COUNCIL AGENDA: 12-14-04
ITEM: 2.3

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Stephen M. Haase

SUBJECT: **SEE BELOW**

DATE: December 7, 2004

Approved Kay Winer

Date 12/10/04

Council District: Citywide
SNI Area: All

SUBJECT: ACCEPTANCE OF THE ANNUAL PROGRESS REPORT ON THE IMPLEMENTATION OF THE SAN JOSE 2020 GENERAL PLAN HOUSING ELEMENT.

REASON FOR ADDENDUM

In order to qualify for a State Department of Housing and Community Development (HCD) Workforce Housing Reward (WFR) Program grant, the City must forward the attached Annual Housing Element Progress Report to HCD by December 31, 2004.

RECOMMENDATION

The City Council accept the Annual Progress Report on the Implementation of the Housing Element.

BACKGROUND

The City of San Jose is planning on applying for an estimated $1.8 million in funds from the State Department of Housing and Community Development (HCD) Workforce Housing Reward (WFR) Program. The program awards funds based on the number of residential building permits issued for low- and very low-income housing units during calendar year 2004. Funds may be used for capital projects that provide a direct benefit to the local community. This award program does not use a competitive process to award funds, instead all cities and counties who meet the eligibility requirements will be funded. One of the key eligibility requirements is submission of the Annual Housing Element Progress Report to HCD by December 31, 2004.

Per State law, after Council acceptance, a copy of the Annual Report will be provided to the California Department of Housing and Community Development and the Governor's Office of Planning and Research.

PUBLIC OUTREACH

No separate public outreach was conducted as a part of preparation of this report. However, most, if not all of the City programs described in the report include public outreach in some form.

COORDINATION

Preparation of this report was coordinated with the Housing Department and the City Attorney's Office.

CEQA

Not a project.

Laurel Prevetti
for Stephen M. Haase, Director
Planning, Building and Code Enforcement

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Department of Planning, Building and Code Enforcement
STEPHEN M. HAASE, AICP, DIRECTOR

2004 Status Report on the Implementation of the San Jose 2020 General Plan Housing Element

December 6, 2004

Background

California State law provides that jurisdictions prepare an annual status report on the progress on meeting the Regional Housing Need Allocation (RHNA) and other goals and objectives as set forth in the Housing Element of the General Plan. This report was prepared pursuant to those provisions. Upon City Council acceptance of the report, it will be forwarded to the California Housing and Community Development (HCD) Department and the Governor's Office of Planning and Research.

The Housing Element is one of the mandatory elements of a General Plan, as required by State Law. California State Law required that San Jose update its General Plan Housing Element by December 31, 2001. The update addressed how the City proposed to meet its regional fair share housing allocation, reviewed the effectiveness of San Jose's housing policies and programs and included modifications to several sections of the General Plan, including the Housing Major Strategy, Housing Land Use Goals and Policies, and the Implementation Chapter, which describes San Jose's housing programs. The City Council adopted General Plan amendments in November, 2001 and June, 2002 intended to incorporate required revisions to the General Plan necessary to prepare the Housing Element for certification. The City received confirmation of final certification of the General Plan Housing Element by the State Housing and Community Development (HCD) Department in June 2003.

A. Progress in Meeting Regional Housing Need

The Association of Bay Area Governments (ABAG) is responsible for allocating the regional housing needs among each jurisdiction in the nine-county Bay Area. ABAG has determined that San Jose's fair share of the regional need for the planning period is 26,114 units. San Jose's allocation accounts for 45% of the total housing allocation for Santa Clara County and 11% of the nine County Bay Area region. These 26,114 units are distributed among the economic segments of the community, as depicted in Table 1.

The City of San Jose continues to make important strides in the production of affordable housing. During calendar year 2004 (through November), 794 new dwelling units began construction to serve Extremely Low, Very Low, Low, and Moderate Income households (see Table 1). This affordable housing consists of those dwelling units whose construction or

rehabilitation was either: (a) financed, all or in part, with loans and/or tax-exempt bonds approved by the City Council and Redevelopment Agency Board, or (b) provided by developers in order to meet State-mandated inclusionary housing requirements in Redevelopment Project Areas. To date, San Jose has completed 89% of its 1999-2007 Regional Housing Need Allocation (RHNA).

Table 1
Unit Count of Housing Produced for the
1999-2007 Regional Housing Need Allocation (RHNA) Cycle

Affordability Categories	1999-2007 RHNA	Units Added - By Calendar Year[1]						Total Units Added 1999-2004
		1999	2000	2001	2002	2003	2004[2]	
Very Low	5,337	420	560	928	849	632	250	3,639
Low	2,364	199	707	1,303	383	386	469	3,447
Moderate	7,086	68	163	46	92	160	75	604
Above Moderate	11,327	2,919	3,663	2,391	1,254	3,416	1,961	15,604
TOTAL	**26,114**	**3,606**	**5,093**	**4,668**	**2,578**	**4,594**	**2,755**	**23,294**

[1] Units added are counted with the issuance of building permits.
[2] The figures for 2004 will be updated prior to submission to HCD. The current figures include data through November 2004.

Locally Identified Affordability Categories

The City of San José has identified an additional income category, extremely low-income (ELI) households, as a special needs category based on the unmet housing needs faced by ELI families. This income category is defined as families earning less than 30% of the County median income. For the purposes of meeting the goals set by the Association of Bay Area Governments (ABAG), these units are included in the "Very Low" income category. The following table demonstrates San José's success in meeting the needs of ELI households:

Table 2
Extremely Low-Income and Very Low-Income Units Added 1999-2004

Affordability Categories	1999-2007 RHNA	Units Added - By Calendar Year						Total Units Added 1999-2004
		1999	2000	2001	2002	2003	2004	
Very Low	5,337	420	548	869	533	262	216	2,848
Extremely Low	-	-	12	59	316	370	34	791
TOTAL	**5,337**	**420**	**560**	**928**	**849**	**632**	**250**	**3,639**

B. The Effectiveness of the Housing Element in Attainment of the Community's Housing Goals and Objectives

The City of San José's Housing Department offers a comprehensive affordable housing program. The Department assists in financing both new construction and the rehabilitation of single-family and multi-family units for low- and moderate-income residents in San José. Updates on each of the affordable housing programs administrated by the Housing Department are included in this section of the report. All of these programs are used to achieve the quantitative goals identified in the General Plan. The programs are primarily used to develop or conserve housing for lower income households during the 1999-2007 planning period of the housing element.

Specific programs are funded from City redevelopment area property tax increments; the federal Community Development Block Grant (CDBG) program; the HOME program; federal Emergency Shelter Grant (ESG) funds; bond sale proceeds; tax-exempt private activity bonds (CDLAC); Low-Income Housing Tax Credits; the California State Department of Housing and Community Development (HCD) Multifamily Housing Program funds (MHP); private sector investors; and commercial lending institutions. The City's overall strategy is to use available public funds to leverage financing from private sources to support a variety of housing construction and rehabilitation programs.

1. HOMEOWNER PROGRAMS

a. **Housing Rehabilitation Program** ***(formerly Housing Preservation Program and Homeowner Grant Program)*** – Homeowners earning up 80% of the County median income level may apply for a 3%-interest loan up to $100,000 or a $15,000 grant to rehabilitate their homes. By City Council policy, 75% of Rehabilitation Program funds are to be spent in Strong Neighborhood Initiative (SNI) areas of the City, which are characterized by higher concentrations of lower-income households and older housing stock in greatest need of rehabilitation. This program is successful in providing funding to preserve the City's aging housing stock.
FY 2003-04 Performance: 210 homes rehabilitated

b. **Mobilehome Repair Loan Program (MRLP)** – Owner occupants of mobilehomes earning less than median income may apply for a 3% loan up to $20,000 to rehabilitate their homes. Additionally, the Housing Department offers one-time repair grants up to $12,000 for low-income mobilehome owners. The MRLP has been successful in providing options to senior households limited by fixed incomes faced with health and safety concerns in their mobilehomes. Data from FY 2003-04 demonstrates 67% of funds for this program were allocated to senior households.
FY 2003-04 Performance: 159 homes rehabilitated

c. **Paint Grant Program – Owner Occupied** – This program provides 100% of the cost of painting the exterior of a single-family home, duplex, or mobilehome up to a maximum of $5,000 to single-family and mobilehome owners earning up to median

income. The Paint Grant Program presents immediate revitalization to the neighborhoods where recipients are located. This program's ongoing success is due to the limited funds required to administer resulting in the immediate reduction of blight in San José's aging neighborhoods.
FY 2003-04 Performance: 548 homes painted

2. HOMEBUYER PROGRAMS

a. **First-Time Homebuyers Mortgage Credit Certificates (MCC)** – In cooperation with the County, the City offers Mortgage Credit Certificates (MCC) to qualified buyers. An MCC enables qualified first-time buyers to reduce the amount of their federal income tax liability by a specified percentage of the interest rate they pay on a conventional loan. This reduction may be applied to a new or existing loan. By reducing the tax liability, an MCC effectively increases the homebuyer's income level. The program has proven to be an effective means for enabling mainly moderate-income households to purchase homes that they might not otherwise afford. The program has been effectively combined with other City homebuyer assistance programs to further enhance home purchasing power in one of the nation's highest housing cost areas. The City will continue its cooperation with the County on this program.
FY 2003-04 Performance: 46 MCC issued in San José
96 MCC issued in Santa Clara County

b. **Teacher Housing Program (THP)** – This program provides a deferred equity-share loan of up to $40,000 to low- and moderate-income San José public school teachers. The THP program has proven to be an effective means for attracting and retaining public school teachers in one of the nation's highest housing cost areas. The City continuously markets and evaluates the program to assure that program goals and maximum leveraging of City funds are achieved.
FY 2003-04 Performance: 91 loans closed

c. **Project-Based Second Mortgages** – The City is providing 30-year second mortgages up to $50,000 for moderate-income, first-time homebuyers in ownership housing projects for which the City has previously provided financial assistance for development. Interest rates vary, depending upon the borrower's ability to pay. This financing approach has proven to be an effective means for stimulating an increase in the supply of newly constructed housing that is affordable for both low- and moderate-income households. The City is expanding its project-based mortgage program as new sources of funding are identified and secured for San José residents. In the summer of 2004, San José received $2.14 million from HCD's Building Equity and Growth in Neighborhoods (BEGIN) for project-based second mortgage assistance.
FY 2003-04 Performance: 10 loans closed

d. **The Home Venture Fund** ***(formerly Vernal Fund)*** – Private lenders entered into an agreement with Neighborhood Housing Services Silicon Valley, a nonprofit organization, to provide down payment assistance loans to both low- and moderate-income homebuyers. Loan amounts ranged from $10,000 to $80,000. Interest income derived from $4.5 million in City grants is used to make interest payments on behalf of the borrower during the five-year loan deferral period. This is a highly successful and innovative program. Unfortunately, in light of recent budget cuts experienced by the City of San José, funding is no longer provided for this program.
FY 2003-04 Performance: 12 loans closed

3. HOUSING DEVELOPERS/INVESTMENT PROPERTY OWNERS

a. **Predevelopment Loan Program** – This program is designed to assist nonprofit housing developers with funds necessary to explore the feasibility of a proposed housing project. Under this revolving-loan program, nonprofits may apply for option fees and preliminary environmental or design studies. Loans are currently set at 4% interest and range from $15,000 to $100,000 with repayment due at the close of escrow on construction loans or within two years. This program loans out its annual allocation of $200,000 nearly every year.
FY 2003-04 Performance: 1 loan closed

b. **Project Development Loans for Acquisition, Construction and Acquisition/Rehabilitation** – Below market rate gap loans and grants, made to both for-profit and nonprofit developers, are typically subordinated to the primary lender's loan. The loans provide funding for apartments for families and seniors, SROs, transitional housing, and housing for special needs populations as well as development condominiums and townhomes. Loans are also made for site acquisition, predevelopment, construction, and for other specific development related costs. Funding for the acquisition and rehabilitation of existing apartment complexes focuses on blighted properties where rehabilitation would a have significant revitalizing impact on the surrounding neighborhood and those projects with expiring HUD loans and rent restrictions ("preservation" projects).

This is an award-winning program that has resulted in the creation of over 13,500 new housing units affordable to low-income households in San José. Due to recent declines in 20% Tax Increment Funds, this program has reduced the amount of funds available to for-profit and nonprofit developers. A NOFA has been established for the selection of developers to receive funding from this program. This process will ensure targeting of funds to the deepest affordability levels and leveraging of funds. The City desires to continue funding its most effective affordable housing program in future years.
FY 2003-04 Performance: 1,494 affordable units financed
1,508 affordable units completed

c. **City as "Developer"** – State law stipulates that affordable housing (along with parks and public education) have priority for surplus property owned by any public agency created under State auspices. The Housing Department aggressively seeks to purchase such properties owned by the City of San José, the Valley Transportation Authority (VTA), CalTrans, the 19 school districts in San José, the Santa Clara Valley Water District and other public agencies for housing development. As a result of this program's success, over 260 affordable rental units are under construction, two affordable ownership units have been completed and 18 affordable ownership units are under construction or completing the permitting process to start construction in FY 2004-05. The Housing Department continues to utilize this successful approach to securing land for affordable housing.
FY 2003-04 Performance: 5 parcels were transferred to affordable housing developers; 3 new City-owned parcels prepared for purchase.

d. **Rental Housing Rehabilitation Program (RHR):** Due to limited funding for housing rehabilitation programs, this program is no longer providing assistance to rental property owners.
FY 2003-04 Performance: 0 rehabilitations completed

e. **Paint Program – Tenant Occupied:** Due to limited funding for housing rehabilitation programs, this program is no longer providing assistance to rental property owners.
FY 2003-04 Performance: 0 rehabilitations completed

4. HOMELESS SERVICES PROGRAMS

a. **Emergency Shelter Grant Program (ESG):** ESG is a federally funded program designed to be the "first step" in the prevention of homelessness. The program strives to address the immediate needs of persons residing on the street and needing emergency shelter and transitional housing, as well as assistance in their move to independent living. In FY 2003-04, the City received $437,000 in funding, which was allocated to 12 nonprofits for operations/maintenance (70%), essential services (17%), and homeless prevention (13%).
FY 2003-04 Performance: 43,827 individuals assisted

b. **Housing Opportunities for People with AIDS or HIV (HOPWA) -** HOPWA is a federally funded program designed to assist nonprofit agencies in providing housing assistance and supportive services to low-income individuals and families living with HIV/AIDS. Eligible use of funds includes tenant-based rental assistance, project-based rental assistance, housing information and supportive services. For FY 2003-04, San Jose received $787,000.
FY 2003-04 Performance: 1,862 individuals assisted

c. **Housing Trust Fund** – In June 2003, the Mayor and City Council approved the allocation of funds to establish a Housing Trust Fund. These funds can be used for a

variety of activities, including the development of special needs housing. The City of San José was successful in securing $1.5 million of Prop 46 funds in 2003 to use as a new source of funding for this program. A Notice of Funding Availability (NOFA) process has been established for the distribution of these new funds. The success of this program will be evaluated throughout the upcoming years.
FY 2003-04 Performance: 4 direct service grants awarded

d. **Mayor's Homeless Families and Children Fund:** The Mayor's Homeless Families and Children's Initiative Fund was a two-phase (FY's 2001-03 and 2002-04) competitive funding opportunity, provided by the City of San Jose, which is designed to support creative and collaborative proposals for one-time projects from the community to address the needs of homeless families and individuals. Due to decreased funding in recent years, this program is no longer available.
e. *FY 2003-04 Performance: 12 out of 13 grants awarded continued to be funded*

f. **Promoting Growth and Early Self-Sufficiency (PROGRESS) -** In 1998, the City Council authorized the Department of Housing to implement a two-year, $400,000 program to provide housing and supportive services to homeless families and individuals with the desire to become self-sufficient. The success of the first program prompted the Council to approve another two-year program in 2001. The program averaged a 78% success rate. Due to decreased funding in recent years, this program is no longer available.

5. NEIGHBORHOOD IMPROVEMENT PROJECTS

a. **Strong Neighborhood Initiative (SNI)** - The City of San José has a strong focus on the quality of its neighborhood, as demonstrated by the numerous programs aimed at strengthening and improving neighborhood living conditions. The Strong Neighborhoods Initiative (SNI) is a partnership between the City of San Jose, the Redevelopment Agency (RDA) and San Jose's residents and business owners to strengthen the City's neighborhoods by building clean, safe and strong neighborhoods with independent, capable and sustainable neighborhood organizations. The 19 active Strong Neighborhoods Initiative areas encompass about 10,000 acres and are located in many sections of San Jose. The underlying principle of the Strong Neighborhoods Initiative is to build upon neighborhood assets, and special SNI resources, in a deliberate strategy to develop the capacity of communities to become their own agents for improvement over the long term.

The Strong Neighborhoods Initiative is a two-stage process: Planning and Implementation. The Planning stage included the development or update of Neighborhood Improvement Plans developed through the collaborative efforts of several groups and scores of individuals, and containing a "Top Ten" Priority Action Items for improvements. The City Council has approved all SNI Neighborhood Improvement Plans. The implementation of the Neighborhood Improvement Plans

depends primarily on community residents, property owners and other stakeholders acting as advocates for proposed action items. Each Neighborhood Advisory Committee has transitioned from Planning to an Implementation capacity, with several significant roles and responsibilities, including organizing and leading its own activities, overseeing and monitoring the progress of the recommended Action Items, providing input on design and development of public and private projects, completing Action Items for which it is responsible, and acting as liaison to its member neighborhoods.

The City's Housing Rehabilitation Program focuses specific efforts on SNI neighborhoods. City staff has worked directly with the community to identify "demonstration projects" within these areas providing an immediate impact on areas with the greatest need for revitalization. One demonstration project was completed during FY 2003-04, the Hoffman Via Monte project. This project rehabilitated four buildings, resulting in a dramatic impact on the neighborhood. Also during FY 2003-04, plans for additional demonstration projects were made for the Colonial Gardens, Underwood, Winchester, Richmond/Menker and Hoffman Via Monte neighborhoods. This coordinated effort between the Redevelopment Agency; Planning, Building and Code Enforcement; and Housing Departments has proven to be a success in San José's most needy neighborhoods.

C. Progress in Removing Governmental Constraints to Housing Production

The Housing Appendix of the General Plan discusses potential governmental constraints to housing production. The City has taken a number of steps over the past several years that continue to reduce or eliminate these constraints thereby facilitating the production of housing within the City of San Jose. These include measures intended to improve and streamline the development review process to insure that the process does not constrain housing development. In addition, a variety of Smart Growth Planning endeavors have been developed that provide housing strategies at a Citywide and neighborhood level.

The following is a summary of the City's efforts in the past year to improve the development review process to remove constraints to housing development.

1. PROCEDURAL IMPROVEMENTS

a. **Establishment of a One-Start Center** – Facility to process expedited plan check projects and other multi-department review and approval of building projects. This facility brings together representatives of all departments participating in the development review process, including Planning, Building, Fire, Public Works, Transportation, Economic Development and Redevelopment, to conduct one consolidated, coordinated review of major projects.

b. **Public Works Engineering Services Provided in Building Division** – Public Works staff providing flood and geologic hazard clearance services and over-the-counter Public Works permits (sewer lateral, private utility, encroachment permits) were consolidated into the Building Division, eliminating the need for customers to travel between separate offices and interact with different staffs at different times. This completes the staffing of the Building Division with representatives of Planning, Public Works, Fire and Building necessary to issue Building Permits and reflects the service model being developed for the new City Hall Development Services Center.

c. **New City Hall Development Services Center Design and Organization** – Staff from Planning, Building, Fire and Public Works have been meeting for several months to design both the physical layout and the organizational structure necessary to operate the consolidated Development Services Center to be located on the first and second floors of the new City Hall. The design of the new Center will also include new telephone and website services designed to reflect the integrated services to be provided to all development customers.

d. **Consolidation of Downtown and Citywide Development Review responsibilities** - Development review authority for projects in the Downtown Core and Julian-Stockton Redevelopment Areas was consolidated in the Planning Department, eliminating the Redevelopment Agency's separate permitting responsibility for this area. This was accomplished at the request of the City Council and Downtown development interests desiring one consistent development review process citywide.

e. **Adoption of the City's Public Outreach Policy** – This policy is designed to ensure participation in the development process by affected and interested members of the community. In particular, the revised policy emphasizes the importance of early notification of new development projects so that community input can be integrated into the review process at an earlier stage and reduce the potential for significant delay due to last minute concerns and opposition from the community.

f. **San Jose Permits Online (Automated Permit Issuance and Tracking System)** – This comprehensive system facilitates more effective processing of development applications and improved accuracy of tracking project permitting and construction. The San Jose Permits On-line website (www.sjpermits.org) allows citizens and development customers to view all existing permits and proposed development activity, perform on-line map queries to locate geographic and property data, map locations of all active permits and applications within 2,000 feet of a selected property or view land use maps on-line to help determine if a property is suitable for development. New services recently introduced include both Interactive Voice Recognition (IVR) and on-line inspection scheduling and viewing of inspection results, on-line submittal and issuance of simple permits and on-line viewing of electronically-imaged permit documents and plans. The web-based services are available during non-business hours.

Several successful programs or procedures initiated previously have continued to benefit the approval of housing in San Jose. They include the following:

g. **Preliminary Review Process** - The Preliminary Review Process allows applicants to receive any of three increasingly in-depth levels of review of development proposals, prior to submittal of a development application. The staff feedback provided allows applicants the opportunity to finalize applications and project design materials that more closely align with City policies and standards, thereby facilitating more efficient and timely processing.

h. **Plan Conformance Process** – This process consists of Planning Project Manager review and sign-off of Building Permit plans for new construction projects, verifying that the Building Plans conform to the Planning permit approval. This process ensures that the construction plans match the Planning approval while providing the opportunity to catch design errors prior to commencement of construction when such mistakes are usually more costly in both time and money.

i. **Multiple General Plan hearings** - The General Plan was amended to formalize the practice of holding multiple General Plan hearings annually. The City now holds up to the four General Plan hearings allowed by State law, based on the number of amendments submitted. This approach has been praised by both the development industry and City Council as helping expedite approval of new development projects, particularly housing.

2. SMART GROWTH LAND USE PLANNING

San Jose has been performing Smart Growth Planning for more than 30 years. Key activities include:

- Careful planning for future use of all vacant land, together with proactive efforts to plan for the reuse of outmoded and underutilized properties
- Identifying appropriate locations for increased development intensities, primarily along transit corridors
- Developing specific plans that further the goals of the General Plan by defining housing opportunities in strategic locations throughout the City.

a. Availability of Vacant Land

The availability of vacant residential land is frequently cited as the most important constraint in meeting housing needs. The annual Vacant Land Inventory (VLI) provides information on San Jose's vacant land supply by General Plan Land Use/Transportation Diagram designation, along with the rate of development (or absorption) of remaining vacant land.

According to the VLI, the vacant residential land supply was estimated at approximately 1,250 acres in July 2004. Approximately two-thirds of the vacant residential land is designated for single-family development, and are located primarily in the Almaden, Alum Rock, Berryessa, or Evergreen planning areas. On the other hand, multi-family lands are more evenly distributed, with the greatest concentration (32%) occurring in the South planning area (in the Communications Hill Specific Plan area).

Given this limited vacant supply, the future rate of land absorption is expected to be much slower and more stable than in the past (FY 03/04= 264.6 acres). However, slower land absorption will not necessarily translate into a reduced supply of new housing units. This is because development is now commonly occurring on already developed land (i.e., not vacant) and residential densities are increasing. Today, only about one-fifth of San Jose's new housing is made up of single-family detached units, with the large majority being higher-density apartments, condominiums, and townhomes.

b. Long Range Planning

General Plan Hearings

As noted previously, the City now performs up to four (4) hearings of the General Plan annually to allow changes to both the Land Use/Transportation Diagram and text of the Plan. Through the four General Plan hearings conducted in 2004, the Planning Commission and City Council reviewed a total of 39 amendments. The changes affecting land planned for residential uses results in a revised General Plan residential holding capacity of the Plan to approximately 40,000 dwelling units.

Transit-Oriented Development

The City has completed the third and final phase of the Housing Opportunity Study (HOS). The HOS is a proactive approach to facilitate increased housing production, support transit with appropriate development intensities, and further the City's longstanding policy of infill development. The HOS seeks to identify specific vacant or underutilized parcels, particularly within or near Transit-Oriented Development (TOD) Corridors that would be suitable for higher density or mixed-use development. These TOD Corridors include Guadalupe, Stevens Creek Boulevard/West San Carlos Street, Santa Clara Street/Alum Rock Avenue, Winchester Boulevard, Capitol Avenue/Expressway, and the Vasona Light Rail Transit line.
Planning staff identified and analyzed 13 sites that were potentially appropriate for conversion to high density residential. After further analysis, staff eliminated six of the sites. Five sites are proceeding through the Fall 2004 General Plan Review and two have been postponed. Of the five, three propose conversion to high density residential on a total of approximately 14.6 acres and could produce up to approximately 700 dwelling units.

Specific Plans and Special Land Use and Transportation Studies

During 2004, Planning staff has made significant progress on three major land use and transportation studies intended to provide a vision for San Jose's future growth and development. These are the Coyote Valley Specific Plan, the Evergreen Visioning Project, the North San Jose Area Development Policy update and the revision to the City's Transportation Level of Service Policy.

- Coyote Valley Specific Plan - The Coyote Valley Specific Plan process was initiated by the City Council in August, 2002. The Coyote Valley Specific Plan (CVSP) process includes the ability to plan land uses in detail, determine infrastructure and community services, formulate financing and implementation programs, and phase the implementation of any of the plan elements as necessary. The process also includes the participation of affected agencies, property owners, developers, and other community and regional stakeholders. The CVSP area contains 7,000 acres of mostly undeveloped land in the southern reaches of San Jose. The City's overall vision for Coyote, as stated in the General Plan is a unique, vibrant balanced community of at least 50,000 jobs and 25,000 housing units on 3,600 acres, where people live, work and play. At least 20% of the new homes must be affordable. The remaining 3,400 acres are planned as a permanent non-urban buffer (South Coyote Valley Greenbelt). The land uses should be sensitive to the environment and well connected through a rich network of open spaces, trails, bicycle paths, roads and transit.

  The community Task Force is currently evaluating and discussing different land use scenarios for the Plan. Once a preferred alternative is identified, the Environmental Impact Report analysis will commence with a scoping meeting. Task Force, community and stakeholder meetings will continue during 2005, discussing the specific plan policies, new zoning regulations, design guidelines, fiscal impact analysis, financing plan, phasing and implementation plan. The City Council is expected to consider the CVSP items in December 2005.

- Evergreen Visioning Project – The Evergreen Visioning Project (EVP) is a community-based planning initiative based on Smart Growth and community consensus-building principles. Outcomes of this effort will guide future local planning, land use, transportation and community amenities to enhance Evergreen's character and quality of life. Currently, the community Task Force is considering housing development scenarios on four sites, totaling approximately 535 acres. As the Task Force considers the scenarios, they are trying to determine an appropriate balance between new housing growth, transportation improvements and community amenities.

- Vision North San Jose - The City is undertaking a land use planning effort to provide for the ongoing development of the North San Jose area. This planning effort covers

the North San Jose area north and west of Interstate 880 and south of State Route 237. This primarily industrial area is home to many of the City's high-tech companies and is a very important employment center for the City. The City's goal for this planning effort is to provide for more development in North San Jose through a set of policies that benefit both the employers who call North San Jose home and the residents of San Jose as a whole.

The update is a long-range planning effort, addressing future potential growth and development needs. The key goals for the effort are to:

- Proactively plan for growth to allow more industrial development in a way that benefits current San Jose residents.
- Allow up to an additional 26.7 million square feet of research and development and office space in North San Jose.
- Bring up to 68,000 new jobs to San Jose, providing additional job opportunities for San Jose residents.
- Create a rich pedestrian environment within the core area to encourage use of the transit system.
- Generate funding for the construction of local and regional transportation improvements.
- Provide new high-density residential development (up to 24,700 units) in close proximity to employment centers.

Conclusion

San Jose remains committed to the production of housing for all economic segments of the community. This commitment is articulated in the Housing Element and in the ongoing implementation of a wide range of housing plans and programs.