



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Stephen M. Haase

**SUBJECT:** SEE BELOW

**DATE:** March 1, 2004

**COUNCIL DISTRICT:** 4  
**SNI AREA:** None

**SUBJECT:** GP03-04-01: General Plan amendment request to change the *San Jose 2020 General Plan* Land Use/Transportation Diagram designation from Industrial Park to Medium Density Residential (8-16 DU/AC) on a 13.7-acre site located on the southwest corner of Oakland Road and Rock Avenue.

## **RECOMMENDATION**

The Planning Commission voted 5-2-0-0 (Commissioners Levy and Zito opposed) to recommend the adoption of the proposed General Plan amendment to Medium Density Residential (8-16 DU/AC) for the property located on the southwest corner of Oakland Road and Rock Avenue.

## **BACKGROUND**

On February 9, 2004, the Planning Commission held a public hearing to consider a privately initiated General Plan amendment request to change the General Plan Land Use/Transportation Diagram designation from Industrial Park to Medium Density Residential (8-16 DU/AC) on an approximate 13.7-acre site located on the southwest corner of Oakland Road and Rock Avenue. For the reasons stated in the attached staff report, the Director of Planning, Building and Code Enforcement recommended No Change to the General Plan (i.e., denial of the proposed amendment).

Prior to the discussion on the General Plan amendment, the Planning Commission certified an Environmental Impact Report for the subject General Plan Amendment and its associated Planned Development Rezoning (PDC03-068). A separate memorandum describes the Commission's discussion and recommendation on the Rezoning application.

## **ANALYSIS**

### **Public Testimony**

Joe Head, Vice President of Summerhill Homes, spoke representing the applicant, supporting the proposed land use change to Medium Density Residential (8-16 DU/AC). Mr. Head raised several points describing how the site was appropriate for residential uses rather than industrial. He noted the site's location between a mobile home park to the north and Orchard Elementary School to the south, and stated that the site's viability for industrial uses was weak. Mr. Head also indicated that residential uses on the site would be consistent with the intent of the Berryessa Planned Residential Community adopted in the 1980s, that encouraged more housing in the area in an effort to place jobs elsewhere, providing some relief for commuters. He stated that the Fiscal Impact Study (the February 2004 draft entitled "Towards The Future: Jobs, Land Use, and Fiscal Issues in San Jose's Key Employment Areas, 2000-2020," prepared by Strategic Economics) indicates that some conversion of land in the area to housing is appropriate. Lastly, Mr. Head noted that the proposed change would facilitate a development that would support public investment in schools and improve/expand the playgrounds at the Orchard Elementary School.

In addition to support letters from the Casa del Lago mobile home park and the pallet storage business that were submitted at the meeting, representatives from the Orchard School District and several community members spoke in favor of the proposed change.

Board President and the Superintendent of the Orchard School District both spoke in support of the amendment. They indicated that new residents would benefit the school financially, noting that the school is currently under-enrolled. In their opinions, residential development in the area would be a neighborhood asset and provide a safe travel connection between the school and the mobile home park. They also mentioned that the school district adopted a resolution in support of the project and pledged to work with Summerhill Homes to explore possible improvements, such as parking at the school and a pick-up/drop-off area along the planned, future Charcot Avenue.

While supportive of residential uses, one community member expressed concern for the lack of parks in the area and stated that he could not support the proposed amendment until it was determined where the park would be located.

On February 4, 2004, the Parks and Recreation Commission reviewed the proposed General Plan amendments and provided comments and recommendations transmitted in a memorandum distributed at the February 9, 2004 Planning Commission meeting. The Parks and Recreation Commission recommended that if the amendment is approved, that the future developer should be required to dedicate a minimum of one-acre neighborhood park site since there are no neighborhood/community parks within three-quarters of a mile of the site. The Parks and Recreation Commission recommended that the park location align with the Orchard Elementary School site.

### Staff Response to Public Testimony

Upon request from the Planning Commission, staff responded to the comments made by the public, reiterating the concerns about the loss of prime industrial land and the land use incompatibility between the industrial and residential uses. Staff noted that this area contains a mix of Driving Industries and Business Support Industries that provides opportunities for economic development and growth in employment. The February 2004 draft of the fiscal impact study entitled "Towards The Future: Jobs, Land Use, and Fiscal Issues in San Jose's Key Employment Areas, 2000-2020," prepared by Strategic Economics recommended that this area should be preserved for industrial uses. The subject site is located in employment subarea North San Jose 5, the largest employment subarea in San Jose, and is particularly important to San Jose's economy, due to the large percentage of both Driving and Support Industry jobs. The proposed amendment would compromise the integrity of the nearby area for industrial use. Staff also expressed concern about the livability of the new residential development on the site.

Staff explained that new residential development should be located where it can relate to the existing neighborhood and where residents can interact with one another and their surroundings. More residents in this area do not necessarily make a neighborhood, especially in this situation within an industrial area, where the existing and proposed developments are or would be walled off from one another.

### Commission Discussion

The Planning Commission weighed several issues in its assessment of the proposed amendment. In response to the Parks and Recreation Commission recommendation for a one-acre park, several Planning Commissioners asked the applicant's representative if he would be willing to reserve land within the amendment area for a park on the site. Mr. Head indicated that he would be willing to work with City staff in exploring this option as a means of satisfying the future project's Parkland Dedication Ordinance requirements.

The majority of the Commissioners expressed support for the proposed change to allow residential uses. They stated that residential uses on the site would be consistent with the existing residential uses to the north and compatible with the school to the south. While several Commissioners acknowledged that the mobile home park and the school are inappropriate uses within the surrounding industrial area, the majority of Commissioners thought that the proposed land use change would benefit the area. However, several of the Commissioners also acknowledged that the proposed amendment could lead to additional industrial conversions to residential uses on nearby properties, or could create a demand for land use changes to commercial uses to support the new residents. Acknowledging that some residents favor the land use change and that there would be benefits to Orchard Elementary School District, the majority of the Commissioners supported the land use change with the inclusion of a strong preference to have a park on the site.

Commissioners Levy and Zito supported staff's recommendation and voted against the proposed change to Medium Density Residential (8-16 DU/AC). They indicated that the Oakland Road area is primarily industrial in character and that residential uses would not blend with the

existing surrounding uses. Commissioner Zito commented that the incompatibility between residential and industrial uses is a concern, and compared the situation to the Graniterock plant located on Berryessa Road, which has faced many concerns and opposition from its residential neighbors. These Commissioners commented that there is little in the way of environmental mitigation measures to buffer residents from nuisances resulting from industrial operations. The proposed General Plan amendment would be a piecemeal effort at establishing a buffer for the existing and proposed residents. The Planning Commission then voted 5-2-0-0 (Commissioners Levy and Zito opposed), to recommend to the City Council adoption of the amendment for Medium Density Residential (8-16 DU/AC) with a strong preference for a one-acre park on the site.

### Supplemental Information

Additional correspondence received after the staff report was distributed to the Planning Commission is attached to this memo, including the documents provided to the Commission at its hearing as described in this report.

The February 2004 draft of the fiscal impact study entitled "Towards The Future: Jobs, Land Use, and Fiscal Issues in San Jose's Key Employment Areas, 2000-2020," prepared by Strategic Economics was recently released. The consultants clearly recommend that industrial lands in the North San Jose 5 subarea should not be converted to housing. This contrasts with the assertion of the applicant's representative that the draft report suggested that some portion of the area would be appropriate for conversion. Upon review of the report, the representative was referring to the section of the report that explained the hypothetical land use scenarios that were part of the fiscal model, not the findings or recommendations of the report.

As discussed in the staff report, the proposed amendment has the potential to induce future conversions of surrounding industrial properties to residential use, which can be quantified as follows. Approximately ten acres immediately adjacent to the north and west of the amendment site are strong candidates for residential conversion proposals in the near term. Approximately 20 acres of land designated Heavy Industrial on the east side of Oakland Road across from the site are unlikely to see future new heavy industrial uses if residential land use changes occur, due to the infusion of new residents in close proximity, therefore reducing their viability for industrial use, in favor of residential development. The 33 acres of remaining Industrial Park-designated land westerly of the project site and the school, while more recent development, could experience future pressure for conversion. Cumulatively, the proposed amendment could induce the conversion of up to 60 acres of industrial land in the vicinity of the subject site.

### PUBLIC OUTREACH

The property owners and tenants within a 1000-foot radius of the amendment site were sent a newsletter regarding the two community meetings that were held on January 14 and 15, 2004 to discuss the proposed General Plan amendment. Notices were also sent for a Public Scoping Meeting for the Environmental Impact Report held on October 9, 2003. The owners and tenants

also received a notice regarding the public hearings to be held on the EIR and subject amendment before the Planning Commission on February 9 and City Council on March 16. In addition, the community can be kept informed about the status of amendments on the Department's web site, which contains information on the Environmental Review and General Plan processes, each proposed amendment, EIR status and documents, staff reports, and hearing schedule.

On February 2, 2004, Councilmember Reed and Summerhill Homes (the applicant for the proposed General Plan amendment and Planned Development Rezoning) held a community meeting to discuss the proposed land use change and proposed 107-unit residential development. Several community members expressed their general support for the proposed housing, but others also raised concerns about potential impacts.

One community member expressed concern about the interface issues between the existing industrial uses and proposed residential uses, citing noise, odors, and late night activities that could present potential incompatibilities. He stated that the ten-foot sound wall at his development near Wayne Avenue and Oakland Road does not buffer sound from the railroad tracks. The proposed nine-foot sound wall to be located on Oakland Road is a concern, especially where the rear yards back up to the wall. School impacts to Orchard Elementary were also mentioned.

A member from the Orchard Elementary School District indicated that the school is currently under-enrolled, and that the School District is looking for additional revenues that could be generated from the children of the new development. The school also has unused bond money that could be used for improvements.

One resident from the mobile home park stated that new residential development would provide a safe pedestrian connection to school because parts of Oakland Road do not have sidewalks. However, he expressed concern about the long-term plan for building an overpass at I-880, extending Charcot Avenue to the east. Because there are limited east/west connections over I-880, there may be increased traffic along Charcot Avenue, which would separate the proposed housing project and the school.

### **COORDINATION**

The review of this General Plan amendment was coordinated with the Office of Economic Development, Department of Public Works, Fire Department, Department of Transportation, City Attorney's Office, Parks and Recreation Commission, Santa Clara Valley Water District, and the Airport Land Use Commission.

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**CEQA**

The Final Environmental Impact Report for the BFI Property Residential Project General Plan Amendment and Planned Development Rezoning was certified by the Planning Commission on February 9, 2004, and the resolution was signed on February 11, 2004.

STEPHEN M. HAASE  
Secretary, Planning Commission