

July 30, 2011

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Sent via Email & U.S. Mail

SUBJECT: Comments on Envision San Jose 2040 General Plan Draft PEIR (SCH #2009072096)

Mr. Davidson,

Thank you for the opportunity to comment on the Draft Program Environmental Impact Report for the Envision San Jose 2040 General Plan. Loewke Planning Associates has been retained by FWSH Partners II, LLC, sponsors of a mixed use land use program for the 76.2-acre iStar property in the Old Edenvale area, to review and comment on the Draft PEIR. As City Staff are aware, FWSH Partners II, LLC proposes to refine the land use designation on the iStar site to accommodate a mix of employment and residential uses, consistent with "Preferred" Scenarios 7 & 7A, as analyzed in the DPEIR. The current iStar proposal (see attached Conceptual Plan) consists of 700 dwelling units on 47.5 acres, a neighborhood park on 4.2 acres, and a combination of office/R&D and retail uses on the remaining 24.5 acres. The purpose of this letter is to clarify the mixed use character of the current iStar proposal, and to provide supplemental information for inclusion in the Final PEIR to more accurately reflect the balanced land use approach proposed to be taken for this property.

The Draft PEIR analyzes two variations on the "Preferred" General Plan Project Scenario (7 & 7A), along with five distinct action alternatives and a "no-project" alternative, as summarized in Table 8.5-1. The analysis shows that a residential use may be included on the iStar site (as per Project Scenario 7A) while maintaining both the targeted 839,450 jobs and the overall Jobs/Employed Resident ratio of 1.3. It is important to note that the current iStar mixed-use proposal would substantially reduce the number of dwelling units on this site (from 1,100 to 700), while committing approximately one-third of the property to on-site employment uses (24.5 acres). This balanced land use approach would accommodate up to 1,000,000 square feet of on-site employment uses, consistent with Project Scenario 7.

The foregoing mixed-use land use program for iStar would support each of the 15 Project Objectives listed in Section 8.3 of the DPEIR. In particular, we believe this commitment to retaining a focused on-site employment component, together with workforce housing in close proximity to two transit stations and two major industrial centers will serve to diminish external vehicle trips and promote a sustainable land use pattern, while supporting further expansion of employment throughout the Edenvale Area. Accordingly, the following comments are provided with respect to specific sections of the DPEIR:

1. Inclusion of Residential Option As Part of "Preferred" or "Project" Scenario
 - a. [Chapter 2 Description – Sec. 2.1 / Page 34]: Throughout the document, the terms "Preferred Scenario" and "Proposed Project" are used interchangeably, and are defined to include "options" for both employment (Scenario 7) and residential (Scenario 7) uses on the iStar site. The 4th paragraph on page 34 references a "Preferred Scenario" as being synonymous with the "Proposed Project" evaluated in the document, and distinguishes this Preferred Scenario from the action alternatives analyzed in Chapter 8. As discussed in Section 8.5 (CEQA Alternatives), Scenarios 1 through 5 were selected for analysis as the five action alternatives, along with a "no-project" alternative (continuation of current General Plan), while Scenario 6 was dismissed based on infeasibility. Section 4.3 (iStar Residential Option) states that the "option" of including a residential use on the iStar property "would not alter the overall development capacity assumed under the Preferred Scenario on a citywide basis, and therefore inclusion of the residential option "would have impacts similar to those from the proposed project." This conclusion is confirmed in Table 4.3-1 which shows that the direct and indirect impacts of the Proposed Project with the iStar residential option would be the "same" as those of the Proposed Project without this option.
 - b. [Chapter 2 Description – Page 58]: Based on Comment #1a above, it should be clarified that when the document refers to the "Preferred Scenario" it is actually addressing the "Proposed Project" with or without the residential option for the iStar property (Scenarios 7 and 7A). Table 2.2-9 is described as showing "the development capacity planned" for the five Growth Areas within the Edenvale Planning Area. The 4th column in Table 2.2-9 correctly identifies the total planned employment for Old Edenvale as 31,000 (Options 7 & 7A - with or without the residential option for iStar); however, the 5th column should be revised to identify a residential component for Old Edenvale, consistent with option 7A. Note that while the table should identify the maximum size of this component (per residential Option 7A) as 1,100 units, the current iStar proposal is for a substantially smaller 700 units.
 - c. [Chapter 2 Description – Page 122]: The discussion in Section 2.2.8.2 suggests that if selected as part of the General Plan Project, the iStar Residential Option would require a change in the land use designation from "Combined Industrial/Commercial" to "Mixed Use Neighborhood". As noted in the 2nd paragraph, this conclusion is based on the assumption that the site would "develop solely with residential uses as shown in Table 2.2-18." In light of the current mixed-use proposal for iStar, we suggest that the prospective land use designation on page 122 (and Figure 2.2-36 on page 125 - see attached edited diagram) be modified to a combination of "Mixed Use Neighborhood" and "Combined Industrial/Commercial", in order to better accommodate a compatible mix of moderate density residential, together with Commercial and/or Office/R&D uses as part of the Preferred Scenario. In addition, we suggest that Table 2.2-18 on page 123 be revised to reflect the following: (1) No net less of on-site jobs for the iStar Site (retain the assumed 1,050 on-site jobs without any corresponding transfer of jobs to other sites); and (2) A reduced allocation of 700 dwelling units on the iStar Site (with a proportionate reduction in changes affecting other housing sites).

- d. [Chapter 3.1 Land Use – Page 172]: Table 3.1-2 identifies the total number of jobs planned within the Old Edenvale area under the Envision San Jose 2040 General Plan (the Proposed Project) as 31,000. This table should be modified by footnote to clarify that this projection applies to the Proposed Project with and without the iStar Residential Option as currently proposed. Whereas old Scenario 7A would have shifted 1,050 planned jobs from Old Edenvale to other nearby locations, the current iStar proposal retains all of these jobs on-site, thereby preserving the 31,000 total jobs in Old Edenvale.
- e. [Chapter 3.2 Transportation – Page 294]: The text states *“As discussed in Section 2.2.8 in the Project Description, this PEIR also evaluates options, different from what is in the proposed General Plan”*. The discussion continues on Page 295 to conclude as follows: *“Implementation of an updated General Plan that includes one or both of the residential options for the Rancho del Pueblo and iStar sites would have impacts similar to those from the proposed project.”* As noted under Comment #1b above, the terms "Proposed General Plan", "Preferred Scenario" and "Proposed Project" are all synonymous; all refer to the Envision San Jose 2040 Plan with or without the residential option for the iStar property (Scenarios 7 and 7A).

2. Impact Analysis

- a. [Chapter 3.1 Land Use – Page 188]: The discussion of impacts associated with the "iStar Residential Option" should be refined, consistent with the current mixed-use proposal for the iStar property, with its reduced residential capacity of 700 units and its retention of on-site employment. The second sentence in Section 3.1.3.9 should be modified to read: "Under these options the iStar property would be designated for a combination of residential and employment uses, and the pueblo Golf Course would be designated for ...". We agree with the conclusion immediately preceding Table 3.1-3 that implementation of the General Plan, with this refined and reduced residential option for the iStar site "would have impacts similar to those from the proposed project (without the residential option)." While aggregate employment and housing projections under the Proposed Project, with and without the residential option for iStar are identical, we wish to point out (qualitatively) that the more balanced mix of uses reflected in the current iStar proposal will serve to marginally reduce average daily and peak-hour traffic, and have other positive effects on a number of impact categories. Accordingly, the overall significance conclusions within Table 3.1-3 are not expected to change; however, the discussion of "Basis" should reflect the following refinements: (LU-4) The projected job growth will not be shifted to other employment lands, villages and corridors because the current mixed-use iStar proposal retains all of the assumed job growth on-site.
- b. [Chapter 3 Traffic Analysis – Page 284]: Retention of on-site employment and reduction of planned on-site housing in the current mixed-use iStar proposal, will tend to further moderate the minor differences in travel speed and V/C ratios between the Proposed Project with and without the

residential option for iStar in Tables 3.2-16 and 3.2-17. As an example, the length of impacted roadway lane miles of within the nearby community of Gilroy is expected to increase from 1.54 miles in the Proposed Project without Residential Options to 1.65 miles with the Residential Options (Table 3.2-17); while remaining less-than-significant, this difference will be somewhat smaller if the current iStar proposal is implemented.

- c. [Chapter 3 Vibration Analysis – Page 350]: As noted under Comments #1c and #2a above, the document's characterization of the iStar site as proposed to be "designated for residential use instead of the currently designated industrial use" should be modified. The description should read: "...the iStar site would be designated for a combination of residential and employment uses instead of employment uses alone". This comment also applies to the discussion of impacts under the Air Quality (Sec. 3.4.4.8), Biological Resources (Sec. 3.5.3.10), Geology and Soils (Sec. 3.6.3.6), Hydrology and Water Quality (Sec. 3.7.3.4), Hazardous Materials and Hazards (Sec. 3.8.3.6), Public Facilities and Services (Sec. 3.9.3.6), Utilities and Service Systems (Sec. 3.10.3.6), Cultural and Paleontological Resources (Sec. 3.11.4.5), Aesthetics (Sec. 3.12.3.4), Energy (Sec. 3.13.4.4), Population and Housing (Sec. 3.14.4.4), Greenhouse Gas Emissions (Sec. 3.15.5.4), Indirect Impacts (Sec. 4.3), and Significant Irreversible Environmental Changes (Sec. 7 - Page 859).
- d. [Chapter 3 Greenhouse Gas Emissions – Page 823]: The discussion of impacts associated with the iStar Residential Option in Section 3.15.5.4 at the bottom of page 823 reads: "*Both residential sites would be infill projects, with the iStar site close to transit. It is not anticipated that either would include a mix of land uses.*" This language should be revised based on the current mixed-use iStar proposal to state: "...It is anticipated that the iStar site will be developed with a mix of residential and employment uses." As discussed above, the more balanced current land use program for iStar will place workforce housing and jobs in close proximity, thereby improving land use efficiency and reducing vehicle miles traveled. This is not expected to change any of the significance conclusions reached in the Draft PEIR; nevertheless it is likely to have a modest positive effect on GHG emissions and related effects.

3. New Land Use and Residential Density Requirements

- a. [Chapter 2 Description – Page 36]: The discussion of the Preferred Land Use Scenario in Section 2.2.1 on Page 36 text states "*New residential development within the Growth Areas is planned to occur at a density of at least 55 dwelling units per acre (55 DU/AC) with some allowance for 30 DU/AC at interfaces with existing single-family neighborhoods.*" The Planned Growth Areas are depicted in Figure 2.2-1 on Page 41 to include both a range of different growth categories, including Employment Areas such as Old Edenvale (listed again on Page 38). The discussion on page 36 should be modified to state that the "Proposed Project with Residential Option includes designation of a portion of the iStar site within the Old Edenvale Growth Area as "Mixed Use Neighborhood accommodating a density of less than 30 DU/AC." Note that the average gross density applicable to the residential portion of the current mixed-use iStar proposal is approximately 14.5 DU/AC.

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- b. [Chapter 2 Description – Page 38]: The discussion of Employment Land Areas on Page 38 includes Old Edenvale where the iStar site is located. It is stated that these Employment Land Areas "represent existing areas of the city (already) developed with employment generating uses." Nevertheless, the iStar site is currently undeveloped, and included as part of the Proposed Project with Residential Option for planned development which includes residential uses. The discussion on page 38 should therefore be modified to include reference to residential development on a portion of the iStar site, as reflected in the attached plans.

- c. [Chapter 2 Description and EADP – Page 38]: Approval of the Proposed Project with Residential Option on the iStar site would result in the mixed-use development program described on Page 1 of this comment letter (as reflected in the attached diagram). It is our expectation, based on established City procedure that adoption of the Envision San Jose 2040 General Plan with Residential Option for iStar will result in the revised land use designations discussed under Comment #1c above, with authorization to revise the Edenvale Area Development Policy consistent with the General Plan concurrently with action on the implementing Re-Zoning (PD Zoning). Accordingly, these subsequent implementing actions will be evaluated based on (and analysis will tier from) the certified PEIR for Envision San Jose 2040.

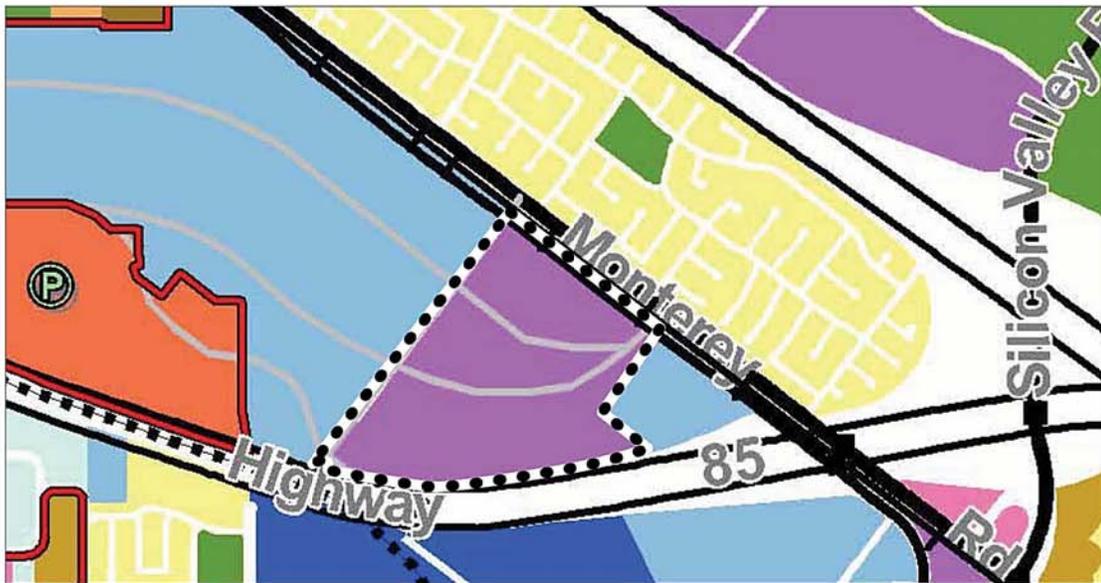
Thank you again for the opportunity to provide comments on the Draft PEIR. Please do not hesitate to contact us at 925-804-6225 if you require any additional information related to the foregoing comments.

Sincerely,

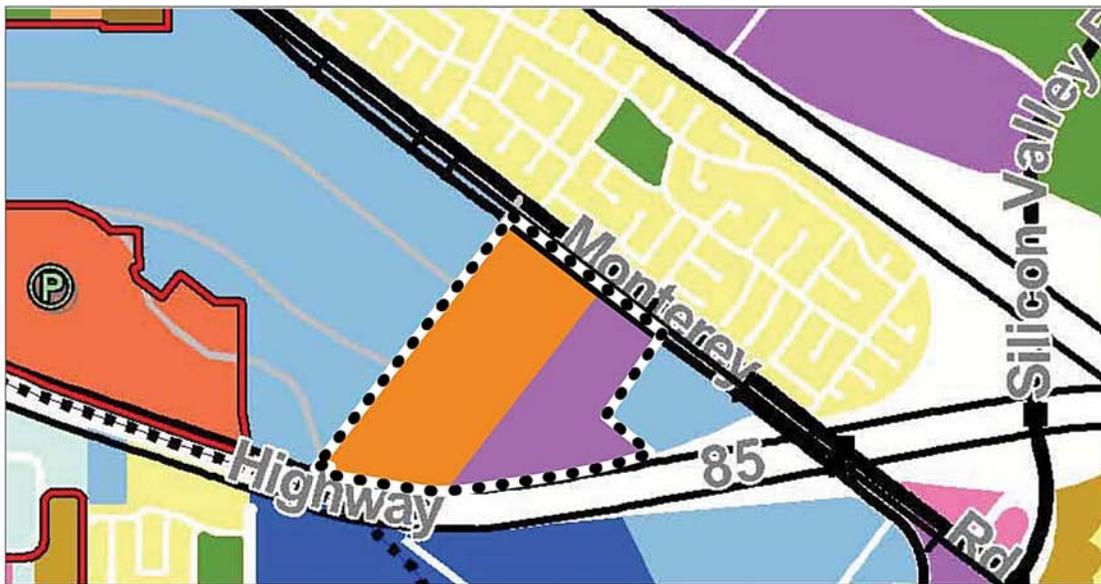


Richard T. Loewke, AICP

CC: Ed Storm & Keith Wolff, FWSH Partners II, LLC



PREFERRED SCENARIO WITHOUT RESIDENTIAL



PREFERRED SCENARIO WITH RESIDENTIAL

Envision San Jose 2040 Designations

- Agriculture
- Combined Industrial/Commercial
- Downtown
- Transit Employment Center
- Heavy Industrial
- Industrial Park
- Light Industrial
- Hillside
- Mixed Use Commercial
- Mixed Use Neighborhood
- Neighborhood/Community Commercial
- Open Hillside
- Open Space, Park and Habitat
- Private Recreation
- Public/Quasi-Public

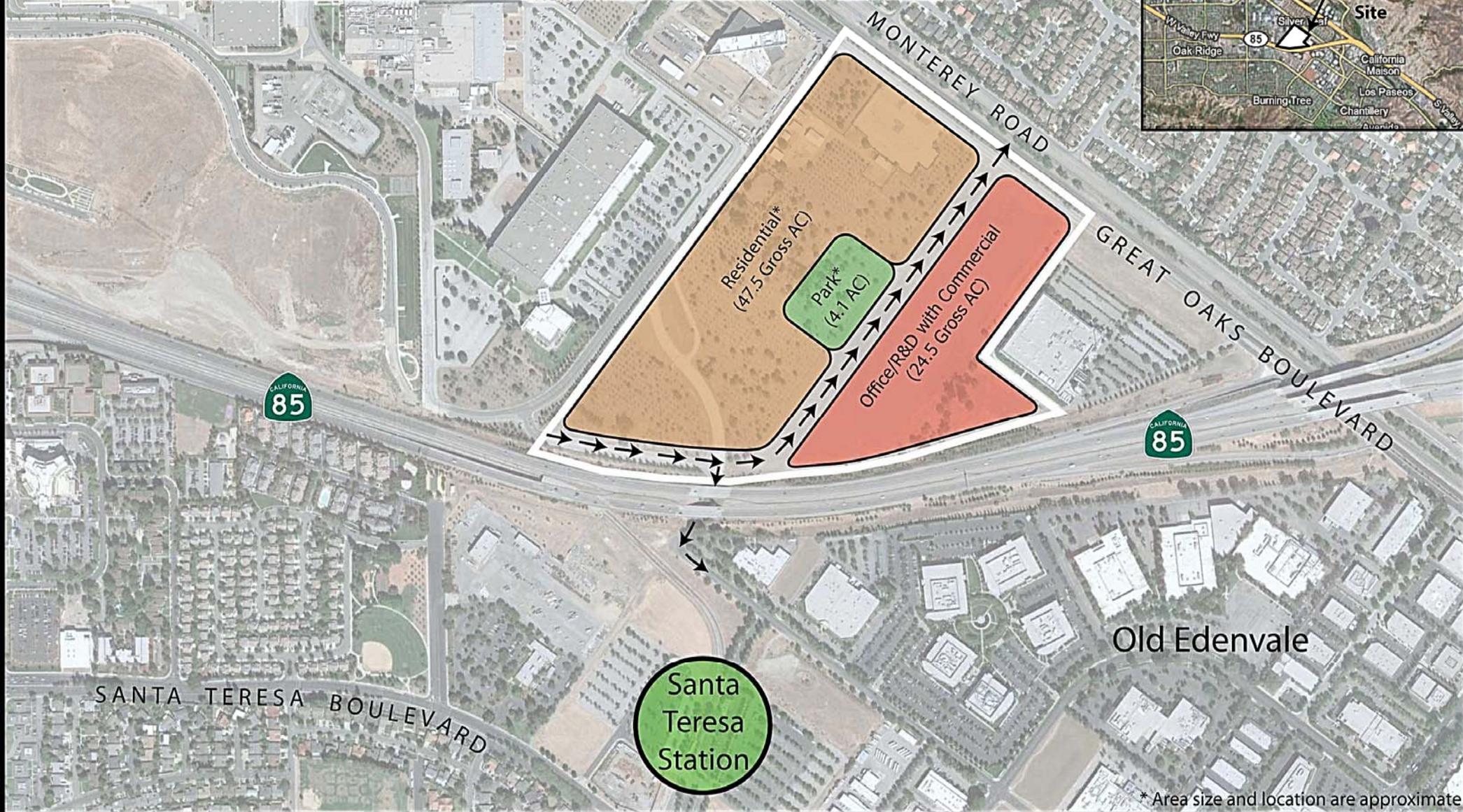
- Regional Commercial
- Residential Neighborhood
- Rural Residential
- Transit Residential
- Urban Residential
- Village
- Village Overlay Areas
- Transit Employment Residential Overlay
- Urban Reserves
- Specific Plan Areas
- Preferred Hotel Site Overlay
- Urban Growth Boundary
- Urban Service Area
- Sphere of Influence

- P Floating Park
- ✱ Proposed BART Stations
- BART Line
- ⊕ CalTrain Stations
- + CalTrain Line
- Light Rail Line
- Interchange

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Project Option
Site Boundary

iStar Mixed Use Proposal - 700 DU + 24.5 Acres of Employment Uses



* Area size and location are approximate

iStar Proposal - 700 DU + 24.5 Acres Employment Uses

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