



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: November 26, 2007

COUNCIL DISTRICT: 8
SNI AREA: K.O.N.A, East
Valley/680 and West
Evergreen

SUBJECT: GP07-T-06. STAFF INITIATED GENERAL PLAN TEXT AMENDMENT TO MAKE ADDITIONS TO COMMERCIAL LAND USE AND ECONOMIC DEVELOPMENT GOALS AND POLICIES TO STRENGTHEN THE CITY'S COMMITMENT TO ENCOURAGE HIGH QUALITY CONSTRUCTED RETAIL IN EVERGREEN, PRESERVE EXISTING COMMERCIAL CENTERS AND LIMIT GROCERY STORES TO A MAXIMUM FLOOR AREA OF 20,000 IN SOUTHEAST EVERGREEN, AND SUPPORT JOB GENERATION IN ORDER TO BALANCE THE LAND USE AND COMMUTE PATTERNS IN EVERGREEN.

RECOMMENDATION

The Planning Commission voted 7-0-0 to recommend approval of the subject General Plan text amendment request with alternative text as proposed by staff (see background section below).

OUTCOME

If approved, the proposed General Plan text amendment would memorialize the City's support of additional high quality constructed retail and employment generation locations in Evergreen. In addition, the General Plan text amendment would include a policy stating that the City does not support the development of additional or expansion of existing, grocery stores over 20,000 square feet in size in Southeast Evergreen.

BACKGROUND

On November 14, 2007, the Planning Commission held a public hearing to consider the proposed General Plan Text Amendment. Planning staff explained how this proposed text amendment evolved from the Evergreen*East Hills Vision Strategy. In addition, staff stated that existing stores that are anchor tenants in shopping centers in Southeast Evergreen have suffered economically in recent years. Staff acknowledged receipt of a letter from Joan Gallo requesting that proposed text be changed from "The City discourages additional grocery stores over 20,000 square feet in Southeast Evergreen" to "shall not be permitted." Staff explained that the word "discourage" is more consistent

with a policy document, such as the General Plan, whereas "shall not be permitted," is regulatory and more appropriate in a Zoning Ordinance. Instead staff suggested revising the recommended language to "additional grocery stores are limited to a maximum floor area of 20,000 square feet in Southeast Evergreen."

Ed Abelite, a member of the public representing Canyon Creek Shopping Plaza, requested that stores larger than 20,000 square feet be precluded from the area. He stated that the grocery store issue has continued to resurface from the 1990s through the present. He requested stronger language to clarify that stores, larger than 20,000 square feet, are not allowed in the General Plan.

Commissioner Zito asked Mr. Abelite if staff's new proposed wording is acceptable. Mr. Abelite stated that it would be acceptable.

Commissioner Zito asked staff to confirm that Southeast Evergreen excludes the Arcadia site. Staff confirmed that the Arcadia site is excluded.

Commissioner Zito asked Mr. Abelite if the boundary as defined of Southeast Evergreen meets the intended goal. Mr. Abelite stated that it did because areas further from the Cosentino's and Lunardi's sites would not have as much of an effect on their markets and he believed that the defined boundaries were adequate.

Kelly Erardi representing Shappell, owner of the Evergreen Village Center stated that he supported Mr. Abelite's comments and stated that Lunardi's recently closed. He also stated that at a recent community meeting, the residents of Evergreen demanded another grocery store at the site.

Rose Guerra a resident of Evergreen spoke. She said that she and several other residents signed a petition requesting another tenant at the Lunardi's site. She said that the Evergreen Village Center is not just a place to shop but a village center. She said that young families and the elderly go there because it is within walking distance of their homes. She stated that she supported staff's new proposed language.

Senior Deputy City Attorney Todorov requested that staff remove the word "additional" from the proposed text to ensure equal treatment for all grocery stores in Southeast Evergreen. With this change, existing stores equal to, or greater than, 20,000 square feet would be in conformance with the policy but would not be able to expand.

Commissioner Zito stated that although individuals were not here to discuss the other portions of the text amendment which would support additional job generation in Evergreen, he wanted to state that it was a very important policy to be added to the General Plan.

Commissioner Zito made a motion to approve the text amendment, eliminating the word "additional" and accepting the alternative language provided by staff, which states, "Grocery stores are limited to a maximum floor area of 20,000 square feet in Southeast Evergreen (in the area bounded by Aborn Road to the north, San Felipe Road to the west and the City's Urban Service Boundary to the south)."

Commissioner Jensen clarified that existing stores that are larger than 20,000 square feet are grandfathered in. The motion passed 7-0-0.

ANALYSIS

See original staff report for analysis on the proposed General Plan text amendments.

POLICY ALTERNATIVES

Not Applicable

PUBLIC OUTREACH/INTEREST

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

Although this item does not meet any of the above criteria, staff followed Council Policy 6-30; Public Outreach Policy. A notice of the public hearing was distributed to the owners and tenants of all properties located within 500 feet of the project site and posted on the City website. The rezoning was also published in a local newspaper, the Post Record. This staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

COORDINATION

This project was coordinated with the City Attorney.

FISCAL/POLICY ALIGNMENT

This project is consistent with applicable General Plan goals and policies as further discussed in attached staff report.

COST SUMMARY/IMPLICATIONS

Not applicable.

BUDGET REFERENCE

Not applicable.

HONORABLE MAYOR AND CITY COUNCIL

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CEQA

The proposed text amendment is covered by Reuse of the San Jose 2020 General Plan Final Environmental Impact Report, certified by the City Council on August 16, 1994, Resolution No. 65459.

For Andrew Cubtes
JOSEPH HORWEDEL, SECRETARY
Planning Commission

For questions please contact Reena Mathew, Department of Planning, Building and Code Enforcement at 535-7844



Department of Planning, Building and Code Enforcement
200 E. Santa Clara Street
San José, California 95113-1905

Hearing Date/Agenda Number:
P.C. 11/14/07 Item: 6.b.
C.C. 12/18/07 Item:

File Number:
GP07-T-06

Council District and SNI Area:
District 8 and K.O.N.A, East
Valley/680 and West Evergreen

Major Thoroughfares Map Number:
84, 85, 100, 101, 102, 115, 116,
and 117

Assessor's Parcel Number(s):
Various

Project Manager:
Reena Mathew

GENERAL PLAN REPORT 2007 Fall Hearing

TEXT REFERENCE:

Description

Amend Chapter IV. Goals and Policies, Commercial Land Use, goals and policies, page 62
And amend Chapter IV. Goals and Policies, Economic Development, page 66.

PROJECT DESCRIPTION:

Amend the *San José 2020 General Plan* text to make additions to Commercial Land Use and Economic Development goals and policies to strengthen the City's commitment to encourage high quality retail in Evergreen, preserve existing commercial centers and discourage additional grocery stores over 20,000 square feet in Southeast Evergreen, and support job generation in order to balance the land use and commute patterns in Evergreen.

LOCATION:

Evergreen Planning Area

ACREAGE: N/A

APPLICANT/OWNER:

Staff / City of San José

ENVIRONMENTAL REVIEW STATUS:

Reuse of the San José 2020 General Plan Final Environmental Impact Report, certified by the City Council on August 16, 1994, Resolution No. 65459.

PLANNING STAFF RECOMMENDATION:

Adopt the proposed text amendment.

APPROVED BY: *Andrew Crabtree*
DATE: *November 6, 2007*

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

None received.

GENERAL CORRESPONDENCE:

None received.

ANALYSIS AND RECOMMENDATIONS:

RECOMMENDATION

Adopt the proposed text amendment.

PROJECT DESCRIPTION

This is a staff initiated text amendment to the *San José 2020 General Plan* to make additions to Commercial Land Use and Economic Development goals and policies to strengthen the City's

commitment to encourage high quality retail, preserve existing commercial centers, and support job generation in Evergreen in order to balance the land use and commute patterns as well as improve the fiscal health of the City.

BACKGROUND

Evergreen lacks sufficient commercial development and employment generation centers to balance the land use mix in the area, which is predominantly comprised of single-family residences. The existing land use patterns perpetuate auto-dominated transportation usage and result in long commutes.

The Evergreen Specific Plan and Silver Creek Specific Plan have commercial centers that are designed to be neighborhood-serving, pedestrian-oriented destinations, which create a sense of place in Evergreen, reduce the necessity of vehicular transportation, and allow Evergreen residents to meet their daily commercial needs locally. However, in recent years, the grocery stores in the Specific Plan areas in Evergreen have struggled. The existing grocery operations in the Specific Plan areas in Evergreen rely heavily upon local residents to patronize their establishments because the stores are in locations that are not visible from arterial. The grocery stores in the Specific Plan areas must compete with grocery stores outside of these areas that are intended to attract customers from a larger region.

In light of these concerns, on June 26, 2007, the City Council directed staff to bring forward policies to encourage development of high quality constructed commercial/retail opportunities in Evergreen, making reference to the attached memorandum (authored by Vice Mayor Cortes and Councilman Liccardo on June 22, 2007).

ANALYSIS

The following is an analysis of each of the proposed changes.

1. Amend Chapter IV. Goals and Policies, Commercial Land Use, page 62.

Commercial Land Use

A. Add new Policy:

The City encourages additional high quality constructed commercial/retail development in Evergreen.

The proposed policy would strengthen the City's on-going commitment to support additional commercial development in the Evergreen area, which would provide attractive and essential opportunities to meet local commercial needs. Historically, the amount of commercial or retail uses within Evergreen have been inadequate to meet the demands of the large residential population. The text amendment is consistent locally with the Balanced Community goal and policies in the General Plan, which recognize that a balanced community is comprised of diverse land use distributions, social, residential, and economic development, and job opportunities.

B. Add new Policy:

The City discourages additional grocery stores over 20,000 square feet in Southeast Evergreen (in the area bounded by Aborn Road to the north, San Felipe Road to the west and the City's Urban Service Boundary to the south).

This proposed new policy is intended to support the viability of existing commercial centers within the Specific Plans areas in Southeast Evergreen. Existing grocery stores in the Evergreen Village Center within the Evergreen Specific Plan/Planned Community and the Canyon Creek Plaza within the Silver Creek Specific Plan/Planned Community are intended to provide grocery opportunities and anchor their subject retail centers, which are adjacent to residential development in Southeast Evergreen. A market study completed for the Evergreen*East Hills Vision Strategy shows that it could be viable to develop additional grocery stores in the Evergreen area. However, the City is interested in preserving the existing grocery store sites in Southeast Evergreen in order to foster a mix of uses in residential areas typically not served by retail, reduce automobile trips, and maintain community character.

Because of site design and locational decisions that have already been made, these existing sites are possibly at a competitive disadvantage with new development. Locating any additional large grocery stores in Southeast Evergreen could diminish the success of these neighborhood-serving commercial centers.

To preserve the neighborhood character and community identity within these Specific Plan areas, the proposed policy discourages additional large grocery stores in Southeast Evergreen. The text amendment is consistent with the Urban Conservation, Community Identity, and Neighborhood Identity goals and policies in the General Plan, which emphasize the need to create and maintain a sense of place, neighborhood identity, and community involvement in the City's neighborhoods.

The Silver Creek Specific Plan describes the overall character of the area as rural and low-intensity. Winding, sloped roads characterize the street network within Silver Creek. Consequently, the Canyon Creek Plaza is the only commercial center with convenient access to the residences in Silver Creek. The Village Center is described in the Evergreen Specific Plan as the "primary activity hub of the community" and is intended to be the focal point of the Specific Plan. By supporting policies to preserve the existing grocery stores, which are anchor businesses in the Evergreen Village Center and Canyon Creek Plaza, the City can help to maintain the identity of the Evergreen community.

2. Amend Chapter IV. Goals and Policies, Economic Development, page 66.

Economic Development

Add new Policy:

The City encourages job generation on employment-producing lands in the Evergreen Planning Area in order to support local retail opportunities, reduce commutes, and balance land use in an area of the city that is predominantly comprised of single-family residences.

This proposed policy would strengthen the City's commitment to developing jobs in the Evergreen area. Additional jobs would allow for internalization of traffic in Evergreen, locate jobs near existing residential development, and help improve the City's overall fiscal health by creating a stronger municipal tax base.

ENVIRONMENTAL REVIEW

The proposed General Plan text amendment is covered by Reuse of the San José 2020 General Plan Final Environmental Impact Report, certified by the City Council on August 16, 1994, Resolution No. 65459.

PUBLIC OUTREACH

Notice of public hearings for the proposed General Plan text amendment was published in the San José Post-Record and posted on the Planning Division's webpage. This staff report will be posted on the City's website and e-mailed to stakeholders and community members involved in the update to the Evergreen-East Hills Development Policy. The proposed General Plan text amendment was also presented to the Developers Roundtable.

- Attachments:
1. Council Memo from Vice Mayor Cortese and Councilmember Liccardo, June 22, 2007.
 2. Council synopsis of Approval of actions related to the Evergreen Development Policy June 26, 2007.
 3. Map of Evergreen Planning Area.
 4. Map of Evergreen Planned Community.
 5. Map of Silver Creek Planned Community.

MEMORANDUM



TO: Honorable Mayor & City Council

FROM: Vice Mayor Dave Cortese
Councilmember Sam Liccardo

SUBJECT: Evergreen Development Policy

DATE: June 22, 2007

APPROVED:

DATE:

[Signature] *[Signature]* *[Signature]* 6-22-07
M.P.

RECOMMENDATION

It is recommended the City Council:

1. Direct staff to bring forward amendments to the Evergreen Development Policy (EDP) that establish a maximum allocation pool of 500 units allowing for:
 - a. Development of infill properties for up to 35 units or less. Staff should provide policy language that will prohibit "clustering" and other attempts to transfer or exploit the allocation process while subdividing existing parcels.
 - b. Development of affordable housing projects.
 - c. Incorporate the EEHVS Guiding Principles
 - d. Incorporate the EEHVS amenities list
 - e. Direct staff to bring forth a proposed traffic impact fee for the pool units as described in 1a and 1b.
2. Direct staff to not bring back amendments to the EDP (beyond Recommendation 1) until:
 - a. The employment capacity contemplated in the Evergreen Specific Plan to be provided by the industrial lands has been filled. As part of this trigger, a traffic study should verify that a recirculation of traffic patterns to foster a reverse commute is in fact occurring as prescribed in the current EDP; **OR**
 - b. Staff has a bona fide plan prepared that can fully accomplish those requirements set forth in the Guiding Principles concurrent with development, including full funding for the entire 101 corridor project and all other traffic infrastructure requirements within the study area, and "fair share" funding for those items recommended in the EEHVS amenities list.
3. Staff should continue to discourage residential development applications (a policy already adopted by the City Council in January 2004) including general plan amendments which do not conform to the EDP and the direction noted above.
4. Staff is directed to return to Council with policies that encourage development of employment producing lands and quality commercial/retail opportunities. Such opportunities are not restricted under the EDP and that should continue to be the case with the exception of future supermarket developments in Southeast Evergreen.

5. Staff should return to council prior to the Fall General Plan Hearings with a policy (or amendment to that EDP) that addresses future supermarket development (over 20,000 SF) in Southeast Evergreen that should take into account the use of market studies, potential growth, and the possibility of loss of existing supermarket square footage.

BACKGROUND

As a result of actions taken by the City Council on May 15, 2007, staff has put forth a proposed workplan on amending the EDP and has asked for the Council's input on suggested triggers. The above recommendations are intended to provide direction on what amendments to the EDP should be undertaken as part of staff's workplan. They are designed to appropriately pace residential growth with employment growth in order to ensure the commensurate infrastructure and realize the reverse commute as specified in the current EDP. These recommendations allow for certain types of development to proceed. Specifically, a 500 unit pool has been established for developers seeking 35 units or less and affordable housing (with a preference for senior affordable housing). This pool is subject to a traffic impact fee (to be developed by staff) and adjustments as related to the population-dwelling unit equivalency formula. The TIF is above and beyond any fees statutorily required of development projects through the city's development process.

Commercial/retail development should be pursued consistent with the council adopted Guiding Principles and Key Outcomes which specify capturing "new retail and commercial opportunities while strengthening all existing retail including the commercial center at the Evergreen Village."

Council's approval of this memorandum will signify its support for the Campus Industrial site to be preserved and encouraged for employment growth as well as demonstrate its strong desire to reject piecemeal growth in the form of approving significant residential growth absent appropriate mitigations as outlined above.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.4 Approval of refund of construction taxes to certain development partners

Recommendation: Approval of refunds and fee overpayments to Block 3 Development Partners (\$1,030,212.51) and Wilcox LLC (\$51,050.57) in a total amount of \$1,081,263.08 for construction taxes erroneously collected pursuant to certain sections the San José Municipal Code. CEQA: Not a Project. (Planning, Building and Code Enforcement)

Approved.

4.5 Approval of actions related to the Evergreen Development Policy.

Recommendation: Acceptance of the proposed work plan to update the Evergreen Development Policy consistent with the Council's actions on May 15, 2007, and provide input on phasing/trigger options. CEQA: Not a Project. Council Districts 5, 7 and 8. SNI: West Evergreen/K.O.N.A/East Valley/680. (Planning, Building and Code Enforcement) (Deferred from 6/19/07 – Item 4.8)

The memorandums from Vice Mayor Cortese and Council Member Liccardo, and from Mayor Reed, both dated June 22, 2007 were approved, as amended:

- (1) Direct Staff to bring forward amendments to the Evergreen Development Policy (EDP) that establish a maximum allocation pool of 500 units allowing for:
 - (a) Development of infill properties for up to 35 units or less. Staff should provide policy language that will prohibit “clustering” and other attempts to transfer or exploit the allocation process while subdividing existing parcels.
 - (b) Development of affordable housing projects.
 - (c) Incorporation of the EEHVS Guiding Principles.
 - (d) Incorporation of the EEHVS amenities list.
 - (e) Direction to Staff to bring forth a proposed traffic impact fee for the pool units as described in (1)(a) and (b); and,
 - (f) Direction to Staff to analyze and make recommendations as to the circumstances under which the Council might exempt any project which offers unique opportunities to leverage developer resources to accomplish desirable historic preservation.
- (2) Direct Staff to NOT bring back amendments to the EDP [beyond Recommendation (1)] for further residential development beyond the 500 “pool” units until:
 - (a) The employment capacity contemplated in the Evergreen Specific Plan to be provided by the industrial lands has been filled. As part of this trigger, a traffic study should verify that a recirculation of traffic patterns to foster a reverse commute is in fact occurring as prescribed in the current EDP; OR

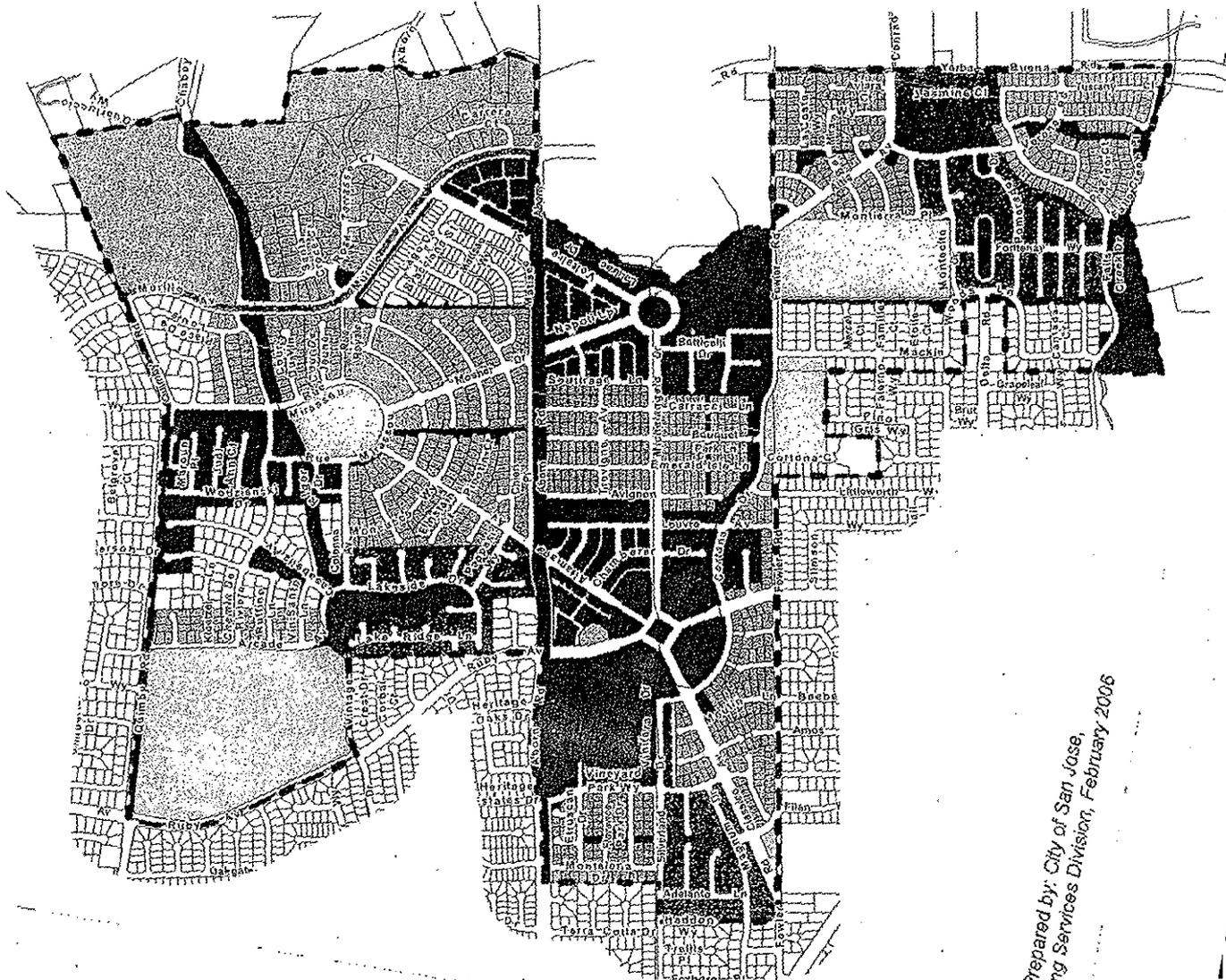
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4. COMMUNITY & ECONOMIC DEVELOPMENT

4.5 Approval of actions related to the Evergreen Development Policy (Cont'd.)

- (2) (b) Staff has a bona fide plan prepared that can fully accomplish those requirements set forth in the Guiding Principles concurrent with development, including full funding for the entire 101 corridor project and all other traffic infrastructure requirements within the study area and "fair share" funding for those items recommended in the EEHVS amenities list.
- (3) Staff should continue to discourage residential development applications (a policy adopted by the City Council in January 2004) including general plan amendments which do not conform to the EDP and the direction noted above on Page 31.
- (4) Staff is directed to return to Council with policies that encourage development of employment producing lands and quality commercial/retail opportunities. Such opportunities are not restricted under the EDP and that should continue to be the case with the exception of future supermarket developments in Southeast Evergreen; and may include a housing component using "pool" units as an incentive to retail development (i.e. commercial pedestrian/mixed use projects).
- (5) Staff should return to Council prior to the Fall General Plan Hearings with a policy (or amendment to the EDP) that addresses future supermarket development (over 20,000 square feet) in Southeast Evergreen that should take into account the use of market studies, potential growth and the possibility of loss of existing supermarket square footage.
- (6) Projects should pay a fair price traffic mitigation impact fee based on an updated nexus study and drawn from a pool generated by job creation in Evergreen at the rate of 1 housing unit per 2 new jobs (similar to North San José and Coyote Valley) and that Staff could cap the units at 3,900 and return to Council with the increments they recommend.
- (7) Projects which voluntarily pay a pro rata share of the cost of the infrastructure and amenities package, may be considered "as part of a bona fide plan as presented by Staff".
- (8) Staff to return with a deeper analysis of small projects that have less than a 1% impact of the traffic on any intersection (similar to the rest of the City) and how that would stack up with limitations as previously outlined.

Evergreen Planned Community



- Hillside Lots
- 7,000 sq. ft. lots
- 6,000 sq. ft. lots
- 4,000 sq. ft. lots
- 4,000 sq. ft. lots
- Carriage Homes
- Duplex

- Townhomes
- Multiple-Family Residential (12-25 DU/AC)
- Village Center
- Public Facilities
- Public Facilities
- Artistic (11k-130 sq.)
- Artistic (65-105 sq.)
- Mojo Collection (80-90 sq.)
- Community Boundary

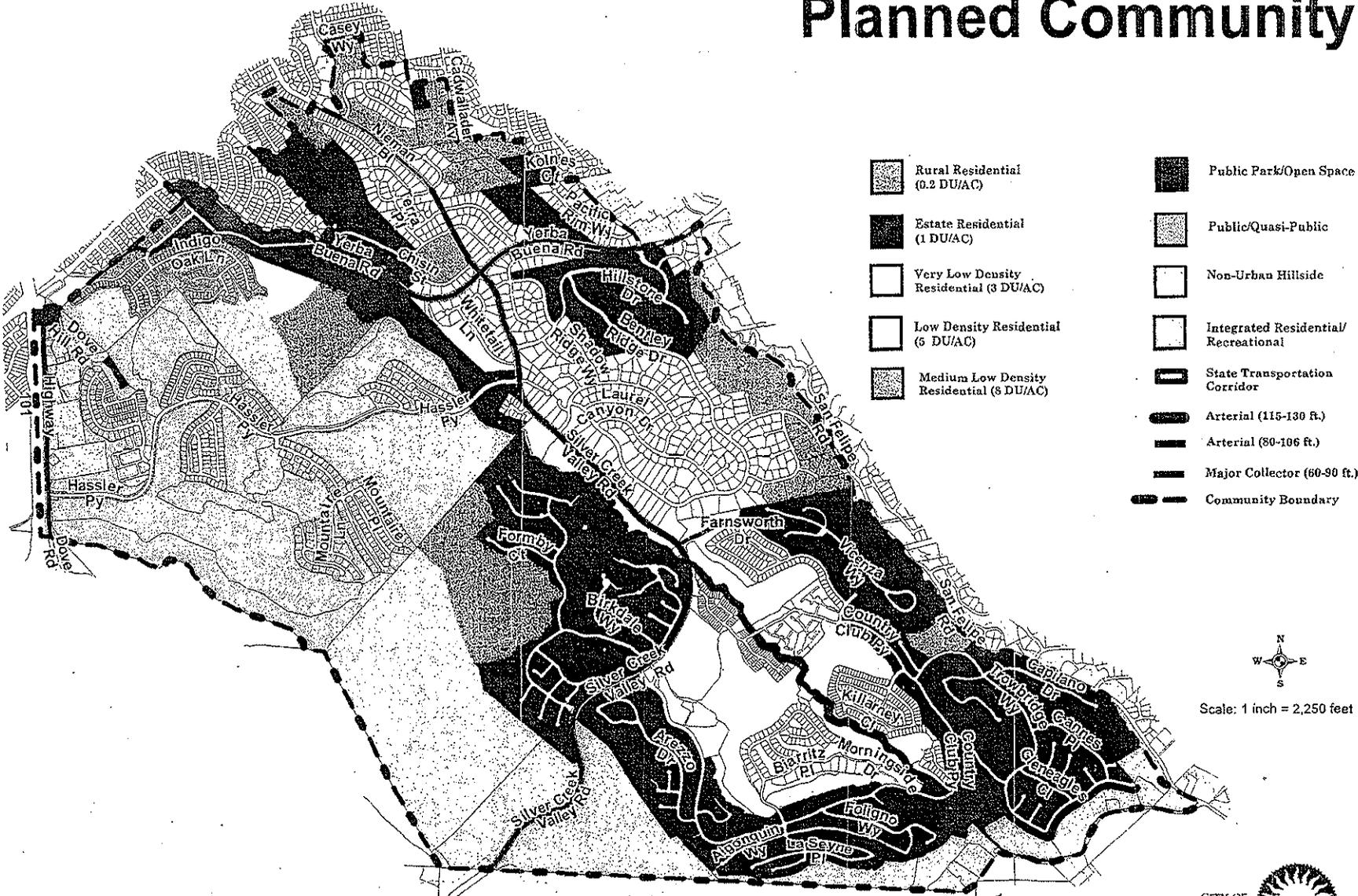


Scale: 1 inch = 1,300 feet



Map Prepared by: City of San Jose,
Planning Services Division, February 2006

Silver Creek Planned Community



Map Prepared by: City of San Jose,
Planning Division, August 2007

