

STAFF REPORT
PLANNING COMMISSION

FILE NO.: GP07-03-04/GPT07-03-04

Submitted: 8/20/07

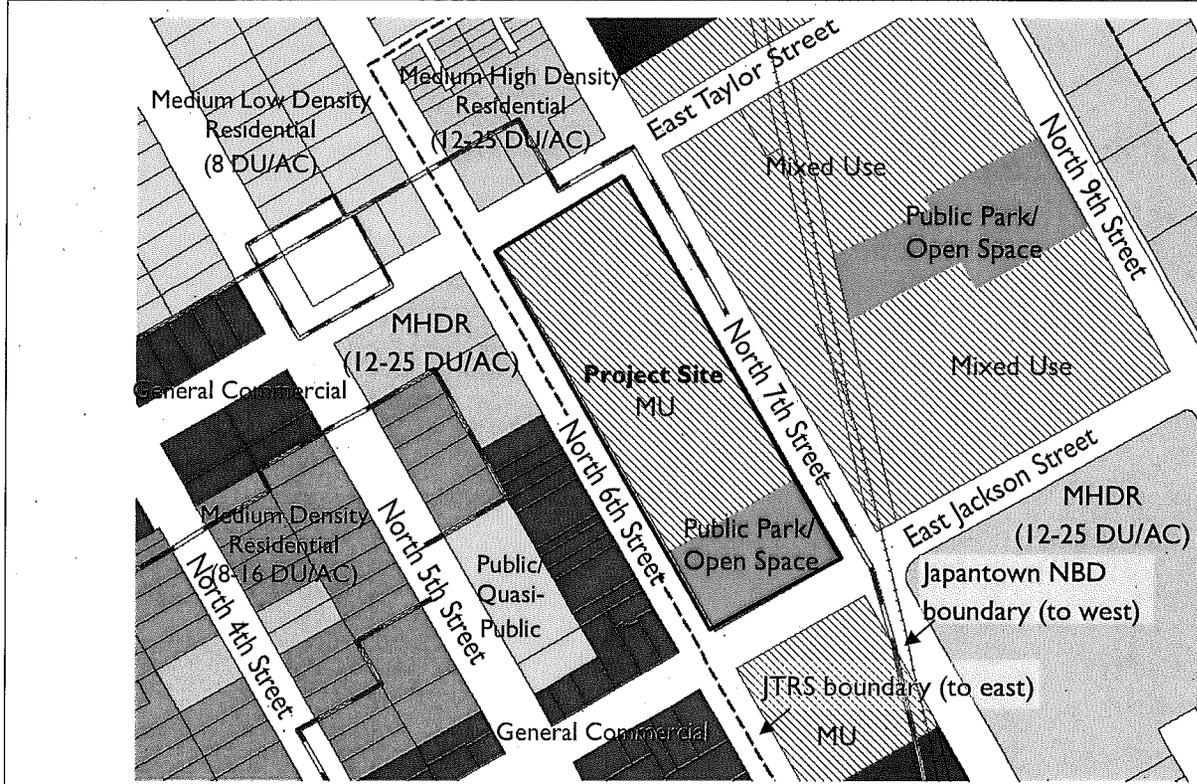
PROJECT DESCRIPTION: General Plan and Specific Plan amendments to change the Jackson-Taylor Planned Residential Community Specific Land Use Plan from Mixed Use 2 and Public Park/Open Space to Mixed Use 2A and to change the text of the General Plan and Jackson-Taylor Residential Strategy to allow (1) up to 600 multiple-dwelling units, (2) 16,000 to 30,000 square feet of ground-floor retail space, (3) 10,000 to 20,000 square feet of community amenity space, (4) up to 900 underground parking spaces with limited surface parking, and (5) an increase in height from 65 to 175 feet on a 5.78 acre site.

Existing Zoning	LI Light Industrial
Existing General Plan designation	Mixed Use 2 and Public Park/Open Space
Proposed General Plan designation	Mixed Use 2a
Council District	3
Annexation Date	3/27/1850
SNI	N/A
Historic Resource	No
Redevelopment Area	Japantown
Specific Plan	Jackson-Taylor Residential Strategy

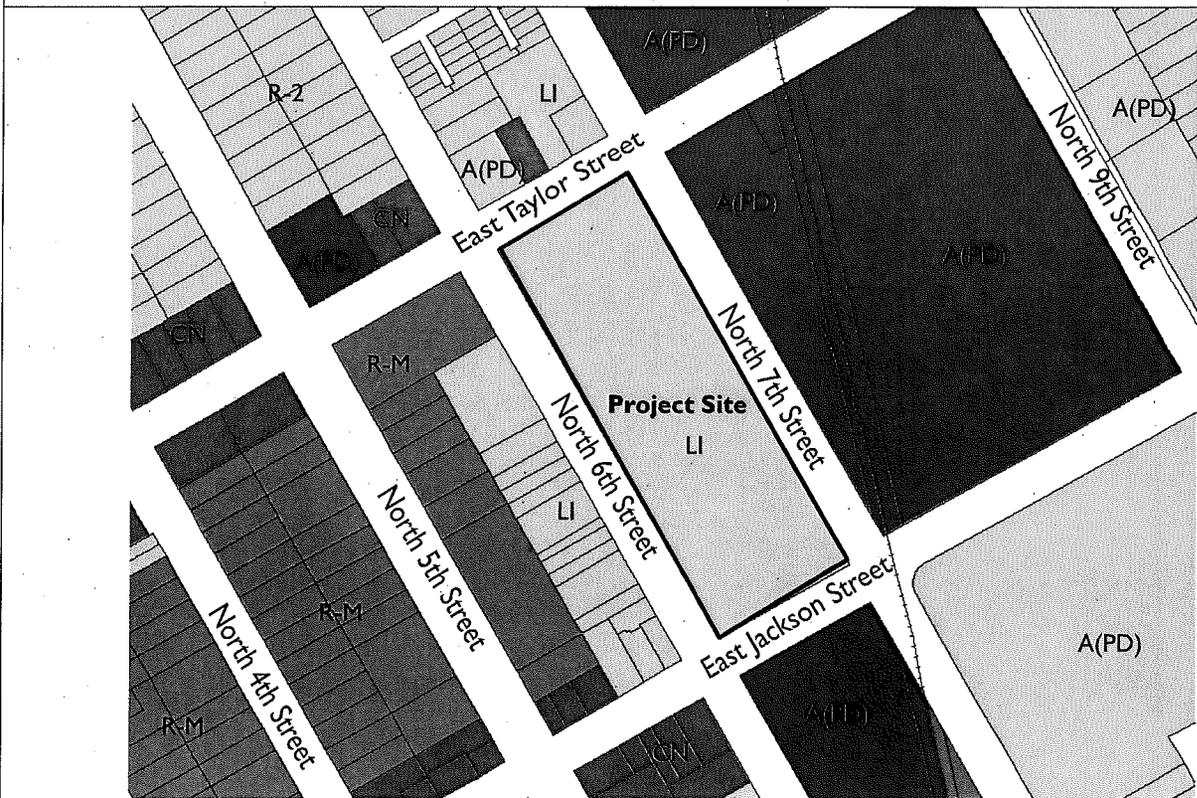
LOCATION: Block bounded by East Jackson Street, North 6th Street, East Taylor Street, and North 7th Street.



GENERAL PLAN



ZONING



RECOMMENDATION

Planning staff recommends the Planning Commission forward a recommendation to the City Council to approve the proposed General Plan and Specific Plan amendments with the staff recommended changes to the General Plan and Specific Plan for the following reasons:

1. The proposed General Plan and Specific Plan amendments would facilitate redevelopment and revitalization of the underutilized former City of San Jose Corporation Yard site in a manner that provides multiple amenities and benefits to the neighboring Japantown and Jackson-Taylor communities.
2. The proposed General Plan, Specific Land Use Plan, and Jackson-Taylor Residential Strategy amendments further the Major Strategies, goals and policies of the San Jose 2020 General Plan and the Jackson-Taylor Residential Strategy, including the Economic Development, Growth Management, Sustainable City, and Housing Major Strategies.
3. The staff initiated changes reflect the fact that the Bay Area Rapid Transit (BART) system no longer has plans to extend through the Jackson-Taylor area, and include typographical changes to the text of the San José 2020 General Plan and Jackson-Taylor Residential Strategy.

BACKGROUND

On August 20, 2007, the applicant, Trevor Rowe of Williams & Dame Development, filed a General Plan amendment and Specific Plan amendment to change the Jackson-Taylor Planned Residential Community Specific Land Use Plan diagram and text in the San José 2020 General Plan from Mixed Use 2 and Public Park/Open Space to Mixed Use 2A to allow (1) up to 600 multiple-dwelling units, (2) 16,000 to 30,000 square feet of ground-floor retail space, (3) 10,000 to 20,000 square feet of community amenity space, (4) up to 900 underground parking spaces with limited surface parking, and (5) an increase in height from 65 to 175 feet, and to revise the text of the Jackson-Taylor Residential Strategy to indicate a density of up to 160 dwelling units per acre (du/ac) with a mix of retail and community amenities, and a height limit of 175 feet on a 5.78-acre site located on the block bounded by East Jackson Street, North 6th Street, East Taylor Street, and North 7th Street. The applicant is proposing a General Plan/Specific Plan amendment to exceed the existing residential cap in the Jackson-Taylor Residential Strategy (JTRS) and to allow future development. While the current designation of Mixed Use 2 does support the basic mix of uses that the applicant is proposing, the proposed amendment would allow for a greater number of residential units and an increase in height over what is currently allowed in the Mixed Use 2 designation.

In addition to these changes as proposed by the applicant, Planning staff recommends several text changes to fix typographical errors from the original JTRS and to remove references to the extension of the BART system to the Jackson-Taylor/Japantown area, as BART is no longer envisioned to utilize this alignment. Staff also proposes another cleanup amendment to the text of the Jackson-Taylor Planned Residential Community in the San José 2020 General Plan to insert text for a previously approved project GP07-03-02/GPT07-03-02 that was not included in the strikeout version of that amendment when it was considered by Planning Commission in November 2007 and City Council in December 2007. The staff-proposed text changes are attached to this report, and marked [S]. All applicant-proposed text and diagram changes are marked [A]. Changes to graphics show the graphic from the current plan first [existing], and the proposed graphic on the following page [proposed].

Project Description

The proposed General Plan amendment would change the Jackson-Taylor Planned Residential Community Specific Land Use Plan from Mixed Use 2 and Public Park/Open Space to Mixed Use 2A to allow (1) up to 600 multiple-dwelling units, (2) 16,000 to 30,000 square feet of ground-floor retail space, (3) 10,000 to 20,000 square feet of community amenity space, (4) up to 900 underground parking spaces with limited surface parking, and (5) an increase in height from 65 to 175 feet, and would change the text of the Jackson-Taylor Residential Strategy to indicate that a density of up to 160 du/ac with a mix of retail and community amenities, and a height limit of 175 feet, is appropriate on a 5.78-acre site. This site is the location of the former San Jose Corporation Yard. The parcel was previously developed with seven single-story buildings, consisting of one administration office and six shop/warehouse/storage structures, for a total building area of approximately 85,000 square feet. Through a contract with the San José Redevelopment Agency, the site was cleared to prepare for future redevelopment, City File No. PP07-224. Environmental review for the site clearance was covered under the existing Jackson-Taylor Residential Strategy Environmental Impact Report (EIR), which anticipated redevelopment of the site.

Approval of this General Plan diagram amendment and text amendments to the General Plan and Jackson-Taylor Residential Strategy would facilitate a mixed-use project on the former Corporation Yard site. Currently, the Mixed Use designation in the Jackson-Taylor Residential Strategy and the Mixed Use 2 designation in the San Jose 2020 General Plan indicate a residential density range for this site of between 25 and 50 dwelling units per acre. Approval of this amendment would allow approximately 160 dwelling units per acre, or 600 dwelling units. The existing designation of Mixed Use 2 allows between 33,000 and 53,750 square feet of retail. In the proposed scenario, the retail square footage would remain essentially the same as in the existing plan, except that Mixed Use 2 would be broken up into Mixed Use 2 (17,000 to 23,750 square feet of retail) and Mixed Use 2a (16,000 to 30,000 square feet of retail). Mixed Use 2 covers the site to the south of the Corporation Yard site, currently developed with the Miraido Village mixed-use project. Mixed Use 2a would cover the Corporation Site only. The aggregate retail numbers remain constant with what was previously approved in the San José 2020 General Plan for Mixed Use 2. The proposed amendment would also increase the height limit from 65 feet to 175 feet, which could accommodate up to 14 stories. The proposed amendment also includes between 10,000 and 20,000 square feet of community amenity space.

ANALYSIS

Environmental Review

An Environmental Impact Report (EIR) was prepared and is scheduled for certification as complete and in conformance with the California Environmental Quality Act (CEQA) on April 21, 2008. The EIR provides program-level environmental review appropriate for the consideration of amendments to the *San José 2020 General Plan* as well as project-level environmental review for the associated Planned Development rezonings currently on file (City File Nos. PDC07-073 and PDC08-010). The EIR identified the following significant unavoidable impacts as resulting from the proposed General Plan land use and text amendments and associated Planned Development rezonings:

- Transportation (project and cumulative)
- Regional Air Quality (project and cumulative)

These impacts are discussed in depth in Chapter VIII of the EIR, and are summarized here. At the project level, a significant and unavoidable level of service impact would occur for three protected intersections:

North 1st Street/Taylor during the PM peak hour, North 10th Street/Hedding Street during the AM peak hour, and 10th Street/Taylor Street during the PM peak hour. In addition, traffic volumes on congested roadways in close proximity to the project site would increase during the PM peak hour. The volume to capacity ratio and traffic volumes on congested roadways included in parallel facilities located south of SR 87 and I-880 would increase during the PM peak hour. Finally, total vehicle miles traveled and vehicle hours traveled would exceed the significance criteria for all roadways in Santa Clara County during both the AM and PM traffic periods. In terms of project level air quality impacts, long-term project emissions would exceed the Bay Area Air Quality Management District thresholds of significant for reactive organic gases.

At a cumulative level, looking at the incremental effects of an individual project when viewed in connection with the effects of past, current and probable future projects, the proposed General Plan land use and text amendments and associated Planned Development rezonings retain a significant effect on transportation and regional air quality.

The EIR analyzed several alternatives to the proposed project. The environmentally superior alternative for the purposes of CEQA is the no development alternative, which would leave the site vacant. However, this does not meet the project objectives of redevelopment of the site into a mixed-use project.

General Plan Major Strategies, Goals and Policies

The Economic Development, Growth Management, Sustainable City, and Housing Major Strategies in the General Plan apply to the proposed amendments to the San Jose 2020 General Plan and the Jackson-Taylor Residential Strategy.

The Economic Development Major Strategy encourages expanding the community's economic base and actively marketing San José as a location for a wide range of businesses. The main goal outlined by the Economic Development Major Strategy in the General Plan is to foster a more balanced community by encouraging more commercial and industrial growth to address the service delivery and employment needs created by existing residential development. The applicant's proposal to allow up to 160 dwelling units per acre on this site would dramatically increase the number of residents in the Japantown and Jackson-Taylor neighborhoods. The EIR estimates an average household size of 3.18 persons, based on San Jose's average household size in 2007. With 600 new housing units, this equates to approximately 1,908 new residents. While this is a sizeable increase in population, several members of the Japantown and Jackson-Taylor community have stated, and Planning staff concurs, that a "critical mass" of people is necessary to sustain the existing Japantown Neighborhood Business District and to provide the commercial, retail and open space amenities that the community desires. This project supports the Economic Development Major Strategy in that it provides additional commercial opportunities to the Japantown and Jackson-Taylor communities, along with housing for a customer base for commercial uses in the neighborhood.

This proposal encourages infill development that supports the Growth Management Major Strategy, which seeks to find the balance between the need to house new population and the need to balance the City's budget in an area where urban facilities and services are already available.

The Sustainable City Major Strategy seeks to reduce traffic congestion, pollution, wastefulness, and environmental degradation of the living environment. Having a balance of both housing and employment opportunities in a densely built existing neighborhood like Japantown/Jackson-Taylor contributes to sustainability by shortening trip lengths and providing for the availability of different modes of transportation such as public transit, biking, and walking. This in turn helps to conserve energy and improve air quality.

The applicant's proposal to allow high-density housing mixed with commercial opportunities and community open space on this site is consistent with the General Plan Housing Major Strategy, as well as housing goals and policies for providing a variety of opportunities to meet the housing needs of all residents in the City.

Jackson-Taylor Planned Residential Community

The Jackson-Taylor Planned Residential Community (PRC) was created to increase high density housing opportunities and supportive mixed uses in the central area of the City. A stated objective of the Jackson-Taylor PRC is to take advantage of its central city location and create the critical development mass crucial to the achievement of an active day and night community.

The proposed changes to the text and diagram of the Jackson-Taylor PRC reinforce the linkage between the Jackson-Taylor PRC and the Japantown Neighborhood Business District. With the adoption of the proposed amendments, redevelopment of the site could create a new community centerpiece, as well as a catalyst for increased viability of the local businesses. For these reasons, the proposed amendments conform to the goals and strategies outlined in the Jackson-Taylor PRC.

Japantown Neighborhood Business District Overlay

The project site forms the eastern boundary of the Japantown Neighborhood Business District Overlay. The purpose of the overlay is to recognize the variety of commercial and non-commercial uses that contribute to neighborhood identity by serving as a focus for neighborhood activity. The overlay facilitates the implementation of the City's Neighborhood Business District (NBD) Program by identifying target areas in the City to focus on neighborhood retail and commercial establishments. The NBD program seeks to preserve, enhance, and revitalize San José's older neighborhood-serving commercial areas.

In analyzing these proposed changes to the San José 2020 General Plan and the Jackson-Taylor Residential Strategy, a major focus has been to find innovative methods to sustain the existing Japantown Neighborhood Business District. Several City departments engaged community members and business owners in Japantown in an attempt to identify specific needs and strategies for maintenance and improvement of the NBD. In addition, the larger community has requested more services, including reopening the hardware store that closed on 6th Street, the addition of more corner markets or larger grocery stores, a dry cleaner, or a pharmacy. Currently, the Japantown and Jackson-Taylor communities do not have the population to sustain such businesses. Planning staff supports the increase in residential density on the subject site to support the Japantown Neighborhood Business District as intended by the overlay.

Jackson-Taylor Residential Strategy

The Jackson-Taylor Residential Strategy (JTRS) evaluates current land use and property utilization patterns and provides a series of policies and implementation recommendations for transition of the neighborhood to residential and supporting commercial uses. The JTRS was adopted in 1992 in recognition that industrial uses located in the area were undergoing transition and that a land use pattern that maintains jobs, yet also provides housing, would be more compatible with the surrounding residential neighborhood. The Mixed Use land use designations in the JTRS are intended to foster a vibrant urban environment that is active during the day and at night, and to allow a wide range of uses.

The plan was also drafted in response to a preliminary proposal by the BART system to continue its alignment south from Fremont to the South Bay through this community. The Jackson-Taylor community is currently bisected by an active heavy rail line operated by South Pacific Railroad, which was to be the site of the BART alignment. Since the adoption of this JTRS, and its revision in 1997, BART has relocated the alignment further east in San José. As a result, the several references to BART in the current JTRS are no longer relevant. Staff is recommending deletions from the text of the JTRS as a part of these proposed amendments to remove references to BART in the JTRS.

As the overarching policy document for the JTRS area, the plan included up to 1,677 new dwelling units and 106,625 square feet of retail space. To date, the City has approved 1,453 new dwelling units in the JTRS area and 39,100 square feet of retail space. Approval of the proposed amendment, including pending planning applications, would result in an increase in the residential unit cap to 2,024 residential units.

On a more site-specific level, the JTRS outlines a plan for the Corporation Yard. When the JTRS was adopted, the vision for the Corporation Yard site was a mixed-use project consisting of a hotel, senior housing, a cultural museum, retail space, and underground parking. In 2004, the City sent out a request for proposals to identify a development team for the Japantown Corporation Yard site, and selected The Olsen Company. After entering into an exclusive negotiations agreement together, the City and The Olsen Company could not come to a development agreement, and so ended the negotiations. In 2007, the City produced another request for proposals. Through this process, Williams & Dame, the current development team, was selected.

In communication with the community, Williams & Dame created their development concept, which includes a mix of residential units, commercial and retail uses, and public amenities. The proposed amendments to the San José 2020 General Plan and the Jackson-Taylor Residential Strategy rose out of this process. While the project does not include all of the original features of the original vision for the Corporation Yard redevelopment project, it does meet the intent of the JTRS, in that it proposes a dense mixed use project on the site that will serve as a focal point for the community.

In the current version of the JTRS, the southern portion of the Corporation Yard site is designated Public Park/Open Space. The amendment would remove this designation from this portion of the site and introduce a range of 10,000 to 30,000 square feet of public amenity space into the Mixed Use 2a designation. The plan includes several goals and policies that indicate that the location of parks in the Illustrative Land Use Plan is intended to be illustrative only, and should be understood to represent the approximate location of parks. Planning staff supports the relocation of the open space in this project to the middle of the development to encourage continuity of retail along East Jackson Street and better compatibility of a future project with the proposed historic district across 6th Street. Furthermore, feedback from the community indicated that maintenance of the existing Bernal Park was a priority for the community, and that in-lieu park fees collected from a future development project should be used for that purpose.

PUBLIC OUTREACH

Outreach to City Advisory Commissions

The proposed General Plan, Specific Land Use Plan, and JTRS amendments were presented to the Parks and Recreation Commission meeting on April 2, 2008. The Parks and Recreation Commission was

concerned that the size of the parkland does not support the proposed residential density on the site. The Commission supported the project in concept, especially the inclusion of the public amenity space within the scope of the project. The proposed amendments were also presented to the Housing and Community Development Commission on April 10, 2008. The Housing and Community Development Commission supports the General Plan and Specific Plan amendments.

Community Meetings and Public Noticing

The public process for this project has been ongoing for approximately the past two years. This General Plan, Specific Land Use Plan and JTSR amendments were presented to the public through several meetings. Planning staff presented the project to the community at two neighborhood meetings, November 29, 2007 and April 2, 2008. Many community members shared that they desire the added density because of the potential improvements to the community that could result from having more people in the neighborhood. Some community members have concerns, including residential density, building height, and parking. Community involvement in this project will continue throughout the Planned Development zoning and subsequent permitting process. The development team set up a public website at www.japantowncorpyard.com. A sign was posted on-site to notify neighbors of the proposed development. The General Plan and Specific Plan amendment was also published in a local newspaper, the Post Record. This staff report is also posted on the City's Website. A notice of this Planning Commission public hearing and subsequent City Council hearing was mailed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. Staff has been available to respond to questions from the public.

Tribal Consultation

These General Plan, Specific Land Use Plan and JTRS amendments are subject to the State of California Tribal Consultation Guidelines and was referred to the tribal representatives on August 31, 2007. To date, no comments from tribal representatives on the subject General Plan amendment request have been received.

Project Manager: Licinia McMorro Approved by:

Jean Hamilton Date: 4/14/08

Owner/Applicant:	Attachments:
City of San Jose Attn: Ed Shikada San Jose City Hall 200 E. Santa Clara St. San Jose, CA 95113 Trevor Rowe Williams & Dame Development, Inc. 1308 NW Everett Street Portland, OR 97209	<ol style="list-style-type: none"> 1. JTRS markup with applicant- [A] and staff-recommended [S] amendments noted. 2. Excerpt of General Plan with applicant-[A] and staff-recommended [S] amendments noted. 3. Correspondence from City departments, other agencies, and the public.