



Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1705

Hearing Date/Agenda Number:

P.C. 9/28/2005 Item: 7b

File Number:

GP05-04-01

Council District and SNI Area:

4

Major Thoroughfares Map Number:

51

Assessor's Parcel Number(s):

237-01-022 & 237-01-023

Project Manager:

Sanhita Mallick

GENERAL PLAN

2005 Summer Hearing

PROJECT DESCRIPTION:

General Plan Amendment request to change the Land Use/Transportation Diagram designation from Industrial Park with Mixed Industrial Overlay to Medium High Density Residential (12-25 DU/AC) on an approximately 4.7 gross-acre site.

LOCATION:

Northwest corner of Old Oakland Road and Rock Avenue

ACREAGE:

4.7

APPLICANT/OWNER:

Ernest E. Pestana, Owner/Bob Hencken (Summerhill Homes), Applicant

GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designation: Industrial Park with Mixed Industrial Overlay

Proposed Designation: Medium High Density Residential(12-25 DU/AC)

EXISTING ZONING DISTRICT(S): IP – Industrial Park

SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

North: Office Uses – Industrial Park with Mixed Industrial Overlay

South: Single-family homes – Medium Density Residential (8 - 16 DU/AC)

East: Industrial Uses – Heavy Industrial

West: Industrial Uses/Mobile Home Park - Industrial Park with Mixed Industrial Overlay/ Medium Density Residential (8 - 16 DU/AC)

ENVIRONMENTAL REVIEW STATUS:

Mitigated Negative Declaration adopted on September 14, 2005.

PLANNING STAFF RECOMMENDATION:

No change to the existing designation of Industrial Park with Mixed Industrial Overlay

Approved by :

Date:

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

- Parks, Recreation and Neighborhood Services Department (PRNS) – PRNS recommended that the project should pay park impact fees instead of dedicating parkland on the project site.
- Parks Commission – The Parks Commission recommended that the project should pay park impact fees instead of dedicating parkland on the project site.
- Fire Department – City of San José Fire Department indicated that the site fire flow requirements may be as high as 4,500 GPM and reserves the right to make comments at a later date.
- Department of Transportation (DOT) – DOT indicated that since the estimated number of new PM peak hour trips resulting from the proposed land use change is below the exemption threshold established for this area, this General Plan amendment is exempt from a computer model (TRANPLAN) traffic impact analysis.
- Department of Public Works (DPW) – City of San José DPW indicated that the Planned Development Rezoning also pending on the site would be required to dedicate approximately 22 feet right-of-way along both Oakland Road and Rock Avenue.
- Environmental Services Department (ESD) – No comments were received from ESD.
- Santa Clara Valley Water District (SCVWD) – The SCVWD has several comments regarding the site including information about 1) a well located on the site; 2) requirement of filing a Notice of Intent to comply with the state’s National Pollution Discharge Elimination System General Permit for Storm Water Discharge Associated with Construction Activity with the State Water Resources Control Board, and 3) incorporation of site design measures to reduce runoff.
- Office of Economic Development (OED) – No comments was received from OED.
- Santa Clara Valley Transportation Authority (VTA)- VTA indicated that they have no comments at this time.

GENERAL CORRESPONDENCE:

During the project review, staff received a letter from the Mobile Community Management Company who manages the Casa De Lago Mobile Home Park, expressing concerns about the traffic congestion and privacy of the mobile homes if the high-density residential development were approved. Staff also received a phone call and email correspondence from Marilyn Cimahosky of Super Micro Computer Inc. located at 900 Rock Avenue. Ms. Cimahosky expressed the following concerns: inconvenience during the ongoing construction of the residential units on Oakland and Rock, lack of police patrol in the area resulting in unsafe conditions such as loitering and vandalism, dangerous pedestrian conditions, particularly for children, in light of the construction activity and increased traffic due to the previously approved development, and possible aggravation of the last concern with the increase of children if the GP Amendment and associated Planned Development Rezoning were approved. At the community meeting on August 24, 2005, several members of the public provided comments. Further discussion of this correspondence and community outreach can be found in the Public Outreach section of this staff report.

RECOMMENDATION

Staff recommends no change to the General Plan Land Use/Transportation Diagram designation of Industrial Park with Mixed Industrial Overlay on the subject site. The following points summarize staff's concerns:

1. Allowing residential uses on the site would permanently remove the potential for uses on the site that could provide employment.
2. The continued loss of industrial land would have long-term fiscal impact on the City's economy.
3. Conversion of the site may induce further conversion in the vicinity, resulting in a cumulative impact on the economy.
4. The residential use of the site could subject future residents to nuisances including hazardous materials use and storage, generation of noise, dust, and odors from the numerous uses in the area.
5. The proposed General Plan amendment could result in future limitations being imposed on the industrial uses in the immediate vicinity of residential uses on the subject site, thereby potentially compromising the future viability of businesses.

Staff recognizes that this site is located in a subarea that the *Framework, as a Guideline, for Evaluating Proposed Conversions of Employment Lands to Other Uses* (Framework) identifies for consideration for conversion under certain circumstances, and also recognizes that another site across Rock Avenue, on the southerly side of the street, was the subject of a General Plan amendment, GP03-04-01 that converted industrial land to residential uses approved by Council immediately after Council approved the Framework on April 6, 2004. At that time, in a Council memorandum, the Mayor and Councilmember Reed, provided eight reasons for justifying the conversion of the GP03-04-01 amendment site, including the proximity to an existing residential area and school, and stated that the site design included in the Planned Development zoning associated with GP03-04-01 would enhance the quality of life for the existing residential community by connecting an isolated residential island to a school and park.

Staff agrees that solidifying a neighborhood that enhances the quality of life for the existing and future residents in proximity to the GP05-04-01 amendment site is a priority, and suggests that either a community-serving assembly use on the subject site under the existing Industrial Park with Mixed Industrial Overlay land use designation, or a future proposal for conversion to a commercial use that may provide services to the residents within the vicinity of the site, as well as a new source of revenue to the City and a buffer between the parcels with Industrial Park land use designations to the north and the residential uses to the south of the subject property, may be an alternative to the proposed General Plan amendment for conversion to residential.

PROJECT DESCRIPTION

This is a privately initiated General Plan amendment request to change the *San José 2020 General Plan* Land Use/Transportation Diagram designation from Industrial Park with Mixed Industrial Overlay to Medium High Density Residential (12-25 DU/AC) on an approximately 4.7-acre is located on the northwesterly corner of Oakland and Rock Avenue. Approval of the proposed General Plan amendment would potentially allow up to 115 residential units on this site that could include single-family homes, duplexes, town homes, and flat units stacked on top of each other (cluster housing).

A Planned Development Rezoning application (File No. PDC05-022) has been filed concurrently with this proposed General Plan amendment. The proposed Planned Development Rezoning would allow up to 101 single-family attached residences, with a density of 20.2 dwelling units per acre. The proposed Planned Development Rezoning is tentatively scheduled to be heard at separate public hearing by the Planning Commission and the City Council.

BACKGROUND

Description of Site

The subject site consists of two parcels totaling approximately 4.7 acres. The site is located on the northwest corner of Oakland Road and Rock Avenue and can be accessed by both streets. The eastern portion of the site is currently used by a wood pallet manufacturing and storage business (*Sal's Pallet*). This portion of the property is used for storing wood pallets that cover approximately 80 percent of the site. There are also several storage sheds on the property. The western part is leased for use as outdoor storage for vehicles such as trucks, cars, equipment, trailers etc. The site is relatively flat and unpaved. Both the Oakland Road and Rock Avenue frontages are unimproved and are lined with mature trees along the street.

Based on historic aerial photos, previous uses on the site included agriculture use from the 1930s through the early 1960s, with various industrial uses added from the 1950s to the present.

Surrounding Uses and Context

One side of the site fronts on to Oakland Road, which provides vehicular access to much of the larger industrial area in northeast San José. It is designated as a Major Arterial Street in the General Plan, which is defined as a roadway having three traffic lanes in each direction. The existing roadway varies from two to four lanes between Hedding Street to the south and Montague Expressway to the north, and there are plans for widening it.

There is a mix of residential and industrial land uses surrounding the site, including light industrial office to the north of the site, heavy industrial uses across Oakland Road to the east, single family residential units under construction across Rock Avenue to the south and mobile home park, and industrial uses to the west. The mobile home park (Casa Del Lago Mobile Home Park) is located on an approximately 51-acre site and was built in the early 1970s. At that time, the City did not yet have strong policies discouraging residential uses in industrial areas.

An elementary school (Orchard Elementary) is situated approximately 900 feet to the south of the project site, adjacent to the single-family homes mentioned above. The Orchard School District bought property in the area in the mid-1990s for the development of this school. The City of San José has no land use authority over the locations of public schools.

General Plan Designations of the Subject Site and Surrounding Sites

The subject site has an existing land use designation of Industrial Park with a Mixed Industrial Overlay. The Industrial Park designation is an exclusive industrial designation intended for a

wide variety of industrial uses such as research and development, manufacturing, assembly, testing and offices.

In conjunction with the Industrial Park land use designation, the addition of the Mixed Industrial Overlay allows a broader range of compatible commercial or public/quasi-public uses such as schools, churches, hotels and motels, big box retailers and hospitals. The City Council approved the addition of the Mixed Industrial Overlay on this site as part of a General Plan amendment on 52.3 acres of land on the west side of Oakland Road between Montague Expressway and Rock Avenue in 1996.

The Medium High Density Residential (12 - 25 DU/AC) land use designation is typified by two- to three-story apartments and condominiums with surface parking. In some cases taller buildings balanced with appropriate amount of open space are allowed. The proposed General Plan amendment would potentially allow between 60 and 115 residential units on this site. Potential future uses could include single-family homes, duplexes, town homes, and flat units stacked on top of each other (cluster housing).

The General Plan land use designations of the surrounding properties are as follows: Industrial Park to the north, Heavy Industrial to the east across Oakland Road, Medium High Density Residential across Rock Avenue to the south, and Medium High Density Residential and Industrial Park to the west.

General Plan Amendments within the Immediate Vicinity of Subject Site

Recently Approved General Plan Amendment

A similar General Plan amendment (File No. GP03-04-01) was approved in April, 2004 to change the designation of 13.7 acres of land located directly across Rock Avenue, to the south of the subject site, from Industrial Park to Medium Density Residential (8-16 DU/AC). The Director of Planning, Building and Code Enforcement recommended denial of that General Plan amendment. Planning staff's analysis concluded that the General Plan amendment was inconsistent with long standing General Plan policies and would not support the retention of a strong economic base for the City. Staff also mentioned that this conversion would likely increase the possibility of additional residential conversion in the surrounding area. Moreover, with conflicts with adjacent businesses, this would result in a marginal living environment for future residents. This General Plan land use designation change was approved by Council at the same hearing as the adoption of the *Framework, as a Guideline, for Evaluating Proposed Conversions of Employment Lands to Other Uses* (Framework), which was adopted by the Council in April 2004 for the purpose of evaluating proposed conversions of employment lands to the other uses. The Framework has not slowed the loss of industrial land to other uses as exceptions have been made that resulted in the conversion of approximately 527 acres of additional industrial land to allow residential uses subsequent to the Framework adoption.

Pending General Plan Amendment

There is a pending General Plan amendment request (GP05-04-03) on a 2.66-acre site across from the subject site on the east of Oakland Road to change the Land Use/Transportation Diagram designation from Heavy Industrial to Heavy Industrial with Mixed Industrial Overlay.

Previous General Plan Amendments on Surrounding Properties:

Beginning in the mid-1990s, several General Plan amendments were approved to support the transition from Heavy Industrial to Industrial Park uses in the area. The City Council approved the addition of the Mixed Industrial Overlay on 52.3 acres of land on the west side of Oakland Road between Montague Expressway and Rock Avenue. The subject site is a part of this 52.3-acre land area. The Council also approved a General Plan amendment to change the land use designation from Heavy Industrial to Industrial Park on 107 acres in an area bounded by Rock Avenue, Oakland Road, Brokaw Road and Interstate 880 in 1997.

These changes provided greater separation between heavy industrial and residential uses and also reflected the existing character of some of the businesses. Although the General Plan amendments changed the type of industrial activities allowed, or required more stringent land use performance and design standards to mitigate potential nuisances, the industrial designations retained the area's role as part of San José's employment base by continuing to allow industrial uses. Moreover, the changes were consistent with the Economic Development Major Strategy of the General Plan, which emphasizes preservation of industrial areas critical to the City's economic vitality.

At approximately the same time, the Orchard School District bought property for the development of Orchard Elementary School at its current location, which is surrounded by lands predominantly planned for industrial uses. A General Plan land use change from Heavy Industrial to Public/Quasi Public was approved by the City Council in 1997, to reflect the location of the school.

All of the previously mentioned General Plan Land Use designation changes were approved before the adoption of the Framework. The Framework is discussed under *Analysis* section below.

Proposed Planned Development Rezoning

The proposed General Plan amendment has been filed concurrently with an A (PD) Planned Development Rezoning, File No. PDC05-022. The proposed zoning is currently under review by Planning staff. The zoning proposes up to 101 single-family attached residences (three story town home style and flat condominiums) and development of a portion of Oakland Road.

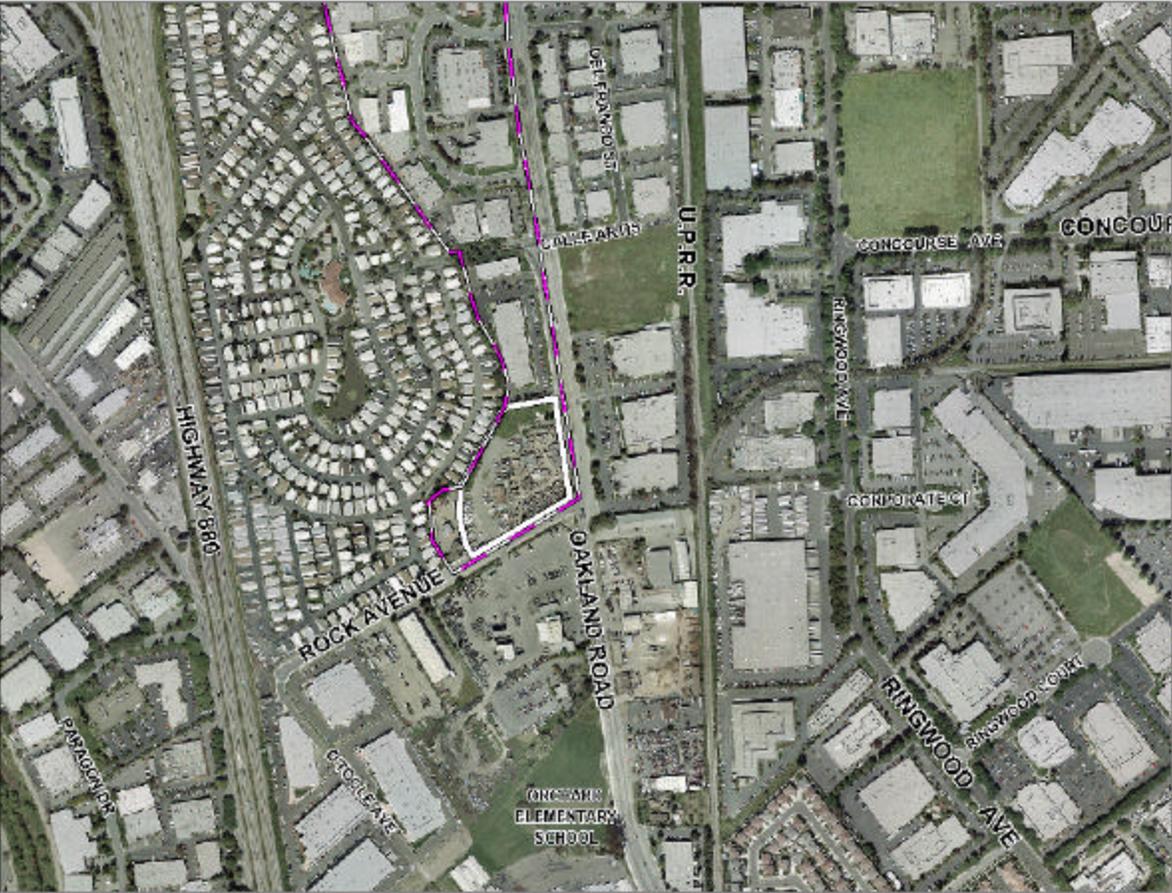


Fig.1. Aerial Photograph of the site and the surrounding area, taken in 2001
Pictures of the site and surrounding uses:



Fig 2. Site frontage on Oakland Road



Fig 3. Site frontage on Oakland Road



Fig 4. Vacant lot north easterly of site on Oakland Road



Fig 5. Office Building to the north of site on Oakland Road



Fig 2. Site frontage on Rock Avenue



Fig 7. Single-family home under construction along Rock Avenue

ANALYSIS

The relevant issues related to the proposed General Plan amendment are: 1) consistency with the *San José 2020 General Plan* Major Strategies, Goals, and Policies, and 2) consistency with Framework criteria.

Consistency with the San José 2020 General Plan Major Strategies, Goals, and Policies

The *San José 2020 General Plan* has seven Major Strategies that provide the “vision” for San José, particularly related to its future growth and development, and establish the basis for planning in San José. The proposed General Plan amendment is relevant to the following two Major Strategies: Economic Development and Housing.

Economic Development Major Strategy

The Economic Development Major Strategy calls for identifying opportunities for expanding the community’s economic base, promoting a balance between “driving” industries and the service/supplier firms that support them, and actively marketing San José as a location for a wide range of businesses. The proposed General Plan amendment is inconsistent with the General Plan’s Economic Development Major Strategy because it would result in potential loss of jobs and economic development opportunities.

Housing Major Strategy

The Housing Major Strategy encourages facilitating housing opportunities of all types and price ranges for its residents in order to create a well-balanced community. Although the General Plan allows for considerable flexibility in providing housing opportunities on sites not planned for residential use, it calls for careful planning for residential land uses at appropriate locations and densities. The proposed change to residential on this site provides an increase of potentially 60 to 115 dwelling units. As discussed in the Housing Element of the General Plan, adopted by the City Council in April 2003, the City has sufficient land and established policies to meet its regional share housing allocation. The City has a housing holding capacity well in excess of the City’s expected share, demonstrating the City’s commitment to planning for housing. The City has continued to be proactive in its efforts and has maintained its commitment to meet the community’s housing needs through a variety of innovative development strategies, including proactively planning for mixed-use and transit-oriented development. In particular, the recent approval of the North San José Area Development Policy will facilitate the addition of up to 24,700 units of new, high-density residential in the North First Street Transit-Oriented Development Corridor.

Although the City has a substantial amount of land planned for residential uses and a large residential holding capacity, factors such as ownership and land assembly requirements may affect the viability of development of that land in the near future. In contrast, many of the industrial sites being considered for conversion are in single ownership with willing owners in the economic downturn ready to sell to residential developers, thereby making these industrial sites appear more inviting for residential development in the short term. This phenomenon doesn’t make the existing planned residential sites any less viable; it is a reflection of market forces at work in a slow economy.

General Plan Goals and Policies

The proposed General Plan amendment is inconsistent with several General Plan goals and policies. They are as follows:

Economic Development Policy No. 1: If this General Plan amendment were approved, not only would employment opportunities be lost on the subject site, but also the adjacent industrial operations in the vicinity could potentially be constrained in continuing or expanding their operations, due to the proximity of the new residential uses. Economic Development Policy No. 1 seeks to reduce the City's jobs/housing imbalance. San José has been a housing rich community, providing and producing much of the housing growth in the County. While the City continues its efforts to facilitate housing for all segments of the population, it must also be able to foster economic development that helps generate employment opportunities for its residents and revenue to support City services.

Industrial Land Use Policy No. 3: Although the amendment site is a relatively small area, this conversion will add to the cumulative impact of industrial land loss, and increase the potential for the adjacent industrially designated sites to seek conversion. Industrial Land Use Policy No. 3 states that the City should monitor the absorption and availability of industrial land to ensure a balanced supply of available land for all sectors.

Industrial Land Use Policy No. 1: By placing residential uses adjacent to industrial uses in a predominantly industrial area, the proposed General Plan amendment could result in future limitations being imposed on the industrial uses in the immediate vicinity, thereby potentially compromising the future viability of the industrial businesses. Industrial Land Use Policy No. 1 states that because of the importance in retaining viable industrial supplier/service lands and the inherent incompatibility between residential or non-industrial uses and industrial uses, new land uses that may restrict development of land reserved exclusively for industrial uses should not be allowed to locate adjacent to these areas of the City, and, in particular, sensitive receptors should not be located near primary industrial areas. Industrial activity can require outdoor storage, generate heavy vehicle traffic, odors and noise, or require use of chemicals. Such activities are likely to be of concern to nearby residents. Increasing the residential population in a neighborhood adjacent to heavy industrial land uses may result in complaints about the industrial operations, which may in turn result in restrictions being placed on these businesses. This could create a land use conflict. Even when such complaints identify effects that are only nuisances, they must be resolved by jurisdictions.

Industrial Land Use Policy No.14: Industrial Land Use Policy No.14 states that non-industrial uses which would result in the imposition of additional operational, or mitigation requirements, or conditions on industrial users in neighboring exclusively industrial areas in order to achieve compatibility are discouraged. The proposed amendment would, therefore, be inconsistent with this policy, which is intended to protect industrial uses.

Consistency with the Framework, as a Guideline to Evaluate Proposed Conversions of Employment Lands to Other Uses (Framework)

Background of Framework

Industrial operations are an essential component of the City's economic base, and provide employment opportunities for residents in the City. The task of balancing housing demand with the need to maintain a supply of industrial land to support economic development is difficult. The City hired a consultant team in 2003 to analyze the potential fiscal impacts of large-scale conversions in a broader context. In April 2004, the City Council reviewed the consultant team report entitled *Towards the Future: Jobs, Land Use, and Fiscal Issues in San José's Key Employment Areas, 2000-2020 (Fiscal Impact Study)*, as well as the Economic Development Strategy, prepared in 2003, and used the findings of these reports to establish the *Framework, As A Guideline, to Evaluate Proposed Conversions of Employment Lands to Other Uses* (Framework). The purpose of the Framework was to use it as a guideline to evaluate proposed conversions of employment lands to other uses. The intent was to create more certainty and predictability in the review of employment land conversion proposals while retaining flexibility to respond to changing conditions, information, and policy considerations. The Framework was approved by the City Council on April 6, 2004.

Analysis

The proposed change to Medium High Density Residential (12-25 DU/AC) on this site would provide an increase of potentially up to 115 dwelling units (101 dwelling units assuming approval of the currently pending Planned Development zoning application File No. PDC05-022) but would eliminate approximately 120 potential jobs and 4.7 acres of job-producing lands.

The site is located within North San José 5 subarea as identified in the study. The Framework identifies this portion of North San José 5 east of I-880 subarea as an area to consider for conversion to housing, retail, mixed use, or other Household Serving Industries in certain circumstances. It states that in certain circumstances this area can be considered for housing in locations that are close to existing residential areas and areas that could be integrated into a neighborhood framework. However, the Fiscal Impact Study states that "while many of the uses in these subareas could be compatible with housing, the North First Street and North San José 6 (Rincon South) subareas are most appropriate for future high density housing and workplace supportive retail development because of their transit access and opportunity to capitalize on the Downtown as an easily accessible cultural and entertainment center." As far as future land uses in North San José 5 are concerned, the report specifically mentions "limited retail opportunities could be considered in North San José 5 without negatively impacting existing and future Driving and Business Support Industries. Housing should not be considered in North San José 5¹."

The City's smart growth policies encourage managed growth, fostering economic and housing development and open space preservation. Although the proposed General Plan amendment is

¹ *Towards the Future: Jobs, Land Use, and Fiscal Issues in San José's Key Employment Areas, 2000-2020, February 2004, page 82*

for housing within an existing urban area, it could deter future economic development of surrounding industrial properties. Residential uses in this area could stifle future industrial development of nearby industrial properties, thereby impacting the ability to continue to attract, retain and expand industrial uses in the area.

The Framework's criteria for evaluation of proposed conversion to residential or mixed residential/commercial uses are discussed in detail in Attachment A.

Conclusion

The proposed General Plan amendment request to change the General Plan Land Use designation from the existing Industrial Park to Medium High Density Residential (12 – 25 DU/AC) designation is inconsistent with several goals and policies of the General Plan. The proposed General Plan amendment is not fully consistent with the Framework, which indicates that housing should only be considered under certain circumstances in the North San José 5 subarea. The amendment does not meet key criteria included in the Framework that need to be evaluated when considering conversion of employment lands.

Approval of this General Plan amendment could encourage other similar conversions in the project area and potentially threaten the future viability of the North San José 5 subarea. Further erosion of industrial designated land diminishes the City's ability to provide employment opportunities for low, medium and high skilled workers, maintain a diverse economy, and provide long-term growth potential for a needed tax base.

Staff believes the proposed General Plan amendment on the subject site raises serious concerns with the key issues related to employment land conversion, as described in the analysis in Attachment A.

ENVIRONMENTAL REVIEW

A Draft Mitigated Negative Declaration was circulated on August 22, 2005 for review and comment. The Mitigated Negative Declaration included General Plan policy mitigation measures to reduce any potential impacts to a less than significant level per the California Environmental Quality Act (CEQA) guidelines. The Draft Negative Declaration included mitigation measures for Aesthetics, Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Noise, Public Services and Transportation and Traffic. With the inclusion of the required mitigation measures, the Director of Planning, Building and Code Enforcement has determined that the project will have a less than significant impact on the environment.

PUBLIC OUTREACH

Community Outreach

A community meeting was held by the applicant on August 24, 2005 at Casa de Lago Clubhouse on 2151 Oakland Road. The clubhouse is located on the campus of the Casa De Lago Mobile Home Park located adjacent to the subject site. The meeting was attended by approximately seven members of the community, all of whom lived within the mobile home park, except a representative of Independence High Neighborhood Association. Project-related comments included safety and convenience of the residents (particularly children) during the construction period, parking of vehicles adjacent to the mobile home park along Rock Avenue which is a safety hazard for the mobile park residents, timeframe for the construction of traffic signal at Rock and Oakland intersection and narrowing of Rock Avenue near the Oakland intersection.

A joint notice of the public hearings to be held on the subject General Plan amendment before the Planning Commission on September 28, 2005 and City Council on October 18, 2005 was circulated to the property owners and residents within a 1000 foot-radius of - the subject property. The Planning Department web site contains information regarding the General Plan process, amendments, staff reports, and hearing schedules. This web site is available to any member of the public and contains the most current information regarding the status of the amendments.

Correspondence

Mobile Community Management Company manages the mobile home park has several concerns (expressed via letter dated and telephone conversation with Mr. David Starnes, the Regional Property Manager, on September 13, 2005):

- ❑ Concern 1: Possible traffic congestion on the unimproved portion of Oakland Road near the intersection of railroad tracks approximately 2500 feet south of the site.
 - Staff Response: Future widening of Oakland Road has been planned to provide sufficient traffic capacity in the corridor to serve existing and planned uses that are consistent with the Land Use/Transportation Diagram of the adopted *San José 2020 General Plan*. As part of the Rezoning process, the project would provide 22-foot right-of-way dedication for widening of Oakland Road along the project frontage. However, the development would not be obligated to provide street improvements at an off-site location, unless the project causes a Level of Service impact.
- ❑ Concern 2: Type of fence to be constructed at the property line between the proposed development and the existing mobile home park.
 - Staff Response: If future development were approved, a solid masonry wall approximately 7 feet in height constructed at the property line could separate the existing park from the proposed use.
- ❑ Concern 3: Privacy of the homes located along the property line of the subject site.

- Staff Response: The three-story town homes proposed by the pending Planned Development Rezoning could be set back approximately 30 feet from the eastern property line of the mobile home park.

Concerns of Nel Schmucker, representative of Schmucker Family Trust, who owns the parcel right across Oakland Road from the subject property were expressed to staff by phone on September 21, 2005. The property is leased by Mass Precision Sheet Metal, a sheet metal manufacturing business. Mr. Schmucker's concerns are:

- If the General Plan amendment were approved, the future residents of the subject site may be inconvenienced by the loud noise generated by the sheet metal manufacturing business. Any complaints about the use by these future residents may result in placing of limitations on the existing flourishing business that has been in operation for almost ten years.

Staff Response: Staff will communicate the concern to the Planning Commission and City Council.

Concerns of Super Micro Computer Inc., located at 900 Rock Avenue,(expressed via phone call and email correspondence)

- Concern 1: Severe inconveniences in conducting business (e.g. in delivery and receiving of goods via trucks and daily commute of employees) during the current construction of the residential units on Oakland and Rock
 - Staff Response: If the General Plan amendment were approved, it is possible through a future development permit approval to take appropriate measures during construction to minimize inconvenience to the neighbors.
- Concern 2: Dangerous pedestrian conditions, particularly for children, in the light of construction activity and increased traffic, and possible aggravation of the last issue with the increase of children if the General Plan amendment were approved. Traffic signal and traffic crossing guards at Mabury and Oakland are requested.
 - Staff Response: Staff will communicate the issues to the Department of Public Works and the developer and will work towards resolving them.
- Concern 3: Lack of police patrol in the area resulting in unsafe conditions during late evening.
 - Staff Response: Staff will communicate the issues to the Police Department.

The project was discussed at the Housing Committee meeting of the Santa Clara County Housing Action Coalition, held on Wednesday September 7, 2005. Project related issues that were discussed included conversion of industrial land, location of amenities such as retail, and availability of the private park within the site for public use.

RECOMMENDATION

For the reasons stated in the report, staff recommends no change to the General Plan.

Attachment A: Discussion of Framework Criteria for Evaluation of Proposed Conversion to Residential
Attachment B: Correspondence and Mitigated Negative Declaration

Attachment A

Discussion of Framework Criteria for Evaluation of Proposed Conversion to Residential or Mixed Residential/Commercial Uses

A. Economic contribution of the Subarea: What is the economic contribution of the subarea to the San José and Silicon Valley economy and job base? How would this economic contribution be enhanced or reduced by the proposed conversion?

The proposed General Plan amendment could eliminate approximately 120 jobs. Consequently, the economic contribution of this subarea could be reduced by the proposed conversion.

The amendment site is located in the North San José 5 subarea, generally bounded by Highway 101 on the south and Highway 880 on the west. This area is the largest employment subarea in San José and is particularly important to San José's economy because it contains both *driving industries* that fuel the economy and *support industries* that help sustain it. This unique mix of business types provides opportunity for growth in industry and employment for all levels.

In 2003, the area supported approximately 25,900 jobs. Forty three percent of these jobs were in driving industries and 57 percent in support industries. This portion of North San José includes jobs related to electronic component manufacturing (37%), transportation/distribution (13.5%), industrial suppliers (21%) and business services (12%).

This subarea is adjacent to a larger contiguous area of employment lands with additional subareas located to its west, north, and south. The proposed General Plan amendment would further erode the integrity of this subarea and exert additional pressure to convert industrial land to other uses.

B. Consistency with City Policies and Strategies: How do the proposed conversion and specific proposed use(s) and intensities advance the City's policies and strategies as contained in the General Plan, Specific Plans, and other strategic documents?

As discussed previously in this staff report, the proposed General Plan amendment to Medium High Density Residential (12 – 25 DU/AC) on this site is not consistent with two of the seven Major Strategies in the General Plan as well as several Goals and Policies: the Economic Development Major Strategy, Housing Major Strategy, Economic Development Policy No. 1, and Industrial Land Use Policies Nos. 3, 11 and 14.

C. Proximity to existing neighborhoods and areas in transition: How would the new residential/mixed use knit with adjacent existing or planned residential and/or retail uses, and/or fill-in gaps in areas already partially converted or transitioning to residential use? Does the proposed conversion eliminate small islands or peninsulas of industrially designated/zoned land that would be suitable for conversion to residential to make them consistent with surrounding uses?

The site is surrounded by a mix of residential and industrial land uses. Generally there are industrial uses to the east and north of the site and residential uses to the south and the west.

There is a large Mobile Home Park adjacent to the subject site to the west, and newly constructed single-family homes to the south across Rock Avenue. Neighborhood commercial uses are located approximately a mile south at the northeast corner of Oakland Road and Murphy Avenue.

The proposed residential uses would be compatible with the existing residential uses, but would be incompatible with the industrial uses. The conversion would generate small islands and peninsulas of industrially designated/zoned land; it would allow additional residential uses in an area that is currently designated for and occupied by industrial uses.

D. Proximity to incompatible employment uses (e.g., manufacturing, recycling, etc.):

Where are the nearest incompatible industrial areas which might generate impacts due to hours of operation, deliveries, noise, odors, hazardous materials, etc.? How might the new residential use put pressure on the existing industrial uses to modify their operations?

The site adjacent to the subject site on the north has a General Plan designation of Industrial Park, and the sites located to the east across Oakland Avenue are designated as Heavy Industrial on the Land Use/Transportation/Diagram. Existing uses on these sites are office and light industrial uses respectively. However, activities allowed under these designations could include: heavy truck use, storage and use of hazardous materials and the generation of noise, dust and odors. Increasing the residential population in a neighborhood adjacent to this type of industrial land use may result in complaints about the industrial operations, which may in turn result in restrictions being placed on these businesses. This could create a land use conflict. Even when such complaints identify effects that are only nuisances, they must be resolved by jurisdictions. Approval of a residential land use at this location could require that certain operational activities could be subject to approval of a conditional use permit for all industrial properties within 150 feet. Therefore, the proposed General Plan amendment could result in future limitations being imposed on the industrial uses in the immediate vicinity.

Future development of residential land uses adjacent to an established industrial park or heavy industrial use could expose future residents to truck traffic and the generation of dust, noise and odors. Specifically, conflicts could arise between truck traffic and residential traffic (vehicles and pedestrians). Land use patterns associated with industrial land uses could be incompatible with residential activities. In addition, daily operations of the businesses located within the existing adjacent industrial park uses could expose future residents to noise or dust and odors, which may not pose a safety risk, but could be considered a nuisance. However, heavy industrial uses, that could potentially cause a safety risk (in addition to nuisance) due to the nature of their business, such as outdoor activities that generate dust and noise, or accidental release of hazardous substances or fire risks due to storage or use of hazardous materials, are allowed across Oakland Road.

E. Potential inducement of additional conversions to residential use? How might the proposed residential use induce or pressure adjacent or nearby properties to convert to residential use?

The proposed amendment may further erode the integrity of this subarea. There is a strong likelihood that the proposed change would be a catalyst to induce future conversions of surrounding industrial properties to residential uses. Placing a new residential project adjacent to

the existing industrial uses would negatively affect the viability of the existing industrial operations. Due to the new limitations that would be imposed upon the future expansion opportunities of the surrounding industrial users, the businesses could be pressured to convert to residential use.

General Plan land use changes from Industrial Park to a mix of various residential and commercial land use designations approved in 1990 created approximately 42 acres of a contiguous residential area from Murphy to Wayne Avenues, east of Oakland Road. The analysis concluded that the creation of the residential and commercial uses would be separated from the research and development uses and office uses to the west by Oakland Road, and would be compatible with the adjacent residential uses that were converted several years earlier, as well as the Berryessa Planned Residential Community. Therefore, Oakland Road was determined to be the line between residential uses to the east and industrial to the west. Further industrial park lands were converted in 1996 when another amendment was approved from Industrial Park to Medium Density Residential (8-16 DU/AC) on 12.8 acres, north of Wayne Avenue. At that time, staff indicated that this conversion would be the logical completion of the residential area.

In April 2004, the City Council approved another General Plan amendment to change the designation of 13.7 acres of land located directly across Rock Avenue, to the south of the subject site, from industrial to residential. The Director of Planning, Building and Code Enforcement recommended denial of the amendment. The site is located on the west side of Oakland Road, but within a half mile of the previously converted residential sites located further south. Staff had indicated that if the amendment were approved, the remaining industrial area along Oakland Road between the two residential areas might become threatened and the proximity of the two residential areas could potentially induce further industrial to residential conversions until the two areas are connected. Staff also expressed concern that the remainder of the contiguous area bounded by Rock Avenue, Oakland Road, Highway 880 and Fox Lane may be pressured to convert to residential uses, given the lagging economy and the future restrictions industrial users may encounter as new residents move into the subject site.

F. Proximity to transit service: Is the proposed housing site within 3000 feet of a planned BART Station or 2000 feet of an existing, funded or planned Light Rail Station?

The subject site is not within 3000 feet of a planned BART Station or 2000 feet of an existing, funded or planned Light Rail Station.

G. Proximity to compatible employment uses (e.g., office/R&D): Where are the nearest existing or planned employment areas with compatible land use characteristics, thereby creating potential alternate commute (walk/bike to work) opportunities?

If the remaining industrial land adjacent to the site were preserved, people employed on those sites and residing on the subject site would be able to walk to work. The subject site is approximately 3 miles from downtown San José. There are existing and planned bike lanes on Oakland Road and 17th Street that connect the subject site with San José State University and other downtown employment locations. See additional discussions on bicycle facilities under Section K, titled “Utilization of bicycle and pedestrian facilities, and promote pedestrian access” of this staff report.

H. Availability of neighborhood services, and residential and commercial mixed use drivers: Where are the nearest existing and/or planned neighborhood serving retail, parks, libraries, schools, open space/trails, etc.? How would the proposed conversion potentially enhance city services (e.g., by creating or improving neighborhood parks)? How would the proposed residential conversion potentially strengthen neighborhood and general commercial uses in the area by adding resident population? Does the proposed conversion involve a mixed residential and commercial development on the site?

The development will generate the need for up to 0.87 acres of new neighborhood parkland to serve future residents. There are no City parks within a reasonable walking distance of the site. Council District 4 requires an additional 100.02 acres of parkland to meet the goal of 3.5 acres of parkland per 1,000 residents, which is the General Plan parkland service level goal. Therefore, the district is considered deficient in park space. The additional residents generated by future development on the project site under the proposed General Plan amendment will trigger the need to construct additional facilities.

The closest park to the subject site is located in the City of Milpitas 1.4 miles from the site. Townsend Park and Flickinger Park are the closest San José parks to the site, and each are approximately two miles from the site. The Orchard School playground would also serve as recreational space for the proposed residential development. At the time of development, new residential projects will comply with the City's Parkland Dedication/Parkland Impact Ordinance, and for this project, the Parks and Neighborhood services is requesting to pay for in-lieu fees, rather than dedication of on-site parkland.

The amendment site is located within the Eastside Union High School District and the Orchard Elementary School District. Orchard Elementary, which offers grades kindergarten through eighth grade, is located approximately 900 feet south of the subject site. While schools are an important element of a residential community, the school itself is located in an industrial area. Students in this district attend Independence High School, which is located approximately 4 miles away from the site. Future development on the site would add residents to the project area, and therefore, would increase the demand for local school facilities. It is assumed that the schools could accommodate the additional students that would be generated by maximum Build-out of the project site under the proposed land use designation. New residential developments in the City are required to pay school impact fees.

The closest library, is the Education Park library approximately 3.7 miles away.

I. Public Benefit: Does the proposed conversion offer or facilitate a unique and significant public benefit (e.g., the delivery of significant contribution toward public facilities, public improvements, infrastructure, or affordable housing beyond what would be required to serve the proposed development associated with the conversion)? Would the conversion result in improvements to a blighted area or contribute to the variety of housing types, including rental or ownership, in areas that have predominantly one or the other? Are there any other means to obtain this extraordinary public benefit without the conversion?

Approval of future development of the site would require dedication of a 22 foot-right-of-way on Oakland Road that would facilitate widening of Oakland Road as well as street improvements along Oakland Road and Rock Avenue frontages. Currently these frontages are undeveloped

without usable sidewalks or other pedestrian amenities. However, the proposed General Plan amendment would not offer or facilitate a unique and significant public benefit. The development of a residential project under the proposed Medium High Density Residential (12 – 25 DU/AC) designation would not contribute to increasing the variety of housing types in San José.

J. Adequacy of Fire/Police service levels: What are the anticipated service levels or other public safety performance measures to serve the proposed housing area?

As analyzed in the Initial Study prepared for environmental review of the proposed amendment, future residential development is anticipated to create demand for an incremental increase in the need for police and fire protection services in the project area. However, it is not anticipated that any new or expanded police or fire department facilities would be required to serve future residential development at the proposed amendment site. The closest fire station is located approximately 2.2 miles from the site.

K. Utilization of bicycle and pedestrian facilities, and promote pedestrian access: Where are the nearest existing and planned bicycle and pedestrian facilities? How does the proposed residential/ mixed use development support nearby jobs and commercial lands by promoting pedestrian access and minimizing vehicle trips?

The current surroundings do not provide safe walking routes for residents or a pedestrian-friendly atmosphere. The setting is therefore inconsistent with Residential Land Use Policy #24, which states that new residential developments should create a pedestrian-friendly environment by connecting features of the development with safe, convenient, accessible, and pleasant pedestrian facilities. These connections should be made between the new development and the adjoining neighborhood, transit and nearby commercial areas. Bus routes provided by the Valley Transportation Authority serve the site. However, the site is not within walking distance to an existing or planned light rail or BART station.

Within the vicinity of the General Plan amendment site, there are bike lanes along Oakland Road and Brokaw Road/Murphy Avenue. However, some of the streets in the vicinity lack sidewalks. Sidewalks are located along the south side of Rock Avenue and the west side of Oakland Road, south of Rock Avenue along the project frontage. The east side of Oakland Road, south of Rock Avenue, also lacks sidewalks. New sidewalks are planned with the completion of the Oakland Road Widening Project (PP03-06-209) to widen Oakland Road between Montague Expressway and US 101 to its ultimate right-of-way width of 115 to 130 feet consistent with the General Plan Land Use/Transportation Diagram designation of Major Arterial Roadway. With these improvements, Oakland Road would become six lanes, which would remain an unpleasant pedestrian route. The widening of Oakland Road is planned to be constructed in phases and as funding become available. The first phase of construction is planned to be completed by Spring 2006 between Commercial Street and Brokaw Road. However, the schedule for subsequent phases is not yet determined.

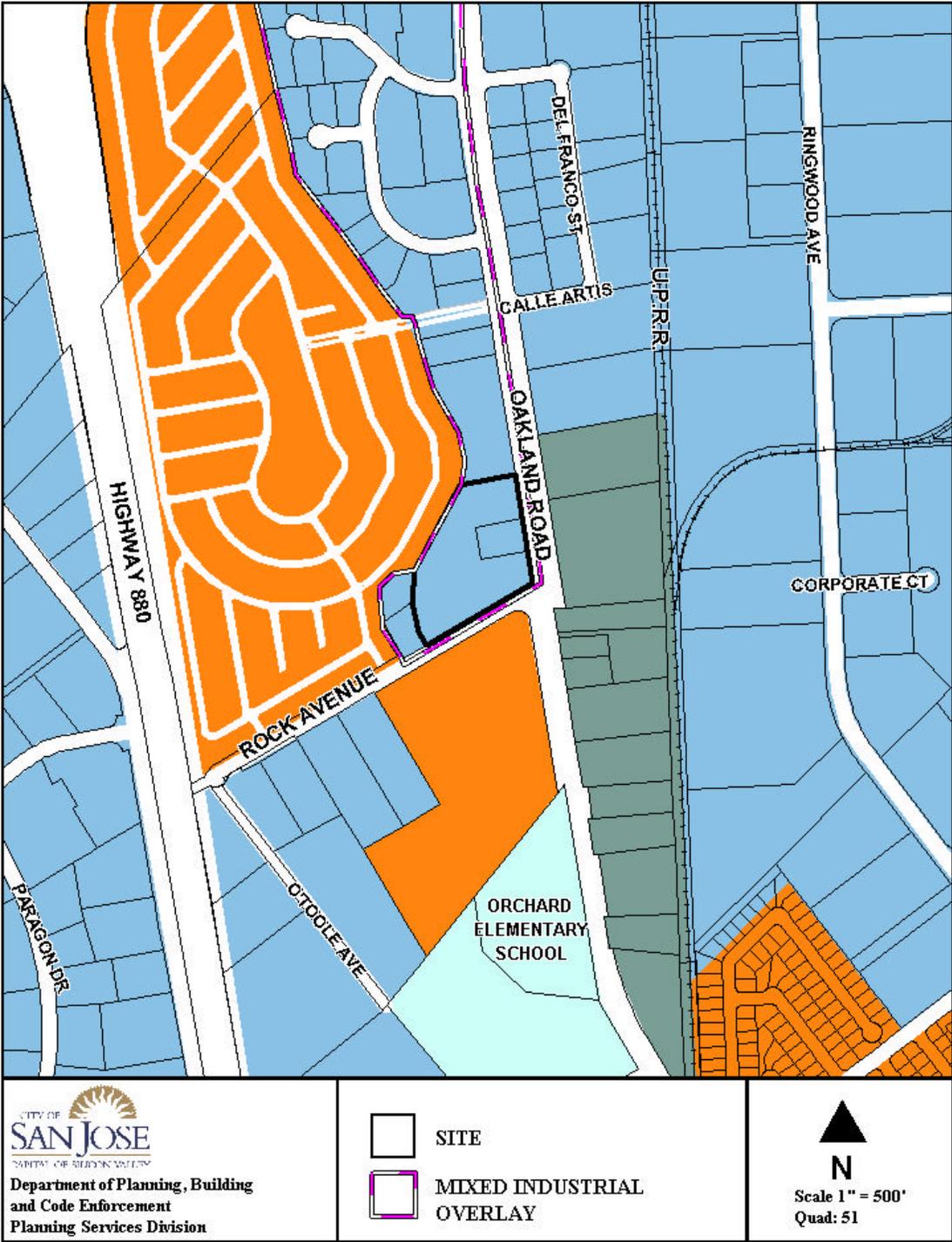
L. Potential environmental impacts and mitigation measures, including adequacy of other public infrastructure:

Environmental impacts of the proposed amendment are discussed in detail in the section of this staff report titled “Environmental Review.”

M. Potential fiscal impacts: What is the potential fiscal impact on City revenue and service costs?

This criterion is intended to identify the potential fiscal impact on City revenue and services costs from the proposed conversion. The proposed change in land use from Industrial park with Mixed Industrial Overlay to Medium High Density Residential (12 – 25 DU/AC) would allow up to a maximum of approximately 115 dwelling units to be built on the site and would result in the loss of the potential for approximately 120 jobs. The increase in housing could slightly increase the residential population of San José above current levels. The City of San José currently has a higher number of employed residents than jobs and is projected to continue to have a higher number of employed residents than jobs in the year 2005. This increase in housing and loss of job potential would add to the jobs/housing imbalance within the City.

GP05-04-01




CITY OF
SAN JOSE
SAPRITY OF SILICON VALLEY
Department of Planning, Building
and Code Enforcement
Planning Services Division

 SITE
 MIXED INDUSTRIAL
OVERLAY


N
Scale 1" = 500'
Quad: 51