figure 11). Downtown West entitlements make up a majority of the proposed homes with 5,900 residential units, and 7.8 million square feet of commercial.

Residential Development Activity

Residential development activity accelerated within the Downtown/Diridon area after the Great Recession. Unsurprisingly, the economic uncertainty since 2020 slowed additional residential development. In FY2021-22, planning development permits were approved for approximately 259 new residential units.

Approximately 1,102 housing units opened between July 2019 and June 2021, while 1,652 additional units were completed since June 2021. Among them is the two-tower project at 188 W. St. James, which boasts 640 condominium units. Currently, 672 units are under construction in downtown. This includes several affordable housing projects as well as a new residential tower that will include 336 units from developer Scape at 10 E. Reed St. A total of almost 8,000 units have secured planning entitlements or are under review.

For more information about the Downtown Development Activity; see the Office of Economic Developments [Key Economic Development Project list](#):

Figure 11. Downtown Development Activity, FY2021-22



Commercial Development Activity

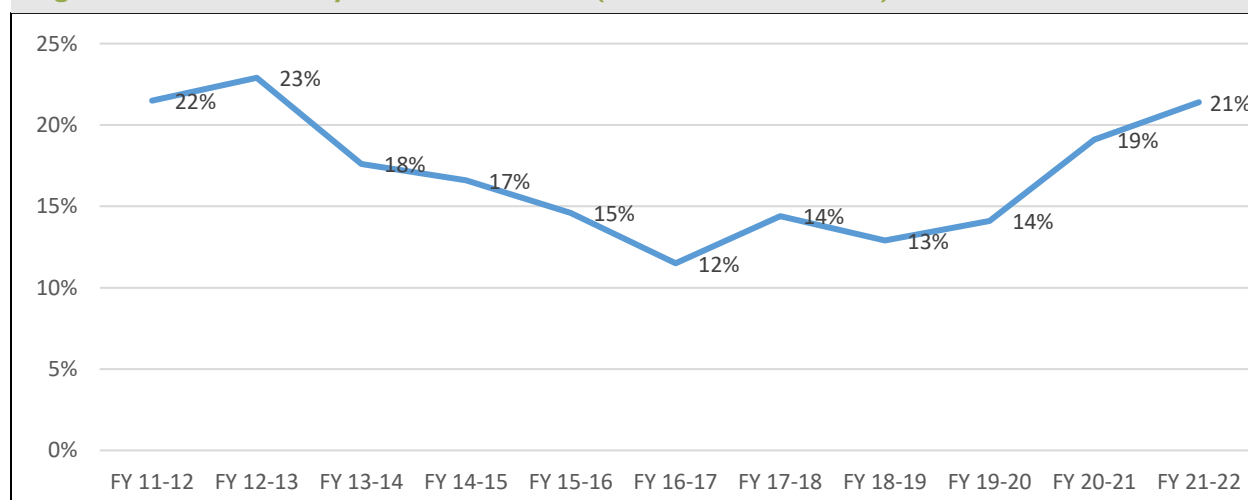
Downtown San José has roughly 10 million square feet of office space entitled and continues to see market interest in new commercial developments with 1.3 million square feet in pending commercial entitlements. Interest in the development of new office space within downtown has resulted in approximately 5.5 million square feet of new commercial entitlements. Major planned projects include Westbank's Park Habitat at 180 Park Ave (1.2 million square feet of office, retail and museum use), and the redevelopment of CityView Plaza at 125 S. Market St., which will contain 3.8 million square feet of commercial space.

Construction of two new office towers, Jay Paul Company's 1 million-square-foot office tower at 200 Park Ave, and Boston Properties' 390,000-square-foot first phase of Platform 16 at Julian and Autumn streets are under construction. Adobe's new 700,000 square-foot-office tower at 333 West San Fernando recently reached completion. Additionally, Google has received entitlements for up to 7.3 million square feet of office space, 1,100 short-term and extended-stay hotel rooms, 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.

While the list of entitlements is robust, it remains unclear how many projects will move to construction in the near term. Many tech companies are re-assessing office needs in light of hybrid work schedules and general belt-tightening amid an uncertain economy. This includes Google, which announced in early 2023 that it was "re-assessing" the timeline for its project in Diridon. Still, Downtown's largest private employer, Adobe, recently began to occupy its fourth office tower at 333 W. San Fernando St., bringing on an additional 700,000 square feet of office space, suggesting there is still demand of office space among major tenants. Downtown's advantages – transit access, arts and cultural activities, entertainment, and central location – still make it a good submarket for office, housing, and retail.

Since the General Plan adoption in 2011, the downtown office vacancy rate declined from a high of 23% in FY2012-13 to a low of roughly 11.5% in 2016-2017, before ticking back up into the 20% range with the onset of the COVID-19 pandemic as more tenants chose to shrink their space due to hybrid work policies. However, the downtown office market is relatively small, with a building base of roughly 10 million square feet. This means that relatively small occupancy changes can have a significant impact on the vacancy percentages.

Figure 12. Office Vacancy Rate in Downtown (FY11-12 to FY2021-22) Source: Cushman &



BART Silicon Valley Phase II Extension

Downtown San José is the nexus of regional investment in transportation with fully electrified Caltrain service almost ready, the BART extension to Downtown under construction soon, and longer-term California High Speed Rail in the next 20 years. Downtown's transit network is a system of frequent transit corridors that will connect Downtown with other areas of the city and many neighboring cities and counties. The network is centered on two regional transit hubs – Diridon Station and the Downtown Transit Mall. When BART, commuter rail, high-speed rail, light rail, buses, and transit-oriented development converge, Downtown could see as many as 350,000 transit riders, or one-third of all daily trips, by 2040.

The VTA's BART Silicon Valley Phase II Extension Project is a six-mile, four-station extension of the regional BART system from the Berryessa/North San José Station (opened in 2020) through downtown San José to the City of Santa Clara. The Phase II Project is planned to include an approximately five-mile subway, three stations with underground platforms (28th Street/Little Portugal, Downtown San José, and Diridon), one ground-level station (Santa Clara), a train maintenance and storage facility, and additional facilities.

As a part of President Biden's upcoming proposed budget, VTA's BART Phase II Extension Project is designated to receive an additional \$200 million in federal funding – the third allocation planned to be provided under the federal Expedited Project Delivery (EPD) Pilot Program. As one of only two projects nationwide to be allocated EPD funding, the Phase II Project represents the country's critical need for increased transit investment. This latest allocation, which brings VTA's federal funding total under this program to \$425 million, demonstrates the federal government's confidence in VTA's ability to successfully complete the largest transportation infrastructure project in Santa Clara County history.

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.

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. There has been a return of events in downtown thought still below pre-Covid years. According to the Office of Cultural Affairs' 2022 Event Calendar, San José hosted about 58 outdoor events in the downtown attracting a total estimated 468,000 people. This is still significantly less than the over 100 events and estimated 749,000 people that attending events in 2019 –the year before the pandemic. Some notable events in this last fiscal year were VivaCalle, Christmas in the Park, Music in the Park, Pumpkins in the Park, SubZERO festival, SJ Jazz Summerfest, Blues and Brew Festival, SoFA Street Fair, Pride Parade, Veterans Day Parade, the Levitt Pavilion concert series and numerous run/walk events.



*The Sonic Runway illuminates Downtown.
Photo: J. Borrelli.*

Team San José 2022 Annual Report

Team San José (TSJ) 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 metrics in the Annual Report are shown in Table 7 below. TSJ was able to meet its weighted incentive fee score performance targets for FY2021-22. Due to the restrictions by the State of California and the County of Santa Clara related to COVID-19, Team San José did not have any events within its facilities in FY2020-21, but events resumed in July of 2021.

[View the Team San José 2022 Annual Report.](#)

[View the Team San José Update](#)

Table 9: Team San José 2022 Independent Auditors Report

Performance Measures	2014	2015	2016	2017	2018	2019	2020	2021	2022
San José Convention and Cultural Facilities generated revenue (millions)	\$28.5	\$39.1	\$47.5	\$52.7	\$61.7	\$64.0	\$35.6	\$4.8	\$23.8
San José Convention and Cultural Facilities gross operating profit (millions)	\$6.5	\$9.9	\$13.7	\$15.6	\$16.8	\$14.7	(\$12.9)	(\$9.8)	\$2.33
# of attendees that visited San José Convention and Cultural Facilities (millions)	1.2	1.49	1.48	1.34	1.43	1.12			.57
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			\$34
Direct spending returned for every tax dollar invested into San José Convention and Cultural Facilities (millions)	\$2.45	\$2.89	\$2.38	\$1.99	\$3.28				
Total performances booked by Team San José’s theater and events team	355	611	436	622	544				379

* The Team San José Report in 2019, 2020, 2021, and 2022 did not report metrics in gray.

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 Table 10.

Table 10: Parks and Recreation Facilities Service Level Objectives

Service Level Objectives	Actual Service Level as of 06/30/22	Estimated Service Level 2022-23*	Estimated Service Level 2022-2026*
3.5 acres of neighborhood and community recreational lands per 1,000 population (PR-1.1)	2.9	2.9	2.9 (Acres)
7.5 acres of regional/city parklands per 1,000 population (valley floor) (PR-1.2)	16.0	16.00	16 (Acres)
500 square feet of community center floor area per 1,000 population (PR-1.3)	500.1	493.6	487.3 (sq. ft.)

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

The 2022-2023 level of service estimate for neighborhood and community recreational lands and regional/city-wide parklands are expected to marginally change compared to the actual service level as of June 2022 due to fluctuation in the population growth

In reality, the amount of existing parkland will not decrease but fewer people will be accessing the parkland due to the decrease in population growth.

As San José’s population continues to grow in the long term, it will become increasingly difficult to maintain current service levels with limited property available for new parkland development. Additionally, it will become increasingly difficult to maintain current service levels with limited property available for new recreational development as well as having limited resources to acquire and build new facilities, improve existing infrastructure and provide adequate maintenance.

Table 11: Parks and Community Facilities Infrastructure

Infrastructure	Sites/Acreage
Park Sites	210
Park Acreage	3,617
Developed Acreage	2,116
Open Space	1,067
Undeveloped Land	434
Trail Mileage	62.36
City Operated Community Centers	12
Partner Operated Re-Use Sites	31

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 62 miles of trails open to the public. The City's goal is to expand the City's trail network to 100 miles. The city has been challenged to meet this goal as the remaining trail segments are more challenging to develop than the first completed segments. Complex sites, riparian impacts, environmental regulations, costs and other factors present significant but manageable challenges.

The overall size of the Parks and Community Facilities Development CIP has increased by \$66.3 million; from \$355.3 million in the 2022-2026 Adopted CIP to \$421.6 million in the 2023-2027 Proposed CIP.

This increase is primarily due to the following:

- Higher Construction and Conveyance Tax revenues (\$30.0 million)
- Higher Parkland Dedication Ordinance/Park Impact Ordinance (PDO/PIO) fees (\$21.7 million)
- Increase in Ending Fund Balance from completed projects (\$8.7 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. General Plan Policy TR-1.3 calls for reducing the drive-alone mode share to no more than 45% by 2030 and no more than 25% by 2040, with goals to increase various other modes accordingly (see Table 12).

Table 12. Mode Split Goals for 2030 and 2040

Mode	All Trips Starting and/or Ending in San José	
	2030 Goal	2040 Goal
Drove alone	No More than 45%	No More than 40%
Shared Mobility/ Carpool	At least 25%	At least 10%
Transit	At least 10%	At least 20%
Bicycle	At least 10%	At least 15%
Walk	At least 10%	At least 15%

To measure the proportion of trips using different transportation modes, the most recent data were collected from location-based big data (2019 and 2022) for San José. Due to the COVID-19 pandemic, data for 2020 and 2021 were not collected. As shown in Table 13, there was a drop in drive-alone share and an increase in walk share in 2022, which can be attributed to the post-COVID-19 pandemic trend that as more employed residents work from home, they are more likely to make short trips in their neighborhood without a car. The share of trips using transit dropped significantly due to the effects of COVID and in part, to more people working from home.

Table 13: San José Mode Split Actuals in 2008, 2019, and 2022

Mode	All Trips Starting and/or Ending in San José		
	2008 ⁷	2019 ⁸	2022 ⁹
Drove alone	83%	80%	75%
Shared Mobility/ Carpool	10%	12%	11%
Transit	4%	5%	<2%
Bicycle	<2%	<2%	<2%
Walk	<2%	<2%	10%

General Plan Goal TR-9 calls for reducing the citywide vehicle-miles traveled per service population by 20% in 2030 and by 45% in 2040, from the 2017 levels. As shown in Table 14, there has been a drop in citywide VMT in 2022. This drop can also be attributed to changing behavior, including work from home, due to COVID. This reduction is probably not sustainable during post-pandemic recovery unless the City continues to take efforts to improve pedestrian and bicycle safety and transit competitiveness so that people have more viable options to travel around the city than driving a car.

⁷ Citywide mode split in 2008 was derived from the analysis for the Envision San José General Plan 2040 EIR (2011).

⁸ Citywide mode split in 2019 was obtained from the City's travel demand forecasting model that was calibrated with the U.S. Census Bureau's 2013-2017 American Community Survey commuting-to-work data and other data sources.

⁹ Citywide mode split in 2022 was obtained from location-based big data.

Table 14: San José Vehicle Miles Traveled per Service Population in 2017 & 2022 vs Goals

Mode	2017 ¹⁰	2022 ¹¹	2030 Goal	2040 Goal
% Reduction from 2017 level ¹²	-	28%	20%	45%
Citywide VMT per service population	14.1	10.2	11.1	8.0

Move San José

Approved by the City Council in August 2022, Move San José is a strategic, data- and equity-driven citywide transportation plan that focuses the City’s transportation resources on the projects, programs, and policies that will most effectively meet the General Plan transportation goals. Move San José used an equity-centered outreach campaign to clearly articulate the City’s transportation goals and develop data-driven strategies to address them.

The Plan identifies 26 strategies organized into three categories: Streets, Transit, and Policies and Program. These strategies are informed by public input and a Decision Support System that uses more than 40 key performance indicators analyzing citywide and Council District needs. Move San José will monitor the City’s progress over time toward achieving its transportation goals.



Figure 13. Move San José Goals

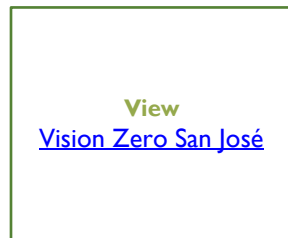


¹⁰ Citywide VMT per service population in 2017 was obtained from the City’s travel demand forecasting model that was calibrated with the U.S. Census Bureau’s 2013-2017 American Community Survey county-to-county migration flow data.

¹¹ Citywide VMT per service population in 2022 was obtained from location-based big data.

¹² The City’s VMT reduction goals were previously measured from the 2009 baseline. The baseline has been updated to 2017 in Climate Smart and will be reflected in the General Plan 4-Year Review.

Vision Zero Action Plan



Vision Zero San Jose (2015) is the City’s transportation initiative to reduce traffic fatalities and severe injuries. It is a key project in the 2022-2023 City Roadmap that contributes to the creation of a Safe, Vibrant and Inclusive Neighborhood and Public Life. In February 2020, the City Council approved a Vision Zero Action Plan and a \$25M investment strategy towards eliminating fatalities and reducing severe injuries while providing safe mobility on our roadways.



Notable accomplishments in 2022 include:

- Quick-Build Improvements on Priority Safety Corridors – The City constructed 4.2 miles of quick-build safety improvements on Story Road and Hillsdale Avenue;
- Pedestrian and Roadway Safety Program – The City constructed 40 pedestrian safety and traffic calming projects in FY2021-22. Deployed quick-build roadway treatments at eight locations to deter large sideshow and illegal racing events;
- Citywide Collision Review – The City is piloting a near-miss detection system with data analytics capabilities at Monterey Road and Curtner Avenue/Tully Road;
- Vision Zero Strategic Communications and Outreach Plan – The City is developing a Vision Zero communications strategy and a messaging campaign on speeding;
- Setting Speed Limits for Safer Streets – Authorized by Assembly Bill 43, the City Council approved in June 2022 to establish a 20-miles-per-hour speed limit on six business activity districts along portions of Santa Clara Street, Almaden Avenue, Post Street, Willow Street, Jackson Street, and Evergreen Village Square.

Emerging Mobility Action Plan

Approved by the City Council in April 2022, Emerging Mobility Action Plan is a racial equity-focused action plan to guide emerging mobility in San José. Emerging mobility includes a wide variety of transportation services and technologies, such as ride-hailing, on-demand shuttles (with drivers and driver-less), car sharing, shared bikes, and scooters. It also includes services on the horizon, such as automated vehicle car-sharing and automated ride-hailing services, ground-based and aerial delivery drones, and aerial drones

transporting humans. Without intervention, these typically privately-owned and -operated services could be priced and located so they exclude many potential users, such as unbanked or underbanked populations; limited English speakers; Black, Indigenous, Latino/a/x, Asian, and Pacific Islander communities, and other historically underserved populations. In partnership with the City’s Equity Task Force and community members, the plan identified nearly 40 strategies the City should pursue to foster the positive, and reduce the potential negative, impacts of these services. The plan also includes specific recommendations for new services the City should pursue in partnership with its equity priority communities that incorporate these recommendations.



Shared Micro-mobility

Approved by the City Council 2019, the Shared Micro-mobility Ordinance establishes City requirements for operators to develop and deploy technology capacity of preventing sidewalk riding in areas of high pedestrian activities or other designated areas. A permit program went into effect in February 2019. In 2022, the City mandates that only operators that comply with the sidewalk riding prevention

requirement in the designated areas will be allowed to operate devices in the areas. As of 2022, the City has issued micro-mobility permits to Bay Wheels, Lime, Bird, and Veo.

Viva CalleSJ

The City hosted three Viva CalleSJ events in 2022. The first event on May 1, 2022, second on June 12, 2022, and third on September 18, 2022. Viva CalleSJ is a free recreational program that closes miles of scenic San José streets in some of San José's most eclectic and historic neighborhoods. The open street events bring people and communities together to walk, bike, skate, play and explore the city like never before! Many tens of thousands attend each event.

Viva Parks

Viva Parks! the free summer series continued and allowed residents to have a little extra fun added to summer evenings in their neighborhood parks. 50 events were held 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 hayrides.

MAJOR STRATEGY #12 – PERIODIC MAJOR REVIEW

The Envision San José 2040 General plan provides a comprehensive road map that guides the City’s growth through the year 2040. A periodic major review ensures that the current community context and values are reflected in the General Plan and that the achievement of key goals is closely monitored and adapted as needed.

View information on the [General Plan Four-Year Review process](#).

The General Plan sets forth Goals and Policies requiring the City to review the Plan every four years. The purpose of the General Plan Four-Year Review is to evaluate significant changes in the planning context and achievement of key General Plan goals. 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. Two Four-year reviews have taken place since the adoption of the General Plan in 2011. The City’s first Four-Year Review process began in November 2015, concluded in December 2016 and was led by a 43-member Task Force. During this major review, some of the major policy approvals included adjusting the General Plan’s Jobs to Employment (J/ER) goal from 1.3 to 1.1, and correspondingly reducing the planned job capacity from 470,000 new jobs to 382,000 new jobs and adopting several policies to encourage affordable housing within Urban Villages and outside of existing growth Areas and prioritize planning efforts on Light Rail and BART Urban Villages.

The second Four-Year Review Task Force process began in fall 2019 and concluded in November 2021. The process was led by a 42-member Task Force. The following policy changes were approved during this Major Review:

1. Removal of Coyote Valley as an Employment Lands Growth Area
2. Allowing residential uses in underutilized business corridors
3. Modifications to Urban Village implementation policy including the elimination of Residential Pool Policy and Growth Horizons, developing objective criteria for the Signature Project policy
4. Removal of commercial space requirements for affordable development projects
5. Reallocation of planned residential capacity of the General Plan to Downtown
6. Vehicle Miles Traveled Tier II Policy update
7. Transition of the Evergreen-East Hills Development Policy to VMT Policy

2022 General Plan Land Use/Transportation Diagram Amendments

Per General Plan policy, privately initiated General Plan Amendments are heard only during the Annual Review hearing to facilitate a comprehensive review of the cumulative implications of proposed amendments. Four privately initiated General Plan Land Use/Transportation Diagram Amendment are included in the 2022 General Plan Annual Review hearing cycle. The following are the proposed General Plan land use designation changes:

1. **GPI9-010/PDC20-023/PD20-020 (120 Granite Rock Way):** Combined Industrial Commercial to Heavy Industrial
2. **GP22-001/C22-014 (0 Pectin Court):** Public/Quasi-Public to Heavy Industrial
3. **GP22-007/C22-022/SP-014 (2267 Plummer Avenue):** Residential Neighborhood to Public/Quasi-Public

4. **GP22-008/GPT22-005/C22-023 (945 W. Julian Street & 379 N. Morrison Avenue):** Mixed Use Commercial to Transit Residential. Text amendment to include the Transit Residential land use designation with the addition of a 0.50 commercial FAR to The Alameda Urban Village Plan and change the maximum height of the sites from 55 feet to 85 feet in The Alameda Urban Village Plan.

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 Table 15.

Table 15: Regional Housing 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)	21,898 <i>(through 2022)</i>
Percentage permitted as affordable	25% (5,519) <i>(through 2022)</i>
Percentage permitted as market rate	75% (16,374) <i>(through 2022)</i>

In 2022, staff approved planning permits for 7,431 housing units, of which 5,636 were market-rate and 1,795 were affordable. As compared to 2021, this is a significant 55% increase of 4,113 housing units entitles (when 1,799 were market-rate and 1,539 were affordable). Of all units entitled in 2022, 3,323 (45%) were in urban villages. This proportion is the same as in 2021 when 45% of entitled units were in urban villages.

Table 16: Residential Planning Permits Approved, Units

Project Type	CY 2022 Units	CY 2022 %
Market-rate	5,636	76%
Affordable	1,795	24%
TOTAL	7,431	100%

San José issued building permits for 1,791 new residential units. This was a 7% increase over 2021. Of the building permits issued, 1,327 units were market rate, while 464 were affordable. The City was able to meet 82% of its annual market-rate permit goals and 20% of its affordable housing permit goals in 2022. Affordable units are those offering rents affordable to Extremely Low-Income (ELI), Very Low-Income (VLI), Low-Income (LI), and moderate-income households. Normally, the City can count some market-rate units as affordable to moderate-income households based upon current market conditions. Based on this year’s analysis, the market did not provide any new, naturally affordable units for moderate-income households, perhaps due to post-Covid market rent rebounds.

Table 17: Residential Building Permits Approved, Units

Project Type	CY 2022 Units	CY 2022 %
Market-rate	1,327	74%
Affordable	464	26%
TOTAL	1,791	100%

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.

The City of San José is in the process of updating the Housing Element for the 2023-2031 cycle and for the first time, in response to AB 686, the "Affirmatively Further Fair Housing" law, this next update (Cycle #6) must include an assessment of fair housing, a site inventory that helps dismantle housing segregation, and programs that "affirmatively further fair housing. For further information please see the link above. The Housing Element is expected to be adopted in June 2023.

View [the Housing Element webpage](#) to access the full report.

Housing Crisis Work Plan

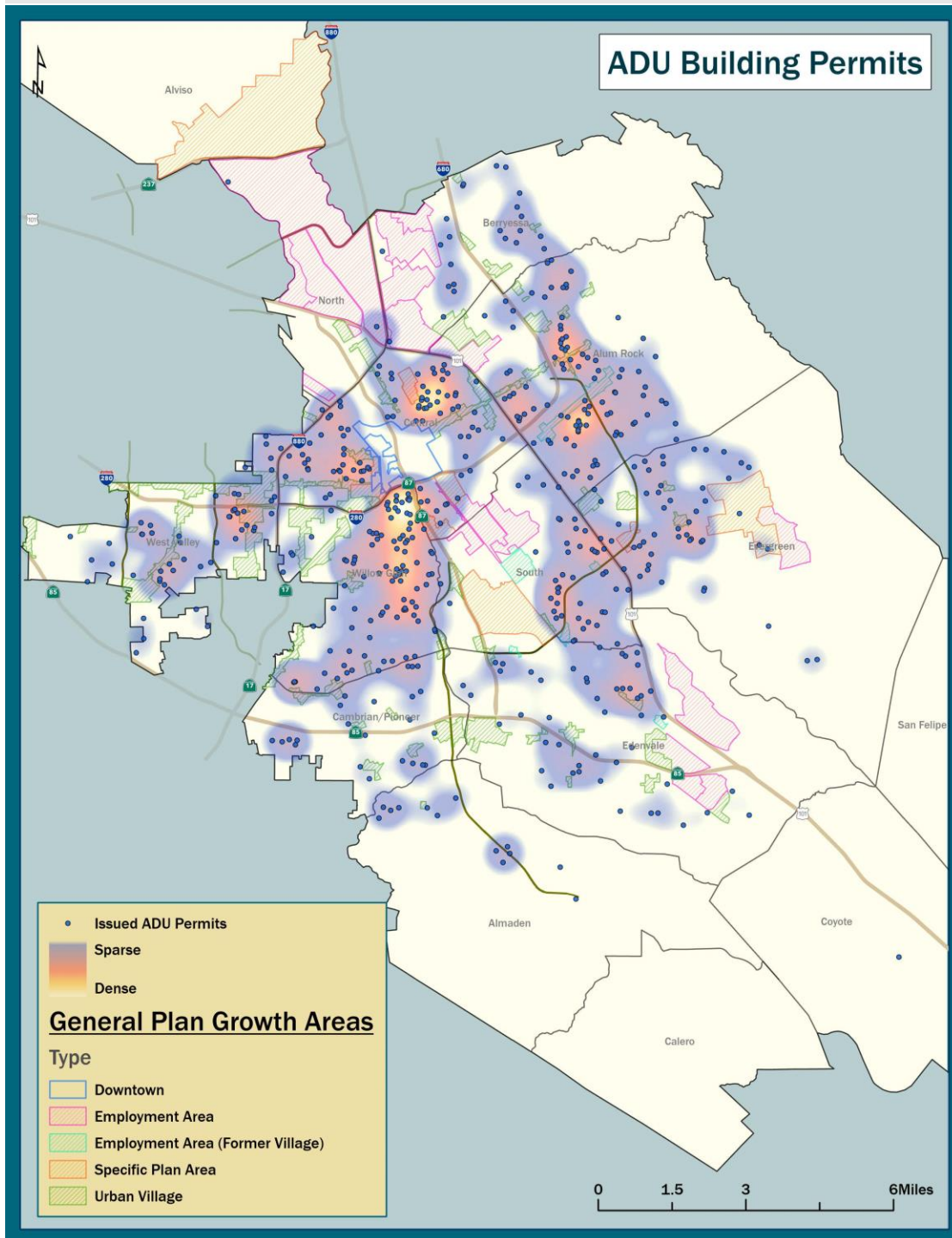
In June 2018, City Council approved a Housing Crisis Work Plan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy actions to facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2023. Since its adoption, the Housing Crisis Work Plan has resulted in the completion of over 20 individual work items intended to help facilitate affordable and market-rate housing production in the City. As part of the Work Plan, a Housing Catalyst Team was assembled with key staff from multiple departments across the City that oversee the policy creation and implementation related to housing production. The goal of 15,000 market-rate units approved, under construction, or completed by 2023 was met. However, the continued challenges related to the cost of construction have presented problems for projects looking to initiate construction. The goal of 10,000 affordable units approved, under construction, or completed by 2023 has not been met. As of 2022, 4,087 affordable apartments were entitled, under construction, or completed. Given the successes of the Housing Crisis Work Plan, the work plan has been transitioned to a new Housing Catalyst Team Work Plan to be brought forward in the summer of 2023 and will closely align with the City’s Housing Element Update.

Other Actions to Facilitate Housing

Accessory Dwelling Units.

Accessory dwelling units (ADUs) are listed on the City Council Priority List as Priority #7 and was included in the Housing Crisis Workplan. 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 four years: FY2017-18 (154 units), FY2018-19 (296 units), FY2019-20 (392 units), FY2020-21 (454 units) and FY2021-22 (540 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 14.

Figure 14. FY21-22 Building Permit Issuance for Accessory Dwelling



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, the City has had programs to support the development of residential high-rise development in the downtown through reductions in

various fees and taxes. In November 2022, the City Council approved an extension to the Downtown High-Rise Residential Program. The current iteration of the program provides a reduction to \$0 the Inclusionary Housing Ordinance (IHO) In-Lieu Fee for high-rise development¹³ located in the Downtown Planned Growth Area. Additionally, the program allows for a 50% reduction in the two of the City's construction taxes and deferral of payment of these taxes until Certificate of Occupancy. In order to qualify projects must obtain a building permit by June 30, 2025 and obtain a Certificate of Occupancy for 80% of dwelling units by June 30, 2029.

Housing Capacity in North San José.

The City Council approved actions in May 2022 to effectively retire the North San José Area Development Policy. Following retirement of the policy, additional housing strategies for North San José are included in the City's draft sixth cycle Housing Element. These strategies include identifying additional sites for housing in the area, and the creation of two new overlays that will require certain amounts of lower income housing.

View the [Shelter Crisis Declaration for COVID-19 Emergency memo](#).

Removal of Commercial Requirements from Affordable Housing Projects

In response to the Housing Crisis Workplan's strategy to address commercial requirements to facilitate the production of affordable housing, commercial requirements for 100% affordable housing were removed from Policy H-2.9 and Policy IP-5.12 of the Envision San José 2040 General Plan, respectively, as part of the General Plan 4-Year Review in 2021. Commercial requirements create financial challenges for affordable housing developers as it is difficult to get funding for the commercial portion of the project. This also leads to less housing units being built than what could have been built if there were no commercial space requirements. In December 2022, one new overarching policy was added to the General Plan to state that commercial requirements no longer apply for certain 100% affordable housing developments citywide.

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.

¹³ 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.

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;
- 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, and are goals that the City will need to continue to strive to achieve. The short- and long-term impacts of COVID-19 pandemic are still evident, and 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](#).

	Goal	Status
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 residential and commercial customers in February 2019. As of 2022, SJCE expects to serve 98 percent of electricity customers in San José with 95 percent greenhouse gas-free power as a base product.
2	By 2040, San José will be the world first one gigawatt (GW) solar city	Total solar capacity installed in San José at the end of December 2022 was 281 megawatts.
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.	As of 2021, 4.7 percent of all passenger vehicles registered in San José were electric – 3.2 percent were fully electric, and 1.5 percent were plug-in hybrids.
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 Council adopted an updated natural gas infrastructure prohibition that applies to all new construction with an application for a building permit submitted on or after August 1, 2021.
5	By 2030, San José will create an additional 22 million square feet of commercial workspace located within a half mile of transit	Since the adoption of <i>Climate Smart San José</i> in 2018, an additional 6.3 million square feet of commercial/office/retail has been built 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, more than 12,500 new dwelling units have been built within San José’s urban village and focused growth areas.
7	By 2040, only four out of ten commute trips in San José will be taken in single-occupancy vehicles	As of 2020, an estimated 72.6 percent of commutes trips in San José are in single-occupancy vehicles
8	By 2030, San José will reduce its per capita residential water consumption by 30 percent compared to 2009 levels	In 2021, residential water consumption was estimated at 72.8 gallons per capita per day, a growth of 21 percent compared to 2009 levels.

<p><i>The following are goals associated with the Green Vision and not all data is officially tracked for the General Plan Annual Review.</i></p>	
<p>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)</p>	<p>San José’s 2019 community inventory totals 5.4 million metric tons of carbon dioxide equivalent (MT CO₂e). 51 percent of the emissions came from vehicle use, 34 percent from energy use in the built environment, and 5 percent from waste management. For more information, please see the City of San José 2019 Inventory of Communitywide Greenhouse Gas Emissions.</p>
<p>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)</p>	<p>Complete.</p> <p>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.</p> <p>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.</p>
<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>

	Provide all residents with access to trails within 3 miles of their homes. (Trail Network Measure TN-2.13)	Complete.
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