



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Joseph Horwedel

**SUBJECT:** ENVISION SAN JOSÉ 2040  
STATUS REPORT

**DATE:** April 9, 2009

Approved

Date

**COUNCIL DISTRICT:** Citywide  
**SNI AREA:** All

## RECOMMENDATION

Accept the Envision San José 2040 status report and provide direction to proceed with environmental, fiscal and economic analyses of the four proposed job and housing growth study scenarios as recommended by the administration.

## OUTCOME

If directed by Council, staff and consultants will proceed with environmental, fiscal and economic analyses of the recommended land use scenarios to keep the Envision San José 2040 process on schedule.

## EXECUTIVE SUMMARY

In June of 2007, the City Council initiated a comprehensive update of the General Plan, called Envision San José 2040. In August, the Council appointed a broad-based 37-member Task Force consisting of business, labor, environmental, neighborhood, and other community leaders. Since September 2007, the Task Force and members of the community have participated in twenty Task Force Meetings and five Community Workshops for the initial stage of the Envision process. Accomplishments to date include a draft Vision, draft Land Use/Transportation Scenario Guidelines, and identification of four jobs and housing growth scenarios for further study. All of this work builds from the Guiding Principles provided by the City Council at the initiation of the General Plan Update (see Attachment 1).

In addition, the Task Force has reviewed multiple technical documents and discussed a variety of key pieces of information:

- National and international employment and demographic trends
- Demographic (population characteristics) and economic (job characteristics) projections for San José

- Future demand for employment lands in San José
- Future demand for housing types and amounts in San José
- Jobs to Employed Resident ratio (Jobs-Housing balance)
- Land use planning principles (e.g., transit-oriented development, mixed-use)
- Community input from hands-on workshops.

To allow the Envision San Jose 2040 process to progress to the next stage consistent with the project budget and timeline, the Council is being asked to accept staff's recommendation for four job and housing growth scenarios, hereafter called Land Use Study Scenarios, to be evaluated for the Environmental Impact Report (EIR), fiscal study, and additional economic analysis. The City's contracts with the respective consultants allow for the analysis of up four such scenarios, each of which may consider different amounts of potential job and housing growth. The analysis will also include an evaluation of a "No Project" alternative, consisting of the unbuilt capacity of the City's existing San José 2020 General Plan (229,000 new jobs and 70,000 new housing units).

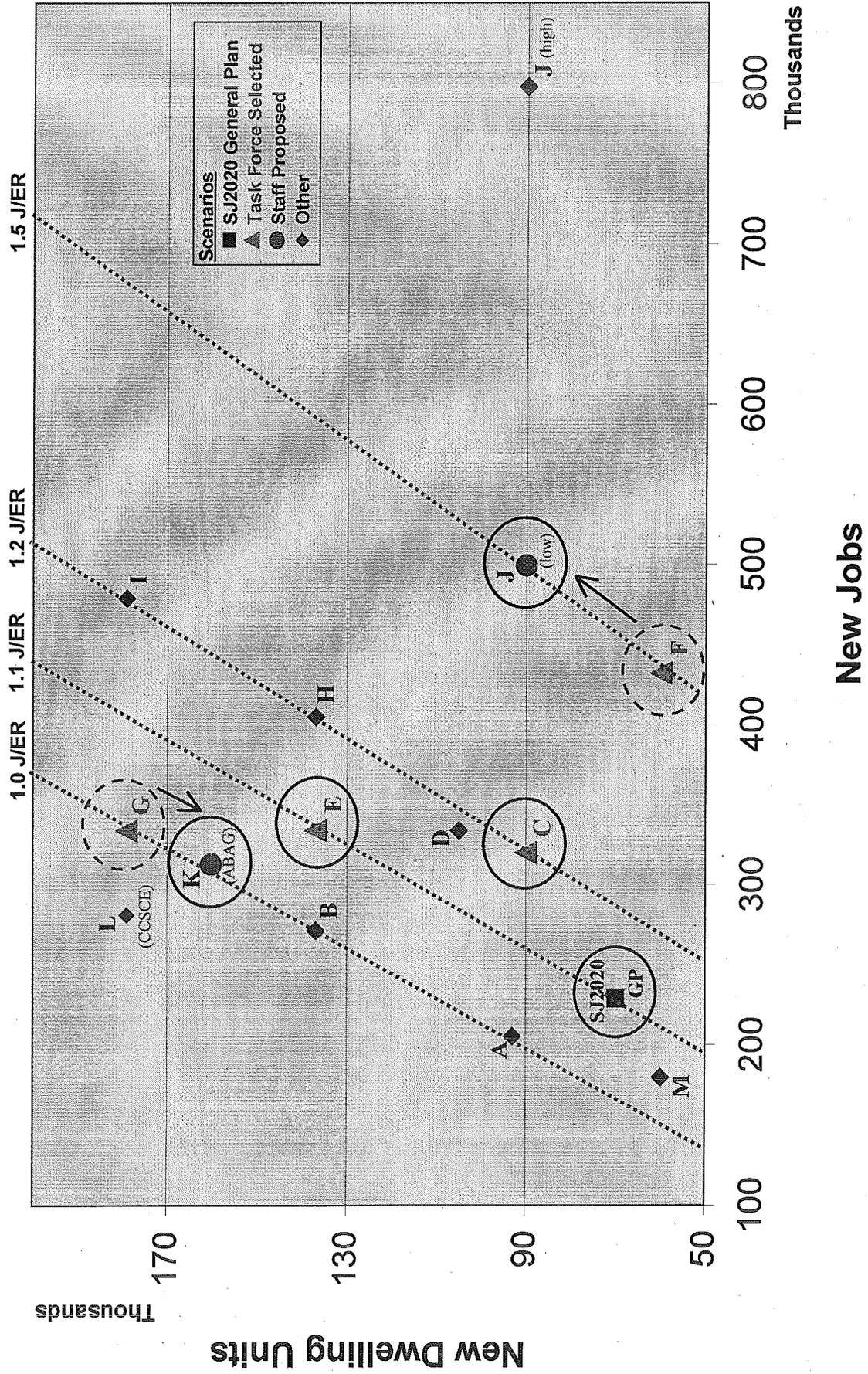
The chart on the next page plots various Land Use Study Scenarios in terms of new jobs and new housing units, beyond the existing 396,000 jobs and 308,000 housing units in San Jose. The scenarios align to a ratio of Jobs / Employed Residents (J/ER), indicating how the increment of new growth would affect San José's overall job-housing balance. Jobs/housing balance can be achieved by adding more jobs, limiting housing growth, or both.

For decades, San José has been trying to achieve a balance of "jobs and housing" as measured by Jobs / Employed Residents. A ratio of 1.0 indicates that there is a job for each employed resident within the community. San José is currently at 0.88 Jobs / Employed Residents, reflecting our status as a "bedroom community" for other job-rich cities. If the existing San José 2020 General Plan were to be built out, San José would have a jobs/housing balance of 1.1 Jobs / Employed Residents. This is due to the additional jobs and housing capacity created with the Council's adoption of the Vision North San Jose and Downtown Strategy Plan a few years ago.

The four job and housing growth scenarios should be selected in order to:

1. Optimize the amount and value of information gained through their analysis;
2. Analyze a range of potential environmental impacts that will provide adequate flexibility for the future Task Force and City Council decision making process; and
3. Be consistent with the Task Force draft Vision and draft Land Use/Transportation Scenario Guidelines and other goals as they have been articulated by the City Council and Task Force, including improvement of the City's J/ER ratio.

# Identified Growth Study Scenarios



Note: This chart accompanies Attachment 5 "Reference Growth Scenarios" and "Identified Growth Scenarios" tables.

To accomplish these goals, staff recommends analysis of the following four Land Use Study Scenarios:

- Scenario K (313,000 new jobs, 160,000 new dwelling units, 1.0 J/ER)
- Scenario C (320,000 new jobs, 90,000 new dwelling units, 1.2 J/ER)
- Scenario E (334,000 new jobs, 137,000 new dwelling units, 1.1 J/ER)
- Scenario J (499,500 new jobs, 90,000 new dwelling units, 1.5 J/ER)

The staff recommendation contains two modifications from the Task Force recommendation, consistent with the Task Force's interest in improving the City's fiscal conditions and promoting San Jose as a regional employment center. At the conclusion of the March 23<sup>rd</sup> Task Force meeting, each Task Force member voted for four scenarios, and the following four scenarios received the most votes, listed in order of most to least votes:

- Scenario G (334,000 new jobs, 179,000 new dwelling units, 1.0 J/ER) – 29 votes
- Scenario C (320,000 new jobs, 90,000 new dwelling units, 1.2 J/ER) – 18 votes
- Scenario E (334,000 new jobs, 137,000 new dwelling units, 1.1 J/ER) – 18 votes
- Scenario F (432,000 new jobs, 60,000 new dwelling units, 1.5 J/ER) – 14 votes

Specifically, staff is recommending:

- Substituting Scenario G (334,000 new jobs, 179,000 new dwelling units) with Scenario K (313,000 new jobs, 160,000 new dwelling units), each having a 1.0 J/ER ratio: Scenario K is consistent with the Association of Bay Area Government's recently adopted *Projections 2009*.
- Substituting Scenario F (432,000 new jobs, 60,000 new dwelling units) with Scenario J (499,500 new jobs, 90,000 new dwelling units), each having a 1.5 J/ER ratio: Scenario F has less housing growth than the existing San José 2020 General Plan and it seems unlikely that the City would remove housing capacity as part of the General Plan Update.

As shown in the graph on the previous page, the four recommended scenarios allow for testing a significant range of housing and job growth amounts and allow for the analysis of several different J/ER ratios, all of which would allow for either a jobs and housing balance or a potential jobs surplus.

The Task Force has also begun to consider locations for new growth and has endorsed a preference for established growth areas (e.g., North San José and Downtown), areas in proximity to transit facilities, and on available infill sites throughout the City using a "Villages, Hubs and Corridors" growth strategy.

## **BACKGROUND**

Since the initiation of Envision San José 2040 in June of 2007, there have been twenty Task Force meetings and five community workshops. The early Task Force meetings were focused on project initiation and process, as well as background on the existing San José 2020 General Plan. The Task Force Meetings over the last 10 months have been primarily focused on developing the direction of Envision San José 2040. All Task Force Meeting agendas, materials and presentations, as well as

workshop summaries, are available for review on the Envision San José 2040 web page located at [www.sanjoseca.gov/planning/gp\\_update](http://www.sanjoseca.gov/planning/gp_update).

Major accomplishments of the Envision San José 2040 process thus far include the development of a draft Envision San José 2040 Vision (Vision), draft Land Use/Transportation Scenario Guidelines (Guidelines), and selection of four Land Use Study Scenarios for environmental, fiscal and economic analyses.

## **ANALYSIS**

The following Analysis section covers the following topics:

- **Summary of Task Force accomplishments** – key accomplishments of the Envision San José 2040 Task Force include the development of a draft Vision and draft Land Use/Transportation Scenario Guidelines and the definition of Land Use Study scenarios which will be used to further explore future job and housing growth options consistent with the Vision and Guidelines.
- **Key Issues** – discusses the key topics which have informed the development and selection of potential land use growth scenarios, including the Task Force’s consideration of housing and job growth projections, analysis of the future demand for employment lands and the significance of the Jobs / Employed Resident balance.
- **Identification of Growth Areas** – summarizes the Task Force discussion of where to locate new growth and acknowledges that the City did not receive any requests during the allotted time period for a major modification to the City’s Urban Growth Boundary.
- **Selection of Land Use Study Scenarios** – summarizes the Task Force’s consideration of which four scenarios to use for further analysis and explains staff’s recommendation.
- **Staff Recommendations for the Land Use Study Scenarios** – describes the staff’s recommendation for which four scenarios to use for further analysis.

### **Draft Envision San José 2040 Vision**

The Draft Envision San José 2040 Vision is intended to describe what the people of San José want their city to become through the successful implementation of the Envision San José 2040 General Plan. This Vision is also intended to guide the overall development of the Envision San José 2040 General Plan policy document. Community input on the development of the Draft Vision was obtained at early community outreach meetings held between February and April of 2007 and at a community visioning workshop held at City Hall on October 13<sup>th</sup> 2007; the October 12, 2007 Workshop was attended by 250 members of the public and was run simultaneously in English, Spanish, Vietnamese, Cantonese and Mandarin. The Task Force and staff refined this Vision at subsequent Task Force meetings. The Vision is included as Attachment 2, and a summary report of the October 13<sup>th</sup>, 2007 community workshop is available on the Envision San José 2040 website.

The overarching central theme of the Vision is that “San José embodies the energy and vitality of its unique human, natural and economic resources.” The Vision includes seven supporting themes to guide the development of the Envision San José 2040 General Plan. These seven themes are:

innovative economy, environmental leadership, interconnected city, vibrant arts, quality education and services, healthy neighborhoods, and diversity and social equity. The themes of innovative economy, environmental leadership, and diversity and social equity were identified as priorities by the community and the Task Force and are therefore located at the top of the Vision Graphic and are slightly larger. Given that the Envision San José 2040 Vision is a draft, it could continue to be refined as part of the Envision San José 2040 Process.

### **Draft Land Use/Transportation Scenario Guidelines**

As a next step in the Envision San José 2040 process, the Task Force developed Draft Land Use/Transportation Scenario Guidelines (Guidelines). These Guidelines are intended to provide a framework for the development of land use/transportation growth scenarios by identifying where future growth should be planned, what type of growth should be planned, and how this growth should be integrated into the existing city fabric. The Guidelines are also intended to inform the refinement of existing and development of new General Plan goals and policies, a process scheduled to begin this summer.

There are 32 Guidelines organized around the seven Vision themes, these Guidelines are attached for review (Attachment 3). Some of the Guidelines include “to be determined (TBD)” placeholders for the Task Force to fill in as appropriate numeric goals are developed to help with measuring and achieving each guideline. A sample of representative Guidelines include:

- Plan for people not just cars: Establish a land use/transportation fabric that promotes increased walking, bicycling, and public transit use and does not give priority to the automobile.
- Locate \_\_\_ % (TBD) of new residential and employment growth within existing, planned, and proposed transit corridors, focusing on areas close (i.e. between 2000 and 3000 feet) to transit stations.
- Provide sufficient quantities and types of employment lands to accommodate \_\_\_ (TBD) new jobs, which is an employment growth level that is \_\_\_% (TBD) higher than current projections.
- Ensure that the General Plan provides the type and quantity of lands necessary to meet the projected needs of businesses that drive innovation.
- To implement AB32, the California Global Warming Solutions Act, establish a land use/transportation fabric that achieves a \_\_\_ % (TBD) reduction in motor vehicle miles traveled and a \_\_\_ % (TBD) reduction in the emission of greenhouse gases from motor vehicles.
- Create walkable and bike friendly “neighborhood villages” (e.g., The Alameda): Enhance established neighborhoods by integrating a mix of uses within or adjacent to neighborhoods including retail shops (e.g., grocery stores), services, employment opportunities, public facilities and services, housing, places of worship, parks and public gathering places.

- Create complete and vibrant “regional hubs”: Integrate a mix of high density housing, employment, and services within existing key commercial areas (e.g., the Oakridge area) to create dynamic urban settings.

The public had an opportunity to provide input on the Guidelines at Task Force Meetings and at three community workshops held in September 2008. The public has been supportive of the Guidelines overall.

### **Development of Land Use Study Scenarios**

Since the beginning of this year, the Envision San José 2040 Task Force process has focused on the selection of up to four General Plan future growth capacity (Land Use Study) scenarios. Formulation and consideration of possible growth scenarios took place through a Task Force and Community Workshop and three successive Task Force meetings. The progress of the Task Force at each meeting is summarized in Attachment 4. A more detailed report for each can be found in the meeting synopses posted on the Envision website.

The four Land Use Study scenarios will be analyzed by environmental, fiscal and economic consultants as the next step in the Envision process. Once analysis is performed for each scenario, along with a “No Project” scenario based on continued use of the City’s current General Plan, the Task Force will use the information made available to assist them in choosing a strategy that best reflects the environmental, fiscal, and economic goals of the community and to develop a recommendation on the amount of growth capacity to include within the City’s General Plan as a result of the Envision process. The four Land Use Study scenarios therefore should be selected in order to optimize the amount and value of information gained through their analysis. To provide the best basis for analysis, the four scenarios should test a wide range of job and housing growth options while also being relatively feasible and descriptive of growth scenarios of interest to the Task Force members.

It should be noted that the environmental analysis of these four scenarios will be used to provide environmental clearance for the Envision San José 2040 General Plan under the California Environmental Quality Act (CEQA). Therefore, the scenarios need to be carefully selected to “bracket” growth options for the Plan to allow the Plan refinement to occur within those “brackets.” In other words, once the Council has endorsed the four scenarios, the Task Force and City Council will not be able to consider any scenarios that result in more significant potential environmental impacts than the potential impacts identified through the analysis of the “No Project” alternative and the four selected land use study scenarios. Importantly, the existing General Plan (San José 2020) capacity (229,000 new jobs and 70,000 new dwelling units) will also undergo the same analysis to establish a “No Project” alternative for the Environmental Impact Report (EIR). The four scenarios should therefore analyze a range of potential environmental impacts that will provide adequate flexibility for the future Task Force and City Council decision making process.

The four Land Use Study scenarios should also be consistent with the Task Force draft Vision and draft Land Use/Transportation Scenario Guidelines and other goals as they have been articulated by the City Council and Task Force, including improvement of the City’s J/ER ratio and other key themes discussed below.

### **Key Themes Underlying the Scenarios**

During the last several months of the Envision San José 2040 process, several key themes or topics have been discussed by the Task Force. The discussion around each has been highly informative to the development of the potential Land Use Study scenarios. These key topics include the development and application of job and housing growth projections, an analysis of the future demand for employment lands, the importance of the City's Jobs / Employed Resident ratio ("jobs-housing balance"), and the desire to plan for new growth in areas that minimize environmental, social and economic impacts while maximizing the utilization of existing resources ("smart growth" principles).

### **Jobs and Housing Growth Projections**

Three sets of growth projections have been provided to the Envision San José 2040 Task Force to help the Task Force plan for the City's future growth. Two of these, *Projections 2007* and *Projections 2009*, were prepared by the Association of Bay Area Governments (ABAG), the agency charged with developing job and population growth projections. Because *Projections 2009* was adopted in March, much of the Task Force discussion occurred before it was available, but it was presented to the Task Force and played a role in their final recommendation. In *Projections 2007* and *Projections 2009*, ABAG forecast the total amount of job and housing growth in the Bay Area through the year 2035 and assigned a proportion of each to the City of San José. To supplement the projections provided by ABAG, the City contracted with a private consultant, the Center for the Continuing Study of the California Economy (CCSCE) to prepare a similar forecast of job and housing growth in San José through the year 2040. These projections were provided to the Task Force and used as a starting point for discussions on how San José should grow.

These ABAG projections are long-term forecasts used for planning and policy development and are not part of the Regional Housing Needs Allocation (RHNA) requirement for the City's Housing Element. The RHNA requirement is determined under a separate process prescribed by California Housing Element law that considers a city's general plan as one factor in determining how to meet future regional housing growth needs. The City is currently, through an update to the City's Housing Element, demonstrating that the City has adequate housing capacity to meet the City's RHNA requirement as determined through ABAG for the year 2014. Housing Element updates have been required on a 5-year periodic cycle, but will be shifting to an 8-year cycle per SB375. The next RHNA cycle is anticipated to begin in 2014 and to reflect the outcome of the Envision process.

In the context of the Envision San José 2040 process, it is important to understand that projections are used for two purposes. First, they are used as a planning tool to anticipate feasible population and job growth, determine the resulting land use demand, and facilitate the planning of an adequate land use supply to accommodate that demand. Second, they can be used to promote policy goals. It is noteworthy that ABAG's *Projections 2009* deliberately attempts to forecast growth in a manner to accomplish several policy based performance targets. *Projections 2009* also significantly increased the share of Bay Area job growth allocated to San José, increasing the forecast total number of jobs in San José from 607,400 to 708,980 for the year 2035. ABAG *Projections 2009* forecasts for San José a total population of 1,440,100 people, including 702,473 total employed residents (resulting in a demand for 468,318 total dwelling units).

While the CCSCE projections for population growth (demand for 487,000 dwelling units in 2040) were similar to those prepared by ABAG, CCSCE was considerably less optimistic than ABAG about

Bay Area job growth. CCSCE allocated to San José the same percentage of Bay Area job growth as that used by ABAG in *Projections 2007*, resulting in a projected total amount of job capacity in San José of 570,000 jobs, significantly less than that forecast by ABAG because of the lower total for the Bay Area. Because ABAG's *Projections 2009* significantly modified the percentage of Bay Area job growth allocated to San José, staff prepared a revised version of the CCSCE job growth projections to reflect this higher allocation. As a result, the adjusted CCSCE projections increased the projected job growth in San José by 107,200 jobs to 677,200 total jobs in 2040. While development of the projected amount of job and housing growth in the original CCSCE projections would result in a projected Jobs / Employed Resident ratio of 0.8 and would not generate demand beyond the current San José 2020 General Plan job capacity, the development based on the revised CCSCE projections would result in a ratio of 0.9 and require capacity for approximately 50,000 additional jobs. Development corresponding to the more optimistic ABAG *Projections 2009* would result in demand for an additional 35,000 jobs and a Jobs / Employed Resident ratio of 1.0 in San José.

The Task Force came to the conclusion that while it may be useful to use projections as a means of understanding possible or likely job and housing growth capacity demand, the proposed General Plan capacity does not need to be determined by the projections. Instead, the General Plan capacity should be used to express the City's vision and goals for its future. Because ABAG uses local jurisdiction General Plan capacity as one input into its methodology for assigning job and population growth, the General Plan will influence ABAG's projections and in turn potentially influence policy decisions made by other groups including Federal, State, and regional agencies.

More detailed projections for the future composition of San José's population growth through the year 2040 were also presented to and discussed by the Task Force. Related to future demand for different housing types, it is particularly interesting that in the year 2030, the age group between 35 years and 55 years of age will have experienced almost no growth in population while significant growth will have occurred amongst the population groups over 55 and between the age of 20 and 35. While this largely reflects a national trend, it shows how the "Baby Boom" and baby boom echo generations will create large populations that may have preference or demand for housing types other than the single-family detached form most prevalent within San José. The Task Force discussion has acknowledged the implications on future housing demand and also considered how such demographic shifts might impact the City's job growth.

### **Employment Land Demand Projection**

The Task Force was provided with a *Job Growth Projections and Employment Land Demand* report prepared by staff based on ABAG's *Projections 2009*, the CCSCE's adjusted projections, and analysis prepared by Beacon Economics. Beacon Economics had calculated the acreages needed to meet the employment land demand generated by the growth anticipated in the CCSCE projections. The *Job Growth Projections and Employment Land Demand* report consolidated and analyzed this information and, using the same methodology as CCSCE and Beacon Economics, projected the land acreage demands generated by the adjusted CCSCE projections and by two potential growth capacity scenarios being considered by the Task Force. The same methodology can be applied to the other scenarios identified by the Task Force.

The *Job Growth Projections and Employment Land Demand* report includes forecasts for each scenario for job growth in several different job types over time, organized into three Industry Clusters: Driving Industry; Business Support Industry; and Local Serving Industry. For each forecast

increase in jobs, the report identifies a corresponding demand for square footage and acreage, based on several land use types: Industrial Warehouse; R&D/Low-Rise; Mid&High-Rise Office; Retail (Small); Retail (Large); and Institutional/Other. The Report identified several key findings summarized below.

First, the report confirmed the need for San José to add job growth and employment land capacity to meet the demand identified in the adjusted CCSCE projections. Scenarios being considered by the Task Force that envision job growth beyond the CCSCE projection will in turn require additional job growth capacity. Related to this, because employers in some industry categories can be very selective about the location of their business, the City needs to be able to provide prospective employers with a variety of options, indicating that additional job growth capacity will be needed above the General Plan job target in order to achieve that target.

Second, the report identified that different types of employment uses have different types of land demands. Because job growth in the Local Serving Industries cluster is tied to growth in the number of households, scenarios with a lower amount of housing growth result in a higher percentage of overall jobs going to Driving Industries and Business Support Industries and a corresponding proportional increase in the demand for Industrial/Warehouse, R&D/Low-Rise and Mid&High-Rise Office employment lands. In all scenarios, including the City's current General Plan, it appears that the City has in particular a deficit of Industrial/Warehouse lands based on the projected demand for this type of employment land.

### **Jobs / Employed Resident ("Jobs-Housing Balance")**

Implications of the City's currently low "Jobs per Employed Resident" (J/ER) ratio has been a predominant topic of Task Force discussion throughout the Envision process. Because of the known demand upon City services created by housing growth, the tax revenue associated with employment uses and the evidence that suggests a strong correlation between a city's jobs-housing balance and its fiscal health, the Task Force has taken a strong position that they want the General Plan update to promote a Jobs per Employed Resident ratio of at least 1.0 (equivalent to one job in San José for each employed resident of San José) as a way to help address some of the City's current fiscal shortfalls. Debate amongst the Task Force generally followed two themes, with some advocating for a General Plan with job and housing growth capacity that if realized would result in a significantly more jobs than employed residents (e.g., a Jobs / Employed Resident ratio greater than 1.0) with others advocating for a General Plan with job and housing growth capacity that would result in an overall balance (e.g., a Jobs / Employed Resident ratio equal to 1.0).

It is interesting to note that the current San José 2020 General Plan has a capacity equivalent to a 1.1 Jobs/Employed Resident due to the Council's actions to add capacity in North San Jose and Downtown a few years ago. At the time of adoption, the San José 2020 General Plan only had a capacity equivalent to 0.8, because, a ratio of 1.0 was not considered attainable; previous General Plans (Horizon 2000 and General Plan 1975) had set 1.0 as a goal.

Pursuing a Jobs / Employed Resident ratio greater than 1.0 is intended to achieve two important goals. First, as noted above, under the current California tax structure realizing a higher proportion of jobs (and retail) per resident should significantly improve the City's fiscal health. Santa Clara County cities with a high Jobs / Employed Resident ratio typically have more revenue with which to provide City services. Task Force members noted that San José bears the burden of a disproportionate

amount of the County's projected housing growth and expressed the belief that San José should reverse that trend. A second goal is the transformation of San José from a suburban "bedroom" community to a job based center for the Bay Area with livable neighborhoods. Traditionally large cities gain prominence and influence in large part because of the role they play within the local economy. San José is unique among large cities in that it exports more workers than it imports on a daily basis. (Based on 2000 Census data, of the 29 U.S. cities with a resident population of 500,000 or more, San José ranks last in J/ER ratio and is the only one with fewer jobs than employed residents. Attachment 6 is a table showing statistics for the complete list of 29 cities.) By planning for more or less jobs and housing growth capacity, the Envision 2040 San José General Plan update is a critical opportunity for San José to define itself as a city and, if desired, to plan for a significantly greater role in the regional economy.

Supporting the rationale for considering a "high" Jobs / Employed Resident ratio is the planned regional transportation infrastructure that can be expected within the timeframe of this General Plan. With a new "urban" airport, BART, and High Speed Rail, San José will have the transportation infrastructure to be a more attractive location for jobs and allow San José to conveniently "import" workers.

A high Jobs / Employed Resident ratio can be planned for by either increasing the General Plan job growth capacity or by reducing the household growth capacity. Proponents of providing adequate capacity to accommodate the projected housing growth argue that adequate and affordable housing capacity is needed to support job growth, to support the City's continued population growth and to support the regional economy. To achieve a jobs-housing balance in scenarios that provide significant housing capacity requires a very ambitious amount of jobs, significantly more than the demand projected by the demographers, raising concern that obtaining these jobs may be infeasible. There is also considerable risk that housing development could go forward per the capacity available while job development is unrealized, resulting in a significantly lower J/ER ratio. Including a phasing plan within the General Plan with triggers linking the availability of housing capacity to the development of jobs may possibly remedy this concern. In contrast, scenarios that achieve a high J/ER ratio by reducing housing capacity may indirectly stifle job growth by providing a lack of the affordable housing desired by employers for their employees. It will be useful to analyze scenarios that take both of these approaches into consideration in order to better understand the implications of each.

The Task Force regularly debated whether the housing and job capacities proposed in the various growth scenarios could be achieved, asking about recent jobs and housing development trends for comparison purposes. Task Force members also debated whether job growth could be achieved without comparable housing growth. The Task Force supports a vision of San José as a fiscally sustainable and world-class city, and agreed that San José should try to improve its J/ER ratio to at least 1.0 to help accomplish that vision.

Some Task Force members have advocated planning for a Jobs / Employed Resident ratio of 1.0 as a means of reducing potential environmental impacts. By promoting a more balanced community where opportunities are provided for people to live and work in the same city, the idea is that potential traffic impacts would be lessened, when compared to an unbalanced scenario and that residents would potentially feel more connected to the community. The Envision process should include analysis of at least one scenario that has a 1.0 J/ER to address this interest.

### **Location of New Growth**

The Task Force has consistently expressed a strong interest in minimizing the environmental impacts of the large amount of growth that San José is expected to experience, referencing smart growth principles as an important strategy. The use of growth strategies that reduce the overall projected amount of vehicle miles traveled (VMT; a measure of how much future residents and workers will need to drive) through an improved J/ER ratio and land use patterns that support transit use has emerged as an important Envision San José 2040 goal. Land use should in particular take advantage of BART and high-speed rail planned within the Envision 2040 time frame along with increased use of the existing transit system. For similar reasons, the Task Force has endorsed mixed-use development and strongly emphasized a desire to plan for a walkable community.

The Task Force has extensively discussed the use of a “hubs, corridors, and villages” strategy as a means of promoting targeted infill development sites and to distribute new development throughout the City. Building on the Vision’s goal for an interconnected city, the Task Force has discussed the importance of multi-modal transportation corridors linking a vibrant Downtown, high-intensity hubs, and local-serving neighborhood villages. The hubs, corridors, and villages intensification strategy is reflected in the Task Force’s Draft Guidelines, summarized above. The Task Force and members of the community have very consistently demonstrated a preference to accommodate all job and housing growth within the City’s Urban Growth Boundary (UGB).

Following Council consideration of this report, staff will provide additional information to the Task Force at their next meeting on the implications of planning growth at different locations corresponding to varying the intensities of growth in the selected Land Use Study scenarios and request Task Force input.

### **Task Force Recommended Scenarios for Analysis**

Prior to the Task Force Meeting on March 23<sup>rd</sup>, the Task Force had developed a list of 10 future growth scenarios (Scenarios A – J) for consideration (see Attachment 5). Three additional scenarios (K, L and M) were added during the meeting. At the meeting’s conclusion the Task Force members each voted for four scenarios and the four scenarios receiving the most votes were:

- **Scenario G (334,000 new jobs, 179,000 new dwelling units, 1.0 J/ER) – 29 votes.** This scenario was initially developed by staff to reflect the Task Force desire to plan for a Jobs-Housing balance, while also accommodating an amount of new housing growth capacity consistent with the Center for the Continuing Study of the California Economy (CCSCE) demand projection. To achieve a 1:1 J/ER ratio, job growth capacity is increased above the original and adjusted CCSCE projections. Several groups chose this scenario at the February 7, 2009 workshop and at the March 23<sup>rd</sup> Task Force Meeting it received the most votes from Task Force members as a scenario to be included for analysis in the next stage of the Envision process.
  
- **Scenario C (320,000 new jobs, 90,000 new dwelling units, 1.2 J/ER) – 18 votes.** This scenario was developed in response to feedback received at the February 7, 2009 workshop and presented to the Task Force at their March 9, 2009 meeting. This scenario provides new dwelling unit capacity consistent with the average amount of housing actually developed

within recent years (trendline) and job growth capacity adequate to achieve a 1.2:1 J/ER ratio. This scenario has more job growth than both the original and adjusted CCSCE projections.

- **Scenario E (334,000 new jobs, 137,000 new dwelling units, 1.1 J/ER) – 18 votes.** This scenario was developed as a product of the February 7, 2009 workshop at which several groups chose to modify the “More Jobs” scenario by reducing housing capacity to achieve a higher J/ER ratio. This scenario provides housing growth capacity less than the CCSCE projected demand but more than the current housing trendline. New job growth capacity exceeds the original and adjusted CCSCE projections.
- **Scenario F (432,000 new jobs, 60,000 new dwelling units, 1.5 J/ER) – 14 votes.** This scenario was developed from feedback received at the March 9, 2009 Task Force meeting. This scenario provides slightly less housing growth capacity than the current housing trendline. Because the identified amount of housing capacity is also slightly less than that in the existing San José 2020 General Plan, staff will recommend that if selected the scenario be modified to match the current General Plan housing capacity. To support a high J/ER ratio of 1.5, job growth capacity is provided much above the original and adjusted CCSCE projections.

The four Land Use Study scenarios receiving the most votes at the conclusion of the March 23<sup>rd</sup> Task Force meeting represent an interesting range in the amount of job and housing growth capacity and represent a range of potential Jobs / Employed Resident ratios, ranging from 1.0 to 1.5. Dwelling unit capacity ranges from a low of 60,000 to a high of 179,000 new dwelling units, and job growth capacity ranges from a low of 320,000 to a high of 432,000 new jobs. Attachment 5 describes each of the 13 growth scenarios considered by the Task Force, and it specifies the number of Task Force votes each scenario received. Attachment 7 provides a graph showing the job and dwelling unit growth for each of the scenarios, highlighting those that are recommended by staff and also identifying the four that received the most votes at the March 23<sup>rd</sup> Task Force meeting.

It is noteworthy that in each of the top four scenarios selected by the Task Force, the job growth capacity exceeds the projected job growth in the adjusted CCSCE numbers by at least 38,800 jobs. Staff considered whether this is appropriate and whether a lower job growth capacity, one closer to the job growth projections, should be evaluated as part of the environmental analysis. As noted earlier, it is desirable for the General Plan to designate employment lands with job capacity above the actual demand in order to provide sufficient flexibility for successful business attraction. Also, since it will be possible to ultimately, if desired, select a scenario with less growth capacity, staff has determined that it is not necessary to analyze a lower job growth option. Higher job growth could also be obtained if the local or regional economy performs better than projected or if San José is successful in obtaining an even greater share of the Bay Area job growth. The Envision San José 2040 process could have a significant impact on the second variable, as policies promoting job growth could steer additional employment uses to San José rather than to other areas in the region.

As stated above, Land Use Study scenarios should be selected that will provide data for a meaningful comparison of different growth options. To this end, the Task Force, with staff concurrence, expressed a preference that the selected scenarios hold some variables constant while others are modified. Having a constant between scenarios isolates a variable, thereby showing what impacts result from a change in one capacity level. The recommended scenarios generally accomplish this goal.

While the voting exercise is a very useful tool for identifying which scenarios are of interest to Task Force members, the four scenarios receiving the greatest number of votes may not necessarily best represent the diversity of issues of interest to the Task Force. The scenarios recommended by the Task Force meet the objectives of covering both high job growth and high housing growth alternatives. The recommended scenarios also include achievement of a high Jobs / Employed Resident (J/ER) ratio through both the approach of increasing job growth and of decreasing housing growth. In further evaluation of the Task Force voting results and consideration of the role the scenarios will play in establishing CEQA clearance for the future Task Force and Council decision making process, staff recommends two slight modifications to the set of four Land Use Study scenarios, replacing the first, Scenario G with Scenario E and replacing the fourth, Scenario F, with Scenario J, using the lower end of the range of jobs included within this scenario (1.5 J/ER). Scenario F has the same Jobs / Employed Resident ratio (1.0) as Scenario G, but is based on the more recent ABAG *Projections 2009*, in place of the earlier CCSCE projection for housing demand. Scenario J has the same Jobs / Employed Resident ratio as Scenario F (1.5), but covers additional job and housing growth capacity.

**Staff Recommends Substituting Scenarios F and G with Scenarios J and K, respectively**

Staff supports the scenarios identified by the Task Force with the exception of Scenarios F and G. Page 3 contains a chart that plots all of the scenarios on a graph. The chart depicts the alignment of scenarios to different Jobs / Employed Resident targets. This depiction is useful to determine if the selected scenarios provide a workable growth “envelope” for the environmental, fiscal, and economic analyses.

Substitute Scenario F with Scenario J: Scenario F provides housing growth capacity for 60,000 new units, less than the 70,000 currently provided by the San José 2020 General Plan. Staff recommends if Scenario F is chosen for study, that it be slightly modified to align with the current General Plan capacity so that existing development capability will not need to be removed. To keep constant the J/ER ratio of 1.5, new job capacity for this scenario would also need to increase from 432,000 to 454,500 new jobs. For various reasons discussed below, staff is not recommending that Scenario F be studied, however, should the Council choose to recommend that Scenario F be studied, staff suggests that the above modifications be incorporated.

While Scenario F received the fourth highest total of votes (10 votes) by Task Force members, a greater number of votes were given in total (26 votes) to the three higher growth scenarios (Scenarios H, I and J). Since approximately two-thirds of Task Force members voted for one of these three scenarios, it suggests continuing interest amongst the Task Force in considering higher growth options. Scenario J, which received 10 votes as compared to the 14 received by Scenario F, is the most similar of the high growth scenarios to Scenario F, and as a scenario likely to have a greater degree of environmental impact would also provide significant flexibility for future decision making if included in the CEQA review.

Scenario J may also provide for more useful analysis than Scenario F. In Scenario J, the capacity for 90,000 new housing units aligns exactly with the housing unit capacity of another scenario, Scenario C, also selected by the Task Force. With dwelling unit capacity a constant, evaluation of Scenarios C

and J would isolate job growth as the single variable and would provide direct insight into the impacts resulting from an independent increase in the job capacity.

Staff is also concerned that Scenario F does not include sufficient housing capacity to allow residential development to continue at the historic average (trendline), well below the projected demand for housing. Finally, staff has a concern that while it may be useful to analyze a scenario with a 1.5 J/ER ratio, it is likely less useful to do so with one that does not provide for any additional housing growth beyond the current General Plan capacity.

Substitute Scenario G with Scenario K: Staff is recommending that Scenario G be replaced by Scenario K (ABAG Projections) as one of the scenarios for further analysis. The two scenarios are similar, both resulting in a J/ER ratio of approximately 1.0, but Scenario K aligns with the more recent ABAG *Projections 2009* and in staff's analysis, represents a more realistic potential future growth scenario for San José. Scenario G includes housing growth capacity equivalent to the amount of demand projected by CCSCE and an amount of job growth selected to result in a J/ER ratio of 1.0. Scenario K uses the jobs and housing projections developed by ABAG for *Projections 2009*.

Looking more closely at actual conditions in San José suggests that it may not be feasible for San José to actually achieve the amount of housing growth described in either Scenario G or Scenario K. Most notably, full build-out of Scenario G would require construction of approximately 6,000 units per year for the next 30 years. In contrast approximately only 3,000 units on the average have been built in San José each year for the past 10 years, suggesting that market conditions likely would not support the production of housing units at the level needed to fulfill Scenario G. Using Scenario K is therefore preferable in that it includes a less ambitious amount of housing growth and also would potentially align with other planning efforts based on ABAG's projections.

#### **No Applications Submitted for Major Expansions of San José's Urban Growth Boundary**

At the initiation of the comprehensive update of the City's General Plan, the City Council provided specific direction not to include expansions of the Greenline/Urban Growth Boundary (UGB) within the work program to be completed by City Staff and the Council-appointed Envision San José 2040 Task Force. However, in accordance with the City of San José Municipal Code Chapter 18.30, a request for a significant modification of the UGB must be considered as part of a comprehensive General Plan update. In order to be included in the Envision San José 2040 General Plan Update process, and for evaluation in the associated Environmental Impact Report, privately initiated applications for significant UGB modification were required to be filed by March 13, 2009. Prior to the filing deadline letters were mailed to property owners that previously inquired about the UGB modification process, informing them about the filing requirements. Notices were also posted in the Mercury News, on the Planning Division and Envision San José 2040 websites, and provided as announcements at Envision Task Force meetings. No applications were received.

#### **Next Steps**

While the growth scenarios are undergoing environmental, fiscal and economic analyses, the Task Force will begin working on the next phase of the Envision San José 2040 process. The next phase includes drafting the goals and policies, implementation actions, and performance measurements and monitoring methodology that will form the basis for the Draft Envision San José 2040 General Plan.

### **Conclusion**

As discussed above, staff is recommending that the Council accept this status report as acknowledgement of the accomplishments of the Envision San José 2040 process and provide direction to proceed with environmental, fiscal and economic analyses of the following four proposed growth study scenarios as recommended by staff:

- Scenario K “ABAG” (313,000 new jobs, 160,000 new dwelling units, 1.0 J/ER)
- Scenario C “Housing Trendline & More Jobs” (320,000 new jobs, 90,000 new dwelling units, 1.2 J/ER)
- Scenario E “More Jobs & Less Housing” (334,000 new jobs, 137,000 new dwelling units, 1.1 J/ER)
- Scenario J “Housing Trendline and Large Job Surplus” (499,500 new jobs, 90,000 new dwelling units, 1.5 J/ER)

In addition to the proposed four scenarios, the existing San José 2020 General Plan will undergo the same level of analysis. The San José 2020 General Plan has a growth capacity of 229,000 new jobs and 70,000 new dwelling units, and, when combined with existing development, would result in a 1.1 Jobs / Employed Resident ratio.

Analysis of these four scenarios will provide useful information to further the work of the Envision San José 2040 Task Force. These four scenarios will allow for testing of a wide range of potential job and housing growth options that could lead to a Jobs / Employed Resident ratio of between 1.0 and 1.5. Such an increase in the J/ER ratio is consistent with the City’s goals for promoting fiscal sustainability and promoting San José as a regional employment center, a center of innovation and the Capital of the Silicon Valley.

### **POLICY ALTERNATIVES**

Staff has identified the following policy alternatives to the staff recommendation, with a Pro and Con for each alternative, as well as the reason for not selecting the given policy alternative.

**Alternative #1:** Direct staff and the Task Force to proceed with an alternative set of Task Force and staff developed Land Use Study scenarios for environmental, fiscal and economic analyses. The alternative set could align with the Task Force recommendations or include some other combination from the list of scenarios developed by the Task Force.

**Pros:** Providing alternative Council direction at this point in the process may provide the Task Force and staff with a clearer understanding of the Council’s preference for the amount of job and housing capacity to include in the General Plan at the conclusion of the update process.

**Cons:** Alternative scenario recommendations by the Council may not take full benefit of the work conducted by the Task Force over the last year and half. Furthermore, depending on which are selected, the alternative new scenarios could unfavorably restrict the future growth capacity options available for consideration by the Task Force and Council.

**Reason for not recommending:** As discussed in the Analysis section above, staff has used the work of the Task Force to identify a set of four scenarios for analysis that can best serve as a basis for analyzing the impacts of different job and housing growth scenarios consistent with the goal of improving the City's Jobs/Employed Resident balance. The scenarios developed by the Task Force and staff would also provide environmental clearance, as required under CEQA, for a wide range of possible growth scenarios.

**Alternative #2:** Direct staff to return to the Task Force to develop new or modified Land Use Study scenarios based upon new or additional direction provided by the Council.

**Pros:** Providing alternative Council direction at this point in the process may provide the Task Force and staff with a clearer understanding of the Council's preference for the amount of job and housing capacity to include in the General Plan at the conclusion of the update process. The Task Force and staff could then work together to develop an alternative set of recommended scenarios for further analysis.

**Cons:** Extending the scenario selection process would significantly impact the Envision 2040 schedule and would require renegotiation of the City's contracts with environmental, fiscal and economic consultants. Time extensions would also require additional General Fund resources to support staff work to complete the Update.

**Reason for not recommending:** Sufficient analysis has been performed by the Task Force to formulate a set of four Land Use Study scenarios that serve as the basis for additional analysis. Modification of the project schedule will have significant budget and timeline impacts. Because these scenarios are only being used for the purposes of performing further analysis, Council input can be incorporated into the ongoing process without the need to modify the recommended set of study scenarios at this time.

#### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

Significant and regular community outreach has occurred as part of the Envision San José 2040 process. Prior to each Task Force meeting, e-mails are sent to a subscription list that consists of approximately 600 individuals who have subscribed online or at a Task Force or community meeting. All Task Force meeting agendas and materials are posted on the Envision San José 2040 website in advance of the meeting, and synopses and audio recordings of meetings are posted online following each meeting. In addition to the above notification, additional outreach has occurred for community workshops, including the Task Force and Community Workshop on February 7, 2009. Email outreach for workshops was coordinated with the City Council offices, the Mayor's Office and with the Neighborhood Development Center in the City Manager's Office.

The Envision San José process has been coordinated with a number of outside agencies, including the Santa Clara Valley Water District, the various School Districts, Santa Clara County and the California Department of Transportation. Staff has been working particularly closely with the Valley Transportation Authority on the development of the Draft Land Use/Transportation Scenarios.

### **COORDINATION**

The preparation of this memorandum has been completed in coordination with the City Attorney's Office, the City Manager's Budget Office, the Office of Economic Development, the Housing Department, the Department of Transportation and the Redevelopment Agency.

### **FISCAL/POLICY ALIGNMENT**

The General Plan is the City's primary fiscal/policy document upon which all other City policies are based. Updating the General Plan is an opportunity for the City to determine the future fiscal and policy direction of the City. The Task Force and staff are working together to develop a General Plan update consistent with direction provided by the City Council when it launched the Envision San José 2040 process and consistent with the Council's funding actions. The Task Force has developed a draft Vision for the Envision San José 2040 process and has identified the improvement of the City's fiscal condition as a key goal for the General Plan update, consistent with current City policies and goals.

### **COST SUMMARY/IMPLICATIONS**

Council direction at this time to proceed with the analysis of up to four growth study scenarios will allow staff to provide data to the environmental, fiscal and economic consultants consistent with the terms of the City's current contracts with those consultants. Based on the scope of those contracts, staff is scheduled to complete the Envision San José 2040 process in June of 2011. Funding for City staff is currently approved through June 2010, so completion of the Envision process is anticipated to require additional one-time funding for staff resources and will be addressed as part of the 2010-2011 budget, if necessary.

### **BUDGET REFERENCE**

Not Applicable

HONORABLE MAYOR AND CITY COUNCIL

**Subject: Envision San José 2040 Status Report and Identification of Growth Study Scenarios**

April 9, 2009

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**CEQA**

Not a project. The proposed action will allow staff and the consultants to proceed with the analysis of potential environmental impacts as required by CEQA.

  
fr JOSEPH HORWEDEL, DIRECTOR  
Planning, Building and Code Enforcement

For questions please contact Andrew Crabtree, Principal Planner at 408-535-7893.

Attachments

## Attachment 1



### Guiding Principles

**Economic Development** – Maximize the economic and revenue generation potential of the City's land resources and employment opportunities for San Jose residents.

**Growth Management** – Balance the urban services and facilities demands of new development with the need to address the City's fiscal stability through the operating and capital budget process.

**Downtown Revitalization** – Invigorate Downtown as San Jose's cultural center with a mix of housing, employment, convention and visitor amenities, museums, parks, linkages to San Jose State University, etc.

**Urban Conservation/Preservation** – Protect and enhance San Jose's neighborhoods and historic resources to promote community identity and pride.

**Greenline/Urban Growth Boundary** – Preserve land that protects water, habitat, and agricultural resources and/or offers recreational opportunities, as well as to preserve the scenic backdrop of the hillsides surrounding San Jose.

**Housing** – Provide a wide variety of housing opportunities to meet the needs of all economic segments of the community in stable neighborhoods.

**Sustainable City** – Manage, conserve and preserve natural resources for present and future generations. Identify opportunities to enhance the City's sustainability policies through the implementation of the Urban Environmental Accords.

**Social Equity** - Cultivate ethnic, cultural and socio-economic diversity and equity in the planning for all public facilities and services to protect and enhance the quality of life for all San Jose residents.

# DRAFT

## Innovative Economy

San Jose's economy thrives on innovation, providing ample fiscal resources for a vibrant community.



*San Jose embodies the energy and vitality of its unique human, natural and economic resources.*

## Diversity and Social Equity

San Jose celebrates, embraces and involves a diverse blend of cultures and achieves social, cultural and economic equity.

## Healthy Neighborhoods

San Jose's neighborhoods are attractive, affordable, and safe places to live with engaged community members.

## Quality Education and Services

San Jose residents and businesses receive a broad range of high quality services and enjoy excellent educational opportunities for all.

## Environmental Leadership

San Jose is a model of an environmentally sustainable and healthy city, a leader in green technology and a vigilant steward of its resources for present and future generations.

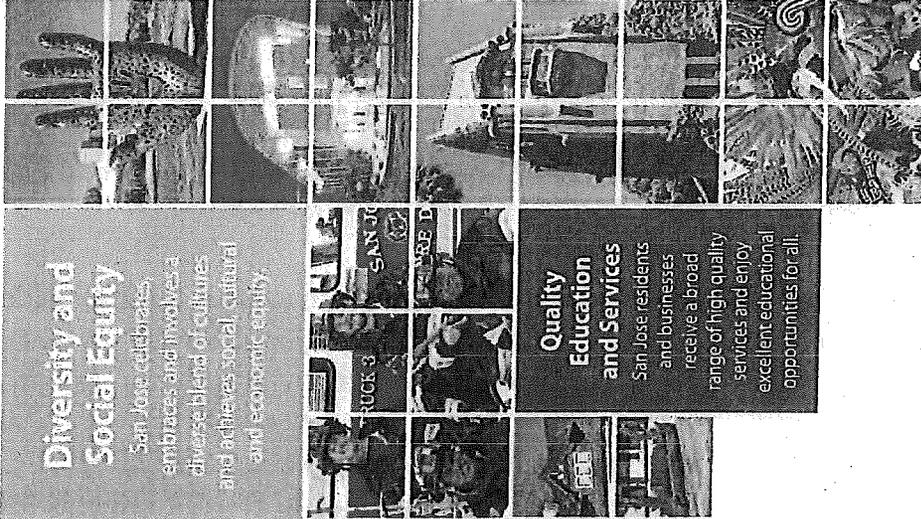
## Interconnected City

The activities of daily life are in close proximity and easily accessible by walking, bicycling and public transit.

# ENVISION SAN JOSE 2040

## Vibrant Arts and Culture

San Jose is a vibrant center for multi-faceted arts and cultural programs celebrating its heritage and inspiring the creative energy of the community and rich quality of life.



## Attachment 3



### Current Working Draft of Land Use/Transportation Scenario Guidelines September 15, 2008

#### Notes:

- *The Guidelines are a tool to:*
  - *provide direction in the preparation of land use/transportation growth scenarios*
  - *inform the development of Goals and Policies*
- *All of the Guidelines have equal weight; the numbering just facilitates discussion.*
- *They are organized by vision theme to facilitate discussion, recognizing that many of them support more than one theme.*

#### A. Interconnected City

1. Plan for people not just cars: Establish a land use/transportation fabric that promotes increased walking, bicycling, and public transit use and does not give priority to the automobile.
2. Locate \_\_\_ % (TBD) of new residential and employment growth within existing, planned, and proposed transit corridors, focusing on areas close (i.e. between 2000 and 3000 feet) to transit stations.
3. Create walkable and bike friendly “neighborhood villages” (e.g., The Alameda): Enhance established neighborhoods by integrating a mix of uses within or adjacent to neighborhoods including retail shops (e.g., grocery stores), services, employment opportunities, public facilities and services, housing, places of worship, parks and public gathering places.
4. Create complete and vibrant “regional hubs”: Integrate a mix of high density housing, employment, and services within existing key commercial areas (e.g., the Oakridge area) to create dynamic urban settings.
5. Reinforce and strengthen Downtown San Jose as the symbolic heart of San Jose and as an employment, entertainment and cultural center, with appropriate housing.
6. Create a positive identity for San Jose by creating a consistent urban design character for each of the major corridors that connect San Jose’s “neighborhood villages” and regional hubs and link San Jose with its neighboring cities.
7. Reinforce riparian corridors, and enhance open spaces and natural features that can weave the many varied areas of the city together.

8. Integrate employment and residential land uses, in particular, by locating employment uses in areas of the city that are predominately residential.

**B. Innovative Economy**

9. Provide sufficient quantities and types of employment lands to accommodate \_\_\_% (TBD) new jobs, which is an employment growth level that is \_\_\_% (TBD) higher than current projections.
10. Create complete employment areas that also include business support uses, mixed uses, public and private amenities, restaurants and retail services that serve both adjacent businesses and the employees of these businesses.
11. Ensure that the General Plan provides the type and quantity of lands necessary to meet the projected needs of businesses that drive innovation.
12. Provide sufficient quantity and types of housing land to accommodate the city's projected population and to meet the needs of the city's future workforce.
13. Reinforce Downtown, North San Jose, Edenvale, and the Monterey Corridor as key employment areas.
14. Ensure that sufficient light and heavy industrial lands are available to meet the projected needs of residents and businesses.
15. Provide employment lands that accommodate more than the 25,000 clean tech job goal established in the Green Vision.
16. Provide a sufficient quantity of land to accommodate the projected retail demands of residents and businesses.

**C. Environmental Leadership**

17. Maintain the existing Urban Growth Boundary.
18. Protect and enhance the natural open space areas (i.e. creeks, hillsides, ridge lines and baylands) that contribute to a positive identity for San Jose.
19. To implement AB32, the California Global Warming Solutions Act, establish a land use/transportation fabric that achieves a \_\_\_ % (TBD) reduction in motor vehicle miles traveled and a \_\_\_ % (TBD) reduction in the emission of greenhouse gases from motor vehicles.
20. Protect and enhance existing riparian corridors within the Urban Growth Boundary and within documented habitat areas outside of the Urban Growth Boundary.

21. Create opportunities for uses that support a self-sufficient city in terms of waste management, energy generation, and resource use and conservation, including water conservation and supply.

**D. Healthy Neighborhoods**

22. Promote the public health of the City's residents by developing a land use/transportation framework that promotes walking, biking and the use of public transit, facilitates access to parks and recreation opportunities, and creates community gathering spaces that allow for increased interaction with neighbors.
23. Develop a sustainable food system, in part, by providing access to healthy food, including locations for locally grown produce.

**E. Quality Services**

24. Focus growth in developed areas where existing infrastructure (e.g., sewers, water lines, and transportation facilities), and City facilities and services (e.g., libraries, parks and public safety) are already available, resulting in maximum efficiency.
25. Provide adequate land for schools, health care facilities, places of worship, and other community activities.
26. Provide adequate land for needed public facilities including facilities for solid waste management, wastewater treatment, recycling, and emergency services training.
27. Ensure a fiscally sustainable City, in part, by providing adequate land for uses that generate revenue for the City.
28. Do not locate new development in areas that would impact the city's water supply system which includes watersheds, well fields and percolation ponds.

**F. Vibrant Arts and Culture**

29. Preserve and enhance neighborhoods and other areas of the City that provide San Jose with a sense of identity and a historic and cultural richness.

**G. Diversity and Social Equity**

30. Distribute a wide variety of housing types, both throughout the city as well as within individual communities, which meet the needs of an economically, demographically and culturally diverse population.
31. Provide land for a diversity of jobs to meet the employment needs of a demographically diverse population.
32. Locate parks, libraries, health facilities and other public facilities equitably throughout the city.

**Task Force and Community Workshop (Saturday, February 7, 2009)**

After a brief review of the current General Plan's growth capacity and the job and population growth projections developed by the Envision consultants, Task Force and community members took part in a facilitated growth planning exercise. For the exercise, participants were divided into 14 table groups of up to eight and as a group were asked to consider how much job and housing growth to accommodate in San José through 2040 and where to locate that growth. Participants at each table were given a base map of the City with highlighted potential growth areas, and a supply of blue blocks to represent job growth and brown blocks to represent housing growth and four possible growth scenarios to be used as a starting point for discussion ("Base Projections", "More Jobs", "Less Housing" and "Jobs Surplus"). At the conclusion of the Workshop, a representative of each table group presented the group's work to the other Workshop attendees.

A significant amount of information was collected through this Workshop. While each table group varied in their recommendations for the amount of job and housing growth capacity the City should consider, two approaches were notably popular. A significant number of the groups selected the "More Jobs" scenario, which provided future housing capacity equivalent to the amount of demand projected by the Envision consultant and job capacity above the projected demand and sufficient to reach an overall Jobs/Employed Resident balance (1 job per employed resident). A slightly more popular approach was to plan for the same number of jobs in the "More Jobs" scenario, but to reduce the amount of housing growth capacity to a level below the projected demand, yielding a Jobs/Employed Resident ratio greater than 1.0. This approach became the basis of the "More Jobs/Less Housing" scenario considered by the Task Force at successive meetings. In terms of the location for new growth, some groups placed more emphasis on the larger planned growth areas (e.g., Downtown, North San Jose) and transit corridors, while others placed more emphasis on dispersing growth within the identified "Village" areas, but in general the approaches taken by each group showed considerable consensus in favor of planning for growth at infill and transit-oriented locations and definitively not within the urban reserves or outside of the City's current growth boundary.

**Task Force Meeting #19a (Monday, February 23, 2009)**

After a presentation summarizing the Workshop results, the Task Force discussed the purpose and process for selecting up to four growth scenarios and identified additional scenarios for consideration. The Task Force found it particularly helpful to focus on the scenarios as a starting point for additional analysis, rather than as a definitive representation of the Task Force's recommendation. The Task Force considered that since the four scenarios will be used for the analysis of potential environmental impacts, as required under CEQA, they will provide an upper limit in terms of environmental impact for the options under consideration going forward. Also, the Task Force considered that the four scenarios should test issues of interest to the Task Force, as detailed analysis will be provided for each scenario that will be very informative to the Task Force decision making process.

The Task Force requested consideration of a scenario or scenarios that correlate future housing capacity to the average number of dwelling units actually constructed within the City each year. This request came from the observation that the number of dwelling units that would need to be added each year to reach the "Base Projections" or "More Jobs" scenario (approximately 6,000 units per year) is generally double the average number of housing units that have actually been built in recent years. As a result of this request, "Housing Trendline" scenarios were added to the set of scenarios being considered by the Task Force.

The Task Force gave considerable attention to the desired Jobs/Employed Resident ratio and its correlation to the City's fiscal health. Some Task Force members expressed concern that any scenario that didn't include adequate housing supply could become a barrier to job growth while others were equally concerned that any scenario with high housing capacity could lead to a further imbalance in the City's jobs-housing balance and further undermine the City's ability to provide services to its residents.

The Task Force also further affirmed the desire to plan for growth around transit facilities, including future BART and in particular the High Speed Rail station, so as to maximize the potential for transit ridership and to minimize vehicle traffic to the extent feasible.

#### **Task Force Meeting #19b (Monday, March 9, 2009)**

The Task Force, at their request, was provided with data on historic job and housing growth trends, an evaluation of the accuracy of past demographic projections, and an evaluation of the degree to which planned job and housing growth projections were realized within the planning time frame of previous General Plan updates. Staff also provided a brief presentation on key transportation investments and a presentation on the projected demographic composition of future households.

The Task Force then divided into five facilitated discussion groups and were asked as a group to answer four key questions as a means of further defining what future growth scenarios should be analyzed. The four questions addressed: 1) a range of growth options for North Coyote Valley; 2) the location of future Light and Heavy Industrial Lands; 3) maximum and minimum growth scenarios for consideration; and 4) possible strategies for the development of parks and open space. Community members in attendance formed two groups that undertook the same exercise and reported out their answers to these questions as part of the public comment. Additional potential Land Use Study scenarios were identified by several of the discussion groups and added to the list under consideration by the Task Force.

#### **Task Force Meeting #20 (Monday, March 23, 2009)**

Task Force members were provided with a summary of the discussion from each group at the previous meeting, along with a report on the projected demand for different types of employment lands related to the various scenarios under consideration. The Task Force then discussed this information, further discussed potential growth scenarios for consideration and at the conclusion of the meeting voted on which four scenarios to take

forward for further analysis. The importance of the Jobs / Employed Resident balance continued to be a key topic of discussion, with Task Force members considering both the implications for the City's future fiscal health as well as the environmental impacts associated with scenarios that attempt to attain a balanced community with an equal number of jobs and employed resident and those that attempt to establish San José as a regional employment center with a greater share of jobs per employed resident. Some Task Force members wanted to limit consideration to scenarios that would achieve a Jobs / Employed Resident ratio of greater than one, but a majority voted to keep all scenarios in consideration. The Task Force members were each given four votes and encouraged to vote for a scenario that represented the maximum amount of growth potential, a scenario that represented the minimum amount of growth potential, and two intermediate scenarios that described factors or concepts that would be interesting or helpful to analyze. At the conclusion of the voting, four scenarios ("More Jobs", "Housing Trendline & More Jobs", "More Jobs & Less Housing" and "Less than Housing Trendline & More Jobs" in order of voting preference) were identified as the four study scenarios preferred by a majority of the Task Force members.

**Attachment 5  
Reference Growth Scenarios**

**Envision San Jose 2040**  
March 23, 2009 Task Force Meeting

Scenario	Growth Capacity	Total Capacity (Growth + 396,000 Jobs and 308,000 Dwelling Units)	Jobs/Employed Resident*	Notes
San Jose 2020 General Plan (No Project)	229,000 New Jobs 70,000 New Dwelling Units	625,000 Jobs 567,000 Employed Residents* 378,000 Dwelling Units	1.1	This will be included in the EIR/CEQA analysis as the "no project" alternative.
"CCSCE Projections"	174,000 New Jobs 179,000 New Dwelling Units	570,000 Jobs 730,500 Employed Residents* 487,000 Dwelling Units	0.8	The CCSCE report only projected household and job growth. Dwelling unit numbers are derived from the household projection.
"ABAG Projections 2009"	312,980 New Jobs (2035) 160,315 New Dwelling Units (2035)	708,980 Jobs 702,473 Employed Residents* 468,315 Dwelling Units	1.0	For 2009, ABAG revised their projections, allocating an additional share of Bay Area job growth to the City of San Jose. These projections are for 2035, not 2040. Dwelling unit projection is derived from ABAG's household projection.
"CCSCE Adjusted Projections"	281,200 New Jobs 179,000 New Dwelling Units	677,200 Jobs 730,500 Employed Residents* 487,000 Dwelling Units	0.9	The CCSCE projections used ABAG Projections 2007's percentage of Bay Area job growth assigned to San Jose. For 2009, ABAG adjusted that percentage, so the "CCSCE Adjusted Projections" reflects this change in methodology to project San Jose's job growth for 2040.

\* "Employed residents" is calculated as 1.55 employed residents per household (also equal to 1.5 employed residents per dwelling unit). Generally the number of employed residents per household is an output of projections for job and population growth. Higher or lower ratios of employed resident per household would affect the Jobs/Employed Resident ratio corresponding to the amount of job and household capacity in each scenario.

Notes: - Additional discussion of ABAG Projections 2009 & the "CCSCE Adjusted Projections" are available online in the "Job Growth Projections and Employment Land Demand" report, accessible from the March 23, 2009 GPTF materials.  
- To account for vacancy rates, total households are approximately 3.14% less than total housing units.

# Attachment 5: Identified Growth Scenarios – Summary & Voting Results

Envision San Jose 2040  
From March 23, 2009 Task Force Meeting

Generally listed from least to most intensive growth, excepting Scenarios K, L, & M.

Scenario	Growth Capacity	Total Capacity (Growth + 396,000 Jobs and 308,000 Dwelling Units)	Jobs/ Employed Resident*	# of Task Force Votes	Description
A	201,000–210,000 New Jobs 90,000–96,000 New Dwelling Units	597,000–606,000 Jobs 597,000–606,000 Empl. Res.* 398,000–404,000 Dwelling Units	1.0	0	<ul style="list-style-type: none"> <li>Developed from feedback received at the 3/9/09 GPTF meeting.</li> <li>Includes new dwelling unit capacity adequate to allow an amount of development consistent with the average amount constructed in recent years (current housing trendline**).</li> <li>Provides job growth capacity adequate to achieve a 1:1 J/ER ratio for the trendline** housing capacity.</li> <li>New job and new housing capacity would be less than the capacity of the existing SJ 2020 GP.</li> </ul>
B	271,500 New Jobs 137,000 New Dwelling Units	667,500 Jobs 667,500 Employed Residents* 445,000 Dwelling Units	1.0	3	<ul style="list-style-type: none"> <li>Developed from feedback received at the 3/9/09 GPTF meeting.</li> <li>Modifies “More Jobs &amp; Less Housing” scenario by reducing total amount of job capacity to amount needed to achieve a 1:1 J/ER ratio.</li> <li>Has more job growth than the “CCSCE Projection” but less than the “Adjusted CCSCE Projection.”</li> <li>Has more job growth than the existing SJ 2020 GP.</li> </ul>
C	320,000 New Jobs 90,000 New Dwelling Units	716,000 Jobs 597,000 Employed Residents* 398,000 Dwelling Units	1.2	18	<ul style="list-style-type: none"> <li>Developed by staff in response to feedback received at the 2/7/09 workshop and presented to the GPTF at their 3/9/09 meeting.</li> <li>Provides new dwelling unit capacity consistent with the current housing development trendline**.</li> <li>Provides job growth capacity adequate to achieve a 1.2:1 J/ER ratio.</li> <li>Has more job growth than both the original and adjusted CCSCE projections.</li> </ul>
D	334,000 New Jobs 105,000 New Dwelling Units	730,000 Jobs 619,500 Employed Residents* 413,000 Dwelling Units	1.17	9	<ul style="list-style-type: none"> <li>Developed from feedback received at the 3/9/09 GPTF meeting.</li> <li>Modifies “More Jobs &amp; Less Housing” scenario by reducing housing growth capacity to achieve a 1.2 J/ER ratio.</li> <li>Housing growth capacity below the CCSCE projections but above the current housing trendline**.</li> <li>Job growth capacity above original and adjusted CCSCE projections.</li> </ul>
E	334,000 New Jobs 137,000 New Dwelling Units	730,000 Jobs 667,500 Employed Residents* 445,000 Dwelling Units	1.1	18	<ul style="list-style-type: none"> <li>Developed by staff in response to input received at the 2/7/09 workshop and presented to the GPTF at their 3/9/09 meeting.</li> <li>Modified “More Jobs” scenario by reducing housing capacity to achieve a higher J/ER ratio.</li> <li>Provides housing growth capacity less than the CCSCE projected demand but more than the current housing trendline**.</li> <li>New job growth capacity would exceed the original and adjusted CCSCE projections.</li> </ul>

## Attachment 5: Identified Growth Scenarios – Summary & Voting Results

Envision San Jose 2040  
From March 23, 2009 Task Force Meeting

Generally listed from least to most intensive growth, excepting Scenarios K, L, & M.

Scenario	Growth Capacity	Total Capacity (Growth + 396,000 Jobs and 308,000 Dwelling Units)	Jobs/ Employed Resident*	# of Task Force Votes	Description
F	432,000 New Jobs 60,000 New Dwelling Units	828,000 Jobs 552,000 Employed Residents* 368,000 Dwelling Units	1.5	14	<ul style="list-style-type: none"> <li>Developed from feedback received at the 3/9/09 GPTF meeting.</li> <li>Projects less housing unit growth capacity than the current housing trendline** and less than the capacity of the existing SJ 2020 GP.</li> <li>High J/ER ratio of 1.5, so job growth capacity increased well above the original and adjusted CCSCE projections.</li> </ul>
G	334,000 New Jobs 179,000 New Dwelling Units	730,000 Jobs 730,500 Employed Residents* 487,000 Dwelling Units	1.0	29	<ul style="list-style-type: none"> <li>Developed by staff in response to input received at the 2/7/09 workshop and presented to the GPTF at their 3/9/09 meeting.</li> <li>Provides an amount of new housing growth capacity consistent with the CCSCE demand projection.</li> <li>1:1 J/ER ratio, so job growth capacity is increased above the original and adjusted CCSCE projections.</li> </ul>
H	405,000 New Jobs 137,000 New Dwelling Units	801,000 Jobs 667,500 Employed Residents* 445,000 Dwelling Units	1.2	10	<ul style="list-style-type: none"> <li>Developed from feedback received at the 3/9/09 GPTF meeting.</li> <li>Modifies "More Jobs &amp; Less Housing" scenario by reducing housing growth capacity below housing growth demand identified in CCSCE projection, but above the current housing trendline**.</li> <li>High J/ER ratio of 1.2:1, so jobs growth capacity is provided to exceed the original and adjusted CCSCE projections for demand.</li> <li>Provides more jobs than "More Jobs &amp; Less Housing" scenario, thus has a higher J/ER ratio.</li> </ul>
I	479,000 New Jobs 179,000 New Dwelling Units	875,000 Jobs 730,500 Employed Residents* 487,000 Dwelling Units	1.2	6	<ul style="list-style-type: none"> <li>Developed by staff in response to feedback received at the 2/7/09 workshop and presented to the GPTF at their 3/9/09 meeting.</li> <li>Provides an amount of new housing growth capacity consistent with the CCSCE demand projection.</li> <li>1.2:1 J/ER ratio, so job growth capacity is significantly increased above original and adjusted CCSCE projections.</li> </ul>
J	499,500 (Low) – 798,000 (High) New Jobs 90,000 New Dwelling Units	895,500 (Low) – 1,194,000 (High) Jobs 597,000 Employed Residents* 398,000 Dwelling Units	1.5 – 2	10	<ul style="list-style-type: none"> <li>Developed from feedback received at the March 9, 2009 GPTF meeting.</li> <li>Provides new dwelling unit capacity consistent with the current housing trendline**.</li> <li>Provides job growth capacity sufficient to allow a very high J/ER ratio in the range of 1.5:1 to 2:1.</li> <li>Job growth capacity would far exceed the original and adjusted CCSCE projections for demand.</li> </ul>

# Attachment 5: Identified Growth Scenarios - Summary & Voting Results

Envision San Jose 2040  
From March 23, 2009 Task Force Meeting

Generally listed from least to most intensive growth, excepting Scenarios K, L, & M.

Scenario	Growth Capacity	Total Capacity (Growth + 396,000 Jobs and 308,000 Dwelling Units)	Jobs/ Employed Resident*	# of Task Force Votes	Description
K	312,980 New Jobs (2035) 160,315 New Dwelling Units (2035)	708,980 Jobs 702,473 Employed Residents* 468,315 Dwelling Units	1.01	3	<ul style="list-style-type: none"> <li>o ABAG Projections 2009.</li> <li>o Allocates an additional share of Bay Area job growth to the City of San Jose.</li> <li>o Projections are for 2035, not 2040.</li> <li>o Dwelling unit projection derived from ABAG's household projection.</li> </ul>
L	281,200 New Jobs 179,000 New Dwelling Units	677,200 Jobs 730,500 Employed Residents* 487,000 Dwelling Units	0.9	2	<ul style="list-style-type: none"> <li>o Adjusted CCSCE projections using ABAG Projections 2009's percentage of Bay Area job growth assigned to San Jose.</li> <li>o Matches the maximum number of dwelling units evaluated in any scenario.</li> </ul>
M	180,000 New Jobs 60,000 New Dwelling Units	576,000 New Jobs 552,000 Employed Residents* 368,000 New Dwelling Units	1.04	6	<ul style="list-style-type: none"> <li>o Suggested by GPTF Member at the 3/23/09 meeting.</li> <li>o Would analyze the lowest number of dwelling units under consideration while maintaining a greater than 1 J/ER ratio.</li> <li>o Presents the least intensive growth of all potential scenario options.</li> </ul>

\* "Employed residents" is calculated as 1.55 employed residents per household (also equal to 1.5 employed residents per dwelling unit). Generally the number of employed residents per household is an output of projections for job and population growth. Higher or lower ratios of employed resident per household would affect the Jobs/Employed Resident ratio corresponding to the amount of job and household capacity in each scenario.

\*\*\* Housing trendline projection continues dwelling unit growth at the same rate as the average number of dwelling units built between FY99/00 and FY07/08 (3,164 DU/year).

Note: To account for vacancy rates, total households are approximately 3.14% less than total housing units.

# Attachment 6

## Estimated Daytime Population and Employment-Residence Ratios

For Places with Resident Population >500,000

Source: Census 2000 PHC-T-40

FIPS state code (1)	FIPS place code (2)	Total resident population (3)	Total workers working in the place (4)	Total workers living in the place (5)	Estimated daytime population (6) = (3)+(4)-(5)	Daytime population change due to commuting		Workers who lived and worked in the same place		Employment residence ratio (11) = (4)/(5)	Place name <sup>1/</sup>	Ranking by resident population
						Number (7) = (6)-(3)	Percent (8) = (7)/(3)*100	Number (9)	Percent (10) = (9)/(5)*100			
11	50000	572,059	671,678	260,884	982,853	410,794	71.8	190,566	73.0	2.57	Washington city, DC	21
25	07000	589,141	520,555	278,463	831,233	242,092	41.1	184,954	66.4	1.87	Boston city, MA	20
53	63000	563,374	476,536	316,493	723,417	160,043	28.4	233,600	73.8	1.51	Seattle city, WA	23
08	20000	554,636	434,201	278,715	710,122	155,486	28.0	176,750	63.4	1.56	Denver city, CO	24
41	59000	529,121	392,739	270,996	650,864	121,743	23.0	200,158	73.9	1.45	Portland city, OR	28
06	67000	776,733	587,300	418,553	945,480	168,747	21.7	322,009	76.9	1.40	San Francisco city, CA	13
37	12000	540,828	395,183	280,528	655,483	114,655	21.2	230,558	82.2	1.41	Charlotte city, NC	26
48	35000	1,953,631	1,244,999	841,686	2,356,944	403,313	20.6	681,785	81.0	1.48	Houston city, TX	4
47	52006	545,524	380,230	274,028	651,726	106,202	19.5	229,632	83.8	1.39	Nashville-Davidson (balance), TN	25
48	05000	656,562	480,437	353,109	783,890	127,328	19.4	307,600	87.1	1.36	Austin city, TX	16
48	19000	1,188,580	764,561	537,006	1,416,135	227,555	19.1	350,745	65.3	1.42	Dallas city, TX	8
40	55000	506,132	328,867	234,222	600,777	94,645	18.7	188,976	80.7	1.40	Oklahoma City city, OK	29
47	48000	650,100	377,677	274,934	782,843	102,743	15.8	231,355	84.1	1.37	Memphis city, TN	18
18	36003	781,870	507,170	385,208	903,832	121,962	15.6	315,658	81.9	1.32	Indianapolis city (balance), IN	12
24	04000	651,154	341,998	249,373	743,779	92,625	14.2	154,463	61.9	1.37	Baltimore city, MD	17
48	27000	534,694	310,625	235,799	609,520	74,826	14.0	144,032	61.1	1.32	Fort Worth city, TX	27
06	66000	1,223,400	722,245	580,318	1,365,327	141,927	11.6	450,898	77.7	1.24	San Diego city, CA	7
39	18000	711,470	449,907	367,387	793,990	82,520	11.6	254,193	69.2	1.22	Columbus city, OH	15
12	35000	735,617	412,681	350,458	797,840	62,223	8.5	319,728	91.2	1.18	Jacksonville city, FL	14
04	55000	1,321,045	695,712	599,592	1,417,165	96,120	7.3	415,384	69.3	1.16	Phoenix city, AZ	6
36	51000	8,008,278	3,755,130	3,192,070	8,571,338	563,060	7.0	2,922,206	91.5	1.18	New York city, NY	1
55	53000	596,974	285,753	249,889	632,838	35,864	6.0	151,145	60.5	1.14	Milwaukee city, WI	19
42	60000	1,517,550	659,991	569,761	1,607,780	90,230	5.9	429,608	75.4	1.16	Philadelphia city, PA	5
48	65000	1,144,646	559,424	491,435	1,212,635	67,989	5.9	423,926	87.3	1.14	San Antonio city, TX	9
17	14000	2,896,016	1,334,467	1,192,139	3,038,344	142,328	4.9	841,329	70.6	1.12	Chicago city, IL	3
06	44000	3,694,820	1,622,772	1,494,895	3,822,697	127,877	3.5	943,489	83.1	1.09	Los Angeles city, CA	2
48	24000	563,662	215,119	208,101	570,680	7,018	1.2	182,077	87.5	1.03	El Paso city, TX	22
26	22000	951,270	318,790	319,449	950,611	-659	-0.1	154,933	48.5	1.00	Detroit city, MI	10
06	68000	894,943	377,915	427,984	844,874	-50,069	-5.6	212,187	49.6	0.88	San Jose city, CA	11

See notes at end for explanation of data items and source and contact information.