



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Joseph Horwedel

**SUBJECT:** SEE BELOW

**DATE:** August 2, 2010

Approved

Date

8/4/10

**COUNCIL DISTRICTS:** 3 & 6  
**SNI AREAS:** University Neighborhoods,  
Thirteenth Street, Five Wounds Brookwood  
Terrace, Burbank/Del Monte

**SUBJECT: COUNCIL RESOLUTIONS APPROVING TWO APPLICATIONS FOR STRATEGIC GROWTH COUNCIL GRANT FUNDS FROM THE SUSTAINABLE COMMUNITIES PLANNING GRANT AND INCENTIVES PROGRAM.**

## RECOMMENDATION

Support the City of San Jose's two applications to the Strategic Growth Council for its Sustainable Communities Planning Grant and Incentives Program with one application seeking funding through an Economical Disadvantaged Community (EDC) Set Aside Sustainable Communities Grant for the East Santa Clara Street area and the second application seeking funding through a non-EDC Sustainable Communities Grant for the Bascom Avenue, Vasona Corridor, and West San Carlos area, by adopting a resolution for each application that:

1. Approves and authorizes the Director of Planning, Building and Code Enforcement to file the application for the development of Urban Corridor Master Plan(s) in order to become a sustainable community; and
2. Certifies that the City of San José understands the assurances and certifications in its application; and
3. Certifies that the City of San Jose will have sufficient funds to develop the proposed Urban Corridor Master Plans or will secure the resources to do so; and
4. Certifies that the proposed Urban Corridor Master Plan(s) will comply with any applicable laws and regulations; and

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5. Authorizes the City Manager, or her designee, to conduct on behalf of City all negotiations, and to execute and submit on behalf of City all documents including, but not limited to, applications, agreements, payment requests and so on, which may be necessary for the completion of the aforementioned Master Plan(s) in order to finalize and submit the grant applications and to accept and implement the grant award if awarded.

## **OUTCOME**

City Council approval of the recommended actions will authorize the Director of Planning, Building and Code Enforcement (PBCE) to submit applications to the Strategic Growth Council for the Sustainable Communities Planning Grant, and authorize the City Manager to negotiate and execute grant agreements and related documents with the Strategic Growth Council if the grant is awarded. Two projects are being submitted to the Strategic Growth Council for the grant funding, both of which would result in the development of focused plans to help create vibrant, mixed-use, pedestrian-oriented and environmentally sustainable urban corridors along 1) East Santa Clara and 2) Bascom Avenue, Vasona Corridor, and West San Carlos. Both proposals would encourage economic development in those areas.

The proposed project for East Santa Clara Street would seek funding through an Economical Disadvantaged Community (EDC) Set Aside Sustainable Communities Grant and the proposal for Bascom Avenue, Vasona Corridor, and West San Carlos would seek funding through a non-EDC Sustainable Communities Grant. Staff are proposing to apply for \$325,000 for the East Santa Clara Master Plan and \$875,000 for the West San Carlos, Bascom and Vasona Master Plans; the maximum amount that can be awarded for each grant is \$1,000,000. Any plans developed with the assistance of these grant funds would be brought back to Council for consideration and would first need Council approval before they could be implemented.

## **BACKGROUND**

The current Envision San Jose 2040 process is a major update of the City's General Plan, and key elements of the future plan alternatives focus new growth in Downtown, North San Jose, along transportation corridors and near transit stations. Many of these areas are already identified in the current San Jose 2020 General Plan and would benefit from a more focused planning process in coordination with area stakeholders to guide new development.

Significant planning has recently occurred in North San Jose, and opportunities for additional planning exist in the other portions of the City. In light of current challenges in the availability of City funding for area planning activities, staff is exploring outside funding sources for such planning.

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One possible funding source is from the State of California's Strategic Growth Council, which is seeking applications for grants due on August 31, 2010, with awards to be given in the summer of 2010. Staff proposes to apply for these grants for locations in central and southwest San Jose:

- The Sustainable Communities Planning Grant to fund the development of urban corridor plans for the West San Carlos, South Bascom Avenue and Vasona light rail Corridor area.
- The Sustainable Communities Economically Disadvantaged Set Aside Planning Grant to fund an urban corridor plan for the East Santa Clara Street area.

Of all of the potential opportunities for planning efforts in San Jose, these two specific locations were chosen because:

- The Vasona Corridor area is served by light rail and Bus Rapid Transit is planned for East Santa Clara Street and West San Carlos;
- Significant new development and reuse opportunities exist that would support the Valley Transportation Agency's existing and planned transit investments in these areas;
- The San Jose 2020 General Plan contains goals, policies, and planned development capacity to facilitate new development in these areas;
- There is high community interest in planning efforts for these areas, as demonstrated by results to date of an online survey for the General Plan Update and community workshops;
- The East Santa Clara effort would leverage the work underway to bring forward for Council consideration a rezoning of Alum Rock Avenue to facilitate mixed use, economic development, and other investment in the corridor;
- The efforts along West San Carlos and adjacent to the Race Street light rail station portion of the Vasona Corridor would leverage the current planning work in the Diridon Station Area and would integrate future development and capital improvements in these areas with the Diridon Station Area Plan and Midtown Specific Plan; and
- Both planning areas have great potential to become vibrant pedestrian oriented urban places that enhance the quality of life of the surrounding neighborhoods by integrating a mix of uses including retail, food markets, offices, public services, housing, places of assembly, and public parks and plazas.

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It is anticipated that, if the City is awarded the Strategic Growth Council grants, the Master Plans would be developed after consideration of the Envision San Jose 2040 General Plan and the Diridon Area Station Plan by the City Council. Further, the Envision San Jose 2040 General Plan and the Diridon Plan will inform the development of the proposed Master Plans.

Background information for each proposed planning area is provided below.

*West San Carlos, South Bascom Avenue and Vasona Urban Corridors – The Sustainable Communities Planning Grant*

The proposed planning area for the Sustainable Communities Planning Grant is a triangle with two legs of this triangle being West San Carlos and the Vasona Corridor, which radiate out of the Diridon Station Area and the greater Downtown, and the third connecting leg being south Bascom Area. The portion of these corridors proposed to be the focus of the proposed Master Plans includes: 1) the area generally along both sides of West San Carlos from Sunol Street to Interstate 880; 2) South Bascom Avenue from West San Carlos to Southwest Expressway; 3) the area primarily along the south side of Southwest Expressway between Interstate 280 and Bascom Avenue; and 4) the area surrounding the Race Street light rail station north of Interstate 280. West San Carlos is a four lane arterial designated as a Neighborhood Business District and a Transit Oriented Development Corridor (TOD) in the San Jose 2020 General Plan and planned by the Valley Transportation Agency (VTA) for Bus Rapid Transit. The properties along West Carlos largely consist of single-story commercial buildings built between the 1930's and the 1960's that contain small retail stores. The street also has a large number of used auto dealerships.

Most of the properties along Bascom Avenue, a wide six-lane arterial, contain auto-oriented, single-story commercial properties built between the late 1940's and the mid 1970's, and are currently planned for commercial uses. While the South Bascom Avenue corridor is not designated a Transit Oriented Development (TOD) Corridor in the San Jose 2020 General Plan and no Bus Rapid Transit (BRT) or Light Rail service is planned by VTA along this corridor, the northern portion of the proposed planning area is adjacent to the planned BRT line along West San Carlos Street and the southern portion is adjacent to the Vasona Light Rail Corridor and the Bascom Station.

The Vasona Corridor includes both Southwest Expressway and area surrounding the Race Street light rail station. Southwest Expressway is a four-lane arterial parallel to the Vasona Light Rail Line and is adjacent to two light rail stations. This Expressway is already designated as a TOD Corridor in the San Jose 2020 General Plan and is planned for a mix of high density residential and commercial uses on the south side, and a mix of medium low, medium and medium high density, and transit oriented residential on the north side. The existing development generally reflects the General Plan, and includes a large, relatively old shopping center and a significant number of two-story garden apartments and four-plexes built in the 1960's. The Race Street light rail station area is just north of Interstate 280 and includes one to three story office buildings, strip commercial buildings, industrial uses and

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high density residential uses. This area is south of the Midtown Specific Plan area and west of the Diridon Station Plan Area.

During the Envision San Jose 2040 planning process, both South Bascom Avenue and the Southwest Expressway portion of Vasona were identified by the community and by the Envision San Jose 2040 Task Force as future pedestrian and transit oriented mixed-use urban corridors which should be planned for some amount of job and/or residential housing growth. The Draft Envision San Jose 2040 General Plan has a proposed capacity, over the next 30 years, of up to 4,350 new jobs and 3,167 new housing units along Southwest Expressway. In the same 30 year period the Draft General plan has a proposed growth capacity along Bascom Avenue of 1000 jobs and 1,400 new housing units and a capacity of 3,300 jobs and 2,600 housing units in the area adjacent to the Race Street Light Rail Station. A significant portion of this growth is anticipated in the next 10 to 15 years.

*East Santa Clara Street Urban Corridor - The Sustainable Communities Economically Disadvantaged Set Aside Planning Grant*

The proposed planning area for East Santa Clara Street includes the stretch between 4<sup>th</sup> Street and US Highway 101. This area includes a small portion of the Downtown Core and a portion of several Strong Neighborhoods Initiative Areas: 13<sup>th</sup> Street, Five Wounds/Brookwood Terrace and University Neighborhoods. The East Santa Clara Street corridor is designated in the San Jose 2020 General Plan as a Neighborhood Business District, and given that the area is planned for Bus Rapid Transit (BRT) and is adjacent to two planned BART stations, is also designated as a Transit Oriented Development Corridor. Existing land uses include a mix of single-family dwellings, small scale apartments, one and two story commercial office and retail buildings, and a number of public/quasi public community serving uses. The corridor also contains some larger properties that present key opportunities. The current General Plan generally reflects the existing uses, although some higher density residential uses are planned.

Similarly to West San Carlos, South Bascom Avenue and the Southwest Expressway of the Vasona Corridor, East Santa Clara Street was identified through the Envision San Jose 2040 process as a corridor that should be enhanced as a pedestrian and transit oriented mixed-use urban corridor. This corridor was also identified as a location which should be planned for some amount of job and/or residential housing growth, in part as a means to create a great and vibrant place to serve surrounding neighborhoods. Over the next 30 years, the Draft Envision San Jose 2040 General Plan proposes a growth capacity along East Santa Clara Street of 1,400 new jobs and 1,500 new housing units, with a significant portion of this growth anticipated to occur in the next 10 to 15 years.

**ANALYSIS**

If the Strategic Growth Council awards grant funds for these proposals, the City would have the opportunity to develop a policy and zoning ordinance framework to create vibrant

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mixed-use and pedestrian and transit oriented corridors along West San Carlos, South Bascom and the Vasona Corridor, and also along East Santa Clara Street. These efforts would also further the draft Vision and growth strategies that have been developed in the Envision San Jose 2040 General Plan Update process. In addition, any plans developed through the Strategic Growth Council grants could be a model for future urban village and corridor planning efforts throughout San Jose. The South Bascom and Vasona urban corridor plan could provide a model for retrofit of suburban auto-oriented commercial areas in San Jose, and the plans for West Santa Clara and East Santa Clara plan could provide a model for enhancing older, more fine-grained transportation corridors with predominantly small lots, historic buildings and a wide diversity of land uses.

The proposed planning efforts would be conducted in close collaboration with stakeholders from the respective planning areas and would involve formulation of land use and urban design policies and a zoning ordinance framework to help achieve a common vision in each corridor. The planning process would also examine development policies and identify capital/streetscape improvements to promote healthy living by encouraging walking and bicycling, and would identify opportunities to improve access to parks and recreation facilities, and to expand healthy food choices.

If funding is obtained for the proposed East Santa Clara planning effort, it would also provide an opportunity to consider how to integrate surrounding land uses, new development and bike and pedestrian improvements with the Valley Transportation Authority's planned Bus Rapid Transit project. If funded, both efforts would help establish strategies and policies for recommendation to Council to ensure that new development would enhance the surrounding established neighborhoods and contribute towards the positive identity of these communities.

The successful acquisition of the Strategic Growth Council grants will enable the City to further achieve the goals of the existing San Jose 2020 General Plan and will provide funding to further develop strategies that will help achieve the proposed Vision and goals of the Envision San Jose 2040 General Plan after Council consideration of the proposed General Plan. Ongoing exploration of similar funding opportunities will be key in assisting the City to continue to support long range area planning in the near future and capitalize on the staff skills and resources in the City's Planning Division, after the completion of the Envision San Jose 2040 planning process in 2011.

### **EVALUATION AND FOLLOW-UP**

Plans developed with the assistance of these grant funds would be brought back to Council for consideration and would first need Council approval before they could be implemented.

As additional outside funding opportunities become available, other locations in San Jose will be considered for future planning activities consistent with the existing General Plan and the direction of the General Plan Update.

**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)**

The proposed Council action does not meet any of the above criteria; however this memorandum will be posted on the City Council's Agenda website prior to the August 24, 2010, Council Meeting.

**COORDINATION**

The preparation of this memorandum and the proposed resolutions were coordinated with the City Attorney's Office.

**FISCAL/POLICY ALIGNMENT**

The projects proposed to be funded by the Sustainable Communities grants are consistent with the applicable General Plan policies and Strong Neighborhoods Initiative Plans.

**COST SUMMARY/IMPLICATIONS**

The Strategic Growth Council Sustainable Communities Planning Grants do not require a match of City funds or a leverage of City staff resources; however, applicants are encouraged to document funding leverage in their application. As part of the City's applications, staff is proposing that the City provide an in-kind leverage of permanent Long Range Planning positions that are supported by the General Fund. This leverage of staff

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time will be small portion of the overall staff costs, with the vast majority of staffing proposed to be paid through the successful award of the grants. In addition, staff is pursuing third party funding sources that would be used to cover additional temporary City Planning positions. Staff is not requesting new General Fund support for this effort. Staff leveraging would come from existing General Fund positions.

**BUDGET REFERENCE**

Not Applicable

**CEQA**

Not a Project, File No. PP10-068(a), Grant Applications.

/s/

JOSEPH HORWEDEL, DIRECTOR  
Planning, Building and Code Enforcement

For questions please contact Michael Brilliot at 408-535-7831.