

Proposed General Plan Update Goals, Policies, and Implementation Actions



Fiscal Sustainability

Achievement of the City's goals requires that our City have the fiscal resources needed to effectively govern, to provide services at a level consistent with community expectations, and to advance programs and initiatives that further the elements of the City's Vision. San José must be persistent in pursuing new or enhanced revenue resources and the more efficient use of those resources in order to be an effective and fiscally sustainable government. The City must continuously refine its governance best practices to maintain and improve upon the services it provides to our community, and it must have adequate financial resources to fund those services.

Fiscal Sustainability

- Goal FS-1:** Operate our City in a fiscally responsible and sustainable manner by planning long-term and maintaining a positive annual balance between available revenue and the costs of services our City provides to its constituents.
- Policy FS-1.1 Provide a full range of City services to the community at service levels consistent with a safe, convenient and pleasant place to live, work, learn and play and consistent with the revenue available to sustain those services. (SJ2020 modified)
- Policy FS-1.2 Manage San José's future growth in an orderly, planned manner to reduce service costs, maximize the utilization of existing and proposed public facilities, and to enhance the City revenues available to sustain a desirable quality of life. (SJ2020 modified)
- Policy FS-1.3 Identify and maintain reliable ongoing funding sources for City services and infrastructure.
- Policy FS-1.4 Give priority to funding City municipal services that stimulate economic development, and job creation, to provide significant revenue to the City, in order for the City to achieve and maintain fiscal stability.
- Policy GP-1.5 Provide speed, consistency, and predictability for the land use entitlement processes while using these processes to add value and improve the quality of new development. (SJ 2020 revised)
- Policy FS-1.6 Evaluate and reflect projected changes in City revenue and service costs as part of the General Plan annual review process.
- Action FS-1.7 Partner with public, non-profit, and private organizations to form mutually-beneficial relationships that further the City's fiscal, environmental, economic development, or other major objectives.

Cultivate Fiscal Resources

Goal FS-2: Maintain and expand the revenue sources available to finance the provision of City services.

- Policy FS-2.1 Explore new options to supplement our City's existing resources devoted to the operation and maintenance of its infrastructure facilities and service delivery. (SJ2020 modified)
- Policy FS-2.2 Focus resources on economic development, promoting land use development to support job growth, revenue generation and attractive place-making as a tool to sustain the fiscal health of our City.
- ~~Policy FS 2.3 Advocate for and participate in efforts to reform the collection and distribution of tax revenues that are beneficial to our City's fiscal health and to support the delivery of high quality government services desired by the community.~~
- Policy FS-2.4 Encourage development of industrial areas and redevelopment of existing older or marginal industrial areas (e.g. areas which could support intensified employment activity), particularly in locations that facilitate efficient commute patterns. The use of redevelopment tax increment financing to provide necessary public improvements is one means of encouraging this economic development and revitalization. (SJ2020 modified)
- Policy FS-2.5 Consider strategic investments in infrastructure, subsidies for select development review processes, or other subsidies to facilitate development projects that will produce a substantial net positive fiscal impact for our City.
- Policy FS-2.6 Finance capital and facility needs generated by new development through new development fees so that existing residents and businesses are not burdened by increased taxes or by lowered service levels to accommodate the needs created by new growth. (SJ2020 revised)
- Action FS-2.7 Consider implementation of a revolving fund system whereby funds for capital and facility needs may be advanced and later repaid by the affected property owners. (SJ2020 modified)
- ~~Action FS 2.8 Explore creative partnerships with the County government or other regional government agencies that could be of potential mutual fiscal benefit.~~
- Action FS-2.9 Work with new and existing businesses operating within San José to ensure that San José is designated as the point of sale for all taxable transactions.

Action FS-2.10 As part of the annual review of the Capital Improvement Plan (CIP), identify how the CIP can be used to support enhancement of our City’s fiscal resources.

Fiscally Sustainable Land Use Framework

Goal FS-3: Make land use decisions to improve the City’s fiscal condition. Manage San José’s future growth in an orderly, planned manner that is consistent with our ability to provide efficient and economical public services, to maximize the use of existing and proposed public facilities, and to achieve equitable sharing of the cost of such services and facilities.
(GP2020 modified)

Policy FS-3.1 Recognize the value of long-term planning and strong land use policy in managing the City’s fiscal position.

Policy FS-3.2 Monitor residential construction, industrial and commercial job growth rates, the development of mixed-use and transit-oriented projects, the City’s fiscal balance of land uses and resulting tax base, and progress made toward the General Plan targets for total jobs and the ratio of Jobs/Employed Resident. Report on the results of these analyses as part of the annual General Plan review process. (SJ2020 modified)

Policy FS-3.3 Promote land use policy and implementation actions that increase the ratio of Jobs to Employed Residents to improve our City’s fiscal condition, consistent with the economic development and land use goals and policies. When amending the General Plan, maintain or enhance the City’s net total employment capacity. (Framework)

Policy FS-3.4 To improve our City’s fiscal sustainability, limit changes to the City’s Land Use Diagram and its implementation through rezonings or other discretionary land use actions to those with a neutral or positive sustained fiscal benefit for San José, so that projected long-term revenue for San José will be greater than the long-term service cost as a result of the action.

Policy FS-3.5 When employment lands within Villages, Corridors or elsewhere within San José are proposed for redevelopment with residential uses, maintain or increase the existing square footage of employment uses and projected number of employees, consistent with achievement of our City’s job growth targets, so that new development provides a fiscal benefit to our City.

Policy FS-3.6 Prepare Village Plans that provide a clear and feasible strategy for achievement of Village job growth targets and incorporation of public services and other amenities consistent with Fiscal Sustainability and other General Plan goals and policies prior to the development of new housing projects within Village and Corridor Growth Areas. Commercial projects,

including those with ancillary residential uses, may proceed in advance of the preparation of a Village Plan.

- Policy FS-3.7 Maintain an Urban Service Area (USA) in the General Plan where services and facilities provided by the City and other public agencies are generally available, and where urban development requiring such services should be located. (GP2020)
- Policy FS-3.8 Maintain the City’s current Urban Service Area boundaries. Expansion of the Urban Service Area should only be considered when necessary to provide services to existing development in need of urban services and when such expansions are consistent with LAFCO rules. Coordinate with the County to prevent future Urban Service needs beyond the current USA boundaries.
- Policy FS-3.9 Per City, County and LAFCO policy locate existing and future urban development within city boundaries and implement this policy through the City's existing agreement with the County which requires that unincorporated properties within the Urban Service Area either annex to the City, if possible, or execute a deferred annexation agreement prior to approval of development. (GP2020)
- Policy FS-3.10 Discourage the expansion of sanitary sewer districts for areas planned in non-urban uses outside the Urban Service Area. (GP2020 modified)
- Policy FS-3.11 Consider annexation of territory outside the Urban Service Area to the City only if its intended use will require minimal or no services and either:
1. The intended use contributes to providing services to development in the Urban Service Area, such as a planned thoroughfare across nonurban territory or a solid waste disposal facility which should be located in a remote area; or
 2. The annexation is necessary or desirable for the implementation of General Plan non-urban land use goals and policies, such as to accept dedication of an open space or scenic easement in connection with a hillside open space preservation program.
- (GP2020)
- Policy FS-3.12 Encourage the County and LAFCO to join in cooperative efforts to seek the annexation of urbanized County pockets within the Urban Service Area. (GP2020)
- Policy FS-3.13 Encourage other jurisdictions to take on a greater share of the region’s housing needs to promote an improved regional jobs-housing balance.

Promote Fiscally Beneficial Land Uses

- Goal FS-4 **Maintain and enhance the City’s employment lands as part of our City’s strategy for Fiscal Sustainability.****
- Policy FS-4.1 Preserve and enhance employment land acreage and building floor area capacity for various employment activities because they provide revenue, near-term jobs, contribute to our City’s long-term achievement of economic development and job growth goals, and provide opportunities for the development of retail to serve individual neighborhoods, larger community areas, and the Bay Area. (Framework modified)
- Policy FS-4.2 Maintain and enhance the employment lands within the identified key employment areas (North Coyote Valley, the Berryessa International Business Park, the East Gish and Mabury industrial areas, the Evergreen industrial area, the Edenvale Redevelopment Project Area, and the Monterey Corridor Redevelopment Project Area). Protect existing employment uses within these areas from potentially incompatible non-employment uses. (Framework modified)
- Policy FS-4.3 Maintain employment lands within the North San José industrial area and protect existing employment uses from potentially incompatible non-employment uses. Allow conversion of employment lands to non-employment and residential use only in support of and consistent with the provisions of the North San José Area Development Policy. .
- Policy FS-4.4 Identify, designate and maintain an adequate number of suitable sites for a full range of commercial opportunities, including large-scale commercial centers and neighborhood-scale shopping opportunities, to serve the resident and visitor consumer population fully and to increase sales tax revenue in San José.
- Policy FS-4.5 Maintain and expand the total amount of land with either a Light Industrial or Heavy Industrial designation, and do not add overlays or other designations that would allow for non- industrial, employment uses. (Framework modified)
- Policy FS-4.6 Consider conversion from one employment land use to another, except for Light Industrial or Heavy Industrial land uses, where the conversion would retain or expand employment capacity and revenue generation, particularly for intensification on-site if the proposed conversion would result in a net increase in revenue generation. (Framework modified)
- Policy FS-4.7 Encourage transit-oriented development as a means to reduce costs for expansion and maintenance of our City’s street system, in addition to other benefits and consistent with the General Plan Transportation goals and policies.

Policy FS-4.8 Emphasize mixed-use development for most new development, to achieve service efficiencies from compact development patterns and to maximize job development and commercial opportunities near residential development.

Fiscally Sustainable Service Delivery

Goal FS-5: The City should provide the highest level of service feasible consistent with the City’s fiscal resources, and in a cost-effective manner so that the City’s method of service delivery contributes toward the achievement of a fiscally sustainable City. (GP2020 modified)

Policy FS-5.1 Consistent with fiscal sustainability, prioritize the City’s urban service delivery as follows:

- a. Provide services and facilities designed to serve existing needs.
- b. Prevent the deterioration of existing levels of service.
- c. Upgrade City service levels whenever feasible.

(SJ2020 modified)

Policy FS-5.2 Carefully consider the fiscal implications of land use decisions that result in service expansions to avoid significant negative fiscal impacts unless necessary to achieve other critical City objectives. Create compact communities to reduce service expansion, to increase economies of scale of existing services and infrastructure, and to maximize development and return on investment.

Policy FS-5.3 Be proactive to promote consolidation of geographically overlapping services between governmental jurisdictions where it would increase efficiency and quality of service delivery, both countywide and regionally. (SJ2020)

Policy FS-5.4 Seek opportunities to implement new technologies, more efficient management, or other improvements for the delivery of urban services to reduce the fiscal impact of providing those services while also meeting City service level goals.

Policy FS-5.5 Allow residential development at urban densities (one dwelling unit per acre or greater) only where adequate services and facilities can be feasibly provided. (SJ2020).

Policy FS-5.6 When reviewing major land use or policy changes, consider the availability of police and fire protection, parks and recreation and library services to the affected area as well as the potential impacts of the project on existing service levels. (SJ2020)

Policy FS-5.7 Encourage school districts and residential developers to engage in early discussions regarding the nature and scope of proposed projects and possible fiscal impacts and mitigation measures early in the project planning stage,

preferably immediately preceding or following land acquisition. (SJ2020 modified)

Policy FS-5.8 To avoid any extraordinary maintenance and operating expenses, public improvements, communication facilities, and utilities should not be located in hillside areas with identified soils and/or geologic hazards, or other areas with similar hazards, and when the location of such public improvements, communication facilities, and utilities in such areas cannot be avoided, effective mitigation measures should be implemented to maximize their potential to remain functional during and after a seismic event. (SJ2020 modified)

~~Policy FS-5.9 Approve expansion of the Urban Service Area into the South Almaden Valley only if necessary to serve existing development within that area and provided that such expansion does not create a negative fiscal impact for the City. (SJ2020 modified)~~

Policy FS-5.9 Maintain the rural and agricultural character of Central Coyote Valley and do not expand the Urban Service Area into the Central Coyote Valley area. (SJ2020 modified)

Action FS-5.10 Identify the most efficient use of available resources to maintain the City's infrastructure and to minimize the need to replace this infrastructure. (SJ2020 modified)

Action FS-5.11 Use the design review process to consider and weigh the long term maintenance, resource needs, and costs of the design of private streets and other private infrastructure improvements. (SJ2020 modified)

Note the following GP2020 Urban Service Area Policies are proposed to be eliminated

1. Expansions of the Urban Service Area into the South Almaden Valley and the Central Coyote Valley areas should be approved only in conformance with the respective Urban Reserve land use designations specifically applicable to those areas. (GP2020)
2. Development which is of a relatively small scale and which requires urban services may be approved outside the Urban Service Area under Planned Development Zoning if it conforms to all of the following criteria:
 - Located contiguous to the Urban Service Area boundary and adjacent to existing or committed urban development.
 - Generally served by existing or programmed public facilities and services as required by the type of development proposed.
 - Has an existing urban land use designation.(GP2020)]

3. Approve expansion of the Urban Service Area into the South Almaden Valley only if necessary to serve existing development within that area and provided that such expansion does not create a negative fiscal impact for the City.