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## VI. IMPLEMENTATION

The General Plan is not an implementation tool. Rather, the Plan establishes the foundation of information, analysis, conclusions, rationale, goals, objectives and policies which provide guidance and recommendations for future action.

Therefore, the Implementation section of the General Plan identifies techniques, strategies, and methods for carrying out the recommendations contained in the Plan.

Major City processes independent of the General Plan provide a vehicle for implementation. The major implementation processes described include the Development Review process, the City's Annual Capital Improvement and Budget Programs, the General Plan Annual Review and Special Implementation Programs. Special Implementation Programs already in existence or proposed provide a means to carry out certain objectives of the Plan.

General Plan implementation depends on much more than merely the actions or decisions of municipal government alone. Inter-governmental and private sector decisions and investments also play a major role in implementation. The General Plan is intended to serve a coordinating function for those decisions which affect the physical development of the City.

Several of the major intergovernmental decisions which warrant attention include the Federal Government's funding of block grants for redevelopment, rehabilitation, conservation and housing subsidy programs; the Federal Government's funding of Water Pollution Control Plant improvements, airport approach zone acquisition and the Federal share of freeway or mass transportation funding. These, plus State, regional and County decisions affect the City and its residents in such diverse areas as transportation, air quality, education, flood protection and health and welfare facilities and services.

The private sector, of course, finances and implements most of the development that occurs in the City. Decisions on the specific location and timing of a development project have traditionally been initiated by the private sector and will, on the whole, continue to be. The City, however, is taking an increasingly active role in shaping development decisions to improve the relationship between private development and public facilities, services, and interests.

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### DEVELOPMENT REVIEW PROCESS

The City's Development Review process is a multifaceted one involving the programs of several City departments. This process has the most direct influence on the City's ability to carry out the primary development goals and policies of the General Plan. The Development Review process also implements the land use designations as shown on the Land Use/Transportation Diagram.

The primary elements of the Development Review process include: specific plans, zoning, subdivision, environmental review, annexation, site and architectural review, building permits and citizen participation. In addition, the City Council Level of Service Policies for transportation, sewers and the Water Pollution Control Plant implement those same policies in the General Plan and control the rate and amount of new development which is allowed. The citizen participation component of the Development Review process includes public hearings which are incorporated into all those phases of the Development Review process that involve the issuance of discretionary permits by the City. Community meetings are also a vehicle for public participation and are held whenever warranted by the nature of a project or the level of public interest.

#### Specific Plans

The specific plan process allows for more detailed planning of a specific geographic area and ensures that the development of this area will proceed according to specific use, design, phasing, and financing provisions tailored to the circumstances of that area. Specific plans may vary in detail ranging from a level of analysis consistent with General Plan review and policy direction to the Planned Development zoning level which contains detailed development

standards. Specific plans are used to coordinate the development of properties in a large area under multiple ownerships. This approach helps to avoid the problems associated with piecemeal development and allows property owners and the City to resolve complex development problems in a cooperative manner.

The City Council adopted an ordinance and a policy which establish the procedures for the creation and administration of specific plans as well as the process and criteria for developing specific plans. Both the ordinance and policy identify who may initiate a specific plan, the types of properties or areas that might be suitable for a specific plan, and the nature of the obstacles to be overcome that warrant use of a specific plan as the appropriate planning tool. The process for funding and preparing specific plans is also discussed in both the ordinance and the policy. The specific plan process is complex and requires a substantial commitment of time and of public and/or private funds and, therefore, should be used only when the benefits warrant the cost.

Specific plans are integrated into the General Plan to help ensure consistency with the Major Strategies and Goals and Policies of the Plan and to give General Plan support to the objectives of the specific plan. Specific plans can only be incorporated into the General Plan through the General Plan Amendment process but not necessarily through the General Plan Annual Review process described later in this section. Revisions to adopted specific plans, however, may occur only during the General Plan Annual Review process.

Specific plans are typically incorporated into the General Plan as Planned Residential Communities or Planned Communities. Implementation of specific plans is usually accomplished through the Planned Development zoning process, which is

described below, but specific plans also may be implemented by conventional zoning or a combination of both conventional and Planned Development zoning.

## **Zoning**

The land uses shown on the Land Use/Transportation Diagram are not, in all cases, reflective of the existing zoning of property. In such cases, the General Plan land use indicates the intent of the City as to what is the appropriate future zoning. As a charter city, the City of San José is exempt from the statutory requirement that zoning be consistent with the General Plan. However, the General Plan and its policies are considered by the City Council in enacting new zoning ordinances and any inconsistency is based on a determination that such zoning furthers the community welfare and will not impair the major objectives and goals of the General Plan.

In general, the Land Use/Transportation Diagram reflects existing land use in the appropriate General Plan land use category. There are two exceptions to this general rule. Because the Land Use/Transportation Diagram is not intended as a parcel by parcel mapping of proposed land use, some small individual parcels are designated the same as the predominant category of land use in the vicinity. Areas of the City that are in transition from one land use to another (such as from agricultural to residential, single-family to multiple-family or residential to industrial/commercial) are designated as the new use. Scattered or mixed land uses in these transitional areas are generally zoned the same as the predominant use. Therefore, in these transition areas, a land use consistent with the predominant existing use is designated on the Land Use/Transportation Diagram instead of the individual existing mixed uses.

The zoning process consists of the rezoning of lands within the incorporated City limits (or the rezoning of property proposed for annexation) from one zoning district to another. The rezoning of property directly implements the land use designations as shown on the Land Use/Transportation Diagram since, by City Council policy, the rezoning of property should ordinarily conform to the General Plan. Zoning applications are reviewed by various City Departments for consistency with City Council and General Plan policy as well as to identify specific public improvements and requirements such as streets, storm and sanitary sewers, fire hydrants and street lights. Review by other public agencies is also incorporated in the zoning process as appropriate.

Zoning changes take two forms; conventional zoning and Planned Development zonings. Conventional zoning districts contained in the City's Zoning Ordinance include a range of allowed land uses, development intensities and standards within the major land use categories: residential, commercial and industrial, together with zoning districts for other land uses such as Agriculture and Open Space. The various ranges of allowed use and development intensity correspond generally to the respective General Plan land use designations, thereby allowing the application of a zoning district to a property which implements the land use intended by the General Plan. The Site Development Permit process is used to implement both the Urban Design and Neighborhood Preservation goals and policies of the Plan.

Planned Development zoning provides the means to tailor such regulations as allowed uses, site intensities and development standards to a particular site. These development standards and other site design issues implement the design standards set forth in the General Plan and design

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guidelines adopted by the City Council. This Planned Development zoning process enables the City Council to consider the unique characteristics of a development site and its surroundings to better implement the objectives, goals and policies of the General Plan. The second phase of the Planned Development process, the Planned Development permit, is a combined site/architectural permit and conditional use permit which implements the approved Planned Development zoning on the property.

### Subdivision

The subdivision process directly implements the General Plan by regulating the subdividing of property. The State Subdivision Map Act requires that all subdivisions be consistent with the jurisdiction's General Plan. The subdivision process is the point at which the specific infrastructure improvements are identified for many proposed projects.

### Site Development

The Site Development permit process requires site and architectural review of all new development and redevelopment in the conventional zoning districts with the exception of single family residential uses. The Site Development permit process implements both the appropriate zoning district development restrictions as well as appropriate General Plan policies. Design guidelines, adopted by the City Council, provide specific design standards for architectural and site review.

In addition to the Site Development permit, an Historic Preservation permit is required for modifications to a designated Historic Landmark structure. This permit process fosters the implementation of the Historic

Preservation goals and policies of the General Plan.

### Annexations

The Annexation process furthers the Plan's Urban Development goals and policies by controlling the incorporation of land within the City's municipal boundary. This process has major implications for both the City and the affected properties, since annexation signifies the acceptance by the City of the responsibility to provide the wide range of necessary municipal facilities and services.

### Environmental Clearance

The City's Environmental Clearance process which is mandated by the California Environmental Quality Act (CEQA), plays a crucial role in the implementation of many policy areas of the General Plan. The Environmental Clearance Ordinance, adopted by the City Council in compliance with CEQA, requires environmental clearance of all discretionary permits issued by the City, most public works projects, and all amendments proposed for the General Plan itself. The Annual Review process has deadlines for the submittal of required environmental documentation. Administrative Draft Environmental Impact Reports for amendment requests must be submitted on or before June 1st. Technical reports (such as traffic reports) which are required to complete an initial study must be submitted no later than August 1st.

When potentially significant environmental effects of a project are identified, the preparation of an Environmental Impact Report is required in order to analyze in depth those impacts and to develop mitigation measures which can be incorporated into the project to minimize or avoid them. Many of the General Plan's goals and policies are implemented through

this process, particularly those dealing with the avoidance of natural hazards and the preservation of natural, historical, archaeological and cultural resources.

The Environmental Clearance process also facilitates the implementation of the Facilities and Services goals and policies of the General Plan. The review of proposed development includes the analysis of the project's compliance with the Plan's Level of service policies for transportation, sanitary sewer and Water Pollution Control Plant capacity.

A second manner in which the Environmental Clearance process aids in the furtherance of the Plan's Facilities and Services policies is through the review required for proposed public works capital improvement projects. All such projects must be identified in the Capital Improvement Program and should be consistent with the General Plan. These criteria are verified through the identification of the nature, scope and intent of the proposed project in the environmental document.

### **Level of Service Policies**

The General Plan Facilities and Services goals and policies specify minimum acceptable standards of performance or "levels of service" for the City's critical infrastructure systems: transportation, sanitary sewers and the Water Pollution Control Plant. These policies play a key role in maintaining the quality of life in San José and in the implementation of the Plan's Growth Management Strategy which encourages infill development that can be more efficiently served by existing facilities and resources; and which places strict controls on outward urban expansion due in large part to the significant expense involved in developing new and expanded facilities and service systems to serve such areas. The

City Council Policy Manual provides detailed information regarding the implementation of the Level of Service policies.

### **Building Permits**

The Building Permit process is the final phase in the Development Review process. Building permits are ministerial in nature, requiring no public hearing or review process. Building permits implement the approved site and architectural design for a project, as required by either the Site Development or Planned Development permit processes.

The Building Permit process also implements the Natural Hazards and Safety goals and policies of the General Plan by requiring compliance with the Uniform Building Code standards for building design. The City also enforces a Dangerous Buildings Ordinance which requires the repair or demolition of buildings found to be structurally unsafe. A Geologic Hazards Clearance is required for construction projects located in areas with potentially sensitive or hazardous geological conditions, such as the hillsides.

### **Citizen Participation**

The Plan's Community Identity policies encourage residents to take part in local government decision-making. One vehicle for such participation is the public hearing process.

All phases of the Development Review process, with the exception of Building Permits, include public hearings and noticing requirements as a component of the process. Public hearings are held before both the Planning Commission and City Council on specific plans and zoning applications. The City Council also considers all annexation

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requests. The City's Environmental Clearance Ordinance requires a public hearing before the Planning Commission on all Environmental Impact Reports prepared by the City. The Environmental Clearance process also provides for the noticing of the findings of the City regarding the environmental effects of certain projects and allows for public scrutiny of these findings. Public hearings are also conducted by the Director of Planning on all Site Development and Planned Development permit applications.

In addition to public hearings, opportunities for public participation in the planning process are provided through community meetings during the Annual Review of the General Plan and for other projects that warrant such attention. Members of the public often participate as community representatives on task forces or committees that consider specific plans or other projects of broad community interest. Special study meetings, such as task force meetings, provide a public forum for all persons interested in the study topic.

Finally, the City encourages developers to consult with neighborhood groups early in the development review process to resolve potential differences before the public hearing process begins. ■

### **CAPITAL IMPROVEMENT PROGRAM**

Construction of public facilities and infrastructure is an important link between the development of the City and the implementation of the General Plan. The City's Five Year Capital Improvement Program (C.I.P.) itemizes specific improvements and indicates the schedule and anticipated funding for them. Based on an annual review of the C.I.P., priority capital improvement projects to serve existing or planned urban development are identified. The Annual Capital Improvement Budget is then adopted to implement these priority projects. In this way, the C.I.P. serves as a financial planning document as well as a physical planning document. It permits the construction of improvements to occur in a logical order which prevents unnecessary duplication, and it allows the construction of a single project to be scheduled over more than one year. For example, scheduling street improvements to follow installation of sewers and water mains is more efficient and more likely to avoid conflicts than scheduling these improvements independently.

The Five-Year Capital Improvement Program enables the implementation of the City's fiscal policies in a manner which is consistent with the goals and policies of the General Plan. For example, to implement the General Plan goal to increase economic development, the C.I.P. can identify those public improvements which are most likely to maintain and attract industry. To implement the City's Greenline strategy, City purchase of key parcels to assure preservation of larger open space areas may be proposed. The C.I.P. can also be used to implement growth strategies in the General Plan by locating and programming public facilities and infrastructure in areas where development is planned and by delaying improvements in areas where development is

restricted. Finally, by stipulating land uses and densities, the General Plan provides the basis for the design and capacity of public facilities necessary to meet the community's future infrastructure needs. ■

### **DEVELOPMENT FEES, TAXES AND IMPROVEMENT REQUIREMENTS**

New growth and development add to the service and facility requirements of the City and other public agencies. Additional demand for ongoing services is financed by the operating revenues paid by new as well as existing development. However, the fiscal burden of the new facilities necessary in order to deliver City services to new development is beyond the capacity of normal municipal revenues. In recognition of this fact, the Services and Facilities policies state that the capital and facility needs generated by new development should be financed by new development. The City implements this policy in three ways:

1. New development is required to construct and dedicate to the City all public improvements directly attributable to the site. This includes neighborhood or community parks and recreation facilities, sewer extensions, sewer laterals, street improvements, sidewalks, street lighting, fire hydrants and the like. In the implementation of the level of service policies for transportation and sanitary sewers and neighborhood and community parks, development is required to finance improvements to nearby intersections or downstream sewer mains in which capacity would be exceeded, and dedicate land, pay an in-lieu fee or finance improvements for parks and recreation needs which would result from the development.
2. To finance the construction and improvement of facilities and infrastructure systems for which the demand for capacity cannot be attributed to a particular development, the City imposes a series of taxes through which new growth collectively finances these facilities and systems. These taxes are over and above cost-recovery fees charged for

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processing and reviewing applications for development approvals and permits. Examples of development taxes include:

- The Construction Tax and the Conveyance Tax (the latter paid in connection with any transfer of real property, not just new development) provide revenue for parks, libraries, library book stock, fire stations, maintenance yards and communications equipment.
  - The Building and Structures Tax and the Commercial/Residential/Mobilehome Park Tax provide revenue for the construction of the major street network.
  - Connection Fees provide revenue for the construction of storm sewers, sanitary sewers and expansions of sewage treatment capacity at the Water Pollution Control Plant.
  - These fees and taxes may need to be adjusted from time to time to reflect changing costs and new requirements. Additionally, new fees or taxes may need to be imposed to finance other capital and facility needs generated by growth.
3. A variety of techniques may be used by the City to advance funds for construction of facilities and infrastructure necessitated by new development. These techniques may include assessment districts and agreements or other methods by which the City requires reimbursement of funds advanced. The City may provide for deferral of assessment payments in certain circumstances to encourage particular parcels to remain undeveloped or underdeveloped. ■

## REDEVELOPMENT

The City provides significant incentives for economic development through the designation of Redevelopment Areas within which the City's Redevelopment Agency provides funding for the construction of the major infrastructure necessary to support commercial and industrial development. The resulting economic development, in turn, provides both new jobs and increased tax revenues which support the provision of City services for all residents. Through this process, a wide range of General Plan goals and policies are furthered, including increases in economic development, Downtown revitalization, and the provision of adequate services and facilities. The City's redevelopment projects include industrial redevelopment areas in North San José, Central and South San José. In addition, there are several different redevelopment areas in the Downtown Core designed to support the revitalization of blighted areas and generate new office, retail, hotel and convention facilities.

The tax increment financing technique established by California Redevelopment Law is utilized to freeze the property tax rate within the proposed area at its existing level when the redevelopment area is formed. Thereafter, increases in the property tax revenues generated by increased assessments on land and improvements within the designated area accrue to the Redevelopment Agency.

There are two ways in which the tax increment revenues are used to directly benefit the greater community. First, State Redevelopment Law requires that 20% of all tax increment revenues be set aside for the construction of low and moderate income housing. This housing may be constructed within or outside of the Redevelopment areas and is one of the major sources of funding to implement the General

Plan's Housing goals and policies as well as the housing programs contained in this section. The second manner in which redevelopment revenue can be used to benefit the community is through the funding of various infrastructure improvements outside of the designated redevelopment areas but which directly support economic development within the area. ■

## **CENTRAL INCENTIVE ZONE**

The City has established a Central Incentive Zone designed to attract economic and residential development to the Downtown area, beyond the boundaries of the formal redevelopment areas. Developers of projects inside the approximately five square mile zone receive significant one-time construction tax exemptions from the City. The taxes are suspended for qualifying commercial and industrial projects and residential developments of dwellings with four units or more. The exempted taxes include: 1) Construction Tax, 2) Residential Construction Tax, 3) Building and Structures Tax, and 4) Commercial/ Residential/ Mobilehome Park Building Tax. The tax exemptions do not apply only to new construction, and, as a result, a number of valuable historic structures in the Downtown are being rehabilitated to take advantage of the incentives offered by the City. ■

## **HOUSING**

In the development of the Land Use/ Transportation Diagram, those residential and housing goals and policies having spatial or locational dimensions were considered and are, to a large extent, implemented by land use designations and through the process of reviewing development proposals. Other housing goals and policies cannot be effectuated through land use decisions and

require program responses as outlined in the following sections.

Quantified objectives for housing programs are for the revised time frame of the Housing Element (January 1, 2007 through June 30, 2014) rather than the 1994-2020 time frame of the General Plan.

The following discussion is integrally linked with the goals and policies stated in this Plan. The implementation of the housing and other related goals and policies occurs through the development review process, as described earlier in this chapter. Technical information regarding housing issues in San José is provided in Appendix C (Housing) which also includes a detailed description of the housing programs listed below.

## **Summary of Housing Needs Analysis**

In support of the 2007-2014 update of the Housing Element, the City applied available data to build on previous updates. The conclusions of the update indicate a continuation of the trends identified five years earlier. Housing costs remain high in San José and the County as a whole, relative to the State. According to the Santa Clara County Association of Realtors, the median value of a single-family home in San José was \$560,000 and \$350,000 for condominium and townhomes as of August 2008. Clearly such high prices, coupled with high financing costs, can severely constrain the ability of even moderate income families and households to purchase a home. Because of spatial correlations between housing cost and employment centers, the spiraling of prices has also caused an even longer commute time for many households searching for cheaper housing both inside and outside of the region. Such commutes impact the transportation network and degrade the environment.

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San Jose's population grew from 894,943 in 2000 to 989,496 in 2008 - an increase of 94,553 residents. The City of San José includes over half of the county's population has grown slightly faster than the county as a whole over the past decade, and accounts for two-thirds of the residential growth in the county. During the last decade the City's population increased 18% while the county's increased by 17%. This growth is expected to continue into the next decade but at a much slower rate.

Average household size in San Jose has experienced ups and downs over the last thirty years, but has exhibited relative stability in recent years. According to the 2006 American Community Survey, the average household size in San Jose is 3.12 persons, compared to 2.92 in the State and 2.6 nationwide. This figure represents a decrease from the average household size in 2000 and a slight increase over the 1990 figure of 3.8 persons per household. The average household size in San Jose is relatively higher compared to the State and nationwide average. This is partially due to the increase in the number of larger families as well as rising housing costs. According to the 2006 American Community Survey, approximately eight percent of all occupied dwelling units (23,530) could be classified as overcrowded with a higher percentage of renters living in overcrowded conditions than owners. As greater numbers of families and households are unable to enter the ownership housing market, they turn to the rental market. The tight housing market has caused vacancy rates to range between 1.0% and 3.6% over the past several years. As further detailed in Appendix C, 53,205 renter households and 81,699 home owner households in San Jose spent more than 30% of their gross incomes on housing in 2006. Of these households, 18,714 were extremely low-income renter households (incomes less than 30% of the area median income); 14,877 were very-low income renter

households (incomes between 30% and 60% of area median); and 10,579 were low-income renter households (incomes between 60% and 80% of area median). These numbers do not include those families who are living doubled-up or who are forced to live in outlying areas and commute to jobs in San Jose.

Under State law, the Association of Bay Area Governments (ABAG) determines the fair share allocation of housing need for all Bay Area communities. For San Jose, the housing need is 34,721 dwelling units between January 2007 and June 2014. Of this number, 3,876 are needed for extremely-low income households, 3,875 for very low income households, 5,322 for low income households, 6,198 for moderate income households and 15,450 for above moderate income households. This fair share allocation is limited to the projection of future housing need; it does not take into account households living "doubled-up" or who have been forced to live in outlying areas due to the lack of affordable housing in San Jose due to limitations of official data sources. However, the City's housing programs are intended to address needs of lower-income households. The City's housing programs also seek to create affordable housing opportunities at the deepest affordability. In addition, the City's Housing Department, under its current Notice of Funding Availability (NOFA) for project developments has a requirement that affordable housing financed by the City must incorporate a minimum of 25% ELI units. Moreover, in accordance with the adopted Five-Year Housing Investment Plan, the Housing Departments must target 30% of its Low and Moderate Income Housing Funds (20% funds) to ELI households.

## **Determining an Appropriate Program Response**

The City of San José has traditionally provided the bulk of housing in Santa Clara County with a large range in price variation including the largest number of affordable units. The needs analysis contained in the Housing Appendix, however, clearly indicates a large and complex housing need which exceeds the resources of the City to meet.

In determining an appropriate program response, the City seeks to maximize its resources towards the area of greatest need and to utilize available State and Federal programs. Recently, however, Federal and State resources which address housing needs have diminished, while needs have increased, particularly for low income rental apartments.

In order to implement the City's housing programs more effectively, the City Council consolidated the Housing and Neighborhood Development Division of the Department of Neighborhood Preservation with the Housing Development section of the Redevelopment Agency in the fall of 1987 and created the Housing Department. A Mayor's Task Force on Housing was created to develop housing policies to guide the City in addressing affordable housing needs. A comprehensive Housing Needs Assessment was prepared by a consultant and reviewed by the Task Force; together with input from the community, the Housing Needs Assessment formed the basis for the five-year Housing Program. The Mayor's Final Report outlines the following City housing policy goals:

**Goal 1:** Increase the supply of affordable housing, preserve the housing stock and reduce the cost of developing affordable housing.

**Goal 2:** Utilize available resources to address priority needs for housing.

**Goal 3:** Increase the funds available for the preservation and development of affordable housing.

**Goal 4:** Disperse low income housing throughout the City to avoid concentrations of low income households and to encourage racial and economic integration.

**Goal 5:** Encourage greater involvement of public and private sectors to increase and preserve the stock of affordable housing in San José.

Based on these policy goals, a series of recommendations was made relating to land use planning, site acquisition, residential development tax exemptions, Single Room Occupancy housing, the conversion of assisted units to market rate rentals, long-term affordability requirements, targeting of funds by income level and need for new or rehabilitated housing, development policies for rental and ownership housing, last resort housing and other issues.

The City has systematically addressed these issues and has implemented the individual recommendations outlined in the Final Report. These goals continue to shape the program directions implemented as a part of the City's Consolidated Plan.

The Housing Assistance Program objectives outlined below include the City's funding resources (numerically identified in the text) as well as available Federal and State monies. Because of uncertainties in dollar projections and recent legislative action at the Federal level, these objectives can only be considered as numerical representations of what the City anticipates can be achieved for low and moderate income housing.

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The housing program objectives set forth below represent the results of a number of analyses. The construction activity projections are based on the City's annual construction activity forecasts used in the development of the Capital Improvement Program.

The other program objectives are based on: 1) the City's experience with affordable housing programs which will be monitored annually and updated in conjunction with the Consolidated Plan goal setting process; 2) the rates of success in implementing the Housing Element program goals incorporated into the General Plan in 1978, 1981, 1983, 1984, 1988, 1989, 1994, and 2003; and, 3) State and Federal Government funding resources available to the City. The objectives for the "Additional Programs" listed on the following pages are based on the need to promote additional housing opportunities and to expand existing programs.

### **Housing Assistance Program Objectives**

#### **Construction Activity Projections**

The City of San José has projected a total dwelling unit production of approximately 24,700 units for the January 2007- June 2014 time frame of the Housing Element. These figures assume an average of 3,800 new building permits approved each year, reflecting the recent trend of housing construction in San José. The City projects approximately 7,300 units of affordable housing production for the fiscal year 2000/01 - 2005/06 time frame. Between January 1999 and June 2006, approximately 8,900 affordable housing units were produced.

### **Local Assisted Housing Programs Objectives**

The City of San José's extremely-low, very low, low and moderate income housing goals for the 2005-2010 Consolidated Plan are summarized on Figure 21 and 22 (see next page). In addition to the five-year housing production goals shown in Figure 21, the City has goals for the conservation of existing affordable housing units. For example, there are 10,585 mobilehome units in San José as of 2006 and all but about 200 of these units are located on sites zoned R-MH (Mobilehome Park District) or are under a Planned Development zoning which allows only mobilehome parks as a permitted use. These zoning districts are designed to encourage the preservation of mobilehome parks and give them some continued protection from speculative conversion to other units during the 2007-2014 planning period because of the increased stability provided for mobilehome parks through these zoning districts.

Figure 21 indicates that the goals for new construction of assisted housing units includes the acquisition/rehabilitation of "at-risk" units (federally assisted rental units that could be converted to market rate rents). The City's Housing Department will use a variety of programs identified in the Housing Appendix to conserve these units. Over the time period of the Housing Element from July 1, 2009 to June 30, 2014, the City anticipates funding commitments for 2,750 units with an emphasis on Extremely Low- and Very Low-income households. The City does not anticipate allocating funding in order to preserve its at-risk housing units, as this housing stock is primarily owned and managed by non-profit organizations that are committed to preserving the affordability restrictions. Figure 22 breaks down the production goals according to income levels for identified priority groups.

**Figure 21. Proposed Five-Year Production Goals 2009-2014**

<b>Targeting</b>	<b>New Construction</b>	<b>Acquisition/ Rehabilitation</b>	<b>Preservation</b>	<b>5-Year Total</b>
ELI	566	125	0	688
VLI	1462	325	0	1787
LI	225	50	0	275
Mod	0	0	0	0
Market	0	0	0	0
<b>Total:</b>	<b>2250</b>	<b>500</b>	<b>0</b>	<b>2750</b>

Source: City of San Jose Housing Department, 2008

**Figure 22. Affordable Housing Production Priority**

<b>Priority Needs - Households</b>	<b>Income Levels # of Households</b>	<b>Priority Need Level - High, Medium, and Low</b>
Small Related Renters (0-80%) - 20,974	0-30%MFI (7,470)	H
	31-50%MFI (7,365)	H
	51-80%MFI (6,139)	M
Large Related Renters (0-80%) - 12,968	0-30%MFI (4,600)	H
	31-50%MFI (4,715)	H
	51-80%MFI (3,653)	M
Elderly Renters (0-80%) - 8,182	0-30%MFI (5,659)	H
	31-50%MFI (1,685)	H
	51-80%MFI (838)	M
Other Renter Households (12,533)	0-30%MFI (4,955)	H
	31-50%MFI (3,454)	H
	51-80%MFI (4,124)	M
Total Owner Households (0-80%) (19,123)	0-30%MFI (10,755)	H
	31-50%MFI (4,715)	H
	51-80%MFI (3,653)	M

Source: City of San Jose Department of Housing Consolidated Plan, 2005-2010.

Small Households = Four persons or fewer.  
 Large Households = Five persons or more.

**Existing and New Programs**

The following actions will be taken in implementing the goals of the City of San José's Five-Year Housing Strategy:

**The Use of the City's 20% Redevelopment Housing Fund**

Under the requirements of California Community Redevelopment Law, as provided in Section 33334.2 of the Health and Safety Code, 20% of the tax increment funds from merged, amended, or newly created redevelopment areas utilizing tax increment financing must be set aside for

housing purposes for low and moderate income households. These funds may be used for a variety of purposes such as land or building acquisition, construction financing, subsidies, land improvements, development of plans and paying the principal or interest on bonds and loans. Given the economic downturn, the Housing Department anticipates that its 20% funds will stay even with its FY 2008-09 amount of \$37,000,000, and does not expect an increase. The 20% funds are used to finance all aspects of the Housing Department's activities, including new construction and acquisition/rehabilitation programs for family and special needs housing, ownership and rental developments, and predevelopment funding assistance.

In order to maximize the impact of 20% Funds, the Housing Department issues bonds

against those funds. The bond proceeds are used to finance the Department's housing programs. The Department's tax increment then goes to repay those bonds over time. In this way, the Housing Department is able to leverage each \$1 of tax increment into approximately \$10 of bond proceeds, for a 1:10 ratio.

### **San Jose Housing Trust Fund**

In June 2003, the City established a Housing Trust Fund (HTF) as a way to create a permanent source of funding for the City's housing and homeless programs. The HTF is a vehicle through which the City will seek and compete for external funding sources otherwise not available to the City. Currently, the HTF is composed of various funding sources, including: bond administration, tax credit application review fees, in-lieu housing fees (see next funding source below), and other miscellaneous revenues. The Housing Department continues to explore ways to strengthen the HTF in order to ensure a dedicated revenue source for the Department's housing programs.

### **In-Lieu Fees**

The City's existing inclusionary housing policy implements the requirements of state law for redevelopment project areas and requires developers with projects in the City's redevelopment areas to set aside a portion of their residential development as income-restricted units. However, developers have the option to pay a fee in-lieu of building the affordable units. These fees are reviewed annually to ensure they are set at an appropriate level. In-lieu fees go to the Housing Department, which are then used to further the Department's affordable housing goals.

### **Community Development Block Grant Funding**

The Community Development Block Grant (CDBG) program provides federal funding to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of lower-incomes. The Housing Department targets CDBG funds for moderate and substantial rehabilitation of Extremely Low-, Very Low and Low-Income renter and owner-occupied units, and relocation of occupants during the rehabilitation phase, as needed. CDBG funds will further be used to fund projects in specially designated neighborhoods, to support the City's predevelopment loan program for nonprofit housing sponsors, and to assist in the permanent relocation of households.

### **2007-2014 Housing Element Implementation Programs**

The City has begun implementing various measures to mitigate identified constraints to development and housing production. These measures facilitate housing production by streamlining the permitting process, reducing costs, or providing a level of predictability in the development process. Some examples of these programs include:

- Transit-Oriented Development/Mid- and High-Rise Residential Design Guidelines
- Enhanced High-Rise Design Review Process
- 2007 California Standards Code Outreach and Training
- Live Telephone Customer Service

## VI. IMPLEMENTATION

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- Preliminary Review Application Process
- Housing Department Notice of Funding Availability (NOFA) Process and Underwriting Guidelines
- Improvements in the Building Division to facilitate streamlining of the permitting process
- Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development projects
- Option to Use Discretionary Alternate Use Policies through a Use Permit
- 2008 Zoning Ordinance Streamlining Amendments

In addition, implementation of the 2007-2014 Housing Element will require the City to update existing land use policies in the General Plan as well as adopt new ordinances and revisions to the Zoning Ordinance in order to comply with State law. These actions include adopting a Density Bonus Ordinance, establishing a higher-density multi-family residential zoning district, and revising several General Plan land use designations to establish a minimum density of 30 dwelling units per acre. Descriptions of these programs the relevant General Plan policies that guide their implementation are listed in Figure 23.

### Equal Housing Opportunities

The City of San José is committed to providing equal housing opportunities for all persons wishing to reside in San José. City policy is to distribute housing units affordable to various income levels throughout the City to create economically diverse neighborhoods. The City has a variety of programs to avoid discrimination and to resolve discrimination complaints.

The City of San José encourages equal housing opportunities through its rent relief/stabilization program. Apartment tenants and mobilehome residents seeking relief from rent increases may request a public hearing.

The City funds the Legal Aid Society of Santa Clara County's Housing Project with CDBG monies for the provision of fair housing services to landlords and tenants. Legal Aid provides help with evictions, rental repairs, deposits, rental agreements, leases, rental disputes, mortgage delinquency, home purchase counseling, housing discrimination and other housing related issues. Legal Aid staff is responsible for fair housing counseling, conciliation, fair housing education, referrals, investigations and audits. These responsibilities may extend to monitoring of HUD subsidized complexes on a request basis. ■

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<b>Housing Policy #4, Distribution - In furtherance of the balanced community and economic development goals of this Plan, the City encourages the production of housing affordable to households across income categories in all community planning areas.</b>				
<b>Inclusionary Housing Policy/Ordinance:</b>				
San Jose's existing inclusionary housing policy applies to the City's redevelopment areas. Residential developers must meet the requirement of the existing inclusionary policy by including affordable housing units on-site or off-site, dedicating land, paying an in-lieu fee, or a combination of these options. In December 2008, the City Council directed the preparation of a Citywide inclusionary housing ordinance to expand inclusionary measures beyond redevelopment areas to include the entire City. Staff expects to bring a Citywide inclusionary ordinance to the City Council in Fall 2009 for consideration and adoption. The ordinance will provide offsets in order to ease compliance, including: density bonuses, in-lieu fees option, allowance of off-site construction, hardship waivers, allowing credit trading or transfers, land dedication, reduced parking requirements on parking and setbacks on the affordable units, and ability to meet the requirements through acquisition rehabilitation and preservation. It will also include a deferred operative date to allow for the housing market to stabilize/recover.	Continue to implement the City's inclusionary policy for Redevelopment Project Areas. Implement the City's proposed (not yet adopted) Citywide inclusionary ordinance, which will supercede San Jose's existing inclusionary policy.	Ongoing Program	Department of Housing	Inclusionary Housing In-Lieu Fees
<b>Housing Policy #5, Resource Efficiency &amp; Conservation - Incorporate sustainable design and low impact development practices, foster aesthetics, and promote usable open space, encourage use of alternative and renewable energy sources and energy and water conservation and green building techniques in residential development.</b>				
<b>City of San Jose Housing Department Energy Conservation Programs:</b>				
New Construction: The Housing Department assists developers in design and inspection issues for green construction, works to help identify practical and cost effective methods to help in the design phases, and assists with preparations for inspection by Green Point Raters and LEED AP's. Along with the mandatory changes, the Department encourages further performance with Build It Green or LEED, the two institutions that administer the green rating programs for certifiable green construction. For rehabilitation: The Housing Department has developed a checklist of priority energy and water conservation measures that can be applied to its single-family and mobilehome rehabilitation programs. The rehabilitation program's current goal is to achieve a level of conservation and efficiency at least 15% above that currently required by the Title 24 Energy Code. The Department is also developing an "energy incentive grant program" whereby property owners who have voluntarily accepted higher efficiency appliances and other systems that exceed the Code requirements would be eligible for a grant to have additional energy or water conservation measures installed.	These efforts support of the Mayor's Green Vision of 50,000,000 sq ft of certified green construction by 2020. The rehabilitation program's current goal is to meet or exceed a level of conservation and efficiency currently required by the Title 24 Energy Code.	Ongoing Program	Department of Housing	20% Funds, 80% Funds in specific SNI neighborhoods, CalHOME, CDBG, HOME
<b>Housing Policy #10, Conservation and Rehabilitation - To maintain the supply of low-priced housing and to avoid disproportionate hardships on those who need low-priced housing, conservation of the housing stock should be accomplished through a balanced program of housing code enforcement and complementary programs such as rehabilitation loans and grants.</b>				
<b>Preservation of At-Risk Units:</b>				
For new construction: Provide funding for new construction of more affordable units with affordability restrictions as long as 55 years. For existing units: identify potential at-risk units as soon as possible; communicate with owners and tenants; and define the specific opportunities as early in the process as possible. Utilize available financial resources to provide project owners incentives to maintain project and affordability restrictions. Coordinate with the housing Authority of Santa Clara County to obtain Housing Choice Vouchers for households. For HUD-funded units: Communicate regularly with the owners to determine his/her interest in continuing affordability restrictions upon expiration. Purchase properties from non-renewing owners, either directly or in conjunction with the local housing authority or with a local nonprofit, to ensure permanent preservation. Lobby federal government to increase both the federal Fair market rents and funding for Section 8 issues.	Preserve City's affordable housing stock for the longest possible term.	Ongoing Program	Department of Housing	20% Funds, CDBG

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<b>HOMEOWNER PROGRAMS:</b>				
<b>Housing Rehabilitation Program – Single-Family Home Loan Program:</b>				
<p>Homeowners earning up to 80% of the County median income level may apply for loans up to \$100,000 to rehabilitate their homes. Owners living within the City's Strong Neighborhoods Initiative (SNI) Areas qualify for a 0% interest loan. All other City Areas receive 3% loans. A maximum \$15,000 zero percent loan is available to low-income owner-occupants on a City-wide basis. Qualifying rehabilitation work includes achieving compliance with the health and safety standards of the City's Housing Code, repairing or replacing structural deficiencies, and energy conservation measures. Payments on most Housing Preservation Program (HPP) loans may be deferred until transfer or change of title. Additional emphasis is now being given to energy conservation, water conservation, and the use of recycled and Green materials in the HPP loan program.</p>	<p>The City Council goal is to spend 75% of HPP funds in Strong Neighborhood Initiative (SNI) areas of the City which are characterized by higher concentrations of lower-income households and older housing stock in the greatest need of rehabilitation.</p> <p>Annual goal is to complete between 30 and 40 single-family residential loan projects per year. Additional emphasis is now being given to energy conservation, water conservation, and the use of recycled and/or Green materials in the HPP loan program.</p> <p>Increase the number of rehabilitation loans - the goal is for the loans to exceed 50% of total rehabilitation dollars approved each year.</p>	Ongoing Program	Department of Housing	20% Funds, 80% Funds in specific SNI neighborhoods, CalHOME, CDBG, HOME
<b>Housing Rehabilitation Program – Single-Family Homeowner Grant Program:</b>				
<p>Homeowners earning up to 80% of the County median income level may apply for one-time repair grants of up to \$15,000. This program is administered on a "Needs Basis" and primarily serves single-family owner-occupied homes. The grant is offered to owners with eligible repairs that are minor in nature, if all health and safety issues can be addressed with the grant. If more repairs are required to address health and safety needs, the applicant will be referred to the Housing Preservation Program (HPP).</p>	<p>Base the maximum grant amount on income level as follows: - low-income-\$5,000 maximum; Very Low-income-\$10,000 maximum; and Extremely Low-income-\$15,000 maximum grant amount.</p>	Ongoing Program	Department of Housing	20% Funds, 80% Funds in specific SNI neighborhoods, CalHOME, CDBG, HOME
<b>Mobilehome Repair Loan Program:</b>				
<p>Owner-occupants of mobilehomes earning up to 80% of the County Area Median Income may apply for a 0% rehabilitation loan up to \$20,000. Very low-income and extremely low-income mobilehome owners may apply for a one-time grant of up to \$12,000. Qualifying rehabilitation work is limited to those measures necessary to achieve compliance with State health and safety standards and applicable park regulations.</p>	<p>Completion of approximately 150 mobilehome rehabilitations is expected annually.</p> <p>To meet the demand from San Jose's most needy mobilehome owners, proposed modifications include increasing the grant amount up to \$15,000 and serving only the very low and Extremely Low-income clientele for grants.</p>	Ongoing Program	Department of Housing	20% Funds, CalHOME, CDBG

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<b>NEIGHBORHOOD IMPROVEMENT PROJECTS:</b>				
<b>Strong Neighborhood Initiative (SNI):</b>				
<p>The City furthered its interdepartmental neighborhood improvement efforts through the Strong Neighborhoods Initiative (SNI). An expansion of the successful Neighborhood Revitalization Strategy. SNI, launched in spring of 2000, combines the efforts of several City Departments and the Redevelopment Agency to identify improvements and services needed to revitalize declining neighborhoods throughout the City. Nineteen target areas have been designated as improvement areas. Neighborhood Improvement Plans were initiated for each target area and the first phase was completed in 2001. Physical improvements are funded through Redevelopment funds, existing City programs (including Housing rehabilitation programs), and Community Development Block Grants.</p>	<p>Continue program as designed and implemented. Continue to focus resources within the 19 SNI areas. Strive towards goal of spending 75% of single-family residential rehabilitation funds in SNI areas.</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, 80% Funds in specific SNI neighborhoods, CDBG,</p>
<b>Strong Neighborhoods Initiative (SNI) Project Alliance – (formerly known as Multi-Family Demonstration Projects):</b>				
<p>Project Alliance is a subset of the City's Strong Neighborhood Initiative program directed toward the revitalization of specific multi-family neighborhoods. The goals of Project Alliance include working collaboratively with property owners, tenants, various City departments, and other entities to achieve the effective delivery of City services, build leadership, and create an attractive, livable and sustainable community while preserving the existing affordable housing stock within that community. Three new neighborhoods have been selected for improvement through Project Alliance. These neighborhoods are Jeanne/Forestdale (Five Wounds / Brookwood Terrace), Virginia/King (Mayfair and Gateway East) and Roundtable Drive Apartments (Edenvale/Great Oaks).</p>	<p>Continue to seek funding to expand Project Alliance to additional. Housing Department staff will continue to collaborate with other City departments, property owners, tenants, and community.</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, 80% Funds in specific SNI neighborhoods</p>
<b>Housing Policy #14, Low/Moderate Income Housing - The City should foster the production of housing to serve the starter housing market through mortgage revenue bonds, Mortgage Credit Certificates and other low and moderate-income housing programs.</b>				
<b>HOMEBUYER PROGRAMS:</b>				
<b>First-Time Homebuyers Mortgage Credit Certificates (MCC):</b>				
<p>In cooperation with the County, the City offers Mortgage Credit Certificates (MCC) to qualified buyers. An MCC enables qualified first-time buyers to reduce the amount of their federal income tax liability by a specified percentage of the interest rate they pay on their first mortgage loan. This amount is currently set at 15%.</p>	<p>Assist first-time homebuyers</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>Tax-exempt bonds</p>
<b>Teacher Housing Program:</b>				
<p>This program provides a deferred equity-share loan of up to \$65,000 to low- and moderate-income San José public school teachers. The loan is offered at a zero-percent interest rate and is not due until transfer of the title to the home or in 45 years.</p>	<p>Assist in the recruitment and retention of San Jose K-12 public school teachers.</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, HOME</p>
<b>Project-Based Second Mortgages:</b>				
<p>The City provides 45-year second mortgages in varied amounts for Low and Moderate-Income homebuyers in ownership housing projects for which the City has previously provided financial assistance for development. Moving forward, the City does not intend to provide predevelopment and construction financing for for-sale projects. Instead, the City may commit to offer second mortgages to qualified homebuyers at project completion.</p>	<p>Assist Low- and Moderate-Income homebuyers</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, BEGIN, HOME</p>

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<b>The Home Venture Fund (Formerly Vernal Fund):</b>				
Private lenders entered into an agreement with NHSSV, a local nonprofit housing organization, to provide down-payment assistance loans to both low- and moderate-income homebuyers. Two types of loan products exist: 1) a conventional 30-year fixed second mortgage, and 2) a 30-year deferred mortgage, where payments are deferred for the first 5 years at 0% interest that then converts to a pre-set fixed rate market rate loan for the remaining 25 years. Loan amounts range from \$10,000 to \$60,000 per household with an average loan amount of \$40,000. Interest derived from City grants is used to make interest payments on behalf of the borrower during the five-year loan deferral period. At year five, the loans are sold to Neighborhood Housing Services of America (NHSA) and those proceeds are used to make new loans to homebuyers, with the intent that the Fund be self-sufficient.	Assist Low- and Moderate-Income homebuyers	Ongoing Program	Department of Housing	Private Lenders
<b>Building Equity and Growth in Neighborhoods (BEGIN):</b>				
Grant funds made available through Proposition 46 and Proposition 1C are used to provide second mortgage assistance in loan amounts up to \$30,000, for Low- and Moderate-income first-time homebuyers in specific new for-sale developments that have received regulatory relief from the City.	Assist Low- and Moderate-Income first-time homebuyers	Ongoing Program	Department of Housing	Proposition 46 and Proposition 1C funding
<b>American Dream Down-Payment Initiative:</b>				
As part of the Federal Home Investment Partnership (HOME) sub-program, the City of San José has received over \$600,000 since 2002 to be used for down-payment assistance for low-income first time homebuyers.	Assist Low-Income first-time homebuyers	Program based on funding availability	Department of Housing	Federal HOME funds
<b>Redevelopment Area Inclusionary Housing Program:</b>				
Through the City's Redevelopment Area Inclusionary Housing Program, housing developers in City redevelopment areas are required to provide a second mortgage to low-and/or moderate-income homebuyers to make units affordable.	Assist Low- and Moderate-Income homebuyers	Ongoing Program	Department of Housing	Loan Repayment
<b>The San José State University (SJSU) Faculty and Staff Homebuyer Program:</b>				
In 2006, the City entered into an agreement with San José State University to jointly-fund and administer a homeownership program for University faculty. The program was later broadened to include all SJSU full-time permanent employees. The program offers up to \$60,000 to income eligible employees in the form of a deferred repayment loan.	Assist in the recruitment and retention of university employees.	Ongoing Program	Department of Housing	20% Funds, Housing Trust Fund
<b>WelcomeHOME Program:</b>				
In August 2008, the City implemented a program that provides 30-year second mortgages of up to \$25,000 for lower -income homebuyers in the form of a deferred repayment loan. This loan may be layered with other forms of downpayment assistance to help homebuyers purchase a home within San Jose's municipal boundaries.	Assist lower-income homebuyers	Ongoing Program	Department of Housing	HOME

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<b>Housing Policy #37, Support Services - Transitional, First Step, and Supportive housing should be encouraged throughout the City to meet the needs of the homeless and special needs population.</b>				
<b>HOMELESS SERVICES PROGRAMS:</b>				
<b>Emergency Shelter Grant Program (ESG):</b>				
ESG is a federally funded program designed to be the "first step" in the prevention of homelessness. The program strives to address the immediate needs of persons residing on the street and needing emergency shelter and transitional housing, as well as assistance in their move to independent living.	Assist homeless and at-risk residents with meeting their immediate emergency needs	Ongoing Program	Department of Housing	ESG
<b>Housing Opportunities for People with AIDS or HIV (HOPWA):</b>				
HOPWA is a federally funded program designed to assist nonprofit agencies in providing housing assistance and supportive services to low-income individuals and families living with HIV/AIDS. Eligible uses of funds include tenant-based rental assistance, project-based rental assistance, housing information and supportive services.	Assist homeless and at-risk residents with HIV/AIDS to become permanently housed and remain healthy.	Ongoing Program	Department of Housing	HOPWA funds
<b>Housing Trust Fund:</b>				
In June 2003, the Mayor and City Council established a Housing Trust Fund, which absorbed the Housing and Homeless Fund. These funds can be used for a variety of activities, including assisting nonprofit homeless service providers with emergency needs.	Identify additional funding sources for this fund.	Ongoing Program	Department of Housing	Housing Trust Fund
<b>Housing Services Partnership (HSP):</b>				
Since 2005, the City has contracted with local homeless services providers to administer the HSP program. This program provides homeless and at-risk residents with homeless prevention counseling, financial assistance, case management, and permanent housing placement.	The HSP program will provide approximately 5,000 persons with assistance annually.	Ongoing Program	Department of Housing	Housing Trust Fund
<b>Project Hope:</b>				
Project Hope is a two-year (FY 2008-2010) vocation training and employment program for homeless and at-risk residents. This program will provide participants with job readiness assessments, basic skills classes, and job training.	70 clients will be enrolled in the two-year program.	2008-2010	Department of Housing	Housing Trust Fund

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<p><b>Housing Policy #13, Low/ Moderate Income Housing - The City should stimulate the production of Extremely Low-, Very Low-, Low- and Moderate-Income housing by appropriately utilizing State and Federal grant and loan programs, City Redevelopment 20% tax increment funds, mortgage revenue bonds, and such other local programs authorized by law.</b></p>				
<p><b>HOUSING DEVELOPERS / INVESTMENT PROPERTY OWNERS</b></p>				
<p><b>Predevelopment Loan Program:</b></p>				
<p>The Predevelopment Loan Program is designed to assist housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this program, developers may apply for option fees and preliminary environmental or design studies. Interest rate to be charged will reflect the City's actual cost of funds as well as what rate is necessary to promote project feasibility. Principal and interest repayment is due at the close of escrow on construction loans or within two years.</p>	<p>As resources allow, fund at least \$500,000 per year for predevelopment expenses to potential projects.</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, HOME, Inclusionary in-lieu fees</p>
<p><b>Project Development Loans for Acquisition, Construction, Permanent, and Acquisition/ Rehabilitation:</b></p>				
<p>Below-market rate gap loans and grants for acquisition, construction and permanent financing are made to both for-profit and nonprofit developers. These loans, typically subordinated to the primary lender's loan, provide funding for apartments for single-room occupancy living unit facilities (SROs), families and seniors, transitional housing, and housing for special needs populations including the homeless. Loans are made for land acquisition, construction, and permanent needs. Permanent loans are repaid out of net cash proceeds during the projects operations. Funding for Preservation or Conservation of existing projects is considered on a case-by-case basis, seeking to maximize leveraging of non-City sources of funds and to meet the City's policy objectives of supporting ELI units. Funding for the Acquisition and Rehabilitation of Existing Apartment Projects focuses on blighted properties, on those projects with expiring Housing and Urban Development (HUD) loans and rent restrictions ("preservation" projects), on those projects involving extraordinarily low subsidy levels, and on those projects incorporating at least 10% ELI units with reasonable costs to the City.</p>	<p>Focus 80% of available project funds on new construction of units, 10% on acquisition/rehabilitation projects, and the remaining 10% on workouts or Year 15 renegotiations to preserve existing affordable units. Funding commitments will follow the Department's Income Allocation Policy, under which at least 30% of funds will support ELI units, 30% of funds will support VLI units, 25% of funds will support LI units, and 15% of funds will support Moderate Income units.</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, HOME, Inclusionary in-lieu fees</p>
<p><b>City as Developer:</b></p>				
<p>State law stipulates that affordable housing (along with parks and public education) have priority for surplus property owned by any public agency created under State auspices. The Housing Department aggressively seeks to purchase such properties owned by the City of San Jose, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San Jose, the Santa Clara Valley Water District and other public agencies for housing development. Properties so acquired are subsequently transferred to nonprofit and for-profit developers for the construction of affordable housing projects.</p>	<p>Continue to seek opportunity sites for affordable housing with a focus on rental special needs units</p>	<p>Ongoing Program</p>	<p>Department of Housing</p>	<p>20% Funds, HOME, Inclusionary in-lieu fees</p>

Figure 23. 2007-2014 Housing Element Implementation Programs

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<p><b>Housing Policy #26, Development Review - Recognizing that the development review process can affect the price and availability of housing, the City is committed to minimizing unnecessary processing time in the development review function. The City should facilitate higher density, mixed use, and transit-oriented residential development at a minimum of density of 30 dwelling units per acre.</b></p>				
<p><b>Housing Policy #33, Administrative - The policies of the General Plan and Consolidated Plan should be carefully coordinated and implemented to maximize opportunities for the improvement, preservation, and development of affordable housing.</b></p>				
<p><b>PROCESS IMPROVEMENTS</b></p>				
<p><b>Adoption of Secondary Unit Ordinance:</b></p>				
<p>In 2008 the City Council permanently adopted the Secondary Unit Ordinance. The Secondary Unit Ordinance began as a pilot program on January 2, 2006 and was previously scheduled to end on October 30, 2007. This program represents a major change in the City's policies towards second units, coming after a 20-year prohibition. The pilot program served as a means of collecting data on second unit production and location, and as a way to determine whether second units have adverse impacts on surrounding neighborhoods. The program allows property owners with existing unpermitted units the ability to legalize their second unit, provided that the unit can meet the second unit ordinance criteria.</p>	<p>Continue to facilitate second unit production.</p>	<p>Ongoing Program</p>	<p>Department of Planning, Building and Code Enforcement</p>	<p>Development Fee Program</p>
<p><b>2007 California Standards Code Outreach and Training:</b></p>				
<p>In response to the introduction of the new 2007 edition of the California Standards Code and the City's anticipated adoption of the new code, City staff provided extensive outreach to the public and the development community about important code updates. These Codes establish the statewide codes for building construction and fire safety, and the City Council adopted the new state codes with local amendments that came into effect on January 1, 2008. The public outreach included a series of trainings for both City staff and the public on various topics in the new code.</p>	<p>Such trainings are intended to facilitate a smooth the transition to the use of new code standards.</p>	<p>As needed basis</p>	<p>Department of Planning, Building and Code Enforcement</p>	<p>Development Fee Program</p>
<p><b>Enhanced High-Rise Design Review Process:</b></p>				
<p>In order to support the intensification of the Downtown and transit corridors, the City began in 2007 to administer the Enhanced High-Rise Design Review Process as part of the development review process for projects involving buildings 100 feet or greater in height. The Enhanced High-Rise Design Review Process is a public process that allows staff and decision makers to (1) apply relevant sections of the Downtown Design Guidelines developed for downtown high-rise housing to high-rise development throughout the City, (2) be advised by the City's Architectural Review Committee (ARC) regarding consistency with relevant sections of the applicable Design Guidelines, and (3) receive community input on proposed high-rise development during both the preliminary review and entitlement phases.</p>	<p>The process primarily serves as a forum where developers, design professionals, community members and City staff can work together to ensure that new developments contribute positively to the community and issues identified can be addressed effectively.</p>	<p>Ongoing</p>	<p>Department of Planning, Building and Code Enforcement</p>	<p>Development Fee Program</p>
<p><b>Transit-Oriented Development/Mid-Rise and High-Rise Residential Design Guidelines:</b></p>				
<p>To assist in streamlining the development review process, the City adopted design guidelines for transit-oriented development and mid-rise and high-rise residential projects in September 2007. The design guidelines provide specific parameters to promote compact, urban development along major transit corridors and key employment areas. These guidelines seek to provide a common understanding of the minimum design standards in order to ensure that the review process can be conducted in as efficient a manner as possible.</p>	<p>Facilitate quality design in residential projects and streamlining of the development review process. Implement through the review of proposed developments.</p>	<p>Ongoing</p>	<p>Department of Planning, Building and Code Enforcement</p>	<p>Development Fee Program</p>

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<p><b>City Council Public Outreach Policy:</b>                      In 2005, the City Council adopted a public outreach policy to establish formal procedures in coordinating public outreach on development projects. Generally, developers are required to erect public notification signage on the project site while a development proposal is pending. In addition, for larger development proposals, a community meeting is required to gather public comments early in the development review process. The public outreach policy has been effective in helping developers and City staff engage the community early in the development review processes.</p>	Provides opportunities for all parties to achieve general consensus and resolve concerns as part of the development process. Implement through the review of proposed developments.	Ongoing	Department of Planning, Building and Code Enforcement	Development Fee Program
<p><b>Option to Use Discretionary Alternate Use Policies through a Use Permit:</b>                      In 2007, the City Council approved a General Plan text amendment that added the ability to apply Discretionary Alternate Use Policies through a use permit. Prior to approval of this streamlining measure, the use of DAU policies often required a Planned Development zoning.</p>	Facilitate streamlining of the entitlement process. Implement through the review of proposed developments.	Completed 2007	Department of Planning, Building and Code Enforcement	Development Fee Program
<p><b>Zoning Ordinance Streamlining:</b>                      The City periodically reviews the Zoning Ordinance to identify outdated measures and to determine where process and other requirements can be streamlined without diminishing the City's ability to achieve its land use goals. In November 2008, the City approved several amendments to the Zoning Ordinance that simplified the process for permitting small additions to existing two-family dwellings. Previously, any sized addition or enlargement of two-family dwellings requires issuance of a Site Development Permit. The new provisions allow minor additions (up to 200 square feet or 10% of the existing building area, whichever is less) to two-family dwellings within the issuance of an over-the-counter Permit Adjustment. This measure streamlines the ability to add bedrooms to existing homes to accommodate a larger living area.</p>	Improve user-friendliness of the Zoning Ordinance and streamline the ability to add bedrooms to existing homes to accommodate a larger living area.	Completed 2008	Department of Planning, Building and Code Enforcement	General Fund
<p><b>Elimination of the Planned Development Zoning process requirement for certain Mixed-Use Development Projects:</b>                      In 2008, the City Council approved a General Plan text amendment that streamlines the development review process for some housing and mixed-use proposals by eliminating the requirement for a Planned Development Zoning. In many situations, the City's Zoning Ordinance already allows for mixed-use development with a development permit or use permit in a conventional zoning district. The General Plan text amendment updates the San José 2020 General Plan to allow development proposals to utilize more of the permit process options available in the Zoning Ordinance instead of only requiring projects to undergo a Planned Development Zoning process.</p>	Facilitate streamlining of the entitlement process for mixed-use development.	Completed 2008	Department of Planning, Building and Code Enforcement	General Fund
<p><b>Height Limit Increase to Facilitate Use of Renewable Energy Resources:</b>                      This General Plan text amendment is intended to encourage utilization of renewable energy resources in the physical development of the City by making the incorporation of these resources into development more feasible to developers and property owners. By amending the text of the General Plan to allow additional height for certain structures, such as solar panels, other energy-saving devices, and roof landscaping, the text amendment better aligns the General Plan policy for building heights with the existing language of the Zoning Ordinance and streamlines efforts to implement green building measures in proposed development projects.</p>	Facilitate streamlining of the entitlement process to encourage energy efficiency in residential development.	Completed 2008	Department of Planning, Building and Code Enforcement	General Fund

**Figure 23. 2007-2014 Housing Element Implementation Programs**

Guiding Policy/Program/Action	Objective	Timeframe	Responsibility	Funding Source
<b>Transit Corridor Commercial Land Use Designation Created:</b>				
<p>The Transit Corridor Commercial land use designation is intended to expand the potential for commercial development and mixed commercial-residential development with convenient access to major job centers and to create new consumer markets in appropriate areas of the City. This category requires commercial uses in a viable configuration on the street-level floor of any development. Vertical mixed commercial and residential uses may be allowed on sites that are of adequate size and configuration to accommodate such a mix of uses provided that the street-level floor consists of wholly commercial uses with the exception of residential support facilities of limited size, such as parking areas, entry lobbies, mail rooms, and concierge facilities, the total area of which constitutes a minor portion of the site area. Transit Corridor Commercial is intended for sites located in the Downtown Core and Frame Areas or located in designated Transit Corridors or BART Station Area Nodes, or located within a reasonable walking distance of major public transit in other intensely developed areas of the City.</p>	<p>Facilitate streamlining of the entitlement process for residential development above commercial uses, providing opportunities for residential uses to be located above neighborhood services with access to transit.</p>	<p>Completed 2008</p>	<p>Department of Planning, Building and Code Enforcement</p>	<p>General Fund</p>
<b>Establish a conventional zoning district that allows Emergency Shelters by right:</b>				
<p>In December 2008, the City Council adopted an ordinance establishing a Combined Industrial/Commercial zoning district. Established uses include a compatible mixture of commercial, office, and industrial uses of the CG Commercial General, IP Industrial Park, and LI Light Industrial Districts. Emergency shelters of 50 beds or fewer are allowed by right.</p>	<p>Facilitate emergency shelters by right in accordance with State law (SB 2).</p>	<p>Completed 2008</p>	<p>Department of Planning, Building and Code Enforcement Department of Housing, City Attorney's Office</p>	<p>General Fund</p>
<b>Private Sector Green Building Policy for New Construction:</b>				
<p>Council adoption of the Private Sector Green Building Policy for new construction established mandatory green building standards for private sector development that advances the City's Green Vision Goal No.4 of building or retrofitting 50 million square feet of green buildings within the next 15 years, as well as Green Vision Goal No. 2: reducing per capita energy use by 50%, Goal No. 3: receiving 100% of electrical energy from clean renewable sources, Goal No. 5: diverting 100% of waste from landfills and converting waste to energy and Goal No. 6: Recycling or beneficially reusing 100% of waste water. The policy includes two rating systems: United States Green Building Council's Leadership in Energy and Environmental Design and Build It Green's GreenPoint Rated system. The policy mandates specific certification and point levels in three categories: commercial and industrial (25,000 square feet and more), residential high-rise, and other residential (10 units and more). The City is currently working with the development community on implementing the Green Building Policy and exploring possible incentives such as a fee rebate program.</p>	<p>Facilitate energy efficiency in residential development. Green buildings have proven to enhance economic competitiveness by reducing lifecycle costs, improving worker productivity, increasing property values, attracting higher rents, and helping with the attraction and retention of talent.</p>	<p>Summer 2009</p>	<p>Department of Planning, Building and Code Enforcement</p>	<p>General Fund</p>
<b>Add definitions to the Zoning Ordinance for Transitional and Supportive housing:</b>				
<p>Adding definitions of Transitional and Supportive to the Zoning Ordinance would clarify how existing provisions in the Zoning Ordinance already accommodate similar uses.</p>	<p>Strengthen the ability to encourage and facilitate Transitional and Supportive housing in the City as required by State law (SB 2).</p>	<p>December 2009</p>	<p>Department of Planning, Building and Code Enforcement Department of Housing, City Attorney's Office</p>	<p>General Fund</p>
<b>Establish conventional multi-family zoning district(s) to allow higher density residential development of minimum 30 dwelling units per acre:</b>				
<p>Currently, new multi-family residential development exceeding 25 dwelling units per acre (DU/AC) requires approval through the Planned Development (PD) process. Establishing conventional zoning district(s) to allow development housing at a minimum of 30 DU/AC would streamline the development review process and facilitate development of affordable housing.</p>	<p>Streamline the development process for multi-family residential projects and facilitate development at densities that support affordable housing.</p>	<p>June 2010</p>	<p>Department of Planning, Building and Code Enforcement Department of Housing, City Attorney's Office</p>	<p>General Fund</p>
<b>Identify additional housing capacity and sites that would yield a minimum density of 30 DU/AC as part of the comprehensive General Plan update process:</b>				
<p>As part of the Envision 2040 San Jose General Plan Update, the City will explore opportunities to increase the residential holding capacity in the General Plan to accommodate a projected housing need of 180,000 units by 2040.</p>	<p>Increase the General Plan residential holding capacity to accommodate future housing needs through 2040.</p>	<p>Upon completion of General Plan Update (Est. June 2011)</p>	<p>Department of Planning, Building and Code Enforcement Department of Housing, City Attorney's Office, General Plan Update Taskforce</p>	<p>General Fund</p>

## VI. IMPLEMENTATION

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### GENERAL PLAN REVIEW AND AMENDMENT PROCESS

The General Plan Review and Amendment Process provides an opportunity to update and refine the City Council policy expressed in the General Plan and to monitor and evaluate the progress of the implementation strategies and programs incorporated therein. Pursuant to State law, the City may conduct up to four hearings, but in any event no more than four hearings, on General Plan amendments per calendar year, depending on the nature and number of amendments. To facilitate a comprehensive review of the cumulative implications of proposed amendments, hearings should be scheduled at least two times per year.

Not more than once a year, the Planning Commission and City Council should schedule a General Plan hearing for the review and consideration of all proposed amendments that involve the conversion of employment land to non-employment uses, or that involve minor modifications to the Urban Growth Boundary or expansion of the Urban Service Area. Any proposed amendment that involves a major policy issue as defined above should only be considered during this annual General Plan hearing unless early consideration for continued processing or denial is recommended by the City.

The General Plan amendment process is the vehicle by which both the City and private property owners, developers, community groups or individual citizens request changes to the planned land uses on property or propose changes to the goals and policies of the Plan. The General Plan Review and Amendment Process affords the opportunity to refine the Plan based on changing conditions and community needs. The General Plan Review and Amendment Process includes citizen participation, both through community meetings to familiarize

the general public with the amendment proposals as well as at the formal public hearings before the Planning Commission and City Council. Amendments should be analyzed based on their own merits as well as in the context of cumulative trends and consistency with the General Plan's Major Strategies. A summary of major policy issues and cumulative effects of proposed changes should be provided to the Planning Commission and City Council for every hearing.

On an annual basis through the Annual Report of the General Plan Review, the Planning Commission and City Council should consider current development trends to determine the City's progress in achieving the economic and housing development goals established in the Plan. In particular, the City should carefully monitor its jobs/employed resident ratio in an effort to reduce the existing jobs/housing imbalance in San José. Information which could be considered includes vacant land absorption, residential versus economic development, amounts and value of non-residential construction, number and types of housing units authorized by building permit, and activity levels in such processes as zonings, annexations, and building permits. Other information which could be considered includes the current capacity status of major infrastructure systems which are addressed in General Plan Level of Service policies (transportation, sanitary sewers and sewage treatment), transit-ridership statistics and other measures of peak-hour diversion from single occupant vehicles, and the levels of police, fire, parks and library services being provided by the City. ■

## **SPECIAL IMPLEMENTATION PROGRAMS**

### **Hillside and Greenbelt Assessment Study**

The General Plan includes as one of its major strategies the establishment of a Greenline to define the ultimate edge of the urbanized area. This Greenline includes the baylands, the hillsides within San José's sphere-of-influence and the rural/agricultural area in the south Coyote Valley Greenbelt.

The major objectives of the Greenline concept are as follows:

- Provide a permanent urban edge around San José, including a separation between the urbanized areas of San José and Morgan Hill.
- Devise long-term strategies for the preservation and enhancement of the natural resources in these areas, particularly the scenic and watershed values of the hillsides and the agricultural production and scenic values of the south Coyote Valley

In 1986 The Greenbelt: a Legacy for the Future was approved by the City Council. This report was developed by a 25 member task force in which citizens and special interest advocates participated. Permanent preservation of the natural environment and resources surrounding the City is the focus of the report. The report recommends a long term preservation program for the City to redirect financial resources and political energy toward achieving this goal.

The report identified many techniques which can be utilized to accomplish permanent open space preservation. These techniques included public ownership of Greenline lands, transfer of development credits, the

approval of some limited amount of development in exchange for the dedication of open space or scenic easements and tax and other financial incentives for property owners to maintain open space uses.

In order to develop a strategy for permanent preservation of the Greenline, a preservation technique incorporating three alternate approaches was considered and approved. These approaches were acquisition, regulation, and limited development in exchange for preservation.

In 1992 the Santa Clara County Open Space Authority was formed to actively pursue open space preservation throughout the County. It is anticipated that once a revenue stream has been approved the Agency will acquire and maintain open space. The City has and will continue to politically and financially support overall efforts of the Authority.

### **Sustainable City Strategy**

This special implementation program supplements and supports the Sustainable City Major Strategy which is based on the premise that natural resources are not inexhaustible commodities to be exploited but are limited assets which should be wisely managed for the benefit of present and future generations. By planning for urban sustainability, the City of San José aims to promote resource efficient land use, transportation, energy and water use, and resource conservation. The goal of long term sustainability is to develop a prosperous and healthful urban system which can provide for the physical, social, economic and psychological needs of its population, and, at the same time, reverse the trends of increasing pollution and environmental degradation now threatening the quality of life. The Sustainable City Strategy, adopted by the City Council in 1989, is a long term program with clearly defined objectives and

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an implementation process for achieving them.

The energy goal of the Sustainable City Strategy promotes a sustainable future by conserving 10% of the energy projected to be used by the year 2000. This goal is intended to enhance the livability, economic strength and well-being of the City's residents and businesses and reduce environmental problems, particularly emissions that affect air quality, and contribute to local health problems and global warming.

The goal was premised on the understanding that an overall 10% energy-use reduction is technically and economically feasible based on 1) San José's actual pattern of energy use and available technologies, and 2) that the 10% goal would achieve a level of conservation exclusive of conservation achieved through State and Federal energy programs.

Building a sustainable community requires the right mix of programs options for the City. The categories of programs to be implemented through the Sustainable City Strategy include:

- Education and Persuasion
- Municipal Operations
- Technical Assistance
- Policy Consistency
- Regulation
- Financial Incentives

Another component of the Sustainable City Strategy includes a Research, Development and Monitoring Program. The benefits of an enhanced monitoring capability would allow more accurate tracking of program performance which would be useful for program planning and modification. ■

### **IMPLEMENTATION OF THE GENERAL PLAN BY OTHER AGENCIES**

The City of San José is not the sole agency which will implement this General Plan. For instance, it is intended that this Plan be utilized by other public agencies and by utility companies in planning the delivery of services to San José residents and businesses. And the Santa Clara County General Plan does not include a land use plan for the territory within San José's Urban Service Area. For this area, the County General Plan specifies that development on unincorporated lands conform to the City's General Plan and be of a use and density which is compatible with the City's General Plan.

For the above and other purposes where the determination of consistency, compatibility or conformance of any proposal with this General Plan depends on an exercise of discretion (for example, an application of a Discretionary Alternate Use Policy), such discretion is solely within the purview of the City of San José. Any agency proposing to apply the provisions of this General Plan to a proposal can seek a determination of such consistency, compatibility or conformance by filing a written request with the Director of Planning of the City of San José. ■