



# Memorandum

**TO:** PLANNING COMMISSION

**FROM:** Joseph Horwedel

**SUBJECT:** SEE BELOW

**DATE:** September 21, 2011

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Approved

Date

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**COUNCIL DISTRICT:** City-Wide  
**SNI AREA:** All

**SUBJECT: DRAFT ENVISION SAN JOSE 2040 GENERAL PLAN AND ENVISION  
SAN JOSE 2040 GENERAL PLAN PROGRAM ENVIRONMENTAL  
IMPACT REPORT**

## **RECOMMENDATION**

Planning staff recommends that:

1. The Planning Commission find that the Final Program Environmental Impact Report (PEIR) prepared for the Envision San José 2040 General Plan has been completed in compliance with and in conformance with the requirements of the California Environmental Quality Act, and that the Final PEIR reflects the City's independent judgment and analysis. Planning staff further recommends that the Planning Commission direct staff to forward and present the certified Final PEIR to the City Council for review and consideration.
2. The Planning Commission consider the Environmental Impact Report in accordance with CEQA and recommend approval to the City Council of the Envision San José 2040 General Plan and Land Use/Transportation Diagram as recommended by the Envision Task Force and staff as contained in the PEIR, without including (a) modifications to the Open Hillside development standards (Plan Option #1) and modifications to the Land Use/Transportation Diagram (Plan Option #2 and Plan Option#3); (b) the Rancho del Pueblo Residential Option (Plan Option #4); and (c) the iStar Residential Option (Plan Option #5) contained in the PEIR.

## **PROJECT DESCRIPTION**

The project being considered, the Envision San José 2040 General Plan Update, is a comprehensive update of the current *Focus on the Future San José 2020 General Plan*, adopted by the City Council in 1994. The City's General Plan is a long-term plan that describes the amount, type and phasing of development needed to achieve the City's social, economic and environmental goals. The General Plan is the policy framework which creates a blueprint for future development and addresses all

geographic areas contained within San José's Sphere of Influence and also incorporates goals and policies for a wide variety of municipal services provided by the City of San José.

Consideration of the Envision San José 2040 General Plan Update includes consideration of the following Options: (a) modifications to the Open Hillside development standards (Plan Option #1) and modifications to the Land Use/Transportation Diagram (Plan Option #2 and Plan Option#3); (b) the Rancho del Pueblo Residential Option (Plan Option #4); and (c) the iStar Residential Option (Plan Option #5) contained in the PEIR:

- a. Land use and policy options submitted by community stakeholders as part of the Envision San José 2040 General Plan update process, such as but not limited to:
  - (1) Open Hillside Development (Plan Option #1): an option forwarded by the Envision Task Force for City Council consideration to modify the text of the Envision San José 2040 General Plan, Policy Goal LU-19 to add further restrictions on the allowable intensity of development for lands with the Open Hillside designation.
  - (2) 1506 Hamilton Avenue (Plan Option #2): a privately requested option for Envision Land Use/Transportation Diagram designation of Mixed-Use Neighborhood (up to 30 DU/AC, FAR 0.25 to 2.0) to allow attached residential units instead of Neighborhood Community/Commercial to for the 0.92-acre property located at 1506 Hamilton Avenue.
  - (3) 12750 and 12751 Mabury Road (Plan Option #3): a privately requested option for Envision Land Use/Transportation Diagram designation of Mixed-Use Neighborhood (up to 30 DU/AC, FAR 0.25 to 2.0) to allow attached residential units instead of Residential Neighborhood (up to 8 DU/AC) for the 3.1-acre property located at 12750 and 12751 Mabury Road.
- b. Rancho del Pueblo Residential Option (GP10-05-01) (Plan Option #4): an option for Envision Land Use/Transportation Diagram designation of Mixed Use Neighborhood (up to 30 DU/AC, FAR 0.25 to 2.0) to allow approximately 700 townhouse units, instead of Open Space, Parklands and Habitat as recommended by the Envision Task Force and staff on the approximately 31-acre site(City-owned Ranch del Pueblo golf course) located at the northwest corner of King Road and Hermocilla Way (City of San José, Owner). Council District 5. SNI/RDA: Gateway East SNI area
- c. iStar Residential Option (GP07-02-01) (Plan Option #5): an option for Envision Land Use/Transportation Diagram designation of Mixed Use Neighborhood (up to 30 DU/AC, FAR 0.25 to 2.0) to allow approximately 700 attached residential units instead of Combined Industrial/Commercial as recommended on a 51.7-acre portion of the approximately 76-acre site (iStar site) located north of State Route 85, west of Monterey Highway (iStar, Owner). Council District 2. SNI/RDA: Edenvale RDA area

## **OUTCOME**

Approval of the Draft Envision San José 2040 General Plan will comprehensively update the City of San José General Plan to align the City's long-term land use and municipal service delivery policies with the community's values, goals and objectives.

## **EXECUTIVE SUMMARY**

Staff is recommending that the Planning Commission recommend to the City Council the approval of the proposed Draft Envision San José 2040 General Plan (Draft Plan). The Draft Plan was recommended unanimously by the Envision Task Force and directly embodies the values of an extensive, broad and diverse group of community stakeholders who participated in the Envision General Plan update process. Accordingly, the Draft Plan policies emphasize: 1) Job Growth; 2) Fiscal Strength; 3) Environmental Leadership; 4) Transit Use; and 5) Development of Urban Villages as the top five community priorities for the City's General Plan.

Economic development and fiscal stability objectives, fueled in part by the City's current fiscal condition along with a desire to advance San José's national stature, led staff, the Task Force and the City Council to develop a Preferred Land Use Scenario that gives clear priority to job growth and to improving the City's current Jobs to Employed Resident (J/ER) ratio, while providing sufficient densities and sites for future housing needs. The proposed Draft Plan policies and Land Use/Transportation Diagram Preferred Land Use Scenario provide the policy framework for implementation of this Preferred Land Use Scenario.

The Draft Plan is also based upon careful consideration of the demographic, fiscal, transportation and economic analyses prepared in support of the Envision process, including the *Job Growth Projection and Employment Land Demand* Report. Accordingly, the Draft Plan supports substantial job and housing growth capacity at transit locations, particularly in the Downtown, at existing light rail stations, at future bus rapid transit stations and at the future Berryessa and Alum Rock BART stations, and a substantial amount of job growth capacity on existing employment land areas (i.e., North San José, Edenvale, North Coyote Valley), and in proximity to the Milpitas BART station and Cropley Light Rail Station.

The key issues addressed in the Draft Plan have all been extensively considered through the Envision Task Force and community process, resulting in the Task Force unanimously supporting the current Draft Plan as the best summation of community stakeholder values. Even so, the scope of the Envision process includes the opportunity for the Planning Commission and City Council to further discuss specific land use options as part of their consideration of the Draft Plan. The Task Force recommendation specifically requested that the Planning Commission and Council also consider alternative policies that would further restrict the allowable intensity of development on Open Hillside lands. Commission and Council consideration of the Draft Plan may also include four Land Use/Transportation Diagram Options which are described in the Policy Alternatives sections.

In summary, staff and the Envision Task Force are recommending a Draft General Plan that:

1. Includes growth capacity for the development of up to 470,000 new jobs and up to 120,000 new dwelling units through 2040: With the City's current development and this amount of growth capacity, San José could grow to 840,000 jobs and 430,000 dwelling units in total, supporting a residential population of approximately 1.3 million people and a Jobs / Employed Resident Ratio (J/ER) of 1.3/1.
2. Through a "form-based" approach to the General Plan allows a high degree of flexibility for job growth to occur at appropriate locations throughout the City while protecting and enhancing the character of established residential neighborhoods.

3. Develops a land use plan and accompanying policies that support the City's evolution into a regional job center: In addition to supporting a large amount of job growth, the Draft Plan concentrates job growth opportunities at locations that support workers commuting into San José from throughout the region. In particular, the Caltrain, BART and High Speed Rail station areas should be planned for significant job growth.
4. Directs new housing growth to occur in a high-density, mixed-use format in clearly identified Growth Areas: The Draft Plan focuses most of the planned growth into the Downtown, North San José, Specific Plan areas, and Urban Villages located along transit (BART, Light Rail, Bus Rapid Transit) corridors and station areas, commercial centers and neighborhood-oriented villages. The Draft Plan will thus help to protect the character of the City's established residential neighborhoods while providing for the development of new services and amenities in their proximity.
5. Establishes the Urban Village concept as a key instrument for the city's future development: Planned Urban Villages will accommodate significant amounts of new employment and housing growth through the redevelopment of existing, underutilized properties at strategy locations throughout San José. These Urban Villages will utilize high-quality urban design, a mix of land use activities, and the creation of a pedestrian-friendly environment to foster the development of urban environments attractive to a broad range of future residents of San José.
6. Provides for gradual implementation and regular review of the Plan's implementation: The Draft Plan includes policies that establish a phasing system (Planning Horizons) for the conversion of commercial areas to mixed-use Urban Villages and a Major Review process, including the evaluation of major economic, social and environmental indicators and a reconvening of a community stakeholder task force, to take place on a four-year cycle.

#### Task Force Recommendation

The Envision Task Force conducted its Final Task Force meeting on September 12, 2011. At that meeting the Task Force unanimously voted to forward the final Draft Envision San José General Plan to the Planning Commission and City Council for their consideration. As part of this action, the Task Force requested that the Planning Commission and City Council also consider Plan Option #1 to include within the Final Plan more restrictive limitations for future development on lands designated as Open Hillside on the Plan Land Use/Transportation Diagram. The Task Force discussed four other Land Use/Transportation Diagram Options (Plan Options # 2 – 5) and decided not to recommend those Options as part of the Final Plan.

## **BACKGROUND**

Working together over the past four years, the City Council, Envision Task Force, community members and staff have developed a Draft Envision San José 2040 General Plan, including a Draft Land Use/Transportation Diagram, that embodies the City's goals and objectives for its future and establish policies to guide the long-term use of land and delivery of municipal services within San José. The City Council has provided direction at major milestones to guide the Envision process:

- **June 26, 2007** – Initiation of the Envision General Plan Update with Guiding Principles for the effort (Task Force appointed on August 7, 2007)
- **April 21/June 16 2009** - Acceptance of Community-based Vision for San José, Draft Land Use/Transportation Scenario Guidelines and Planned Growth Areas Diagram
- **April 20, 2010** - Selection of the Preferred Land Use Scenario recommended by the Task Force for 470,000 new jobs, and 120,000 new housing units with goal of 1.3 jobs-to-employed resident ratio

Since the initiation of Envision San José 2040 in June of 2007, there have been fifty-one Task Force meetings, seven community workshops, and two online survey opportunities and 125 outreach meetings. In addition to the 35-member Council appointed Task Force and staff from all City departments, over 5,000 community members have contributed to the Envision General Plan Update initiative through either on-line or conventional community engagement opportunities. All Task Force Meeting agendas, materials, and presentations; workshop summaries; technical reports and other background information and community engagement materials, including online survey data, are available for review in the Background Information on the Envision San José 2040 web page located at [www.sanjoseca.gov/planning/gp\\_update/background.asp](http://www.sanjoseca.gov/planning/gp_update/background.asp).

The Envision General Plan Update process was divided into three work program phases. The key outcomes of each phase were:

- **Work Program Phase 1 (September 2007 – June 2009):** Exploration of issues, development of a Draft Vision and Land Use Scenario Guidelines, and selection of five Land Use Study Scenarios. Community engagement focused on creating interest in the update process and the identification of community values.
- **Work Program Phase 2 (July 2009 – June 2010):** Development of Draft Plan Goals, Policies and Implementation Actions, and selection of a Preferred Land Use Scenario. Community engagement focused on identifying the amount and location of growth to support within the plan, as well as informing the specific details of plan policy.
- **Work Program Phase 3 (July 2010 – October 2011):** Preparation of a final Draft Plan and Program Environmental Impact Report. Community engagement activities emphasized presentation of the Draft Plan to stakeholder groups, including neighborhood organizations, developer industry representatives, other public agencies and potentially affected property owners.

A more extensive synopsis of the Envision General Plan Update process is included as Appendix 3 of the Draft Plan at:

[http://www.sanjoseca.gov/planning/gp\\_update/TFDraftPlan/014\\_Appendix03.pdf](http://www.sanjoseca.gov/planning/gp_update/TFDraftPlan/014_Appendix03.pdf)

## **ANALYSIS**

Staff is recommending that the Planning Commission recommend to the Council approval of the proposed Draft Envision San José 2040 General Plan. The Draft Plan was recommended unanimously by the Envision Task Force and directly embodies the values of an extensive, broad and diverse group of community stakeholders who participated in the Envision General Plan update process. Accordingly, the Draft Plan goals and policies emphasize: 1) Job Growth; 2) Fiscal Strength; 3) Environmental Leadership; 4) Transit Use; and 5) Development of Urban Villages as the top five community priorities for the City's General Plan. These objectives were expressed by nearly 1,000 community members who participated in an online community engagement survey ([http://www.sanjoseca.gov/planning/gp\\_update/documents/SurveySummaryResponse-3-29-10\\_000.pdf](http://www.sanjoseca.gov/planning/gp_update/documents/SurveySummaryResponse-3-29-10_000.pdf)). The following analysis provides an overview of how the Draft Plan embodies these objectives in a cohesive policy document to guide the City's long-term land use decision making and delivery of municipal services. The following analysis also highlights some particular issues of interest that emerged during the 4-year Envision planning effort and which are addressed within the Draft Plan document.

### **General Plan Document Structure**

The proposed Envision San José 2040 General Plan is a comprehensive long-term plan for the City's future development and delivery of municipal services. The Draft Plan comprises an integrated, internally consistent and compatible statement of the official land use policy of the City of San José. It contains a statement of development policies and includes a Land Use/Transportation Diagram as well as text which set forth the objectives, principles, standards and plan proposals.

The Draft Plan is an integrated general plan that consolidates mandatory elements with optional elements targeted at addressing the unique planning needs of the City. The Draft Plan meets the minimum requirements and intent of the California Government Code while accommodating local conditions and circumstances. The Draft Plan contains each of the State mandated elements combined into a consistent meaningful whole, and organized in a manner designed to meet the needs of public officials, developers, neighborhood organizations and members of the community who will use it most frequently. In order to facilitate identification of the aspects of each mandatory element, the appendices include a comprehensive list of references for each of the seven mandatory elements.

The Envision San José 2040 General Plan has been divided into sections that address different aspects of the City's life. Within each section, Goals, Policies and Implementation Actions are set forth to provide high-level policy guidance to the City on a wide range of topics related to Land Use and the delivery of municipal services. The General Plan sections are:

- **Envision San José 2040 (Introduction and Background)** – Presents background information, the Plan Vision and ten overarching City Design Concepts, collectively intended to communicate the unique plan set forth for San José by the Envision General Plan. The Plan identifies three characteristics that define the unique qualities of San José: “Capital of

the Silicon Valley,” “Living amidst Abundant Natural Resources,” and “Home to a Diverse and Thriving Community.”

- **Thriving Community (Overarching City Goals and Policies)** – Sets forth goals and policies for topics that have an impact upon the City as a whole, shaping its image and role in the region. Topics addressed in this section include economic development, arts and culture, community engagement and fiscal sustainability.
- **Environmental Leadership (Environmental Goals and Policies)** – Sets forth goals and policies for topics related to the City’s continuing commitment to Environmental Leadership. It is organized into four categories: *Measurable Sustainability* includes policies that fulfill the City’s Green Vision goal for the incorporation of specific measurable standards in the General Plan related to green building, recycling, air quality, energy, water resources and the community forest; *Environmental Resources* includes policies intended to protect the high-quality ecologies and other environmental resources that can be found within the City; *Environmental Considerations/Hazards* includes policies to reduce the potential land use risks related to various environmental hazards; and *Infrastructure* includes policies for provision and management of the City’s infrastructure systems.
- **Quality of Life (Neighborhood Oriented Goals and Policies)** – Sets forth goals and policies that directly affect the quality of life of the City’s residents, including the look and feel of San José’s neighborhoods and the quality of the municipal services provided by the City. Specific topics in this section include urban design guidelines, municipal services such as police, fire and libraries, educational facilities, health care and parks, trails, open space and recreation, and the development of complete neighborhoods, including policies for community empowerment, access to healthy foods, promotion of cultural opportunities, and private community gathering facilities.
- **Shaping the City (Land Use and Transportation Diagram)** – Contains the Land Use/Transportation Diagram and an explanation of the planned land uses for the designations depicted on the Diagram. The appropriate land uses and form of development are described for each land use designation. Similarly, the appropriate uses and form and character are described for each type of planned roadway types. These form-based land use and roadway categories work together to accomplish multiple plan goals, including job growth, protection of neighborhood character, reduction of automobile dependency and the City’s per capita vehicle miles travelled (VMT), and the creation of new, vibrant, urban districts.
- **Interconnected City (Land Use and Transportation Goals and Policies)** – Establishes land use and transportation goals and policies to implement the Diagram, including goals and policies to address specific land use types, urban agriculture, historic preservation, the City’s trail network, and bicycle, pedestrian, transit and motor vehicle circulation.
- **Implementing the Plan (Implementation Goals and Policies)** – Includes policies to guide use of the General Plan for the ongoing land use decision making process and development of related City policies, with further explanation of the Annual and Major General Plan review process, use of Planning Horizons, and the Village Planning process.

- **Appendices** – Includes supplemental information to make the General Plan document more accessible and user-friendly, including a glossary of terms, a record of General Plan amendments, and a reference guide to how the General Plan fulfills specific legal requirements.

The full text of the Draft Envision San José 2040 General Plan is posted on the City's website at:

[http://www.sanjoseca.gov/planning/gp\\_update/draftplan.asp](http://www.sanjoseca.gov/planning/gp_update/draftplan.asp)

The Draft Land Use/Transportation Diagram is posted on the City's website at:

[http://www.sanjoseca.gov/planning/gp\\_update/LandUse\\_Diagram\\_Gmaps.asp](http://www.sanjoseca.gov/planning/gp_update/LandUse_Diagram_Gmaps.asp)

The following Table summarizes 12 key themes or concepts that are of particular importance in defining the Draft Envision San José 2040 General Plan. While the Draft Plan is a comprehensive policy document that addresses many topics, the 12 themes identified in this table are highlighted as of particular importance in that they particularly distinguish the Envision San José 2040 General Plan.

## 12 Key Concepts for the Envision San José General Plan

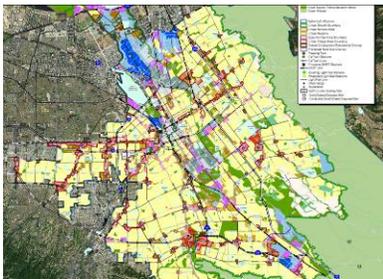
### #1 Community Based Plan



The Envision San José 2040 General Plan is a direct expression of community values, identified and developed through an extensive community engagement process, including:

- 50+ Envision Task Force Meetings
- 125+ Outreach Meetings
- 5,000+ Community Participants

### #2 Form Based General Plan



The Plan uses Land Use and Transportation designations that address form and character as well as use and density in order to:

- Provide greater flexibility for economic activity
- Address neighborhood concerns about compatibility of new development
- Promote the ongoing development of complete, cohesive neighborhoods

### #3 Focused Growth Strategy



The Plan focuses the growth of 470,000 new jobs and 120,000 new housing units at strategically identified locations to maximize environmental, fiscal and social benefits. With the City's current development and this amount of growth capacity, San José could grow to 840,000 jobs and 430,000 dwelling units in total. The Focused Growth strategy:

- Directs most of the planned growth into the Downtown, North San José, Specific Plan areas, and Urban Villages located along transit (BART, Light Rail, Bus Rapid Transit) corridors and station areas, commercial centers and neighborhood-oriented villages.
- Protects the character of the City's established residential neighborhoods
- Provides for the development of new services and amenities in the proximity of existing neighborhoods to build complete communities
- Strengthens San José's Green Belt
- Maximizes Access to Transit and other Services for San José's new residents and employees
- Preserves the mid-Coyote Valley and South Almaden Valley urban reserve areas for the duration of the Draft Plan.

## 12 Key Concepts for the Envision San José General Plan

### #4 Innovation Center for Silicon Valley



The Envision San José 2040 General Plan supports and promotes San José's growth as a regional center for employment and innovation, by:

- Planning for 470,000 new jobs and a Jobs / Employed Resident Ratio (J/ER) of 1.3/1
- Providing greater flexibility for commercial activity
- Supporting job growth within existing job centers
- Adding new employment lands
- Designating job centers at regional transit stations
- Celebrating arts and culture

### #5 Urban Village Strategy



Development of 70 Urban Villages at environmentally and fiscally beneficial locations throughout the city is a key Plan strategy. Focusing new job and housing growth to build attractive, compact, walkable urban districts or "Urban Villages" will enable location of commercial and public services in close proximity to residential and employee populations, allowing people to walk to services while also providing greater mobility for the expanding senior and youth segments of the population. The Urban Village Strategy fosters:

- Mixing residential and employment activities
- Establishing minimum densities to support transit use, bicycling and walking
- High-quality urban design
- Revitalizing underutilized properties with access to existing infrastructure
- Engaging local neighborhoods through an Urban Village Planning process

### #6 Streetscapes for People



The Plan promotes the development of "Complete Streets" that support a full range of activities, including pedestrians, bicycles, utilities, outdoor gathering spaces and vehicle movement. These Complete Streets, along with the Land Use/Transportation Diagram, support the Draft Plan goal to reduce the automobile commute mode share by 40% by 2040. Consistent with the Form Based General Plan concept, streets are defined within the Plan by their character and the role they play within the city. Street types include:

- Grand Boulevards
- Main Streets
- Bicycle Networks
- Local Neighborhood Streets

## 12 Key Concepts for the Envision San José General Plan

### #7 Fiscally Strong City



The Envision San José 2040 General Plan promotes a fiscally strong City, providing high-quality municipal services and acting as an advocate for regional policies that promote the strengths of our diverse and successful population. The Draft Plan incorporates the City's Employment Lands Preservation Framework and other policies that promote the City's fiscal health and which:

- Establish standards for the delivery of high-quality municipal services
- Carefully manage existing fiscal resources
- Encourage the cultivation of increased resources
- Focus new growth so as to minimize its fiscal impacts

### #8 Destination Downtown



The Plan recognizes the city's Downtown as the symbolic, economic and cultural center of San José and supports a significant amount of job and housing growth within the Downtown area. The Draft Plan policies address how the Downtown is a:

- Unique urban destination
- Cultural center of the Silicon Valley
- Growing employment and residential center

### #9 Life Amidst Abundant Natural Resources

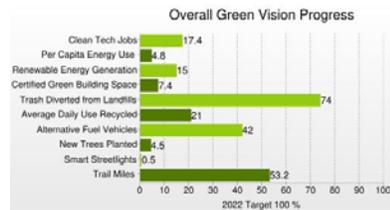


The Plan promotes access to the natural environment and a favorable climate as important strengths for San José, and accordingly includes policies that emphasize:

- Building a world-class trail network
- Strengthening the City's greenbelt
- Adding parks and other recreational amenities to service existing and new populations
- Promoting the Guadalupe River and Gardens as the City's most prominent urban park resource

## 12 Key Concepts for the Envision San José General Plan

### #10 Measurable Sustainability



The Envision San José 2040 General Plan advances the City's Green Vision, incorporating key environmental goals and establishing a policy framework to continue San José's tradition of environmental leadership.

- Ambitious Goals for Environmental Leadership
- Annual Measurement of Key Environmental Indicators

### #11 Healthful Community



The Envision San José 2040 General Plan Land Use/Transportation Diagram and Plan policies promote the physical health of San José's community, by

- Promoting access to healthy foods
- Encouraging an active lifestyle
- Supporting health care and safety services

### #12 Phasing (Plan Horizons) and Periodic Major Review



The Plan provides a tool for phasing the development of new Urban Village areas and gives highest priority to the location of new housing growth in the Downtown, connecting transit corridors, BART station areas and North San José. The Envision Plan establishes a 4-year Major Review cycle, which provides an opportunity for a community stakeholder task force and the City Council to evaluate significant changes in the planning context and the City's achievement of:

- Planned job and J/ER goals
- Implementation of the Urban Village concept
- Environmental indicators, including greenhouse gas reduction and the Green Vision
- Affordable housing needs

The Phasing Plan policies also include flexibility to allow the implementation of Urban Villages to be responsive to market conditions, while meeting overall Plan objectives.

### **Planning for a 1.3:1 Jobs to Employed Resident Ratio**

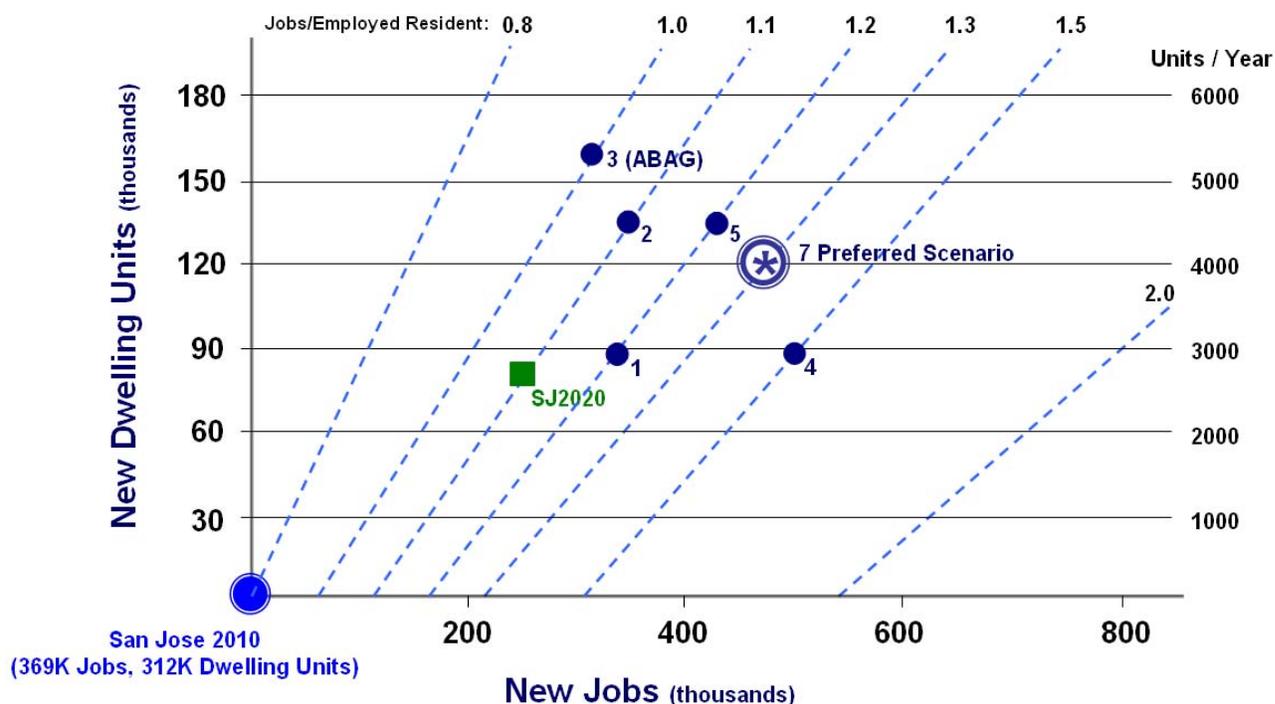
A significant portion of the Envision process was dedicated to the discussion and selection of a Preferred Land Use Scenario which established targets for the amount of housing and job growth for the Envision San José 2040 General Plan. Task Force members, community members and staff used the Jobs to Employed Resident (J/ER) ratio as an important indicator of the City's economic vitality, fiscal strength and leadership role within the region. As an outcome of this extensive discussion, the Task Force and City Council selected a Preferred Land Use Scenario that provides capacity for up to 470,000 new jobs and up to 120,000 new housing units, allowing a Job to Employed Resident ratio (J/ER) of 1.3/1 at build-out. With the City's current development and this amount of growth capacity, San José could grow to 840,000 jobs and 430,000 dwelling units in total. Based on the projected person per household ratio for 2040, this amount of housing would support a residential population of approximately 1.3 million people.

The planned amounts of job and housing growth, along with the planned J/ER ratio, were selected as the best, feasible scenario for maximizing the top five community identified priorities: economic development, fiscal strength, environmental leadership, transit ridership, and the development of urban villages.

- Including an ambitious amount of job growth capacity within the Draft Plan strongly communicates the City's goal of being an employment center. Maintaining a substantial supply of employment lands and providing flexibility for employment activities will help the City to achieve this goal.
- Because fiscal strength is tied to the J/ER ratio, planning for an improved J/ER ratio supports an improvement to the City's fiscal resources. Focusing job and housing growth into more compact, urban centers, including the Downtown, North San José and new Urban Villages, contributes to fiscal strength by helping to reduce service delivery costs.
- Planning for San José to increasingly be an employment center within the region supports the Draft Plan goals for environmental leadership. Analysis of long-term traffic patterns concluded that scenarios with a lower J/ER ratio would have comparable amounts of regional automobile traffic and increased amounts of local automobile traffic. In contrast, higher J/ER ratio scenarios were projected to result in higher degrees of transit ridership. The analysis conducted for the Envision process is supported by various academic studies and observation of real-world conditions, which show that the development of traditional urban job centers reduces the potential environmental impacts associated with automobile travel.
- The Envision long-term traffic analysis indicated that focusing jobs within San José and in particular within proximity to regional transit systems would best promote use of those transit systems. Placing housing along transit systems is also important, particularly for slower-moving light rail systems which effectively serve a smaller geographic area.
- Adding commercial uses within Urban Villages is important in order to provide services to residents of the existing surrounding neighborhoods as well as the new residents within the Urban Village areas.

The following figure illustrates the different Study Scenarios that were analyzed through the Envision process and used as a basis of discussion by the Task Force, community members and City Council in their selection of a Preferred Land Use Scenario upon which the Draft Plan is based.

**Figure: Land Use Study Scenarios Considered by the Envision Task Force**



### Housing Growth Capacity by Horizon

The Draft Plan includes a carefully developed phasing plan, developed through extensive discussion by the Task Force. Under this plan, the Urban Village areas are divided into three “Plan Horizons” and the Land Use/Transportation Diagram would be modified over time to add Urban Village areas by Horizon to provide residential growth capacity as certain Draft Plan goals are met.

The Planning Horizons apply only to new housing growth capacity being added within the City through the potential redevelopment of mostly underutilized commercial lands into Urban Villages. The Draft Envision San José 2040 General Plan also incorporates existing residential growth capacity from the *San José Focus on the Future 2020 General Plan* that could potentially support the development of approximately 40,000 new residential units. This “Base” capacity consists of units planned: in the Downtown Strategy (10,360); in existing Specific Plan areas (8,480); on Vacant/Underutilized Lands (3,157); in Phase 1 of the North San José Area Development Policy (8,640); or in existing Planning Permit Entitlements distributed throughout other parts of the City (9,563). Additionally, an unknown number of small infill development projects (i.e., typically 3 units or less) may occur within *Residential Neighborhood* areas as part of the Base Plan capacity. The North San José Area Development Policy provides capacity for 24,000 units subject to a Phasing Plan included within that Policy.

The Draft Plan three Planning Horizons policy meets the following characteristics:

- 1) **Three Planning Horizons.** After discussion of other options, the Task Force chose three Planning Horizons to provide greater clarity and simplicity, and to increase the likelihood that all Planning Horizons will be utilized.

- 2) **Small scale for Horizon 1.** The Urban Villages included within Horizon 1 and a “pool” of additional 5,000 unassigned units together add approximately 10,000 additional units to the Plan Base capacity, resulting in a total Plan capacity in Horizon 1 (including the “Base” 40,000 units) for approximately 50,000 new housing units.
- 3) **The distribution of Urban Villages for each Planning Horizon.** The selection of Urban Villages is consistent with the goals of a limiting the scale for Horizon 1, providing a stronger system for prioritization of the planned residential Growth Areas, and roughly balancing the amount of planned growth for each Horizon. The Urban Villages included within Horizon 1 are the East Santa Clara corridor, the Alum Rock corridor, the West San Carlos Street corridor and The Alameda East Urban Villages. These areas are closely connected to the Downtown and in several cases already have planning efforts underway. Horizon 2 includes the BART Station, Light Rail Station and the Light Rail Corridor Urban Villages. Horizon 3 includes the Planned Light Rail Stations and Corridors, the Commercial Centers and the Neighborhood Urban Villages.
- 4) **Flexibility.** Horizon 1 and Horizon 2 each include a “pool” of 5,000 dwelling units which may be used to grant entitlements to projects within Urban Village Areas not otherwise included within the current Planning Horizon. In order for such projects to move forward, either an Urban Village Plan will need to have been completed for the Urban Village area or the project would need to meet the Signature Project criteria. (Preparation of Urban Village Plans is not limited to Urban Village areas in the current Horizon.) As part of the Major Review of the General Plan conducted every four calendar years, the City Council may replenish this unit pool to accommodate additional development. Preparation of a Village Plan is necessary prior to approval of projects using this pool.
- 5) **Cohesive development of Urban Villages with Signature Projects.** After the Task Force discussion of the General Plan Horizons, the Task Force developed an exception for “Signature Projects” to move forward within Urban Village areas in advance of the preparation of an Urban Village Plan. To allow for continued development of an Urban Village in which a Signature Project has been constructed (not just entitled) and to have the Signature Project catalyze additional activity, any such Urban Village will be moved forward to be part of the current Horizon.

### Summary of General Plan Planned Growth Dwelling Unit Capacity through Horizon 1

The following table provides a summary of planned growth capacity for different Growth Areas of the City and by Planning Horizon

The Base planned capacity includes the number of new residential units planned for development in areas that would not be regulated by Horizons.

Planned Growth (Unphased Base)	Planned Unit Capacity				Total Planned Units
Downtown	10,360				10,360
Specific Plan Areas	8,480				8,480
Vacant Land Inventory	3,157				3,157
Residential Neighborhood Infill	N/A				N/A
<b>Subtotal Unphased Growth Areas</b>	<b>21,997</b>				<b>21,997</b>

Residential growth planned for North San José is regulated by a Phasing Plan included within the North San José Area Development Policy

North San José Policy Area	NSJ Phase 1 / Entitlements	Phases 2-4 Subject to NSJ Policy Phasing			Total Planned Units
NSJ Planned Residential Overlay Areas	8,640				32,640

The Envision San José 2040 General Plan adds the following new housing growth capacity within Urban Village Areas and gradually made available over the course of three Plan Horizons. New Urban Villages are identified as available for residential development in each Horizon on the Land Use / Transportation Diagram. A pool of 5,000 dwelling units is also available for use in any Urban Village location regardless of Horizon. The pool may get replenished during a Major Review of the General Plan.

Urban Village Areas (Phased by Horizon)	Units Already Entitled (Base)	Horizon 1 Units	Horizon 2 Units	Horizon 3 Units	Total Planned Units
Transit Village Areas	8,501	4,061	25,916	6,435	44,913
<i>BART/Caltrain Villages</i>	6,823	402	1,775	0	9,000
<i>Light Rail Villages (Existing LRT)</i>	350	0	20,128	0	20,478
<i>Light Rail Corridors (Existing LRT)</i>	672	0	4,013	0	4,685
<i>Light Rail Villages (Planned LRT)</i>	250	0	0	1,000	1,250
<i>Light Rail Corridors (Planned BRT/LRT)</i>	406	3,659	0	5,435	9,500
Commercial Centers	933	0	0	13,227	14,160
Neighborhood Villages	129	385	0	5,776	6,290
Non-Designated Pool (Available in any Village)	0	5,000	5,000	0	N/A
<b>Subtotal Village Areas</b>	<b>9,563</b>	<b>9,446</b>	<b>30,916</b>	<b>25,438</b>	<b>65,363</b>

Units Available in each Horizon	40,200	9,446	30,916	25,438	
<b>Total Planned Units (Cumulative)</b>	<b>40,200</b>	<b>49,646</b>	<b>80,562</b>	<b>106,000</b>	<b>120,000</b>

<b>2007-2014 RHNA Target</b>	<b>34,721</b>
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## **Envision San José 2040 General Plan Implementation**

As a notable departure from the *San José Focus on the Future* 2020 General Plan, the Envision San José 2040 General Plan includes a substantial number of Policies and Implementation Actions intended to help implement the overall vision and goals expressed within the Plan. The following discussion highlights three topics of particular interest: Urban Village Planning, Zoning Ordinance changes, and Non-Conforming and “Pipeline” Projects.

### Urban Village Planning

The development of Urban Villages is a key strategy of the Envision San José 2040 General Plan. Because the Draft Plan supports the development of more than 70 designated Urban Village areas and each Urban Village will need to be carefully integrated with surrounding neighborhoods, the Draft Plan establishes an Urban Village Planning process that requires preparation of an Urban Village Plan as a prerequisite to most residential development moving forward within an Urban Village area. This requirement was extensively debated by the Task Force and community stakeholders and in response to a concern that it would become a barrier to the implementation of desirable projects, the Draft Plan includes several policies to address possible exceptions to this requirement, including a substantial exception for “Signature Projects” which clearly meet overall Plan goals and objectives.

The Envision Task Force, community stakeholders and staff all recognize the potential benefit of moving forward quickly to prepare Urban Village Plans, particularly for areas which the City has identified as being of higher priority to accommodate near-term growth. Planning Division staff is pursuing grant funding from outside agencies to enable the preparation of Urban Village Plans and is currently working with the Five Wounds community to prepare Urban Village Plans for four of the Urban Village areas in proximity to the planned Five Wounds BART station. Funding has also been preliminarily awarded for planning of Urban Village areas along Alum Rock Avenue and San Carlos Street. Additional funding from City or private property owners will likely be necessary to complete the preparation of Urban Village Plans over the lifespan of the Envision San José 2040 General Plan.

The Draft Plan also incorporates the City’s existing plans for the Downtown, Specific Plan areas, the Diridon Station Area and North San José. The North San José Neighborhoods Plan is specifically incorporated to serve as an Urban Village Plan for each of the planned residential growth areas within North San José.

### Zoning Ordinance Work Program

Following adoption of the Envision San José 2040 General Plan it will be necessary for the City to update the Zoning Ordinance (Title 20) in order to realign the Zoning Ordinance with new goals and policies set forth in the General Plan. Proposed Zoning Ordinance changes may be categorized into three tiers according to their priority:

- **Tier 1** changes include basic changes needed to remove or update references to the San José 2020 General Plan that will become obsolete upon adoption of the Draft Envision Plan.
- **Tier 2** changes include new Ordinance sections to reflect key new Envision General Plan concepts (e.g., establishment of an Urban Village zoning district, changes to land use regulations to support Urban Agriculture, etc.).
- **Tier 3** changes bring the Zoning Ordinance more broadly into alignment with the Envision General Plan by comprehensively adjusting land use and development standards to align with

the Draft Plan land use policies and to resolve multiple Draft Plan Implementation Actions that call for updates to the Zoning Ordinance.

As the first level changes are necessary for the normal implementation of the Zoning Ordinance, staff anticipates that an update to the Zoning Ordinance addressing these changes will be brought to the Planning Commission and City Council for consideration with or shortly after adoption of the Draft Plan. The second tier changes are considered a high priority but most likely require additional staff resources in order to implement. The third tier changes represent a significant new work program.

#### Non-Conforming and “Pipeline” Projects

The Draft Plan Chapter 7 – Implementation includes provisions to address three types of non-conforming or “Pipeline” projects. Non-conforming projects include established land-uses (addressed by Policy IP-1.3) and projects which have completed a planned development zoning and/or land use permits, but which have not yet completed all steps in their development (addressed by Policy IP-1.4). “Pipeline” projects are those which have pending land use applications, but have not yet completed a rezoning or land use permit (addressed by Policy IP-1.9). The proposed policy text has been developed with input from development industry representatives throughout the Envision process. The following Draft Plan text excerpts include edits made to address concerns raised by development industry representatives at the September 16, 2011 Developers Roundtable conducted by the Department of Planning Building and Code Enforcement (underlined text represents additions and text with strike-outs represent deletions since the publication of the Draft Plan):

- IP-1.3        Ensure that proposals for redevelopment or significant intensification of existing land uses on a property conform to the Land Use / Transportation Diagram. Because the Diagram designation identifies the City’s long-term planned land use for a property, non-conforming uses should transition to the planned use over the timeframe of this General Plan. Allow improvements or minor expansions of existing, non-conforming land uses provided that such development will contribute to San José’s employment growth goals or advance a significant number of other General Plan goals.
- IP-1.4        Implementation of existing planned development zonings and/or approved and effective development permits (including use permits and subdivision maps), which were previously found to be in conformance with the General Plan prior to its comprehensive update, ~~may be~~ are generally considered as being in conformance with this General Plan ~~when provided that~~ the implementation of such entitlements supports the goals and policies of the San José 2040 General Plan.
- IP-1.9        For a period of up to 18 months following the adoption date of this General Plan, discretionary ~~land use entitlements~~ planned development zonings and/or development permits (including use permits and subdivision maps) may be considered for General Plan conformance to the land use designations as shown on the final adopted version of the Focus on the Future San José 2020 Land Use/Transportation Diagram ~~provided that~~ when such “Pipeline” applications, including full payment of initial application fees, were submitted to the City prior to adoption of this General Plan.

## **Envision San José 2040 General Plan Options**

Five Options are being specifically forwarded to the Planning Commission and City Council for review as part of consideration of the Draft Plan. Twelve other options were considered earlier in the process, and where they aligned with the goals of the Draft Plan, they were incorporated into the Draft Plan. The Task Force supported those additions. The five items below are the remaining Options for consideration. Staff and the Task Force do not recommend that any of these options be included within the adoption of the General Plan. The Draft Plan PEIR, however, provides clearance for their consideration. These Options are:

- **Option #1 Open Hillside** – an option forwarded by the Envision Task Force for consideration to modify the text of the Envision San José 2040 General Plan, Policy Goal LU-19 to add further restrictions on the allowable intensity of development for lands with the Open Hillside designation. The Task Force was split on this issue and as part of their final action on the Draft Plan, they requested that it be brought forward to the City to determine how best to address potential development of the hillside areas outside of the City’s Urban Growth Boundary.
- **Option #2 Hamilton Avenue** – a privately requested option for an Envision Land Use/Transportation Diagram designation of Mixed-Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) to allow attached residential units instead of Neighborhood Community/Commercial to for the 0.92-acre property located at 1506 Hamilton Avenue. This option is one of two unresolved Requests out of the initial 14 that were submitted through the Envision Request process accepted by City Council for the Envision process.
- **Option #3 Mabury Road** – a privately requested option for Envision Land Use/Transportation Diagram designation of Mixed-Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) to allow attached residential units instead of Residential Neighborhood (up to for the 3.1-acre property located at 12750 and 12751 Mabury Road. This option is one of two unresolved Requests out of the initial 14 that were submitted through the Envision Request process accepted by City Council for the Envision process.
- **Option #4 Rancho del Pueblo** – an option independently put forward by the City for an Envision Land Use/Transportation Diagram designation of Mixed Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) to allow approximately 700 townhouse units, instead of Open Space, Parklands and Habitat as recommended by the Envision Task Force and staff on the approximately 31-acre site (City-owned Ranch del Pueblo golf course) located at the northwest corner of King Road and Hermocilla Way. This is one of two pending General Plan Amendment applications on file to amend the 2020 General Plan Land Use/Transportation Diagram.
- **Option #5 iStar** – a privately requested option for Envision Land Use/Transportation Diagram designation of Mixed Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) to allow approximately 700 attached residential units instead of Combined Industrial/Commercial as recommended on a 51.7-acre portion of the approximately 76-acre site (iStar site) located north of State Route 85, west of Monterey Highway. This is one of two pending General Plan Amendment applications on file to amend the 2020 General Plan Land Use/Transportation Diagram.

PLANNING COMMISSION

September 21, 2011

**Subject: Draft Envision San José 2040 General Plan**

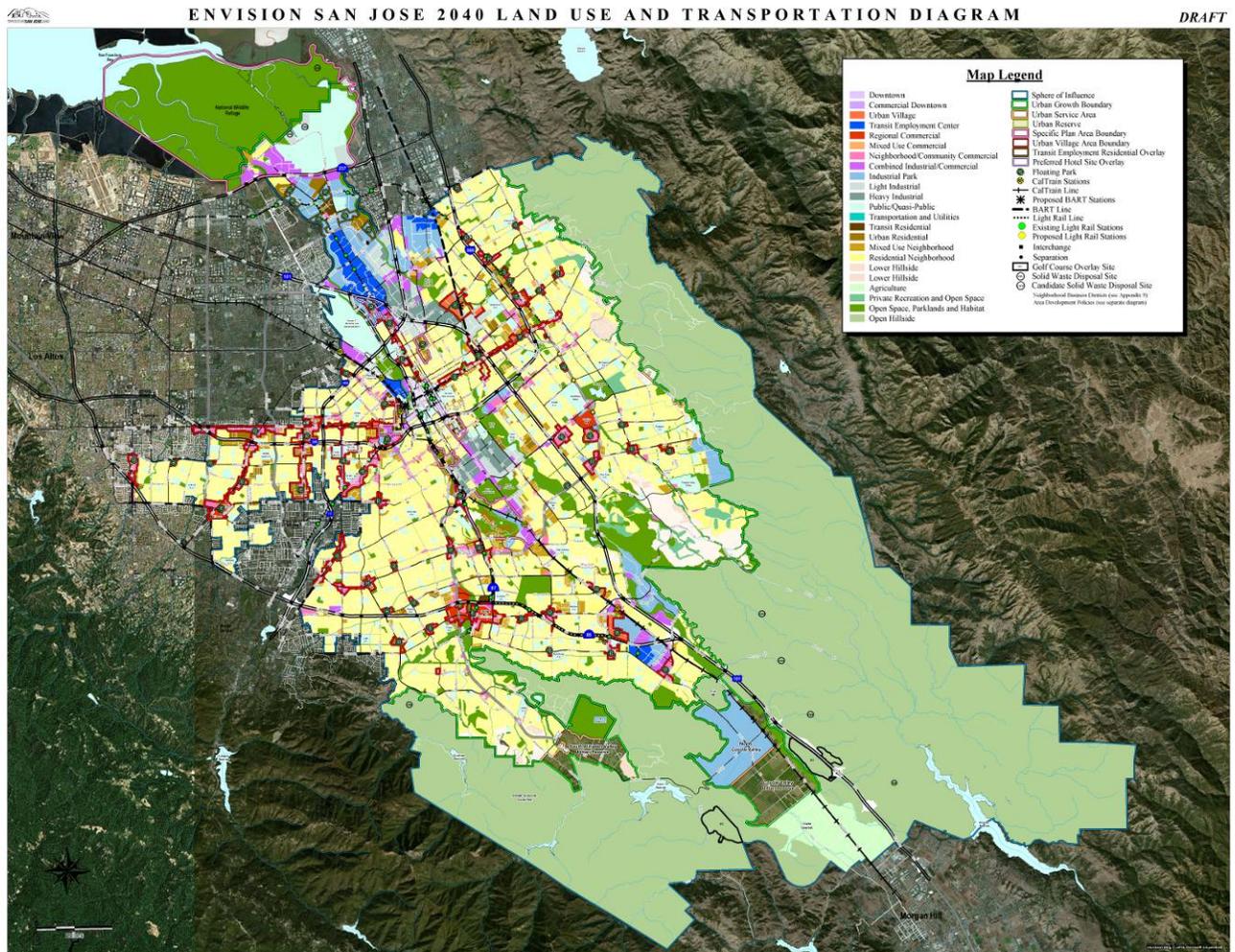
Page 20

The following analysis addresses each of these five Envision Options.

### Option #1 (Open Hillside Policies; Task Force Referral)

**DESCRIPTION:** Option to add further restrictions on the allowable intensity of development for lands with the Open Hillside designation. Possible policy changes include eliminating the potential for future golf courses, reducing the allowable area of disturbance for non-agricultural uses from 50% and/or specific prohibitions on use of non-native vegetation or grading activities.

**LOCATION:** Open Hillside Areas (outside of Urban Growth Boundary) Citywide



### Option #1 (Open Hillside) Analysis

The Draft Envision San José 2040 General Plan, as forwarded to the Planning Commission and City Council, include policies within the definitions land use designations (Draft Plan Chapter 5) and within the land use policies (Draft Plan Chapter 6) that set policy for the allowable uses and intensity of development for lands with the Open Hillside designation. The Open Hillside designation is applied exclusively to lands outside of the City’s Urban Growth Boundary and is the proposed designation for most of the hillsides located to the east and south of the City’s urbanized area; Coyote Valley also includes lands designated as Agriculture and Alviso includes lands designated as Open Space, Parklands and Habitat.

As part of the City Council's direction on the scope of options to include within the Envision PEIR, the City Council provided guidance specific to land uses within the Open Hillside area:

[http://www.sanjoseca.gov/planning/gp\\_update/meetings/2\\_28\\_11/Resources/Council\\_Memo\\_Mayor\\_AndCouncil.pdf](http://www.sanjoseca.gov/planning/gp_update/meetings/2_28_11/Resources/Council_Memo_Mayor_AndCouncil.pdf). The Task Force subsequently discussed Open Hillside policies at their February

28, 2011 and March 21, 2011 meetings, including a proposed limitation of 10% upon developable area for Open Hillside properties, but did not reach a consensus on a recommendation for the Draft Plan. Staff subsequently, after further discussion with the consultant representing a property owner interested in developing a cemetery on proposed Open Hillside lands, brought forward revised policies for the Task Force to consider as part of their consideration of the final Draft Plan at the August 22, 2011 Task Force meeting. Based upon input from the property owner's consultant that such a restriction would make development of either a cemetery or golf course infeasible, the revised policy did not include a 10% limitation upon development area. These revisions were highlighted in a document provided to the Task Force:

[http://www.sanjoseca.gov/planning/gp\\_update/meetings/8-22-11/SummaryofDraft7KeyChanges.pdf](http://www.sanjoseca.gov/planning/gp_update/meetings/8-22-11/SummaryofDraft7KeyChanges.pdf)

As noted above, the Task Force voted unanimously to recommend the final Draft Plan to the Planning Commission and City Council, but as part of that action, in order to fully represent the multiple positions held by Task Force members on this particular issue also asked that staff forward to the Commission and Council a policy alternative that would further restrict the potential development and use of Open Hillside lands. Three possible restrictions that would meet this intent are identified below.

The Draft Plan policies limit residential use of Open Hillside lands, consistent with Santa Clara County General Plan policies, to single-family residential development with a standard minimum lot size of 160 acres (which may be reduced to 20 acres if certain conditions are met). Potential Open Hillside non-residential uses include agriculture and appropriate institutional or commercial uses, such as rural conference centers, rehabilitation centers, hiking trails, camp sites and research centers). The Open Hillside designation also supports golf courses (two of which are existing) and cemeteries as potential uses provided that they conform to specific land use policies. Development of a golf course on an Open Hillside site also requires that the site be designated with an Open Hillside Golf Course Site Overlay designation.

The Draft Plan includes land use policies that further define how residential and non-residential uses may be conducted on Open Hillside lands, including the following key policies:

Open Hillside designation: "Specifically, new development is limited to projects that will not result in substantial direct or indirect environmental impacts upon sensitive habitat areas, special status species, geologic hazard avoidance or the visual environment."

LU-17.4 Apply the following guidelines for development in hillside and rural residential areas in order to preserve and enhance the scenic and aesthetic qualities of the natural terrain:

8. Limit new structures or use of non-native vegetation in all new development projects to prevent adverse biological impacts and adverse visual impacts as viewed from the Valley floor or from adjacent public recreational areas. Design new structures to blend harmoniously with the natural setting. Agricultural crop production may be visible.

- LU-19.6 Use the Urban Service Area (USA) boundary as a tool to preserve the non-urban character of development on lands outside of the Urban Growth Boundary. To this end, limit all new development on lands outside of the USA as follows.
1. Do not provide urban services to new development outside of the USA.
  2. Require that new development projects cause no significant increase in public services or infrastructure and are non-urban in terms of
    - a. Waste water generation rates.
    - b. Traffic generation rates.
    - c. Extent of grading, vegetation removal, drainage modifications or other alteration of the natural environment.
    - d. Noise or other nuisance potential.
    - e. Growth inducing potential.
    - f. Water consumption, excluding the environmentally beneficial use of recycled water.
  3. Distinguish between urban and non-urban uses in terms of water usage by limiting water consumption for new development to use of non-urban sources, including on-site well water, and rainfall catchment. Use of recycled water may be allowed. Irrigation of Open Hillside areas with these water sources may be allowed provided that their use would not result in a substantial direct or indirect environmental impact upon sensitive habitat areas, special status species, geologic hazard avoidance or the visual environment.
- LU-19.8 Due to the increased potential for some particular environmental impacts on lands located outside of the Urban Growth Boundary, limit new development in these areas to projects that will not result in substantial direct or indirect environmental impacts upon sensitive habitat areas, special status species, geologic hazard avoidance or the visual environment. Additionally, incorporate measures within new development to ensure substantial wildlife corridor protection and prohibit planting of invasive species with the potential to impact sensitive habitat within the project vicinity.
- LU-19.10 Preserve the non-urban character of lands outside of the Urban Growth Boundary through implementation of the following land use development policies:
1. Prohibit subdivisions except at rural or agricultural densities (minimum one hundred sixty acre parcels with exceptions potentially allowing smaller parcels, but in no case less than twenty acre parcels as described in the Chapter 5 description for the Open Hillside designation), and consistent with other policies in this plan.
  2. Prohibit residential development that exceeds one dwelling unit per 20 acres, except when development of a single dwelling unit on an existing legal lot of record would result in development at a higher density.
  3. Allow low-intensity non-residential development for commercial and institutional uses provided that such development meets the following:
    - a. The use is on a large site commensurate with the level of development and in no case less than 250 acres in area
    - b. At least 90% of the total site area will be preserved as open space to provide for protection of the watershed, natural habitat areas and the open aesthetic character of the hillsides. For this policy, open space

is defined as area not developed with buildings, parking, roadways or other impervious surfaces.

4. Locate and, if possible, cluster new development within the minimum area necessary to accommodate it, in order to avoid or reduce the need for improvements and minimize any potential environmental impacts.
5. For non-agricultural land uses, disturb no more than 50% of the total site area through grading, changes to vegetation or other development activity.
6. Limit the aggregate Floor Area Ratio for all structures on a project site to no more than 2% of the site area.

#### Option #1 (Open Hillside) – Alternative Policy Language

While staff supports the existing Draft Plan, based upon input provided by Task Force and community members, staff has identified the following modifications to the Draft Plan policies for Planning Commission and City Council consideration. These modifications were developed subsequent to the final Task Force meeting based on general guidance provided by the Task Force and were not specifically discussed by the Task Force. The modifications would incrementally increase the protection of the Open Hillside areas as an important environmental resource for the community, while also maintaining a degree of flexibility for a variety of uses to be developed on Open Hillside lands and thus would be consistent with the Draft Plan goals for environmental leadership. The Planning Commission and City Council may recommend any combination of the following modifications to the Draft Plan.

#### **Option #1.a (Prohibit new golf courses):**

Modify the Open Hillside designation and Open Hillside Golf Course Site overlay text as follows:

The Open Hillside designation also supports ~~golf courses and~~ cemeteries as a potentially appropriate open space uses, provided that they conform to the pertinent Land Use policies. ~~Development and operation of golf courses is limited to sites with the Open Hillside Golf Course Overlay.~~

#### Open Hillside Golf Course Site

The Golf Course Site Overlay designation is applied to Open Hillside locations (outside of the City's Urban Growth Boundary) that are ~~either~~ currently operating as, ~~or may potentially be developed fully for use as a golf course at some point in the future.~~ This designation is applied to specifically identified properties and allows for the ~~potential development and continued operation of an existing~~ golf course as an alternative to the uses otherwise allowed by the underlying base designations for those properties, but does not allow for their expansion or intensification, including increased use of urban services. ~~Because a significant amount of prepared land area is intrinsic to a golf courses use, up to 35% of an identified Open Hillside golf course site may be disturbed with grading or planting of non native vegetation, however use of urban services, either through extension of utilities or use of comparable on-site alternatives, is not allowed.~~

#### **Option #1.b (Further restrict site disturbance)**

Modify the percentage of allowable disturbance in Land Use Policy LU-19.10.5 as follows:

For non-agricultural land uses, disturb no more than ~~50%~~ 10% of the total site area through grading, changes to vegetation or other development activity.

**Option #1.c (Further restrict use of non-native vegetation)**

Modify Land Use Policy LU-19.10.5 as follows:

For non-agricultural land uses, disturb no more than 50% of the total site area through grading, changes to vegetation or other development activity. Limit the use of non-native vegetation to no more than 10% of the project site area.

Staff Recommendation: Do not include further modifications to the Open Hillside policies within the Plan.

**Option #2 (Hamilton; Envision Request ESJ2040-004)**

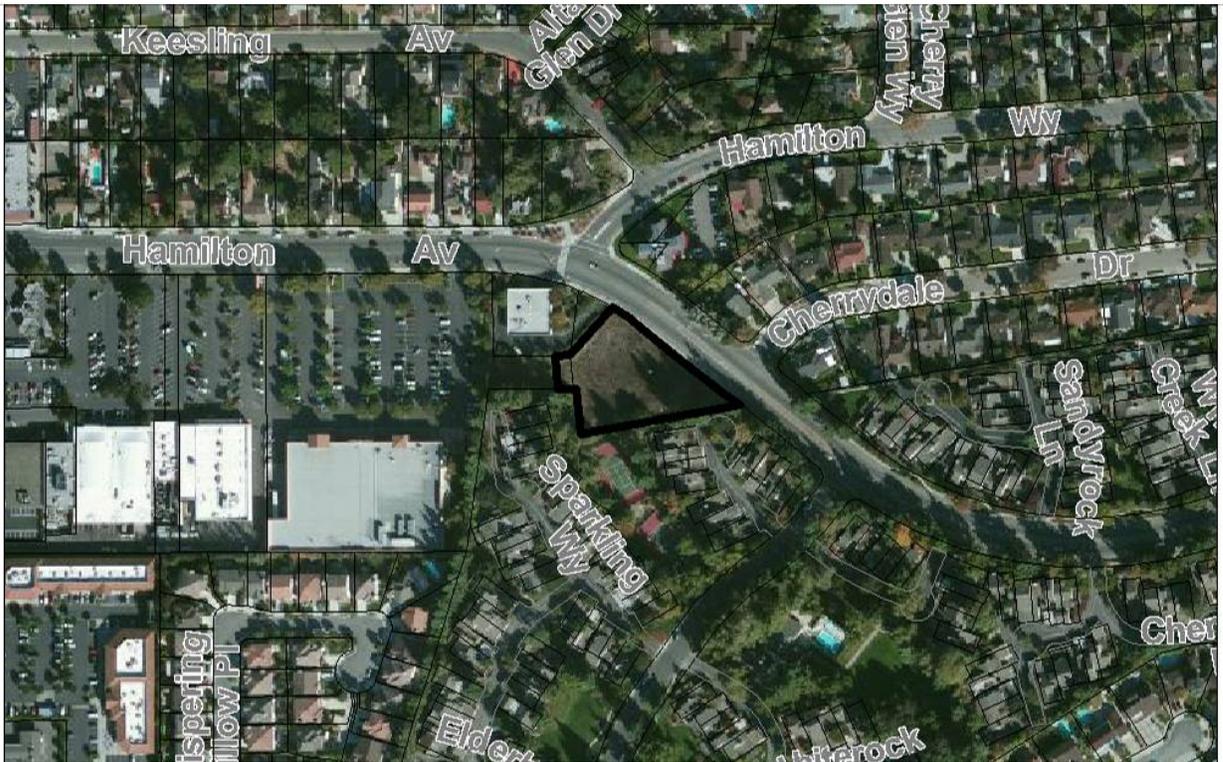
DESCRIPTION: Option to change the Envision Draft Land Use / Transportation Diagram designation to Mixed Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) from Neighborhood/Community Commercial within an Urban Village Area Boundary on a 0.92 acre site.

LOCATION: 1506 Hamilton Avenue

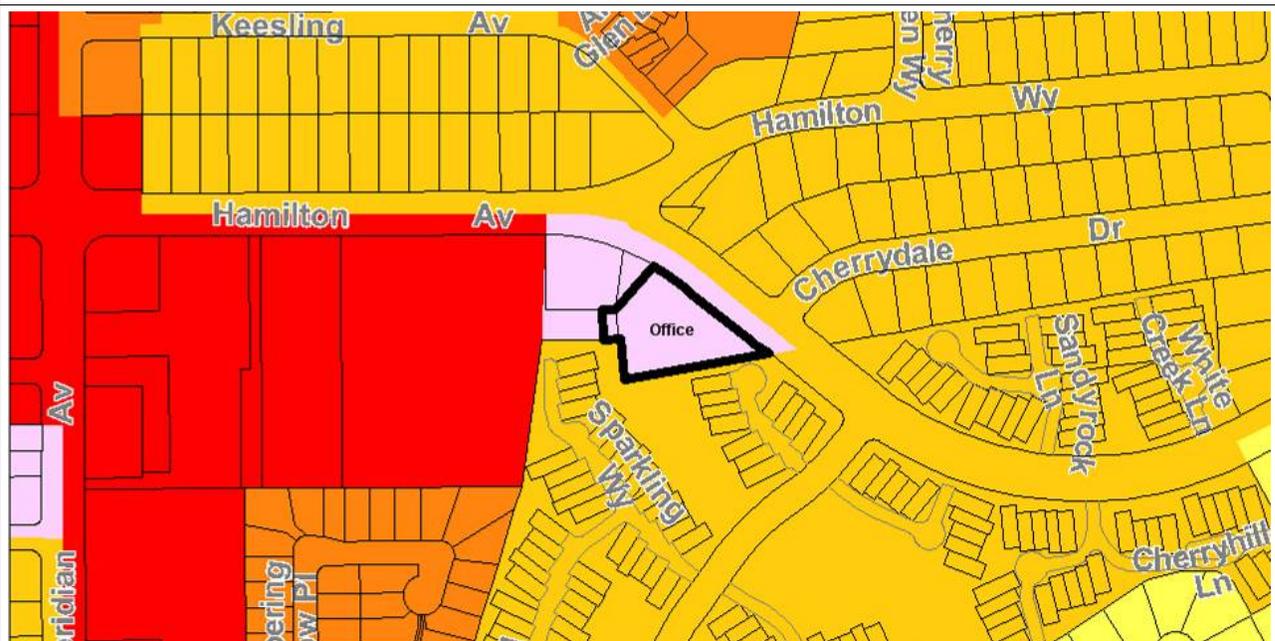
Council District: 6

SNI/RDA: N/A

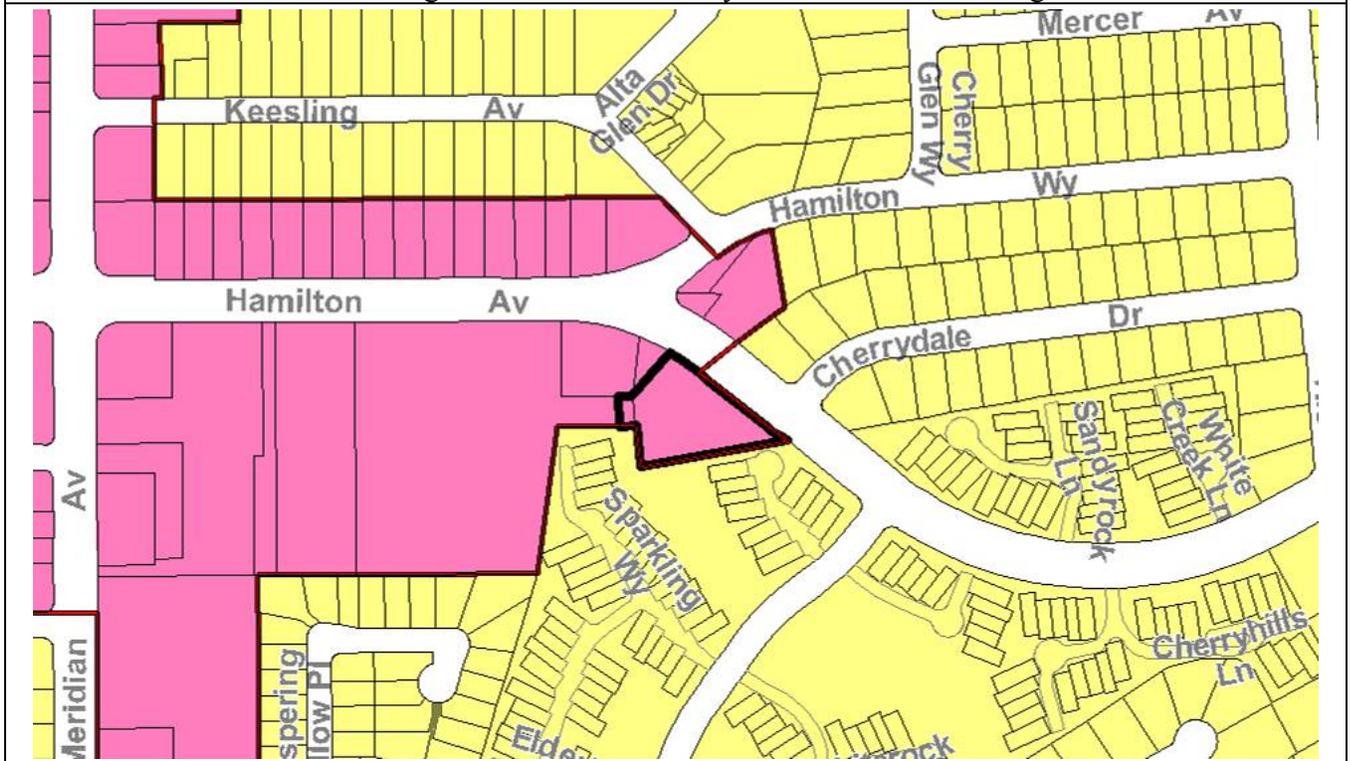
Aerial Map N



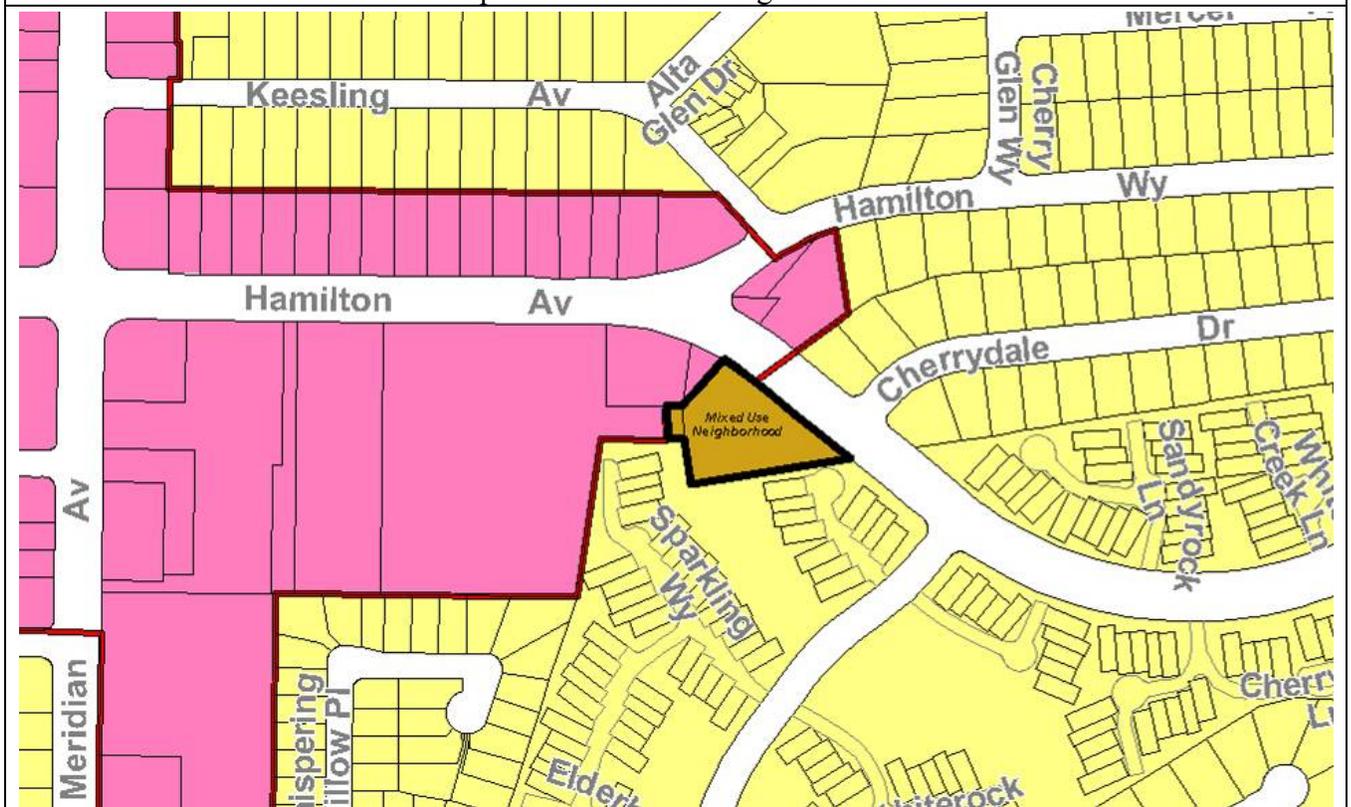
Existing San José 2020 General Plan: Office



Draft Plan: Neighborhood / Community Commercial and Village V63



Option: Mixed Use Neighborhood



Option #2 (Hamilton; Envision Request ESJ2040-004) Analysis

The proposed Option #2 (Hamilton) is not consistent with the overarching goals of the Envision San José 2040 General Plan for Focused Growth, Regional Employment Center, Urban Village and Environmental Leadership as follows:

- 1) The proposed Option would reduce the amount of land within the City intended for employment use by converting the site from a mixed-use Urban Village designation to a Mixed-Use Neighborhood designation. While the Urban Village designation requires preparation of an Urban Village Plan that provides capacity for a specified amount of employment growth within the Urban Village area, the Mixed-Use Neighborhood designation allows exclusive residential use as an option for future development. The property owner has indicated a desire to develop townhouses on this site.
- 2) The proposed Option reduces the amount of residential growth planned to occur within Urban Village areas. In order to maintain the planned housing capacity identified in the Preferred Land Use Scenario and supported by the Draft Plan, the planned residential growth capacity of the adjacent Urban Village area would be reduced in order to provide new residential growth capacity on the Option site. This would reduce the impetus for development of that Urban Village area consistent with Plan goals and policies.
- 3) The proposed Option is not consistent with the goal of building complete, cohesive neighborhoods. Development of townhouses at this site without connection to a larger, planned Urban Village would likely result in a small, isolated residential pocket separated from other neighborhood areas.

Staff Recommendation: Do not include the proposed Hamilton modification within the Plan.

**Option #3 (Mabury; Envision Request ESJ2040-010)**

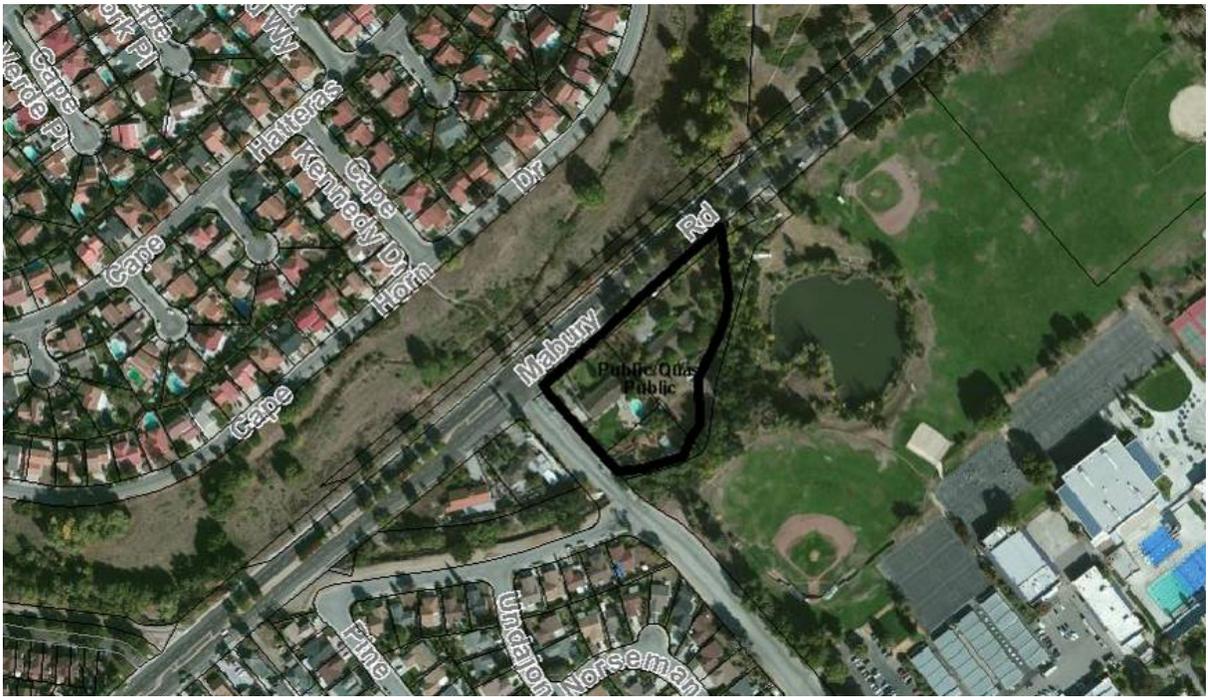
DESCRIPTION: Option to change the Envision Draft Land Use / Transportation Diagram designation to Mixed Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) from Residential Neighborhood (Average 8 DU/AC) on a 3.1 acre site.

LOCATION: 12750 Mabury Road

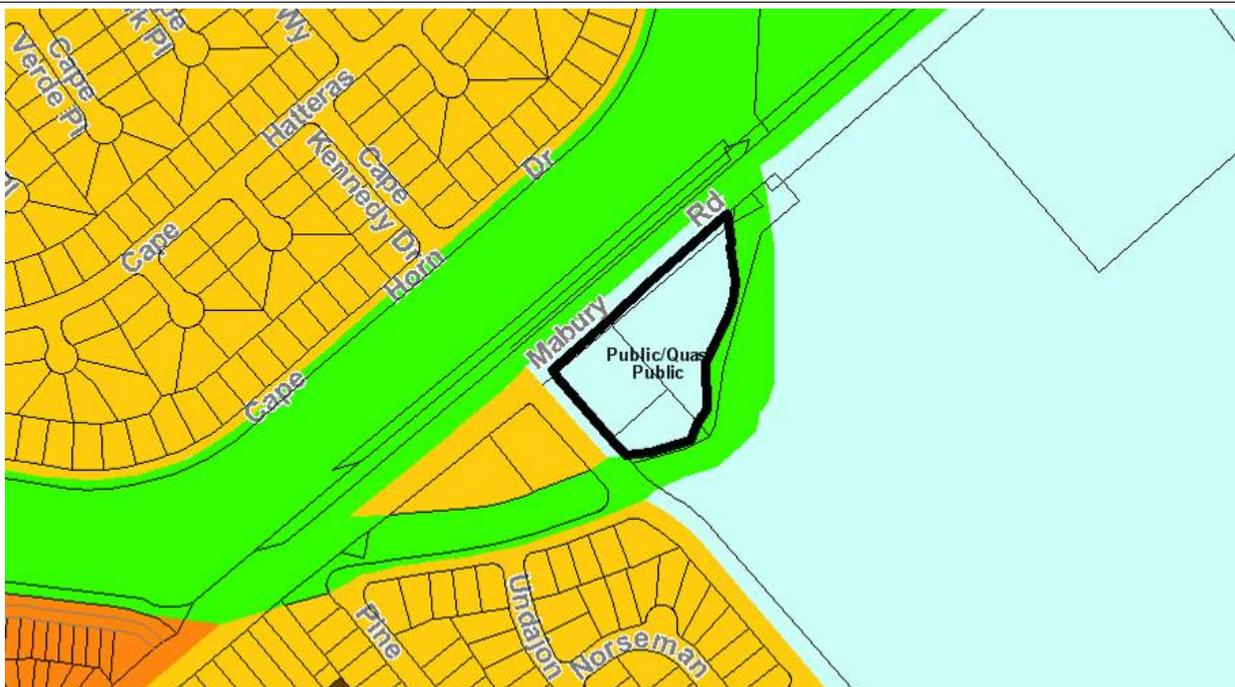
Council District: 4

SNI/RDA: N/A

Aerial Map



Existing San José 2020 General Plan: Public / Quasi Public



Draft Plan: Residential Neighborhood



Option: Mixed Use Neighborhood



Option #3 (Mabury; Envision Request ESJ2040-0010) Analysis

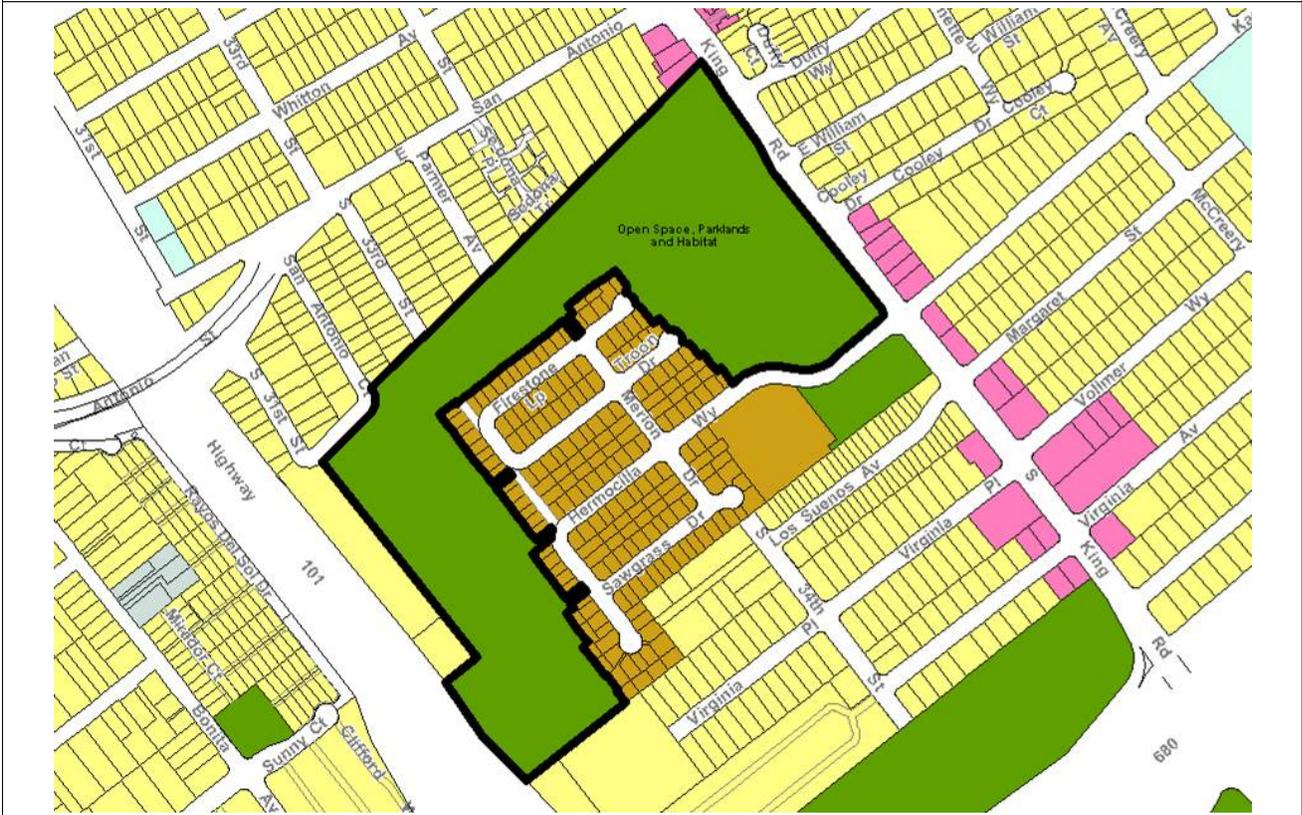
The proposed Option #3 (Mabury) is not consistent with the overarching goals of the Envision San José 2040 General Plan for Focused Growth and Environmental Leadership as follows:

- 1) The proposed Option would increase the intensity of residential development in an area that does not have good access to existing services, including transit facilities and neighborhood-serving retail. Intensification of residential uses in such areas promotes automobile travel. The Draft Plan as proposed carefully focuses most residential growth into areas with good access to such services in order to encourage transit ridership, and pedestrian and bicycle activity.
- 2) The proposed Option is not consistent with the goal of building complete, cohesive neighborhoods. Development of townhouses at this site would result in a small, isolated residential pocket separated from other neighborhood areas. The Draft Plan Residential Neighborhood designation supports single-family residential and/or commercial use of the properties consistent with the existing character of the area.

Staff Recommendation: Do not include the proposed Mabury modification within the Plan.



Draft Plan: Open Space, Parklands and Habitat



Option: Mixed Use Neighborhood



**Option #4 (Rancho Del Pueblo; Pending General Plan Amendment GP10-05-01) Analysis**

The proposed Option #4 (Rancho del Pueblo) is not consistent with the goals of the Envision San José 2040 General Plan for Focused Growth, Urban Village and Environmental Leadership from a land use perspective, as follows:

- 1) The proposed Option reduces the amount of residential growth planned to occur within nearby Urban Village areas, which may reduce the successful implementation of those Urban Villages consistent with the Draft Plan goals and policies.
- 2) The proposed Option would move residential development away from existing services, including transit facilities and neighborhood-serving retail. Reducing access to such services discourages transit ridership, and pedestrian and bicycle activity and is contrary to the development of a complete community.
- 3) The proposed Option would decrease open space and recreational opportunities by converting a portion of the Rancho del Pueblo site from park to residential use.

**Staff Recommendation:** Do not include the proposed Rancho Del Pueblo modification within the Plan.

**Option #5 (iStar; pending General Plan Amendment GP07-02-01)**

DESCRIPTION: Change the Draft Plan Land Use/Transportation Diagram designation from Combined Industrial/Commercial to Mixed-Use Neighborhood (up to 30 DU, FAR 0.25 to 2.0) on a 47.5-acre portion of a 76-acre site.

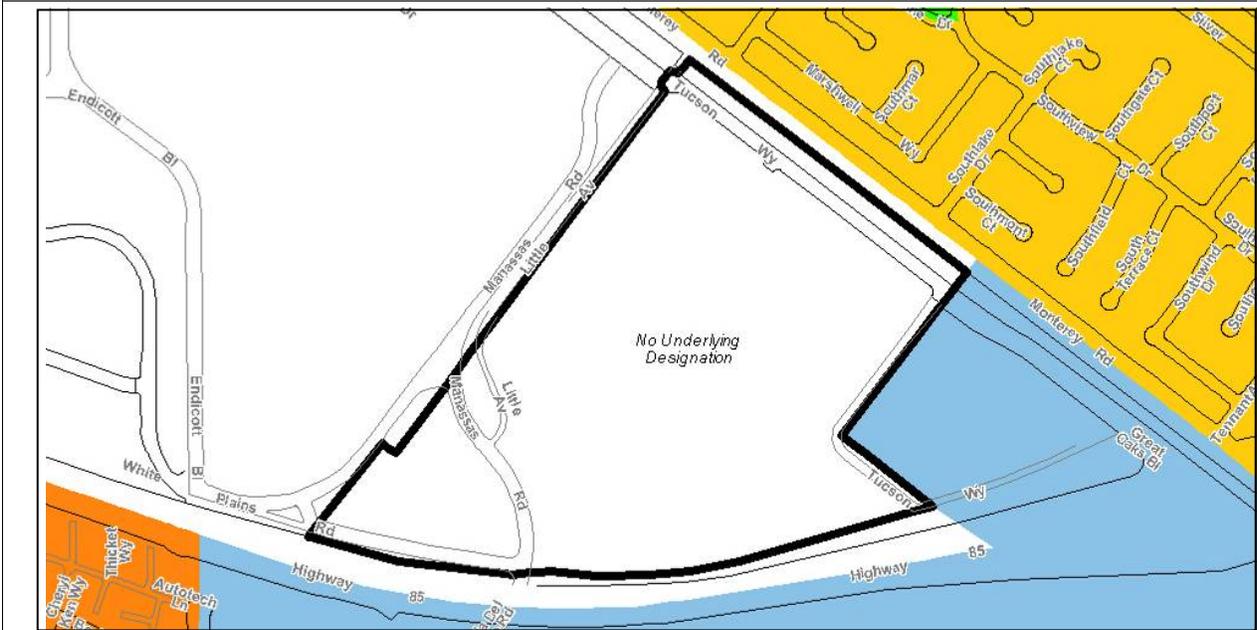
LOCATION: North side of Hwy 85, approximately 1200' West of Monterey Road

Council District: 2 SNI/RDA: Edenvale

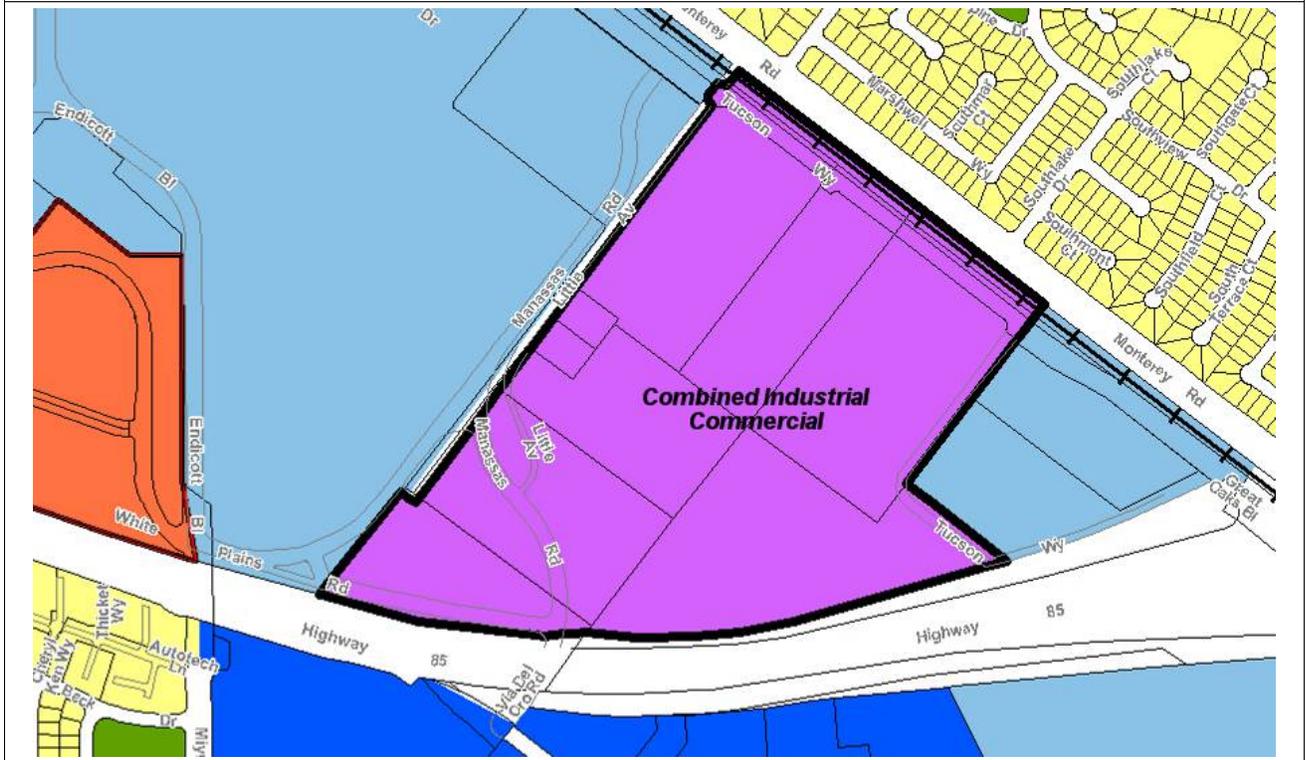
Aerial Map



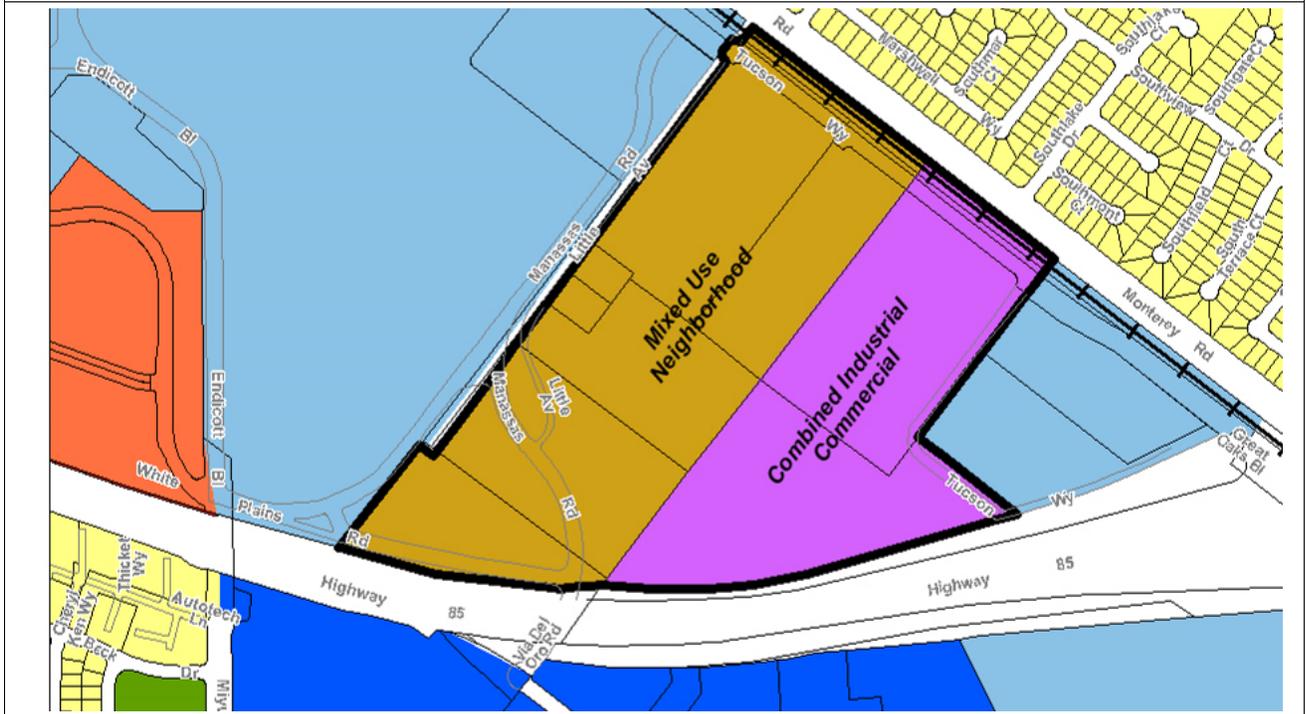
Existing San José 2020 General Plan: Mixed Used with No Underlying Designation



Draft Plan: Combined Industrial / Commercial



Option: Mixed Use Neighborhood



**Option #5 (iStar; pending General Plan Amendment GP07-02-01) Analysis**

The proposed Option #5 (iStar) is not consistent with the goals of the Envision San José 2040 General Plan for Focused Growth, Regional Employment Center, Urban Village and Environmental Leadership from a land use perspective as follows:

- 1) The proposed Option reduces the amount of land within the City designated for employment use through the conversion of 47.5 acres of prime industrial land to residential use. In order to maintain the overall planned job capacity identified in the Preferred Land Use Scenario and supported by the Draft Plan, these jobs would need to remain on the site through intensification on the iStar property. This would be secured through subsequent entitlements.
- 2) The proposed Option undermines the long-term viability of the Old Edenvale employment district by introducing a residential use near the center of the district. The proposed conversion would further isolate the remaining industrial lands to the north and may encourage their eventual conversion to non-employment use.
- 3) The proposed Option reduces the amount of residential growth planned to occur within Urban Village areas. In order to maintain the planned housing capacity identified in the Preferred Land Use Scenario and supported by the Draft Plan, the planned residential growth capacity of nearby Urban Village areas would be reduced in order to provide new residential growth capacity on the iStar site. This may reduce the successful implementation of those Urban Village areas consistent with the Draft Plan goals and policies.

**Staff Recommendation:** Do not include the proposed iStar modification within the Plan.

## **Conclusion**

The Draft Envision San José 2040 General Plan is a cohesive policy document that directly embodies the values, aspirations, goals and insights of a broad number of stakeholders, including Envision Task Force members appointed by the City Council to represent various community interests, a large number of interested community participants, and City staff, representing all City departments, working together to provide their professional expertise.

The Draft Plan redirects the City's land use and service delivery policies to give greater emphasis to economic growth, fiscal strength, environmental leadership, the promotion of transit use, and the development of Urban Villages. The Draft Plan sets forth several innovative strategies and policy tools that will enable the City to implement an ambitious vision for its future.

## **CEQA**

The General Plan Update EIR is a Program EIR (PEIR) that has been prepared to address a series of actions that can be characterized as one large project and will be carried out as individual activities which have generally similar environmental effects which can be mitigated in similar ways. A PEIR provides a more exhaustive consideration of effects and alternatives than would be practical in many EIRs on individual General Plan Amendments or entitlement projects, ensures consideration of cumulative impacts, and allows the City of San José to consider broad policy alternatives and program-wide mitigation measures to deal with basic environmental issues or cumulative effects.

Environmental Impacts identified in the General Plan Update PEIR as significant and unavoidable prior to any consideration of possible feasible mitigation measures include:

- Land Use, in relation to the loss of prime agricultural land due to development;
- Transportation impacts related to Vehicle Miles Traveled (VMT) increasing faster than the service population of San José, defined as employees plus residents;
- Transportation impacts related to increasing congestion, both in San José, and throughout the region;
- Noise impacts from increased traffic;
- Aesthetic impacts due to the loss of views of wooded and grassy hillsides;
- Air Quality impacts due to increasing VMT;
- Biological Resources impacts due to impacts on serpentine grassland from nitrogen deposition from vehicle emissions;
- Population and Housing impacts from a jobs/housing imbalance and the associated additional traffic caused by that imbalance;
- Greenhouse Gas Emissions impacts from the City's inability to meet the State's aggressive reduction targets for the year 2035.

The City took a conservative position regarding mitigation measures that would require additional regulatory programs that would encumber the City with additional costs. This means that instead of attempting to mitigate a region-wide impact through a new regulatory program, the City has described some of the impacts associated with the General Plan Update PEIR as significant and unavoidable due to the infeasibility of new regulatory programs in an era of limited budget resources for the City. An example of this situation is the indirect effects on serpentine habitat through the

deposition of nitrogen. Mitigation measures for these impacts could be implemented through a Habitat Conservation Plan (HCP), an ongoing, county-wide effort to address impacts from development to sensitive habitat. However, since no present City funding has been earmarked to implement such an HCP in the City, no assumptions that an HCP is adopted and implemented in the City have been included in the PEIR. If an HCP is adopted and implemented in the City, the actual impacts to serpentine habitats through the deposition of nitrogen will, in all likelihood, be less than that identified in the PEIR. So, in other words, the PEIR identifies a “worst-case” scenario.

Other significant impacts, such as Transportation, are unavoidable due to the uncertainty surrounding the efficacy of General Plan policies that act as mitigation, along with the fact that roadway widening would not be economically or physically feasible due to the physical constraints surrounding roadway widening (such as the need to purchase too many real properties that would be necessary for such widenings and the fact that currently occupied businesses and residences exist in the areas needed for such widenings).

Mitigation measures required to bring Greenhouse Gas reductions in line with 2035 reduction targets were also determined to be infeasible due to the technological advances and the policy decisions at the State and Federal levels (outside of City’s control) that would be required to achieve reductions of the magnitude of the 2035 reduction targets.

The Department of Conservation, and others, made a case for requiring conservation easements to mitigate the loss of prime agricultural land. In staff’s opinion, conservation easements can protect some existing farmland, but do not replace farmland lost to development and cannot reduce the impact to a less than significant level, and therefore cannot be considered as full mitigation. This comment and other comments received on the DPEIR are contained in the First Amendment to the DPEIR, together with detailed responses to those comments received. Reference to that First Amendment should be made for the full content of those comments and the responses provided in their particulars.

As a part of the CEQA process, there were a total of seven alternatives analyzed in the PEIR to determine whether any alternatives of design, scope or location would substantially lessen the significant impacts of a project, even if those alternatives “impede to some degree the attainment of the project objectives,” or are more expensive.

As discussed in the PEIR, the project has significant unmitigated or unavoidable impacts clustered around the direct or indirect effects of automobile travel, characterized through the metric Vehicle Miles Traveled (VMT), which contributes to or cause almost all of the significant unavoidable impacts, including air quality, transportation, roadway noise, nitrogen deposition on sensitive serpentine habitats, and greenhouse gas impacts.

Key objectives of the project are for the city to become more of a regional job center, to increase utilization of regional transportation systems, and support the City’s fiscal health. Although some of the proposed alternatives reduced some of the environmental impacts associated with additional VMT, none of the alternatives met the fundamental objectives of the project. The fuller discussion of these objectives and their ability to fulfill project objectives can be found at Section 8 of the PEIR.

Five land use/policy Options, separate from the environmental alternatives required under CEQA, were analyzed as a part of the preparation of the PEIR and two are specifically addressed within the

PEIR document due to their scale and potential for environmental impact. These two Options, relating to the Rancho del Pueblo Golf Course (Draft Plan Option #4), and the iStar site (Draft Plan Option #5), would allow different land use designations than the ones proposed as a part of the base project. The Rancho del Pueblo Residential Option would change the proposed land use designation on the 31-acre site in the Alum Rock Planning Area from *Open Space, Parklands and Habitat* under the Preferred Scenario to *Mixed Use Neighborhood*. The *Mixed Use Neighborhood* land use designation is intended for development primarily with either townhouse or small lot single-family residences, and could include convenience commercial and assembly uses. The other three land use/policy options are consistent with the project as analyzed in the PEIR and do not warrant separate discussion of their potential for environmental impacts. Option #1 would add further restriction upon allowable development intensities for lands designated as Open Space. Option #2 and Option #3 would make affect Land Use/Transportation Diagram changes, but would not alter the scope of growth analyzed for the project. Consequently, further CEQA review is not required for any of the five Options identified in this staff report.

The iStar Residential Option would change the proposed land use designation on a 76-acre site in the Edenvale Planning Area from *Combined Industrial/Commercial* under the Preferred Scenario to *Mixed Use Neighborhood*.

Option #4 and Option #5 were analyzed at a program level, at the same level of detail as the rest of the General Plan Update. Project-specific impacts, such as impacts from a particular roadway configuration, or level-of-service impacts to a particular intersection, or loss of biological habitat due to a specific development proposal were not analyzed in detail because such detail is not currently available, and would require a subsequent, more detailed environmental analysis when a development project is proposed.

The General Plan Update Draft PEIR was circulated from June 17, 2011 to August 15, 2011. The City received approximately 80 comment letters during that time.

The bulk of the comments on the Draft PEIR fell into three categories: comments from governmental and quasi-public agencies on their areas of expertise as it relates to the general plan; comments on the Rancho del Pueblo option and especially specific concerns on the removal of the golf course that could result from that proposed land use change; and the desire to have Lincoln Avenue through downtown Willow Glen considered an Urban Village, and to reduce the number of travel lanes through Willow Glen from four to two, and add bike lanes to the right-of-way.

#### Governmental and Quasi-public Agency Comments

Briefly, the responses to comments included clarification and text changes as a result of the agency letters, including revisions as a result of the Bay Area Air Quality Management District letter, revisions as a result of comment letters on biological resources from the USFWS, DFG, Greenbelt Alliance, and the Silicon Valley Audubon Society. None of the comment letters identified new significant impacts or presented new evidence that changed an impact determination.

#### Rancho del Pueblo Policy Option Comments

Many of the comments relating to the Rancho del Pueblo Option were either against the proposed land use designation change itself or in relation to the impacts from a development proposal. The comments that were simply against the proposed project do not raise any new environmental issues that need to be analyzed. Project-level environmental analysis has not been completed because as of

the present moment, there is no development proposal on file. A program-level analysis is appropriate for the Rancho del Pueblo option, given the fact that this option represents a change in the land use designation for a property, absent a development proposal, being considered in the context of an update to the City's General Plan, which covers a 180 square mile area and a time horizon of nearly 30 years.

#### Lincoln Avenue Comments

As part of the Envision process, many streets are proposed to "go on a diet," reducing the number of lanes and facilitating bicycle and pedestrian travel. The issue of the number of lanes being reduced along Lincoln Avenue was raised by members of the Task Force and discussed extensively. At their June 2009 meeting, the Task Force asked staff to respond to this and a number of other proposed modifications to the General Plan street network. Staff recommended that no change to Lincoln Avenue be considered as part of the Draft Plan, and the Task Force agreed at that time. Therefore, it was not part of the project description of the Draft Plan and the analysis for the Environmental Impact Report.

The issue of reducing the capacity of Lincoln Avenue has been studied in the past. It is a complex issue both because of the traffic it currently carries and the businesses it serves and because of the likelihood of significant effects on intersection Levels of Service, adjacent streets and surrounding neighborhoods. Analysis would be needed to understand impacts on intersections, adjacent streets, and neighborhood traffic circulation. The question of reducing the number of lanes on Lincoln Avenue can be studied after the *Envision San José 2040* process, if desired by the City Council.

#### Final PEIR

As previously noted, the City's responses as a result of the comments received on the Draft PEIR are contained in the First Amendment to the Draft PEIR. Together with the Draft PEIR, they comprise the Final PEIR.

Planning Staff recommends that the Planning Commission find the Final Program Environmental Impact Report has been prepared in compliance with the California Environmental Quality Act (CEQA), and that the analysis reflects the independent judgment of the City of San José, and recommends that the Planning Commission certify the Final Program Environmental Impact Report for the Envision 2040 General Plan Update.

### **PUBLIC OUTREACH/INTEREST**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ✓ **Criteria 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)**
- Criteria 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)**

As noted above, extensive public outreach has been an integral part of the Envision San José 2-4- General Plan update process. Public outreach activities have included mailings, on-line activities, and community meetings involving more than 200,000 community stakeholders as follows:

175 Documented Outreach Meetings

- 31 Neighborhood Association
- 18 Property Owner/Developer Organization
- 17 Foundation/Professional Organization
- 16 Other Jurisdiction
- 13 Commission/Committee
- 7 Envision Community Workshops
- 22 Regional Agency, Environmental, Education, Civic/Cultural/Religious/Ethnic
- 51 Task Force Meetings

On-line Activities:

- 5,000 Participants in a WikiPlanning website
- 1,000 Participants in on-line surveys

Mailed Notices:

- 194,000 Envision Brochures (April to June 2011)
- 9,500 Notices to affected property owners

Recent outreach activities include follow-up communications with approximately 100 property owners who received notice of the General Plan change for their property. Because the General Plan includes unincorporated areas of San José's sphere of influence, many of these property owners live outside of the City's boundaries and are concerned about potential annexation, near-term development regulations and other issues which will not be a direct outcome of the General Plan update process.

In addition, the Parks Commission and Historic Landmarks Commission reviewed and discussed the Draft Plan. The Parks Commission did not propose any further modifications to the Draft Plan. The Historic Landmarks Commission also supported the Plan and had these specific comments on the Plan:

- LU14.2 ~~Prioritize~~ Give high priority to the preservation of historic structures that contribute to an informal cluster or Conservation Area; have a special value in the community; are a good fit for preservation within a new project; have a compelling design and/or good designer; etc.
- LU14.4 The City encourages avoiding demolition of any building or structure listed on or eligible for the Historic Resources Inventory as a Structure of Merit by

pursuing the alternatives of rehabilitation, re-use on the subject site, and/or relocation of the resource.

- LU14.6 Preservation of Structures of Merit and Contributing Structures in Conservation Areas is a key consideration in the development review process. As development proposals are submitted, the City should evaluate the significance of structures, complete non-Historic American Building Survey level of documentation, list qualifying structures on the Historic Resources Inventory, and consider the feasibility of incorporating structures in to development proposal, particularly those structures that contribute to the fabric of Conservation Areas.
- Add a definition of non-Historic American Building Survey to the Glossary.
- Add language in the early chapters that acknowledges the role of historic structures in San Jose's heritage beyond the Downtown.

### COORDINATION

This development of the Draft Envision San José 2040 General Plan was closely coordinated with representatives of all City departments and representatives of those departments directly contributed to its contents as well as to the Envision General Plan update process. The preparation of this memorandum was coordinated with the City Attorney's Office.

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