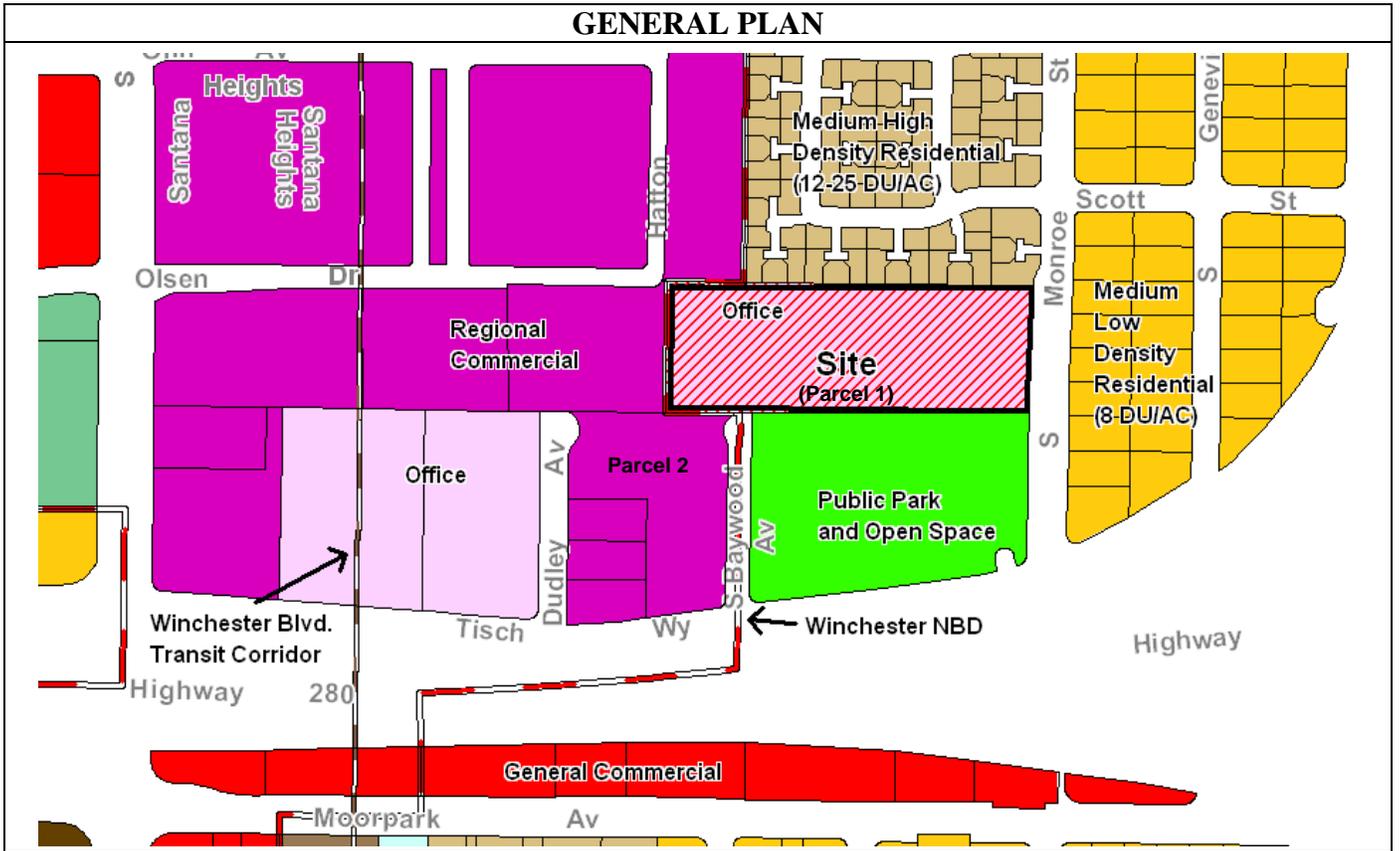
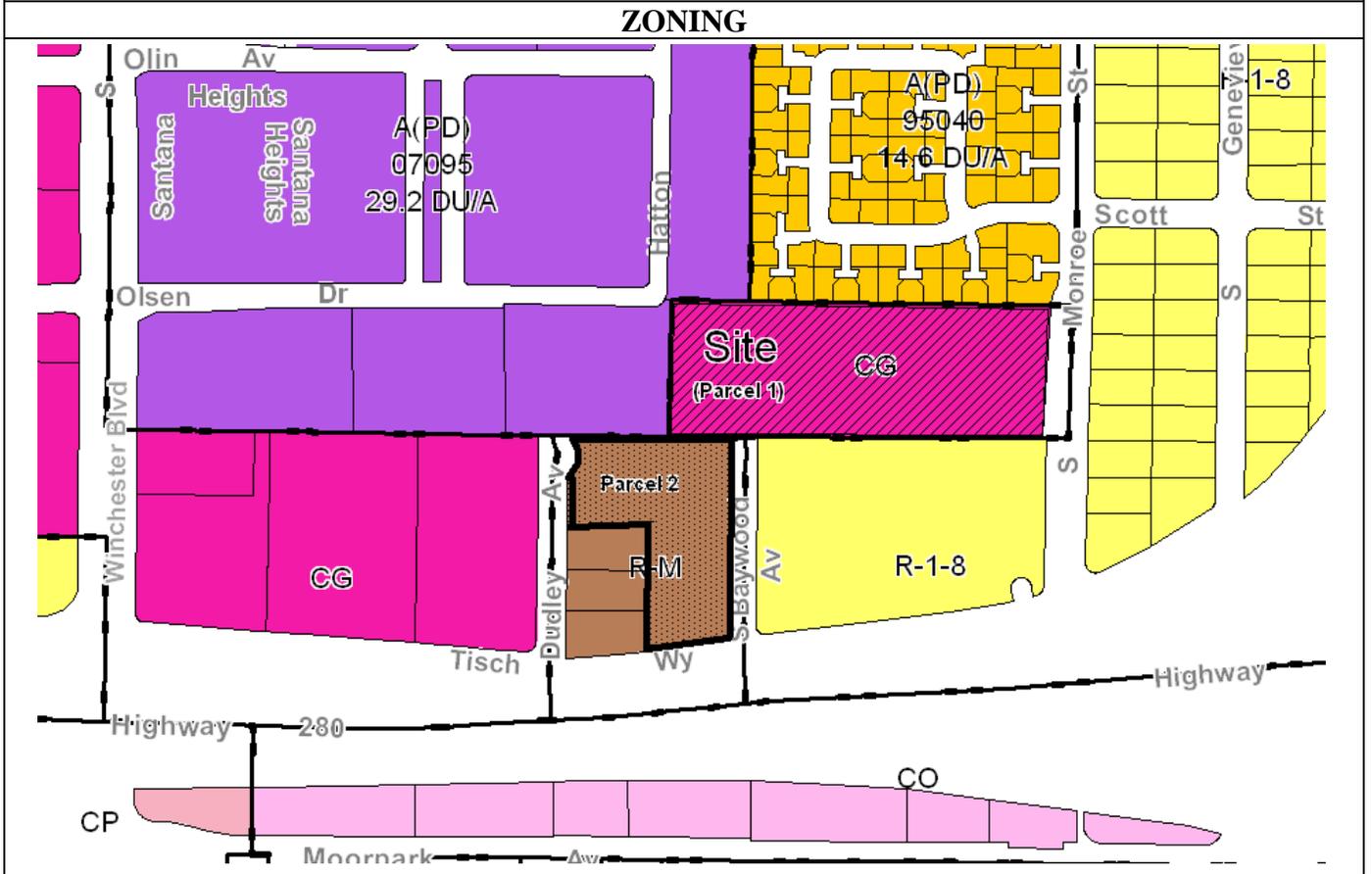


GENERAL PLAN



ZONING



RECOMMENDATION

Planning staff recommends that the Planning Commission recommend to the City Council approval of the General Plan Amendment request on the subject site for the following reasons:

1. The proposed amendment to change the Land Use/Transportation Diagram on 5.16 acres (Parcel 1) of the larger 7.81 acre development site from Office to Medium High Density Residential (12-25 DU/AC) is consistent with the goals and policies of the San Jose 2020 General Plan; and
2. The General Plan Amendment is in conformance with the Framework for Preservation of Employment Lands because there is a pending Planned Development Zoning that entitles an adjacent 2.65 acre site (Parcel 2) for an office building of approximately 89,342 square feet, which retains the job potential on the larger site 7.81 acre development site, and the applicant has demonstrated Extraordinary Economic Benefit by completing .

BACKGROUND & DESCRIPTION

On April 30, 2010, the applicant, Silverstone Communities, initiated a General Plan Amendment request to change the San José 2020 General Plan Land Use/Transportation Diagram land use designation from Office to Medium High Density Residential (12-25 DU/AC) on 5.16 gross acres (Parcel 1) and no change to the Regional Commercial designation on the remaining 2.65 acres (Parcel 2) of the larger development site located on the west side of S. Monroe Street, approximately 400 feet north of Tisch Way. Approval of the proposed General Plan Amendment to Medium High Density Residential (12-25 DU/AC), and a subsequent Planned Development Rezoning could theoretically allow up to 130 residential units on Parcel 1.

An associated Planned Development Zoning (File No. PDC10-018) has been filed on the entire 8.21 gross acre site (including existing Baywood Avenue) to allow up to 104 single-family attached residences, which is at an approximate net density of 20.2 DU/AC, and an 89,342 square foot office building located on the west side of S. Monroe Street, approximately 400 feet north of Tisch Way and approximately 270 feet north of Tisch Way between S. Baywood and Dudley Avenues. This zoning application proposes attached garden townhomes with the pedestrian access for the units via a paseo and individual garages at the rear of the units that are accessed via an alley. The zoning also includes a seven-story office building with two floors of underground parking, the realignment of a public street, and the expansion of Santana Park. This proposed rezoning is presented in a separate staff report to Planning Commission and City Council to be considered after the associated General Plan Amendment.

Site and Surrounding Land Uses

The subject site is flat and rectangular in shape with the shortest property line fronting onto S. Monroe Street. The site is currently developed with an unoccupied two-story, 110,000 square-foot office building formerly used as a telephone switching station by Pacific Bell. The remainder of the site is a paved parking lot.

Uses surrounding the site include single-family detached courthome residences immediately to the north, traditional single-family detached residences across S. Monroe Street to the east, Santana Park and Fire Station No. 10 immediately to the south, and open parking areas for Santana Row to the west and northwest.

Previous Planning Applications

On April 14, 2008, the City Council denied a General Plan Amendment request for the site to convert approximately five (5) acres of Office-designated land to residential use (File No. GP07-06-01). The proposal was subject to the Framework for Preservation of Employment Lands (Framework) to preserve remaining industrial and commercial lands in the City of San José. In order to be consistent with the Framework, the proposal needed to maintain no net loss of job capacity as well as provide Extraordinary Benefit through a Development Agreement or like mechanism. The request failed to do so and was therefore denied.

Community Engagement

On September 21, 2010, a community meeting was held at the Cory Elementary School on Kenwood Avenue to present both the General Plan Amendment and Planned Development Rezoning. Those in attendance were generally supportive of the project as it would eliminate blight and crime in their neighborhood and the neighborhood park would be expanded.

ANALYSIS

The subject site is located within the City's Greenline/Urban Growth Boundary and Urban Service Area, and is located below the 15% slope line. The primary issues associated with this General Plan amendment are (1) compliance with the City Council's Framework for Preservation of Employment Lands (Framework), which supports important economic development goals and policies including those in the San José 2020 General Plan, (2) consistency the General Plan's Major Strategies, Goals and Policies, (3) appropriateness of the requested land use designation with surrounding uses, and (4) conformance with the California Environmental Quality Act (CEQA).

Consistency with the Framework for Preservation of Employment Lands

The Framework for Preservation of Employment Lands (Framework) was adopted to maintain a viable economy for the City and provide services to residents at levels consistent with City of San José policies. The City has a strong interest in preserving the City's remaining employment land acreage and job capacity for a wide array of businesses. The Framework applies to any proposal that includes the conversion of any category of employment lands, as designated in the General Plan, to non-employment uses or the conversion of employment lands to a mix of uses that includes both employment and non-employment uses. The proposed General Plan Amendment request is subject to the Framework because it involves the conversion of employment land to a residential use.

No Net Loss of Employment or Job Capacity

To avoid the loss of job capacity resulting from the conversion of employment lands to non-employment uses, the Framework establishes a strategy of "no net loss" of employment capacity for the subject General Plan Amendment. Meeting the no net loss requirement can be accomplished in two ways: on-site intensification or off-site acreage replacement. On-site intensification requires concurrent approval of an actual development proposal that includes some form of mixed-use development to retain existing employment capacity on-site. This approach requires translating the job capacity of the net acreage of land being converted into the job capacity of square footage in a development project that is guaranteed at the time the City approves the employment land conversion General Plan Amendment. If it is not feasible to intensify on-site to preserve existing job capacity, then changing non-employment lands to employment acreage off-site (reverse conversions) may be used to offset the loss of job capacity so that there is ultimately no net loss of employment acreage on a Citywide basis.

The applicant’s associated Planned Development Rezoning, File No. PDC10-018, on the larger 8.21 gross acre development site, which includes the subject General Plan Amendment site, is located on the west side of S. Monroe Street, approximately 400 feet north of Tisch Way and approximately 270 feet north of Tisch Way between S. Baywood and Dudley Avenues.

The proposed Planned Development Rezoning would transfer the jobs from the General Plan Amendment site (Parcel 1) to a proposed 89,342 square foot office building (Parcel 2).

To determine employment capacity on Parcel 2, the proposed office site, in accordance with the Framework, a floor area ratio (FAR) of 0.35 was used to calculate the minimum square footage of potential job-generating uses on the site:

$$[\text{Net acreage of conversion}] \times 43,560 \times 0.35 = \text{Job capacity in square footage}$$



The development of an 89,342 square foot office building on the site would result in no net job loss of job capacity as shown in the below table.

Breakdown of Job Capacity in Net Acreage and Floor Area

	Job capacity in Net Acreage	Job capacity in Square Feet
Monroe Street (Parcel 1)	5.16	78,669
Dudley Avenue (Parcel 2, office portion)	0.70	10,672
Overall Site Total	5.86	89,341
Proposed Office Building	0.70	89,342
Additional job capacity to be retained on-site		+1

Commercial development in the immediate vicinity has already occurred above the minimum 0.35 FAR; therefore, this FAR is reasonable for this area. Market conditions at the time of development would determine the intensity of the future office use and per the proposed zoning, the office building would need to be a minimum of 89,341 square feet. In summary, the proposed “intensification” of the office site would result in no net loss of jobs per General Plan job capacity methodology.

Extraordinary Economic Benefit

In addition to the requirement for no net loss in job capacity, the Framework requires that the proposed General Plan amendment result in some “Extraordinary Benefit” to the City to warrant a departure from the overall employment lands preservation goals of the City. For an Extraordinary Benefit to occur when employment lands are converted to other uses, the City must receive significant off-setting benefits

beyond those normally required or expected from a project that does not result in the net conversion of employment land to other uses. The provision of parks and related infrastructure improvements are ordinary components of new residential development and do not qualify as Extraordinary Benefit unless provided at a level above standard development requirements.

The Framework also establishes that the provision of Extraordinary Benefit should be defined and memorialized through a Development Agreement or similar mechanism. Generally, the project must be consistent with the General Plan and achieve important economic, social, environmental or planning goals of the City. In addition, the project proponent must incur unusually substantial costs in order to provide public improvements, facilities, or services from which the public will benefit in order for the project to qualify for a Development Agreement with the City. The unusually substantial costs must come from a commitment by the project proponent and exceed the limits typically required by City ordinances. Requests for a Development Agreement must come from the project proponent in the form of an application and fees.

A Development Agreement is not an option for this site, however, the developer has volunteered to commit to several requirements within the proposed zoning to ensure that the office building is built once the market for office space returns to San Jose. The City was clear that this office site should be attractive to future office builders so that it becomes the first office building constructed between Downtown San Jose and Cupertino. The City suggested various approaches to remove barriers and reduce construction costs to facilitate office construction. These included, but are not limited to, providing access to the site, improving visibility, configuring a usable floor plate by tenants, providing sufficient parking, reducing the land price, completing a Planned Development Permit, paying all development fees and construction taxes, offering competitive lease rates, etc.

Recently, the applicant volunteered the following items to promote office development on Parcel 2. Specifically,

- 1) The property owner will enter into a Purchase Agreement with an office developer at a reduced price and with such favorable terms to insure that the office building is financially viable and built. The purchase price reduction will be low enough to offset the cost of any needed offsite utilities, permit fees, extraordinary site expenses, and related construction fees. This Purchase Agreement would be assignable to other office developers and to the City of San Jose.
- 2) Prior to the issuance of any residential building permit for Parcel 1, the property owner of Parcel 2 will grant to the City a Right of First Refusal to purchase Parcel 2. In this way, the City would be able to ensure an office builder obtains the site. This document shall be in a form satisfactory to the City Attorney.
- 3) The developer of Parcel 1 would provide a pedestrian link between Santana Row, Santana Park, and the new office building, and provide vehicle access to Parcel 2 from Tisch Way. As part of the development of Parcel 1, the developer will dedicate and construct Hatton Street from Tisch Way north to the northern edge of Parcel 2 and construct a sidewalk along the western edge of Parcel 1 from Hatton Street to Olsen Drive. This construction will include any needed utilities for the construction of the office building.

To date, the developer is working with Barry Swenson Builder, a firm with strong experience in office and other forms of development. Barry Swenson Builder reviewed the preliminary site plans for an office on Parcel 2 and confirmed that the floor plates and other project elements were viable. This effort and the developer's voluntary offering of the above requirements meets a minimum threshold of Extraordinary Economic Benefit.

Together with the no net job loss created by the Planned Development Rezoning, the General Plan Amendment is in conformance with the Framework for Preservation of Employment Lands.

General Plan Goals and Policies

The proposed land use change from Office to Medium High Density Residential (12-25 DU/AC) on the subject site is consistent with the following General Plan Major Strategies, Goals and Policies as discussed in the following:

- **Growth Management Strategy:** This strategy encourages infill development within urbanized areas where facilities and services are already available in order to balance the need for housing and the need to balance the City's budget while providing acceptable levels of service.
The subject site is surrounded by existing development and would allow for infill development within an urbanized area consistent with this strategy. The site is well served by public streets, highways and is in close proximity to major bus transit routes on Winchester Boulevard and Stevens Creek Boulevard.
- **Economic Development Goal No. 2:** Create a stronger municipal tax base by obtaining a greater share of the total industrial and commercial development in the County, protecting the exclusively industrial areas from incompatible development, and by nurturing and encouraging expansion of the existing industrial and commercial development in the City.
While the proposed residential land use designation on Parcel 1 will not create a stronger municipal tax base, the proposed office development on Parcel 2 will balance the associated conversion by retaining all jobs with the conversion on a smaller development site.
- **Economic Development Policy No. 1:** The City should reduce the present imbalance between housing and employment by seeking to obtain and maintain an improved balance between jobs and workers residing in San José.
The proposed land use change would not reduce the present imbalance between housing and employment because the proposal would concentrate the planned jobs for the entire property within a smaller office development on 2.81 acres.
- **Commercial Land Use Goal:** Provide a pattern of commercial development which best serves community needs through maximum efficiency and accessibility.
Consistent with this goal, the development of an office building on Parcel 2 will be adjacent to existing office uses, have good visibility and accessibility from adjacent major thoroughfares, provide a connection to Santana Row (a mixed-use development), and will be consistent with the existing pattern of commercial development along Tisch Way.
- **Balanced Community Policy No. 1:** The City should foster development patterns which will achieve a whole and complete community in San José, particularly with respect to improving the balance between jobs and economic development on the one hand, and housing resources and a resident work force on the other.

A residential land use on the site is consistent with the development pattern of the neighborhood and would allow for a compatible development on a currently unoccupied site. While the land use change itself will not improve the jobs/housing balance, the proposed planned development rezoning will transfer the jobs on the site to a proposed office building adjacent to the site on Dudley Avenue, which will result in no net job loss.

- **Residential Land Use Policy No. 9:** When changes in residential densities are proposed, the City should consider such factors as neighborhood character and identity, compatibility of land uses and impacts on livability, impacts on services and facilities, including schools, to the extent permitted by law, accessibility to transit facilities, and impacts on traffic levels on both neighborhood streets and major thoroughfares.

The proposed density is consistent with the density of the land to the north of the site and compatible with the single-family detached to the west across S. Monroe Street. The proposed land use change would facilitate infill development within an urbanized area on a site that is within a residential neighborhood and on a neighborhood street. In addition, infill development can be more easily supported by existing infrastructure and facilities such as libraries, schools, parks, community centers and commercial amenities.

Land Use Designations

The site's existing Office land use designation allows primarily for business and professional offices. Retail and other commercial uses may be allowed only as secondary uses in a larger office development. Development should be compatible with surrounding uses. This designation can be used on margins of residential neighborhoods because it is not intrusive.

The requested Medium High Density Residential (12-25 DU/AC) land use designation is typified by two-story apartments and condominiums with surface parking and is planned primarily for locations on major streets and near major activity centers. Sites with this land use designation that are located in Transit-Oriented Development Corridors or along arterials containing major bus routes should be developed at the high end of the density range to support these transit facilities.

The requested land use designation is appropriate for the 5.16 acre site as it is consistent with the area immediately north of the site that is designated as Medium High Density Residential. The proposal would retain the adjacent designation of Regional Commercial to facilitate the future office construction. The property is approximately 1,300 feet from the Winchester Boulevard Transit Corridor and adjacent to the Winchester Neighborhood Business District, and it is compatible with the adjacent Santana Row development, which is an existing mixed-use project that is designated as Regional Commercial on the General Plan.

California Environmental Quality Act (CEQA)

A Mitigated Negative Declaration (MND) was prepared for the project, which ended its public circulation period on November 3, 2010, and states that the proposed General Plan Amendment and Planned Development Rezoning will not have a significant effect on the environment. The entire MND and Initial Study are available for review on the Planning web site at: www.sanjoseca.gov/planning/eir/MND.asp

Conclusion

The subject General Plan amendment request is consistent with the San Jose 2020 General Plan and its Goals and Policies, as well as with the Framework for Preservation of Employment Lands, as stated above.

PUBLIC OUTREACH/INTEREST

In addition to the community meeting, the property owners and occupants within a 1,000-foot radius were sent public hearing notices for the Planning Commission and City Council hearings. This staff report has been posted on the City's web site. Signage has been posted at the site to inform the public about the proposed change. Staff has been available to discuss the proposal with interested members of the public.

General Correspondence

One comment letter was received in support of the project and indicated that the project made good land use sense in that it has been "repeatedly demonstrated that no one wants to use it for commercial offices, the addition of housing complements the existing neighborhood, and the housing project alone could generate \$2,000,000/yr in additional property tax revenue with a virtually zero additional services cost."

Tribal Consultation

This General Plan amendment is subject to the State of California Tribal Consultation Guidelines and was referred to the tribal representatives. To date, no comments from tribal representatives on the subject General Plan amendment request have been received.

Project Manager: Lesley Xavier **Approved by:** Laurel Pivetti **Date:** 11-24-10

Owner/Applicant:	Attachments:
<u>Owner:</u> Pacific Bell	▪ Neighbor Correspondence
<u>Applicant:</u> Silverstone Communities John McMorrow 1733 Woodside Road, Suite 125 Redwood City, CA 94061	

Lesley Xavier Lesley.xavier@sanjoseca.gov
San Jose Planning Dept.

Oct 3, 2010

Reference GP-10-06-01 and PDC10-018

I support of the proposed Silverstone project for building Townhomes on the Monroe St side the old PacBell (AT&T) site. This building has been vacant for years and does not fit within the context of the existing neighborhood. This Silverstone housing project will fit well within the Monroe neighborhood.

I was sorry to see that the original Silverstone project was turned down a couple years back for not having enough extra-ordinary benefit to justify the loss of commercial space. Back then the extra-ordinary benefits concept was brand new and not yet well understood. So, it has sat empty for another couple of years. In my opinion, adequate extra-ordinary benefits are derived from:

1. Making good use of the land that has been repeatedly demonstrated that no one wants it for commercial offices.
2. Adding housing that complements the existing neighborhood.
3. The housing project alone should generate \$2,000,000/yr additional property tax revenue with a virtually zero additional services cost.

As for the high-rise office tower on the Dudley side of the property, I can accept that, but don't we already have an over abundance of under-occupied offices in the city, especially in the Santa Row / Valley Fair area.

One item I an strongly opposed to is the concept of connecting Santana Row out to Tisch Way for vehicle traffic via either Dudley Ave or the proposed Hatten replacement of Baywood Ave. This community has long stated that vehicle access to Santana Row via Monroe and/or Tisch would be an unacceptable traffic intrusion into our residential neighborhood along Monroe. **I, along with others in the Monroe Neighborhood, believe this was an accepted condition, along with parking restrictions immediately adjacent to Santana Row, dating to the original Santana Row project approvals, yet it seems to pop up time and time again.** There are 8 access points to Santana Row from Stevens Creek and Winchester. Allowing a 9th access point to Tisch just means more cut-thru traffic on Monroe. More speeders. More stop sign runners. More noise.

With all of the Santana Row and Valley Fair construction over the last 15 years, the City has somehow missed fixing the missing sidewalk on Tisch just east of Dudley. One must either walk only the uneven dirt, which is muddy during the winter, or in the street. This area is definitely not ADA compliant.

Lastly, parking at Santana Park was severely curtailed a few years back when the city resurfaced Tisch and re-striped the street. The old striping, which can be seen where the resurfaced has worn through near Monroe, was offset 3ft from center to the south (away from the park) to accommodate curbside parking adjacent to the park. The current striping does not allow for safe curbside parking.

Sincerely,
Al Woodward
417 S Daniel Way
San Jose, CA 95128

408-246-7492
al.woodward@comcast.net



Santa Clara Valley Audubon Society
Founded 1926

November 3rd 2010

Mr. John Davidson,
Ms. Leslie Xavier
Department of Planning, Building and Code Enforcement
City of San Jose
Re: City File No. GP-10-06-01, PDC10-018
485 South Monroe project

Dear Mr. Davidson, Ms. Xavier,

Please review Santa Clara Valley Audubon Society (SCVAS) comments for the Initial Study and intent to adopt a Mitigated negative declaration (MND) on the proposed 1) amendment to the City of San Jose to the General Plan Land Use / Transportation diagram from Office to Medium Density Residential and 2) a planned Development Rezoning. The land in its current state has park and open space and thus the potential to provide nesting and foraging grounds for the Western Burrowing Owl, a CA Species of Special Concern.

SCVAS has more than 2000 members in the city of San Jose and close to 5000 members in Santa Clara County. **We request that the Initial Study and the MND address and adequately mitigate the environmental impacts of the permanent loss of potential Burrowing Owl nesting and foraging grounds on the 485 South Monroe project site.**

We believe we can fairly argue, based on substantial evidence, in light of the whole record, that this project may have a significant environmental effect on a California Species of Special Concern. Further, we argue that ANY impact on the Burrowing Owl (BUOW) population of San Jose will contribute substantially to cumulative effects on the population of BUOW in Santa Clara Valley and the Bay Area as a whole. Under the current dire circumstances this project may substantially reduce numbers or restrict range of a rare, threatened, or endangered species.

The MND must properly analyze and mitigate the impacts to the loss of potential Burrowing Owl habitat and to nesting birds. In the Analysis, please provide answers and mitigation to the following questions and issues:

1. The California Department of Fish and Game is currently finalizing new guidelines for Burrowing Owl conservations. The new guidelines (2008 Draft Guidance for Burrowing Owl Conservation) state, "Projects impacting owls and owl habitat should mitigate all project-specific

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and cumulative impacts to nesting, foraging, wintering, dispersal, and migration habitat (i.e., breeding and non-breeding season) under CEQA, to below a level of significance. The standard of 6.5 acres will no longer be used because it does not adequately compensate for habitat loss.” Please provide adequate mitigation in Santa Clara County to compensate for the loss of habitat at the site.

2. Santa Clara County is currently in the 4th year of a five-year Habitat Conservation Plan planning process. Included in this plan is the conservation strategy for Western Burrowing Owls. Please describe how this project is working in concert with this overall Santa Clara County effort.

3. To avoid harm to nesting birds (and violation of the Migratory Bird Treaty Act), the correct Pre-construction survey period is 2 days prior to construction, per August 30th email from CA Dept of Fish and Game Senior Biologist Dave Johnston’s to City of San Jose planners Janis Moore and John Davidson. Please adopt a proper pre-construction survey for any work that may happen during the avian nesting season.

4. If adequate mitigation is not feasible, then a full EIR must be prepared for this project.

CONCLUSION

Thank you for the opportunity to provide scoping comments for this proposed project. Please keep SCVAS informed of the progress of this proposal and any additional projects that may have an impact on Burrowing Owls and other wildlife species. We look forward to remaining engaged on this vital issue.

Sincerely,



Shani Kleinhaus, Ph.D.
Environmental Advocate
Santa Clara Valley Audubon Society
22221 McClellan Rd.
Cupertino, CA 95014
shani@scvas.org