

## Memorandum

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**TO:** HONORABLE MAYOR,  
CITY COUNCIL AND  
AGENCY BOARD

**FROM:** Harry S. Mavrogenes  
Debra Figone

**SUBJECT:** SEE BELOW

**DATE:** April 4, 2008

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**SUBJECT:** CONSIDERATION OF THE RECOMMENDATIONS OF THE  
NORTH SAN JOSE NEIGHBORHOODS PLANNING TASKFORCE

### RECOMMENDATION

It is recommended that the City Council and Redevelopment Agency Board:

- (a) Accept the final guiding principles and recommendations of the North San Jose Neighborhoods Planning Taskforce.
- (b) Accept the Schools Report, Parks and Recreation Report, Retail Report and neighborhood maps presented to the North San Jose Neighborhoods Planning Taskforce.
- (c) Direct the City Manager and Executive Director to develop an Implementation Strategy for North San Jose including design guidelines and an ongoing approach to involving the public, using the guiding principles and recommendations of the North San Jose Neighborhoods Planning Taskforce.

### OUTCOME

Acceptance and approval of the proposed actions will ensure that the North San Jose Neighborhoods Planning Taskforce Guiding Principles and Recommendations provide the guidance to staff for future implementation.

## BACKGROUND

### NORTH SAN JOSE AREA DEVELOPMENT POLICY

The adopted North San Jose Area Development Policy sets forth development capacity and a policy framework for the construction of up to 26.7 million square feet of new industrial/commercial office space; up to 1.7 million square feet of new neighborhood serving retail space; and up to 32,000 new residential dwelling units within North San Jose. The new residential development capacity was created in part through the potential conversion of up to 285 acres of existing industrial lands to residential use at minimum densities of either 55 DU/AC (up to 200 acres) or 90 DU/AC (up to 85 acres). The adopted Policy includes guiding principles for the conversion of this land to residential use and establishes a process for staff to work with property developers and the community to implement the Policy's goals.

### NORTH SAN JOSE NEIGHBORHOODS PLANNING TASKFORCE

At the August 28, 2007, City Council meeting, the Council appointed the membership of the North San Jose Neighborhoods Planning Taskforce. On September 25, 2007, the City Council voted to approve the work program developed by the Taskforce and gave direction to continue the processing of permit applications within the North San Jose Policy area concurrent with the Taskforce process.

The City Council's directed purpose of the North San Jose Neighborhoods Planning Taskforce was to actively engage the North San Jose residential and business communities in a Taskforce to contribute to the preparation of an Implementation Strategy for the North San Jose Area Development Policy. The Taskforce was a forum for the residents and stakeholders of the Rincon de Los Esteros Redevelopment Project Area and surrounding neighborhoods to develop recommended Guiding Principles for City Council and Redevelopment Agency Board consideration.

The Taskforce was composed of 16 members, including Councilmember Chu (Chair), ten residents of North San Jose neighborhoods, three business/property owners and representatives from the South Bay Labor Council and the Chamber of Commerce. The Taskforce held 15 meetings beginning July 25, 2007, and concluding on March 6, 2008, covering the work program topics that the Taskforce identified at its initial meeting. The topics covered included: schools, parks and recreation, retail, transportation, transit, libraries, water supply, place

making, urban design guidelines, health care and public art. In addition to the full Taskforce meetings a number of subcommittees were formed and met to explore key issues in greater depth.

As a final product of the Taskforce process, the Taskforce unanimously adopted a set of Guiding Principles for future planning and development activity in the North San Jose Policy area. Based upon the input of the Taskforce, a North San Jose Implementation Strategy is under preparation. The Implementation Strategy will include the Guiding Principles, design guidelines, neighborhood master plans and strategies for the further implementation of the North San Jose Area Development Policy.

### TASKFORCE GUIDING PRINCIPLES

The guiding principles unanimously adopted by the Taskforce lay out a vision for North San Jose and six cross-cutting guiding principles found below in their entirety:

#### VISION STATEMENT

“The San Jose of the future is found in North San Jose. Connecting the historic downtown to the refuge afforded by the San Francisco Bay and Alviso, North San Jose forms a crucible of talent, innovation and opportunity.

This new urban uptown responds to the changing nature of work, creating a place like no other in the City where home, work and community can be integrated.

- A world class network of parks and trails that connect to the natural rivers and creeks.
- Schools that nurture students, preparing them to lead in the future.
- Vibrant, interesting and creative places to gather, shop, meet.
- Opportunities to work outside of the confines of an office or commute to the office next door on your bicycle.
- Creative businesses that redefine our daily life with new products and services that we haven't even dreamed of.
- Neighborhoods that residents are proud to call home.

### CROSS CUTTING GUIDING PRINCIPLES

- A. Urban Form – Maintain an urban design approach to realize the recommended densities and increase available land for economic and public open space uses.
- B. Secure public sites early – Prioritize purchase of public use sites (Parks, Schools, Community Centers and Library) in early phases of the plan.
- C. Creative financing – Apply creative financial strategies to ensure timely development of public use facilities consistent with growth in private sector development (e.g., create mechanisms for making funds available when needed).
- D. Green Building – Emphasize (or encourage) the use of sustainable design principles in new and existing private and public developments.
- E. Transit Oriented Development- Encourage transit oriented development including pedestrian and bicycle friendly design.
- F. Industrial Growth - Encourage industrial and job growth in North San Jose.”

In addition the guiding principles contain a series of recommendations in 11 specific areas:

- 1. Parks and Recreation
- 2. Libraries
- 3. Schools
- 4. Transportation
- 5. Water Supply
- 6. Retail
- 7. Central Place and Place Making
- 8. Urban Design
- 9. Health Care
- 10. Public Art
- 11. Rincon South/Rosemary Gardens

The complete set of recommended guiding principles for each of these areas is included as Attachment A to this Memorandum. In addition, the North San Jose Neighborhoods Planning Taskforce unanimously accepted reports on schools, parks and recreation, retail and a set of maps. These reports and maps are included as Attachments B - E.

## SCHOOLS REPORT SUMMARY

Four school districts serve the students in North San Jose: Santa Clara Unified School District (K-12), Orchard School District (K-8), Eastside Union High School District (9-12) and San Jose Unified School District (K-12). Each school district is responsible, independently of the City, for providing educational services, including school facilities, within its boundaries. Most of the residential development impact and potential school sites are located within the Santa Clara Unified School District boundaries. A working committee of the school districts and City and Agency staff dealt with three primary issues:

1. How many students would be generated from the new residential housing and thus how many schools would be needed?
2. Where would the new schools be located?
3. How would school construction be financed?

Santa Clara Unified School District (SCUSD), with Agency funds, retained School House Services Inc., to conduct a Student Generation Rate (SGR) study. The result of this study predicted a SGR of 0.22 students per unit for SCUSD schools, or as many as 3,500 students from 16,000 living units within SCUSD boundaries. This would translate to 3.25 new K-5 or K-8 schools and one small high school. The estimated land and construction cost for two elementary schools, one elementary/middle school and one small high school would range from \$227 to \$266 million.

The City and Agency's internal SGR study, based on data from the City's Housing Department, the experience of existing development in North San Jose, and the proposals being considered by Planning for the 8,000 units in the pipeline, predicted fewer than 1,000 students for all 32,000 living units resulting in the need for only one school. Staffs from the Orchard and San Jose school districts believe that they have the current capacity to house students generated out of new residential units within their boundaries. Staffs from the East Side Union High School District believe that construction in North San Jose and Berryessa areas will ultimately require a new high school.

The working committee recognized that many variables contribute to the number of families and the number of students generated by new residential development. Neither the City nor the school districts could afford to under build or over build schools. Therefore, the working committee recommends that SCUSD proceed

with the development of one K-5 or K-8 school in the short term and purchase the land for two or three additional schools and one high school to have it banked for future development in the event additional school sites are needed.

The working committee, the Schools subcommittee of the North San Jose Task Force and the SCUSD internal School Site Selection Committee developed guidelines for determining ideal school sites. Each group independently reviewed available locations and recommended six potential school site locations: Agnews Developmental Center, North River Oaks, Moitozo, George Mayne School expansion, VTA on N. First Street and Bay Pointe.

The report recommends the four school districts engage in a discussion to potentially adjust district boundaries. Modification of school district boundaries could reduce or eliminate the need for students to cross boundaries en route to school or allow students to attend a school nearer to their home. School districts are also strongly encouraged to build "urban schools" with two to three story classrooms buildings, consistent with the urban character of North San Jose.

The cost of land acquisition and school construction funding are the responsibility of each school district. By state law cities may only mitigate school impacts through the statutory school mitigation fee. However, the current school mitigation fees on new development are likely inadequate to provide funding for land acquisition or school construction, especially if more than one school is required. The school districts, especially Santa Clara Unified, may have to seek alternative funding sources including State Matching School Construction Grants, increased developer contributions or a Community Facilities District tax.

## PARKS AND RECREATION REPORT SUMMARY

Staff from the Department of Parks, Recreation, and Neighborhood Services addressed the concerns of the North San Jose Neighborhoods Planning Taskforce at three different Task Force meetings, and conducted various subcommittee meetings to present its base implementation plan as defined in the Parks and Recreation Facilities Report. The 2005 Development Policy recognizes that a significant number of new park facilities and other community facilities such as libraries, schools, and community centers will be necessary to meet the needs generated by the construction of 32,000 new housing units. The Policy also established that initial development of parks and recreational facilities would be created under the City's Parkland Dedication and/or Park Impact Ordinances

(PDO/PIO). Staff estimated that if all 32,000 residential units are created under the Policy, this would generate an estimated \$370 million in PDO/PIO value. This dollar amount includes the value of land dedications and turnkey park projects from developers, along with the City's land acquisition and development costs.

The Parks and Recreation Facilities Report was prepared by City staff to support the findings and discussions of the North San Jose Neighborhoods Planning Taskforce and its park subcommittee recommendations through the guiding principles to create a balanced park and recreation system for North San Jose. The Taskforce understood that parks and recreation facilities are an essential component in making North San Jose a desirable place to live and work. The Taskforce envisioned the need for several new neighborhood parks, community park(s) and recreation facilities, such as, a community center, a basketball gymnasium and a large family swim center to serve both the existing and the estimated 71,000 new residents anticipated to move into the area along with 83,000 new jobs. The Taskforce recommends a development scenario that would provide approximately 76 acres of new developed park lands to include a 30,000 sf. community center, a 15,000 sf. Gymnasium, a large family swim center, a four field softball complex with a cricket overlay field, a four field soccer complex with a cricket overlay field, pick up game fields in some of the larger neighborhood parks, trail development in the area along with a central urban plaza/park with a major art piece and 9 to 11 turnkey neighborhood park developments.

The table below indicates a development schedule agreed to by the Taskforce, as the base line of development for parks and recreational facilities to serve the Policy Area. If additional funding becomes available to expand on these parks and recreational facilities, the Taskforce recommends that the City will move forward to acquire additional parklands.

Recreational Development under the PDO/PIO at \$370 M

Phase 1 - Short Term	Phase 2 - Mid Term	Phase 3 - Mid Term	Phase 4 - Long Term
20 Acres of Neighborhood Developed Parklands. 5 Ac. Soccer Fields at Vista Montana Trails/Pathway Dev.	5 Acres of Neighborhood Developed Parklands. Collect fees for Land Acquisitions Urban Plaza Dev. Trails/Pathway Dev.	5 Acres of Neighborhood Developed Parklands. Community Center*1 Sports Fields*2 Skate Feature*3	5 Acres of Neighborhood Developed Parklands. Gym and Pool Dev.*1 Sports Fields*2 Trail/Pathway Dev.*3

\*1 \*2 \*3 Interchangeable items between Phase 3 and 4

## OPERATIONS & MAINTENANCE COSTS

The operating and maintenance costs associated with 75 acres of park grounds and 1 acre of buildings (community center, joint pool and gym complex, and restroom/concession buildings) is approximately \$3.5 million. The bulk of these funds come from the City's General Fund to support the ongoing operations and maintenance of the Parks, Recreation, and Neighborhood Services Department.

This equates into a five percent increase in General Fund allocations to the Department of Parks, Recreation, and Neighborhood Services by the City in order to fully staff and maintain the facilities proposed in the Report for North San Jose. Request for additional allocations will occur when the new facilities come on line for City operations and maintenance.

In addition, several developers have indicated a willingness to consider having HOA's or their own companies being responsible for ongoing park maintenance. This should be explored more fully as part of the forthcoming implementation plan.

## RETAIL REPORT SUMMARY

The Retail Report and the Taskforce's Guiding Principles build upon the retail land use and function as set forth in the North San Jose Policy and the Policy EIR. The Report assumes that retail will contribute to the overall success of North San Jose as a competitive and globally prominent high tech employment center. Therefore the Retail Report and the Taskforce's related Guiding Principles provide a framework to guide and direct market driven retail development so it best benefits the employment and residential uses anticipated over the next thirty years. To address this context, the Retail Report

- Estimates market demand.
- Identifies the most likely retail sites.
- Recognizes that private land owners have the option to develop retail among other alternatives.
- Recognizes the retail development must be economically viable, and attractive to retailers and customers to be successful.
- Provides background information on North San Jose and the retail industry as a basis for the Taskforce's Guiding Principles on Retail.

The Taskforce's Guiding Principles on Retail direct development of Design Guidelines with the intent to create a sense of place, to ensure quality development and to encourage locations that are most likely for retail because they have strong visibility, access and market. The Guiding Principles recognize that the retail will take three primary forms: amenity retail that is part of a larger employment or residential complex, neighborhood retail centers that will include anchor retailers, and potentially a regional serving retail center at the edge of the North San Jose Policy Area that will serve North San Jose and adjacent areas. In all these forms, the primary Taskforce direction is to create place, and thereby contribute to the competitive and desirable high tech employment center envisioned in the North San Jose Policy and the Taskforce's Guiding Principles.

### ANALYSIS

The efforts of North San Jose Neighborhoods Taskforce efforts will guide the successful implementation of the North San Jose Area Development Policy. In the short term, they will form the basis for the development of an Implementation Strategy, including design guidelines, for the City to evaluate future development proposals for compliance with the Community's vision for North San Jose. The completion of the taskforce process will also allow the City to confidently proceed with the implementation of the North San Jose Area Development Policy, knowing that residents and development interests have had the opportunity to discuss and provide input on the future of North San Jose. The taskforce helped to further define the high expectations of the City and residents with respect to the character and quality of future development in North San Jose.

In supporting the development of North San Jose as a job growth center, promoting urban form and transit-oriented development and reinforcing elements such as the grid street system, the Taskforce Guiding Principles reinforce the key goals of the adopted North San Jose Area Development Policy. The Guiding Principles further expand and articulate this vision with a forward-looking Vision Statement that promotes the next evolution of the way in which business is conducted in a technology based economy.

The Guiding Principles include guidance for the physical form for new public and private development projects. The Guiding Principles anticipate the preparation, underway, of design guidelines for the North San Jose Policy area and provide direction for the development of those guidelines. Staff will continue to work with the City's consultant to prepare the guidelines consistent with the Taskforce's Guiding Principles and can analyze their consistency when the guidelines are brought to the City Council as part of an Implementation Strategy.

Public Art Strategy is addressed in these Guiding Principles and the desired goals of the strategy are to:

- Develop guidelines for incorporating public art into the public realm.
- Develop guidelines for private developers that choose to commission public art strictly on a voluntary basis.
- Identify opportunities for key catalytic projects to be commissioned by the public art program when funds are available.

Retail Site Criteria included within the Taskforce Guiding Principles indicate that the City should “Preserve site opportunities for Neighborhood and Regional Retail the promote market viability.” This and related text suggests that the City should take some action to proactively identify retail sites within North San Jose. Similarly, the Guiding Principles identify “Central Place Making” as an important goal for new development in North San Jose and ask that a central, vibrant, urban center be established within North San Jose to serve as a focal point and gathering place for both the business and residential communities. Staff will further consider strategies for the implementation of these Principles, including possible City-initiated General Plan Land Use Diagram changes or the use of the Implementation Strategy as a guiding policy document. A preferred approach can be recommended by staff when the Implementation Strategy is brought forward for Council consideration.

The Guiding Principles, supported by the Schools, Parks and Recreation, and Retail Reports, are consistent with the adopted North San Jose Area Development Policy and provide highly useful guidance for the continued implementation of the Policy. Moving forward with the preparation of the Implementation Strategy will allow staff to complete the work program established by the City Council.

It is recommended that the City Council accept the proposed Guiding Principles and associated reports as the work of the North San Jose Neighborhoods Planning Taskforce in completion of the North San Jose Taskforce effort and direct staff to proceed with the preparation of an Implementation Strategy for the North San Jose Area Development Policy

#### EVALUATION AND FOLLOW-UP

The Taskforce’s Guiding Principles for North San Jose will form the basis for the preparation of the North San Jose Implementation Strategy (including Design Guidelines). In addition, staff will utilize the Taskforce’s Guiding Principles in its

review of proposed development project's in North San Jose. Staff Reports for individual projects in North San Jose will include a discussion of a proposal's consistency with the Taskforce's Guiding Principles.

Communication with the public will continue through a web site maintained by the City that will include access to:

- Planning project updates
- Planning approvals (archive)
- Taskforce Guiding Principles and supporting documents
- Presentations to the Taskforce (archive)
- City Council and Redevelopment Agency Board actions
- Current documents related to North San Jose, as they become available.
- Staff contact information

In addition, staff recommends that annual North San Jose community updates be planned.

#### PUBLIC OUTREACH/INTEREST

The North San Jose Neighborhoods Planning Taskforce process and resultant recommendations are considered of significant public interest as meeting both Criterion 2 and Criterion 3 below. A significant effort was undertaken to involve the community in the process and keep them informed of the results.

This report will be posted on the City's website and made available for public review. Public notification of the 15 North San Jose Neighborhood Planning Taskforce meetings followed the City's Public Outreach Policy and included a Redevelopment Agency website dedicated to the Taskforce process. Additional information is on line at: <http://www.sjredevelopment.org/nsjtaskforce.htm>

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- ✓ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.

- ✓ **Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

### COORDINATION

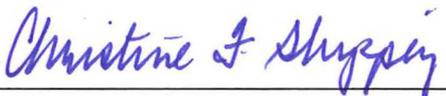
Preparation of this memo was coordinated with Planning, Building and Code Enforcement, the Office of Economic Development, Department of Transportation, Parks, Recreation, and Neighborhood Services, the City Attorney's Office and the Agency's General Counsel.

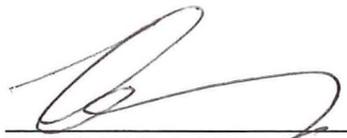
### FISCAL IMPACT

The North San Jose Neighborhoods Planning Taskforce guiding principles and recommendations are consistent with applicable General Plan Major Strategies, goals, and policies, and the adopted North San Jose Area Development Policy.

### CEQA

Not a Project.

*for*   
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DEBRA FIGONE  
City Manager

  
\_\_\_\_\_  
HARRY S. MAVROGENES  
Executive Director

Attachments