

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Joseph Horwedel

**SUBJECT:** SEE BELOW

**DATE:** January 12, 2011

Approved

Date

1/13/11

**COUNCIL DISTRICTS:** Citywide  
**SNI AREAS:** All

**SUBJECT: ENVISION SAN JOSE 2040 GENERAL PLAN DRAFT ENVIRONMENTAL IMPACT REPORT (DEIR); AND ACTIONS ON PENDING GENERAL PLAN AMENDMENTS AND REQUESTS FOR DIFFERENT DRAFT ENVISION 2040 GENERAL PLAN LAND USE/TRANSPORTATION DIAGRAM DESIGNATIONS**

## RECOMMENDATION

1. Direct the Administration to:
  - a. Complete additional environmental impact analyses of two additional Draft Envision 2040 General Plan land use designation options for residential uses on the Rancho del Pueblo golf course site (GP10-05-01) and the Edenvale iStar site (GP07-02-01); and
  - b. Conduct community outreach on the development options/sale of the Rancho del Pueblo golf course site.
2. Adopt a resolution authorizing the City Manager to negotiate and execute an amendment to the existing contract with David J. Powers and Associates for:
  - a. Revised scope of work to perform the additional analyses associated with Rancho del Pueblo and the Edenvale iStar sites;
  - b. Extended term to perform such additional work; and
  - c. An additional contract amount of \$155,000 for this additional work.
3. Provide direction regarding the type and intensity of uses and buildings outside the Urban Growth Boundary (UGB).
4. Reject the Request for a Different Draft Envision 2040 Land Use designation (Request No. ESJ2040-012) to convert 15 acres in the Edenvale Redevelopment Area from Transit Employment Center to Urban Residential.

5. Refer to the Diridon Station Area Plan process the Request for a Different Draft Envision 2040 Land Use designation (Request No. ESJ2040-005) to convert 1.68 acres on the east side of Stockton Avenue north of The Alameda from Transit Employment Center to Transit Residential.
6. Reject two Requests for Different Draft Envision 2040 Land Use designations and associated General Plan Amendments to increase the allowed residential density on properties located on both sides of Highway 87 north of Alma Avenue from the current maximum of 55 DU/AC to 95 DU/AC within the Tamien Station Area Specific Plan (Request Nos. ESJ2040-013 and -014/GP10-03-001 and GP10-06-01) until such time as a comprehensive Specific planning process is initiated in the future for the Tamien Station Area Planned Community/Specific Plan by the City Council.

## **OUTCOMES**

If Council approves the recommendation, then:

- The Council retains the flexibility to consider residential uses on the Rancho del Pueblo Golf Course, relating to the potential sale of some or all of the property as part of the City's overall asset management and revenue generating strategies.
- The Council retains the flexibility to consider residential uses on the iStar site.
- Applications for other General Plan Amendments and some of Requests for Different Draft Envision 2040 Land Use Designations would have certainty as to the status of their proposals.
- General Plan Amendment applications would be brought forward for formal Planning Commission recommendation and Council action at a future time, consistent with the Council's discussion and direction associated with this memorandum.
- The completion of the Envision San Jose 2040 General Plan Update would be extended to Fall 2011 to allow time to examine and evaluate the proposals for additional changes requested to the Draft Envision Plan, with the Council considering the Draft Environmental Impact Report and Plan in October 2011.

## **BACKGROUND**

On October 19, 2010, the City Council accepted a process to consider pending General Plan Amendments and receive Requests for Different Draft Envision 2040 Land Use Designations. On November 15, 2010, the City received fourteen Requests (see Attachment 1). On December 7, 2010, the Council approved four General Plan Amendments and denied nine Amendments (including all of the remaining Evergreen/East Hills proposals). A related Evergreen Request was also rejected by the Council in December, and a South Almaden Request was withdrawn by the requestor. As discussed

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on October 19, 2010, seven pending General Plan Amendments are being "absorbed" into the Draft Envision Plan because they are consistent with the direction of the Draft Envision Plan:

- GP03-02-02 Metcalf/US 101
- GP05-05-03 Alum Rock/McCreery
- GP06-05-01 McKee/White
- GP07-06-03 Lincoln/Lincoln Court
- GP07-07-01 Tully/Senter
- GP08-03-01 CalWater Rincon
- GP10-07-01 Monterey/Alma

Three pending Amendments were identified in October as options that should be considered concurrently with adoption of the Draft Envision Plan: Rancho del Pueblo, iStar and Memorial Park. One additional pending Amendment application proposed for property on Monterey Road (GP10-07-01) is expected to be considered by the Council on June 21, 2011 in advance of the Envision 2040 Plan per the applicant's request. If Council does not hear the Monterey amendment in June, it is consistent with the Draft Envision Plan and is being analyzed as part of the project description, so it could be considered with the entire Envision Plan if necessary.

Upon further thought and taking into account additional legal considerations for the environmental clearance of the Envision Plan, the Administration has determined that the Council needs to provide direction now on whether these three pending Amendments shall be considered as part of the Draft Envision Plan and included in environmental review of the Draft Envision Plan, as well as certain Requests for Different Envision Land Use Designations. It is important for the City to have a stable and consistent description of the proposed Envision 2040 project under the California Environmental Quality Act (CEQA).

The remaining Requests do not raise the same level of environmental clearance challenges and the Administration is continuing to work with those property owners on their proposals during the remaining Envision process.

Therefore, this memorandum presents recommendations and alternatives for the disposition of these proposals to ensure a legally defensible Environmental Impact Report for the Envision San Jose 2040 Plan.

### **Envision Draft Environmental Impact Report Status and Schedule**

Originally, the Draft EIR was scheduled to begin its public review and comment in mid-December. This schedule was not met and at this time, key staff within the City with particular expertise in California Environmental Quality Act (CEQA) regulations are reviewing the 800+ page document and associated technical appendices to ensure a high quality, internally consistent and legally-defensible environmental review document for the City's Envision San Jose 2040 General Plan. The Envision 2040 DEIR is now anticipated to be ready to circulate for public review and comment at the beginning of February 2011.

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Given this delay, the Administration recognized that an additional investment of time and money would provide the Council with the flexibility to address and consider the Rancho del Pueblo and iStar proposals as options to the Envision Plan. As discussed in this memorandum, the Administration is recommending the extension of the Envision 2040 process through Fall 2011 with Council consideration of the DEIR and Plan in October 2011. At that time, the Council could consider adopting the Rancho and iStar General Plan Amendments, as discussed below.

**ANALYSIS**

The table below includes the Administration’s recommendations for pending Amendments and Requests for Different Draft Envision 2040 Land Use Designations, consistent with previous Council direction and discussions. This memorandum discusses the cost and time implications of these recommendations and alternatives on the completion of the Envision effort.

**Table: Summary of Staff Recommendation and Alternatives**

|   | <b>Recommendation</b>  | <b>Alternative<br/>“Original Project”</b>  |
|---|--|--|
|   | (Envision completion date: October 2011; extend consultant contract by \$155,000.)                         | (Envision completion date: June 2011.)   |
| <b>Rancho del Pueblo Golf Course</b><br>(GP10-05-01)                          | Provide clearance in Envision EIR and conduct community outreach.  | Withdraw application from Envision process. (May pursue at a later date.)                                  |
| <b>Edenvale iStar</b><br>(GP07-02-01)   | Provide clearance in Envision EIR.   | Deny application.  |
| <b>Urban Uses Outside of the Urban Growth Boundary</b>                        | Provide direction on the type and intensity of uses and buildings outside the Urban Growth Boundary (UGB). | Provide direction on the type and intensity of uses and buildings outside the Urban Growth Boundary (UGB). |
| <b>Edenvale Transit Center Request</b><br>(ESJ2040-012)                       | Deny request.  | Deny request.  |
| <b>Diridon Stockton / The Alameda</b><br>(ESJ2040-005)                        | Refer to Diridon Station Area Plan process.  | Refer to Diridon Station Area Plan process.  |
| <b>Tamien Station Area</b><br>(ESJ2040-013, 014, GP10-03-001, and GP10-06-01) | Deny requests and applications.  | Deny requests and applications.  |

## **Pending General Plan Amendments**

As noted above, staff has identified three pending General Plan Amendments (Rancho del Pueblo, iStar, and Memorial Park) that propose General Plan land use designations or use intensities different than those contained in the Preferred Scenario for the Draft Envision Plan endorsed by the City Council in April 2010 and would likely have different environmental impacts than are analyzed in the Envision Draft EIR. Because these are formal General Plan Amendments which propose changes to the San Jose 2020 General Plan and were filed with full application fees and significant prior staff work, they must be resolved either before the new Envision 2040 General Plan is adopted or incorporated into the Envision Plan process and EIR analysis as options for Council consideration. The status of each of these three proposals is discussed separately below, followed by a discussion of possible next steps including time delay and cost implications.

### Rancho del Pueblo Golf Course (GP10-05-01)

Beginning in 2009, City staff has formalized and implemented an Assets Management program for properties held by the City. Part of the revenue generation strategy includes exploration of potential sale of City-owned properties for future private development. Following the Council's adoption of the Manager's Budget Addendum (MBA) #38 in June 2010, the City Council directed staff to explore public/private partnership opportunities for the approximately 31-acre Rancho del Pueblo golf course near Highway 101 and King Road (see attached map), and to initiate a San Jose 2020 General Plan amendment for the site (File No. GP10-05-01) to explore residential development of all, or just a portion of the property.

The preferred land use scenario for the Envision 2040 Plan, endorsed by the City Council in April 2010, and the subsequent Draft Envision Land Use/Transportation Diagram accepted by the Council on October 19, 2010, identifies the golf course site as Open Space, Parkland and Habitat, reflecting the current golf course/open space use of this property. The potential for different, urban land uses other than the existing golf course use has not, to date, been a part of the Envision 2040 General Plan Update process or its environmental analysis.

The proposal to develop a substantial number of urban residential units on all or a portion of the golf course site, as indicated for exploration by the City Council in June 2010 to supply options related to deficit reduction, presents a different land use designation than its current proposed designation of open space in the Envision 2040 Plan. While the Envision Plan generally focuses new residential density proximate to transit, it is possible to analyze the residential option in the Envision EIR given the Council's budget discussions and its possible interest to consider residential uses on the property.

Recommendation: The Administration recommends that the City Council direct staff to include the environmental review of this housing proposal within the Envision DEIR to maintain the Council's options regarding this property.

If the Council accepts staff's recommendation and elects to pursue creation of a different Envision 2040 General Plan "Project" option that would designate all or part of this 31-acre City-owned golf course site for residential uses, the residential capacity for more than 600 units would need to be "reassigned" from other areas in the Preferred Land Use scenario. Significant additional traffic and other technical environmental analyses would be required. The costs of this work could come from

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the existing Envision General Fund appropriation, resulting in the Envision EIR being ready for public review and comment in mid-April 2011. The Envision Plan would be considered by the Council in October 2011.

In addition, because this site has been maintained as open space throughout the 3-year Envision Task Force and community process, a specific community engagement process should be started to explain the land use options prior to the circulation of the DEIR. The City's Assets Management team is likely best suited to this initial outreach effort.

Alternative: The City Council could chose to withdraw this San Jose 2020 General Plan amendment application at this time. If the Council would like to consider the denial of the iStar amendment in early 2011 and if the Rancho amendment is withdrawn, then the Envision schedule would be extended two months to August 2011. This would not preclude the Council from initiating the Rancho amendment in the future.

#### iStar in Edenvale (GP07-02-01 and PDC07-098)

This General Plan Amendment and associated Planned Development Zoning application (File Nos. GP07-02-01 and PDC07-098) on the iStar property were originally filed in 2007 by Wolff Urban Management as one element of a combined set of applications for both the approximately 76-acre subject site in the Edenvale Redevelopment area, adjacent to the Hitachi project (see attached map), and a concurrent proposal to allow development of an Earthquakes' soccer stadium on the Airport West property. The Amendment requests the conversion of the entire 76-acre Edenvale iStar site from employment uses (currently designated in the San Jose 2020 General Plan and zoned for up to 1 million square feet of industrial park uses and up to 400,000 square feet of commercial uses) to the land use designation of Medium High Density Residential (12-25 DU/AC) on the 76-acre site to accommodate the proposed development in the original request of approximately 914 to 1,905 dwelling units.

In January of 2010, an Environmental Impact Report (Airport West Stadium and Great Oaks Place Project EIR) was finalized that jointly considered the potential environmental impacts of the Planned Development Zoning to allow a soccer stadium on the Airport West site and the proposed General Plan Amendment and Planned Development zoning to allow a land use change for housing on the iStar site. Although both proposals were analyzed in the EIR, only the soccer stadium project was ultimately approved by the Council, because the applicant was not ready to have the iStar proposal considered at that time. When the EIR was completed and certified by the Planning Commission in early 2010, staff expressly communicated to the applicant that the environmental clearance provided by the EIR for the iStar/Great Oaks Place project would be valid until the release of the Envision DEIR.

During the past three years, through the timeframe of the Council's Fall 2010 General Plan hearings just concluded, the applicant did not request that this General Plan amendment be brought forward to the Council for consideration. Upon a request from staff, the applicant submitted a letter by November 15, 2010 clarifying continued interest in pursuing residential land uses on the 76-acre site understanding that the Airport West Stadium and Great Oaks Place Project EIR can no longer provide environmental clearance for the proposed iStar General Plan land use change because the information contained in that EIR is outdated.

The City Council has previously supported the fundamental goals and concepts of the General Plan Update, including preservation and enhancement of the City's employment lands and specifically supported maintenance of the majority of Edenvale as a job center for future economic development. The City Council has also previously indicated an interest in preserving options which could help facilitate the future development of an Earthquakes soccer stadium on the Airport West site, with recent Council action on December 14, 2010 to renegotiate the terms of the applicant's options relative to the Airport West property.

Recommendation: To continue to preserve a full range of options for the Council's future General Plan land use decisions on this 76-acre site, the Administration recommends that the Council direct staff to include this housing proposal within the Draft Envision EIR.

If the Council approves this recommendation, the Draft Envision EIR would need to be modified to include analyses of a Project option that would designate this 76-acre site for residential uses and "reassign" significant job growth planned on this site in the Draft Envision Plan to other locations in the City to achieve the overall Council-endorsed goal of 470,000 new jobs by 2040. The applicant has indicated their willingness to pay their portion of the additional costs that would be incurred to analyze this option. This would result in the Envision DEIR being ready for public review and comment in mid-April 2011, with Council consideration of the Envision Plan in October 2011.

Alternative: The City Council could decide that it would like to consider the denial of this Amendment in early 2011. If so, the Administration would schedule and notice the appropriate public hearings before Planning Commission and City Council as soon as practically possible. A denial consideration is possible without environmental clearance under State law. The Council can consider denying an Amendment outside of a regular General Plan hearing.

#### Urban Uses Outside of the Urban Growth Boundary

The Draft Envision 2040 Plan developed by the Task Force and community strengthens the Urban Growth Boundary (UGB) as a bright "green" line. This is based on the Guiding Principles that the City Council gave to the Task Force at the beginning of the Envision process. Specifically, the Draft Envision Plan clarifies and distinguishes the appropriate land uses and land use designations to be used within the interior and exterior of the UGB. Consistent with the City's goals for environmental leadership expressed in other City initiatives such as the Green Vision and the Santa Clara Valley Habitat Conservation Plan (SCVHCP) under preparation, the Draft Envision Plan contains policies intended to strengthen the City's protection of its existing natural habitat areas outside the UGB. No urban uses, such as conference centers and other assembly uses, are currently contemplated outside of the UGB.

Staff has continued to review how lands outside the UGB are designated in the Draft Envision 2040 Plan and the proposed text in the designations to minimize confusion and emphasize the desired goals for these lands for watershed protection, open space and habitat protection. One change made in this regard was to reduce the number of land use designations contemplated for use outside the UGB from six to primarily one, Open Hillside.

General Plan amendment and Planned Development zoning applications for a 222-acre Memorial Park on the hillsides south of Bailey Avenue have been on file since 2004 during the preparation of

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the Coyote Valley Specific Plan. Specifically, the Amendment (GP04-10-01) proposes to change the San Jose 2020 land use designations from Non-Urban Hillside and Private Recreation to Private Open Space (see attached map). The applicant's intention has been to take advantage of language within the current General Plan that identifies "cemetery" as an acceptable use within the San Jose 2020 General Plan Private Open Space designation, but does not similarly reference it as an allowable use of the Non-Urban Hillside designation.

The applicant has also filed a Planned Development Zoning for the project (File No. PDC04-041) which provided an initial concept for a cemetery design encompassing urban uses such as administrative offices, chapels, mausoleums, caretaker's residence, crematory, corporation yard, and significant modifications to the existing topography and landscape conditions. The proposed General Plan Amendment and Zoning is located outside the Urban Growth Boundary in hilly terrain with a wide variety of important habitat types could have significant environmental impacts requiring the preparation of an Environmental Impact Report. The applicant, to date, has not pursued preparation of an EIR with the City, and this proposal has generally been "inactive" for many years.

The City's existing San Jose 2020 General Plan contains strong policy language that the Urban Growth Boundary reflects the strong, long standing commitment of the City that lands outside the UGB are identified as those that are intended to remain permanently rural in character, with only low intensity, non-urban uses. The current General Plan provides policy guidance that the Non-Urban Hillside designation should be limited to those uses having very little physical impact on the land and requiring no urban facilities or services. The Private Open Space designation as described in the current 2020 General Plan specifies that the designation is intended for privately-owned lands used for low intensity, open space activity primarily within the Urban Service Area. This designation is usually applied to existing uses but can be applied to other lands when their proposed use conforms to this category. Appropriate uses in this category include cemeteries, salt ponds, and land which is restricted to agricultural use and private buffer lands such as riparian set back areas. Staff has previously expressed to the applicant that the proposed Memorial Park, as described in the application package currently on file, includes a greater level of grading, land disturbance, construction, visitors, and overall activity than contemplated in either the San Jose 2020 Private Open Space or Envision 2040 Open Hillside designations.

Accordingly the Memorial Park site, and almost all lands outside the Urban Growth Boundary, are designated as Open Hillside on the Draft Envision Land Use/Transportation Diagram. This Open Hillside designation is intended for uses having very little physical impact on the land, requiring no urban facilities or services, and minimizing the visibility of buildings to reinforce the open space character. This designation also seeks to protect watersheds and natural habitats. This is critical as extensions of urban type uses into open space areas puts greater pressure on surrounding properties to develop at greater intensities, especially when water and sewer utilities are extended removing barriers to residential development.

As described by the applicant in the initial submittals, the proposed conceptual Memorial Park design included construction of buildings and structures for a wide range of community gatherings and services, and for administration purposes, and a variety of possible burial and memorial options. While minimalist burial grounds in a natural setting could be found consistent with the Envision Open Hillside designation and with Draft Envision Plan policies for development outside of the

UGB, the character of the proposed Memorial Park is much more intense and hence, inconsistent with those policies.

The applicant's representative has suggested that the proposed Memorial Park use should generally be compatible with the Open Hillside designation, and that the significant design work and environmental review should be dealt with through the Planned Development Zoning process instead of through a General Plan Amendment. While it is possible to resolve some of these issues at the zoning stage, the extensive buildings proposed with the Memorial Park would need to be significantly scaled back or eliminated to meet the Open Hillside designation and policies of the Draft Envision Plan. In addition, it would require its own EIR to address biological and other impacts.

At this time, the fundamental issue is the policy question of how much and what type of "urban" facilities belong outside the UGB. Should San Jose's General Plan allow a broad or narrow range of activities and facilities? If allowed, what intensity is appropriate, such as minimum site size, occupancy limits, utility restrictions, etc., in order to give guidance during the life of the Envision Plan.

As the Administration considers appropriate uses outside of the UGB, it is important to recognize that other communities in California, Oregon, and Washington allow wineries, conference centers, places of assembly, and other uses in their Greenbelts and open space areas. Based on the challenges of Victory Outreach Church in the portion of the unincorporated Coyote Greenbelt, the Administration has not proposed such assembly uses at this time. If the City Council would like to do so, the Administration could further define possible allowances for certain uses outside of the UGB at this time and allow for the Task Force and broader community to be part of this discussion.

Recommendation: The Administration recommends that the City Council provide direction with respect to the type of uses and their intensity outside the Urban Growth Boundary. This direction could include:

- Clarify and strengthen the role of the City's UGB as a delineation between urbanized and open space areas. This is consistent with the Task Force discussion and the draft Envision 2040 Plan to date.
- Consider allowing some uses and buildings outside of the UGB that support the overall intent of Open Hillside.
- Consider allowing a broader range of uses and construction/land disturbance outside of the UGB.

The Administration is examining the potential costs of additional environmental analysis (e.g., biological and growth inducing impacts) for a wider range and/or intensity of uses outside the Urban Growth Boundary throughout San Jose. These costs will be evaluated against the Envision appropriation. Any schedule implications will also be determined. This information will be provided either in a Supplemental Memorandum or at the Council meeting.

## **Requests for Different Draft Envision 2040 General Plan Land Use Designations**

Staff has determined that the four private requests for Different Draft Envision 2040 General Plan Land Use/Transportation Diagram designations addressed in this staff report are inconsistent with prior Council direction that has guided the Envision Plan effort since the City Council's initiation of the General Plan Update in June 2007. One of the fundamental goals of the Envision Plan is to increase San Jose's jobs to obtain a jobs/employed resident ratio of 1.3 (up from today's 0.8 jobs/employed resident). These requests are of two types: 1) Requests to convert lands designated for industrial and other business employment uses in both the San Jose 2020 General Plan and the Draft Envision San Jose 2040 General Plan for residential uses, and 2) Requests to increase the intensity and maximum density of urban residential uses in the Tamien Station Area Specific Plan/Planned Community during the Envision 2040 General Plan Update process. Staff analysis of these proposals is provided below. It is important to note that these Requests are not formal General Plan Amendments and were submitted in the last month of a 30-month process with the Envision Task Force and community. During the Task Force process, Envision staff heard from and met with numerous property owners and community members to incrementally refine the Draft Envision Plan and Land Use/Transportation Diagram to accommodate individual comments and requests that were fully consistent with the Guiding Principles of the Update process.

### Edenvale Transit Center (ESJ2040-012)

This Request is for a Different Draft Envision 2040 Plan Land Use designation for Urban Residential on an approximately 15-acre site, a portion of a 35-acre site owned by the VTA, located near the Santa Teresa Light Rail Station within the Edenvale Redevelopment Area (see attached map). The VTA has indicated an interest in maximizing the possible financial return on their land holdings through conversion of the site from employment to urban residential uses. The Request submittal indicates a possible future project concept for up to 1,425 dwelling units with a possible commercial component of up to 25,000 square feet.

Consideration of this Request would fundamentally disrupt the basic structure of the Envision Preferred Land Use Plan which is based on carefully identified growth areas and amounts for planned job and housing growth. The lands currently proposed to be designated for Transit Employment Center in Edenvale constitute one of the City's primary planned employment centers and support the fundamental goals and principles of the Envision General Plan Update to preserve industrial lands to provide a wide variety of options for locating future businesses, promoting economic development, and providing increased intensity of building forms to accommodate increased job capacity at locations served by regional transit.

Planning significant employment growth at this location maximizes the benefit of the transit investment, and attracts and promotes the ability to bring workers into San Jose to these employment centers from outside the City. This is critical to the City's success in achieving the ambitious Draft Plan Goal to improve the City's jobs-to-employed resident ratio to 1.3 from the current level of approximately 0.8 jobs for every San Jose worker. This Request for residential uses would reduce the planned acreage of lands available for accommodating increased employment growth, and would create future conflicts with the remaining industrial lands, possibly reducing the attractiveness of those lands and their resulting yield of future jobs.

Recommendation: The Administration recommends that the Council reject this Request as fundamentally inconsistent with the goals of the Envision 2040 General Plan Update, instead maintaining the subject site as identified as a key location for intensive job growth proximate to transit in the Envision 2040 Plan.

Alternative: If the Council desires to further consider redesignation of this 15-acre site within the Edenvale industrial area for residential use as a land use option as part of the Envision 2040 General Plan, the significant job growth assigned to this site in the Draft Envision Plan and DEIR analysis would need to be "reassigned" to other locations in the city to achieve the overall Council-endorsed goal of 470,000 new jobs by 2040, and the Draft Envision EIR would need to be modified to include traffic and other analyses of that option. Significant additional technical environmental analysis of this Project option would be required, resulting in substantial revisions and additions to and delay in the timing of the DEIR. This would result in the completion of the Envision process in December 2011 or later.

Diridon Stockton/The Alameda (ESJ2040-005)

This Request is for a Different Draft Envision 2040 Plan land use designation for Transit Residential on an approximately 1.68-acre site on the east side of Stockton Avenue, northerly of Santa Clara Street (see attached map). This area is currently designated as Transit Employment Center on the Draft Envision 2040 General Plan Land Use/Transportation Diagram due to its proximity to Downtown, the existing Caltrain and light rail lines, the future Bus Rapid Transit, and future BART and High Speed Rail service at the Diridon Station. This proposed employment-supporting Envision Land Use designation is consistent with the Draft Diridon Preferred Land Use Plan that has been evolving during the past year with the community, consultants and staff through the Diridon Station Area Planning process, scheduled to be before the Council for a status update and Council direction on January 25, 2011.

The Diridon Station Area Planning effort is the most appropriate opportunity for the Council to provide specific direction regarding the Diridon Station Area Preferred Land Use Plan, (a key milestone in the Diridon Station Area Plan work program to serve as the Project Description for the Diridon Plan Environmental Impact Report, not yet underway), including whether urban residential uses should be contemplated on the east side of Stockton Avenue in a large area uniformly designated for employment uses, and a cornerstone of opportunity sites for higher intensity, economic development to maximize the use of the planned regional transit infrastructure.

The Diridon Station Area Plan process will follow the completion and adoption of the Envision 2040 General Plan by several months, and the Diridon Plan is proposed to include an area land use plan that will be consistent with and actually use the land use designations of the Envision 2040 General Plan. Following the completion of the Environmental Impact Report to be prepared for the Diridon Plan, the Council will have an opportunity to adjust the Envision General Plan Land Use / Transportation Diagram through approval of the final Diridon Station Area Plan, now scheduled for Council consideration in late 2011 or early 2012.

Recommendation: The Administration recommends referring the consideration of a possible option for urban residential uses on the subject 1.68-acre site, and potentially adjacent sites on the east side of Stockton Avenue, to the Diridon Station Area Planning process and its EIR.

Alternative: The City Council could reject this proposed Request for an Different Envision 2040 Land Use designation of Transit Residential on the east side of Stockton Avenue, because it is inconsistent with the Council's prior direction to preserve lands designated for industrial and other employment uses, interrupting the formation of an employment center at this key transit hub.

Tamien Station Area Planned Community Requests (Request Nos. ESJ2040-013 and -014)

Two of the Requests (Request Nos. ESJ2040-013 and -014), for specific Different Envision 2040 Land Use designations also submitted by the VTA, would result in additional urban residential development potential in the Tamien Station Area Specific Plan/Planned Community, both in terms of acreage and proposed density. These Requests are accompanied by associated General Plan (Specific Plan) Amendment proposals to increase the maximum residential density in the Planned Community from the current 55 DU/AC to up to 95 DU/AC, consistent with the proposed Envision General Plan designation of Urban Residential (see attached map).

In 2007, when the 2040 General Plan Update was initiated, the Council directed that some aspects of the General Plan did not need significant review through the Update process, including the Specific Plans. However, during the 30-month Update process, the Envision Task Force and staff have identified that several of the Specific Plans located near transit facilities could potentially provide opportunities for additional development of both jobs and housing. Accordingly, the Preferred Land Use Scenario incorporates additional housing capacity in key areas near transit stations, including some Specific Plan Areas (specifically, Midtown and Tamien); however the scope of the Envision effort per earlier Council Direction, has not included modification of the Specific Plans to identify particular sites to accommodate this additional growth capacity, or specific density increases in the Plan area and the necessary public engagement for these considerations.

The incorporation of some future additional residential capacity at key transit locations provides the opportunity for the Envision environmental review process to provide clearance for some additional housing in these locations in the Envision DEIR. Therefore, subsequent to the City Council's consideration and approval of the Envision San Jose 2040 Plan, the Council could direct that the Tamien Specific Plan be reviewed in a comprehensive community effort to explore opportunities to refine the current Plan, and to potentially locate increased residential densities near to transit.

Recommendation: The Administration recommends that the Council reject, at this time, these Requests for specific Different Envision 2040 land use designations, and the associated General Plan amendments to increase the maximum allowed residential density from the current 55 to 95 DU/AC until such time as a comprehensive Specific planning process is initiated in the future for the Tamien Station Area Planned Community/Specific Plan by the City Council. If the applicant does not withdraw the associated pending General Plan amendments, then the Administration would schedule and notice the appropriate public hearings before Planning Commission and City Council as soon as

practically possible. A denial consideration is possible without environmental clearance under State law. The Council can consider denying an Amendment outside of a regular General Plan hearing.

Alternative: If the Council wanted to pursue the necessary community engagement to modify the Specific Plan prior to the completion of the Envision Plan, the Envision effort would likely not be completed until 2012 with significant additional costs associated with this work.

### **Conclusion**

The Administration's recommendations balance the need to complete the Envision 2040 process in a thorough and timely fashion with the goal of providing the Council flexibility to consider land use options for Rancho del Pueblo Golf Course and the iStar properties. In this way, the Envision Plan retains a consistent focus to locate new growth to transit locations, foster non-automobile travel, and strengthen job generation within San Jose.

### **POLICY ALTERNATIVES**

Several policy alternatives are discussed in the "Analysis" section.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 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)**
- Criterion 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)**

Staff has been in regular contact with the applicants for the pending privately-initiated General Plan amendment proposals for iStar and the Memorial Park south of Bailey Avenue. Staff has been working for several months with the iStar consultant team to develop an approach for environmental review of the proposed General Plan amendment within the context of ongoing review of the Envision Plan and met several times with the applicant and consultant in November and December 2010. On the Memorial Park proposal, Envision staff has maintained an ongoing dialogue with the proposed project's representative as the three-year Envision Task Force and community process has considered appropriate policies for future development types outside the Urban Growth Boundary, as well as the range of different Envision land use designations and where they would be appropriately located. Staff specifically notified the applicant of this public hearing and the request for Council direction the first week of January.

Public hearing notices for this public hearing have been sent to property owners and residents within 1000 feet of the subject sites for these two privately-initiated General Plan amendments, as well as the City-initiated proposal on the Rancho Del Pueblo golf course site.

Following the deadline date of November 15, 2010 for submittals of Requests for Different Envision land use designations, staff performed initial analysis to determine which proposals were potentially inconsistent with the Draft Envision Plan. On December 22, 2010, staff mailed individual correspondence to all private parties who submitted Requests indicating the status of their proposals, and specifically indicated that the four Requests which are the subject of this report were anticipated by staff to be brought to the City Council for direction on January 25, 2011. To date, staff has not received any response to these status letters.

The agenda for the City Council meeting including staff's recommendations regarding these General Plan amendments and Requests for an Different Envision 2040 land use designations and associated General Plan amendment proposals, have been posted on the City's web site, and the notices have also been posted on the Envision General Plan web site.

Significant and regular community outreach has occurred as part of the Envision San José 2040 General Plan Update process, both through traditional means and through use of online resources. Prior to each Task Force meeting, e-mails are sent to a subscription list that consists of approximately 700 individuals who have subscribed online or at a Task Force or community meeting. All Task Force meeting agendas and materials are posted on the Envision San José 2040 website in advance of the meeting, and synopses and audio recordings of meetings are posted online following each meeting. Additional community outreach has occurred at seven Saturday and evening Community Workshops that attracted a cumulative total of approximately 500 people. Full summaries of all Community Workshops are available under the "Community Outreach & Task Force" heading at [http://www.sanjoseca.gov/planning/gp\\_update/Background.asp](http://www.sanjoseca.gov/planning/gp_update/Background.asp).

In addition to the more traditional outreach efforts identified above, staff has engaged a significant portion of the San José community with online outreach efforts. Between August 1, 2009 and November 15, 2009, nearly 4,500 registered users visited an online Wiki planning site, and of these visitors, nearly 2,800 completed an online survey, and 2,200 answered open-ended questions. Improving public transit was most frequently referenced as the single thing that would make San José a better city, diversity was mentioned most frequently as San José's most significant asset, and respondents ranked "proximity to shops and restaurants" as their most important criteria in choosing a place to live during the next 30 years. A full summary of the Wiki planning report is available online at [http://www.sanjoseca.gov/planning/gp\\_update/documents/WikiReport-Final\\_001.pdf](http://www.sanjoseca.gov/planning/gp_update/documents/WikiReport-Final_001.pdf).

Additionally, to support the development of the Preferred Land Use Scenario staff supplemented a conventional community meeting with an online questionnaire that generated approximately 1,000 complete responses. In allocating 100 points to any of ten priorities for shaping San José's future, community members ranked economic development first, fiscal stability second, and minimizing environmental impacts third. Increasing transit ridership was ranked fourth, with creating neighborhood villages closely following as a fifth priority. A full summary of the survey responses is

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available online at

[http://www.sanjoseca.gov/planning/gp\\_update/documents/SurveySummaryResponse-3-29-10\\_000.pdf](http://www.sanjoseca.gov/planning/gp_update/documents/SurveySummaryResponse-3-29-10_000.pdf).

In addition to these efforts, staff has created a Facebook page to help engage the community in providing input into and following the Envision process. All of these outreach efforts has garnered receipt of statewide recognition from the American Planning Association.

### **COORDINATION**

The preparation of this memorandum has been coordinated with the City Attorney's Office and City Manager's Office.

Staff representatives of all City Departments are actively participating in the Envision process. The Envision process has been coordinated with a number of outside agencies, including the Santa Clara Valley Water District, the various School Districts, Santa Clara County and the California Department of Transportation. Staff has worked particularly closely with the Valley Transportation Authority on the development of the Draft Land Use/Transportation Scenario.

### **FISCAL/POLICY ALIGNMENT**

The recommendations contained in this report align with the Draft Envision 2040 Plan, and previous Council direction.

### **COST SUMMARY/IMPLICATIONS**

The Envision General Plan Update appropriation has adequate funding for the staffing and contractual resources required for this additional work, and the Administration intends to recommend to rebudget the General Plan Update appropriation for 2011-2012 in order to adequately fund this effort. If the Council approves the land use recommendations in this memorandum, a contract amendment for an additional \$155,000 is needed to cover the additional environmental consultant costs. This contract amendment is recommended as part of this memorandum.

Fair share costs for environmental analysis related to privately-initiated proposals will be paid by those applicants. Staff anticipates that funding additional Envision environmental work may require some tradeoffs in the level of future Envision outreach efforts.

**BUDGET REFERENCE**

| <b>Fund #</b> | <b>Appn. #</b> | <b>Appn. Name</b>                 | <b>RC#</b> | <b>Total Appn.</b> | <b>Amt. for Contract</b> | <b>Adopted Operating Budget Action (Date, Ord. #,Page )</b> | <b>Last Budget Action (Date, Ord. #)</b> |
|---------------|----------------|-----------------------------------|------------|--------------------|--------------------------|---|--|
| 001           | 3427           | Comprehensive General Plan Update | 218        | \$1,873,491        | \$155,000                | 6/29/2010,<br>Ord. # 28765,<br>IX-24                        | 10/19/10,<br>Ord. #28829                 |

**CEQA**

Not a Project, File No. PP10-069(a), Assessments of Work Done. The proposed action will allow staff and the consultants to proceed with the analysis of potential environmental impacts of the proposed General Plan Update as required by CEQA.

/s/  
JOSEPH HORWEDEL, DIRECTOR  
Planning, Building and Code Enforcement

For questions please contact Susan Walton at 408-535-7847.

- Attachments: 1. Summary of Requests for Different Envision Land Use Designations  
2. Maps of subject sites

**ENVISION SAN JOSE 2040 GENERAL PLAN UPDATE: SUMMARY OF LAND USE DESIGNATION CHANGE REQUESTS**

| Request Number<br>ESJ2040- | CC Date                                    | Location  | Requested<br>Envision 2040<br>Designation   | Proposed<br>Envision 2040<br>Designation                   | Current 2020<br>General Plan  | Approx.<br>Acreage | Council<br>District | RDA / SNI                        | Applicant                             |
|----------------------------|--|---|---|--|---|--------------------|---------------------|----------------------------------|---------------------------------------|
| 001                        |  | 5655 Gallup Drive   | Urban Residential   | Neighborhood /<br>Community<br>Commercial                  | Medium<br>Density<br>Residential and<br>General<br>Commercial                 | 2.97               | 10                  | Hoffman<br>Viamonte<br>SNI       | Mike Campbell<br>HMH Engineers        |
| 002                        |  | 5601 Great Oaks<br>ParkWay (Hitachi)  | Keep current 2020<br>designation; and<br>extend village<br>boundary easterly by<br>500 ft as per plan | Industrial Park<br>&Village (VT6)                          | No Underlying<br>Designation<br>with Mixed Use<br>overlay                     | 331                | 2                   | Edenvale<br>Red. Area            | HITACHI, LTD &<br>GST INC             |
| 003                        |  | 5827 Brasilia Way   | Residential<br>Neighborhood   | Open Space, Park<br>and Habitat &<br>Lower Hillside        | Very Low<br>Density<br>Residential  | 7.89               | 10                  | -----                            | Colin Gray                            |
| 004                        |  | 1506 Hamilton Ave   | Mixed Use<br>Neighborhood   | Neighborhood /<br>Community<br>Commercial                  | Office  | 0.92               | 6                   | -----                            | Dan Hudson                            |
| 005                        | 1/25/11<br>pending                         | 108-138 Stockton<br>Ave (Diridon)   | Transit Residential   | Combined<br>Industrial /<br>Commercial                     | General<br>Commercial   | 1.68               | 3                   | Julian-<br>Stockton<br>Red. Area | Dan Hudson                            |
| 006*                       | 12/7/10                                    | Evergreen (GP05-08-<br>01C and GP05-08-<br>01D)   | Residential<br>Neighborhood   | Industrial Park  | Campus<br>Industrial  | 199                | 8                   | -----                            | Chop Keenan                           |
| 007**                      | 12/14/10<br>dropped<br>after<br>withdrawal | NW corner of Fortini<br>Rd. and Mckean Rd.<br>(South Almaden<br>Valley Urban<br>Reserve )                 | Residential<br>Neighborhood   | Urban Reserve  | Urban Reserve   | 340                | 10                  | -----                            | Chop Keenan                           |
| 008                        |  | SE Corner of<br>Monterey Road and<br>Edenvale Ave.  | Mixed Use<br>Neighborhood   | Residential<br>Neighborhood                                | Medium<br>Density<br>Residential and<br>Medium Low<br>Density<br>Residential  | 3.98               | 2                   | -----                            | Edward Dowd                           |
| 009                        |  | 120 Balbach Street  | Downtown<br>Designation   | Mixed use<br>Neighborhood &<br>Urban Residential           | Medium<br>Density<br>Residential and<br>Medium High<br>Density<br>Residential | 2.2                | 3                   | Market-<br>Almaden SNI           | Des Nolan                             |
| 010                        |  | 12750 Mabury Road;<br>12751 Mabury Road   | Mixed Use<br>Neighborhood   | Public Quasi<br>Public                                     | Public Quasi<br>Public  | 3.1                | 4                   | -----                            | Daniel Carroll                        |
| 011                        |  | Reid Hillview Airport<br>S/W corner of<br>Capitol Expwy and<br>Ocala Ave                                  | Regional<br>Commercial; NCC;<br>CIC   | Public Quasi<br>Public                                     | Public Quasi<br>Public  | 15.8               | 5                   | -----                            | County of Santa<br>Clara              |
| 012                        | 1/25/11<br>pending                         | East of Santa<br>Teresa Blvd, 500 ft<br>north of San Ignacio<br>Ave. (Santa Teresa<br>Light Rail Station) | Urban Residential<br>and Employment<br>Center   | Employment<br>Center                                       | Industrial Park   | 35                 | 2                   | Edenvale<br>Red. Area            | Valley<br>Transportation<br>Authority |
| 013                        | 1/25/11<br>pending                         | 1197 Lick Avenue<br>(Tamien East)   | Urban Residential   | Open Space, Park<br>and Habitat; PQP;<br>Urban Residential | PQP, PPOS,<br>TCR   | 8.43               | 3                   | Washington<br>SNI                | Valley<br>Transportation<br>Authority |
| 014                        | 1/25/11<br>pending                         | NE corner of<br>W.Alma Ave. and<br>Lelong St. (Tamien<br>West)  | Urban Residential   | Open Space, Park<br>and Habitat; Public<br>Quasi Public    | PQP, PPOS,<br>GC  | 6.01               | 6                   | -----                            | Valley<br>Transportation<br>Authority |

\* Rejected by City Council

\*\* Withdrawn



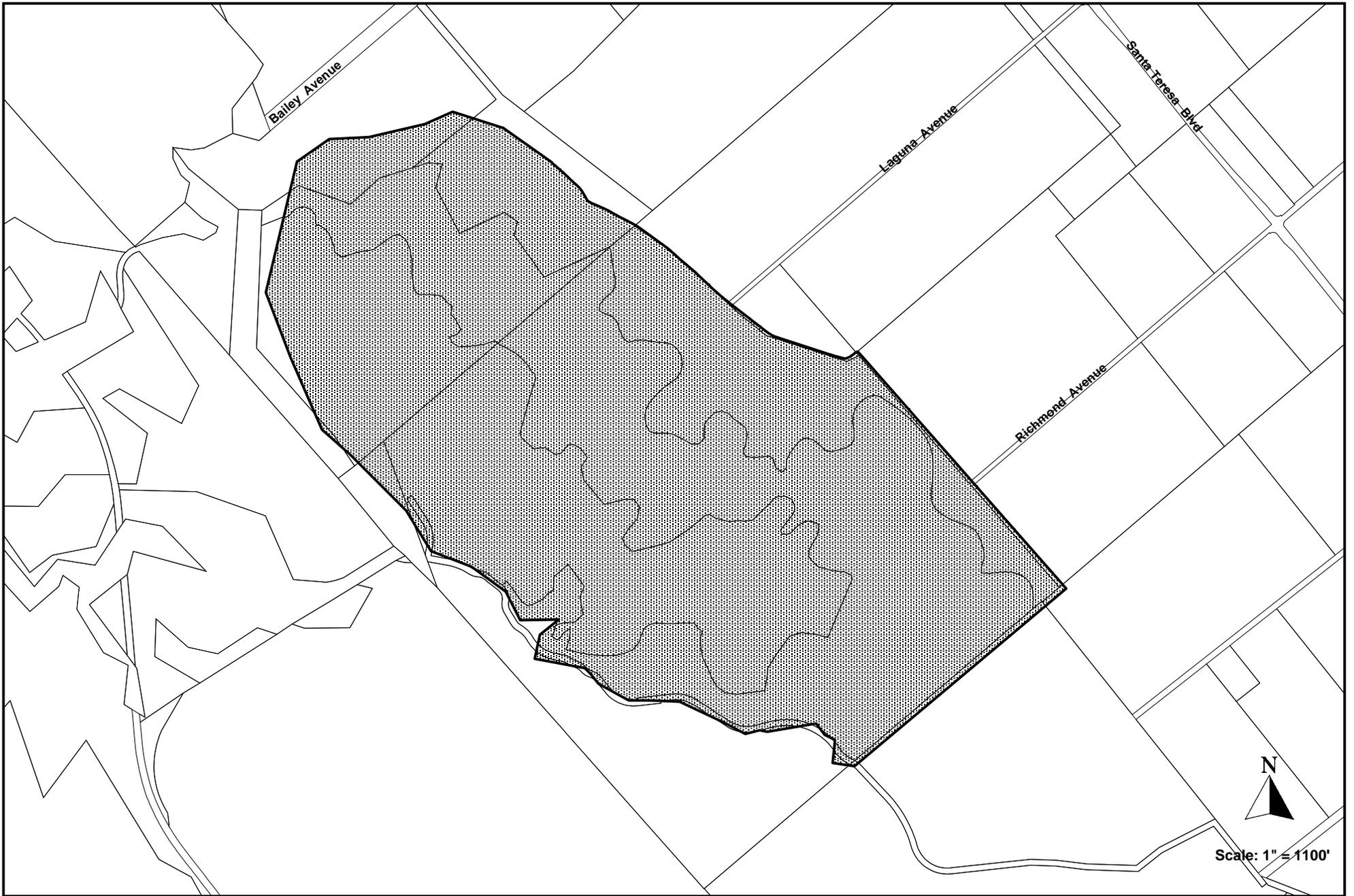
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District: 5

### Location



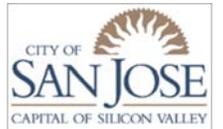
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Building, and Code Enforcement  
7/1/2010

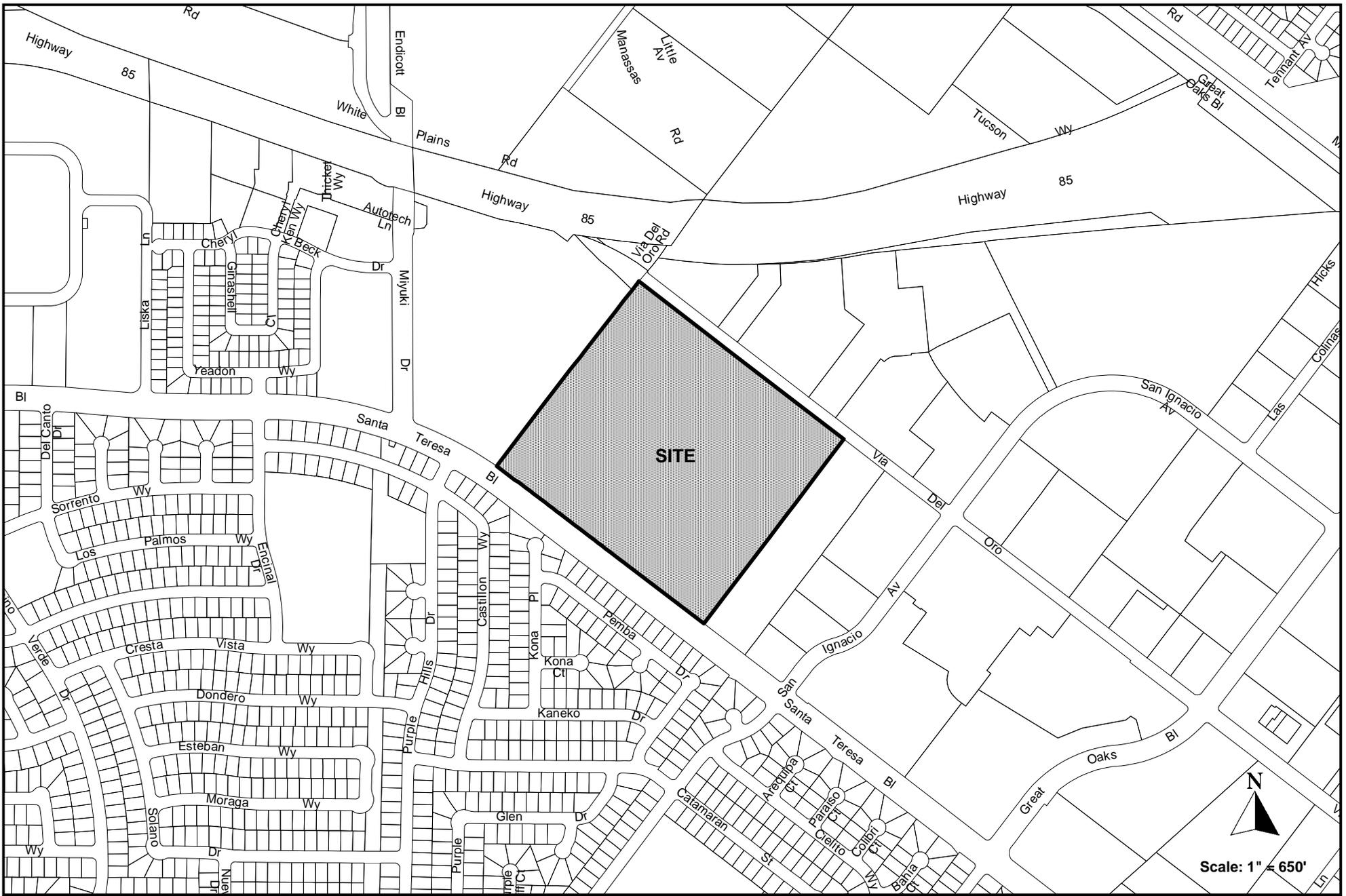




**File No: GP04-10-01**  
**District: 2 & 10**

## LOCATION

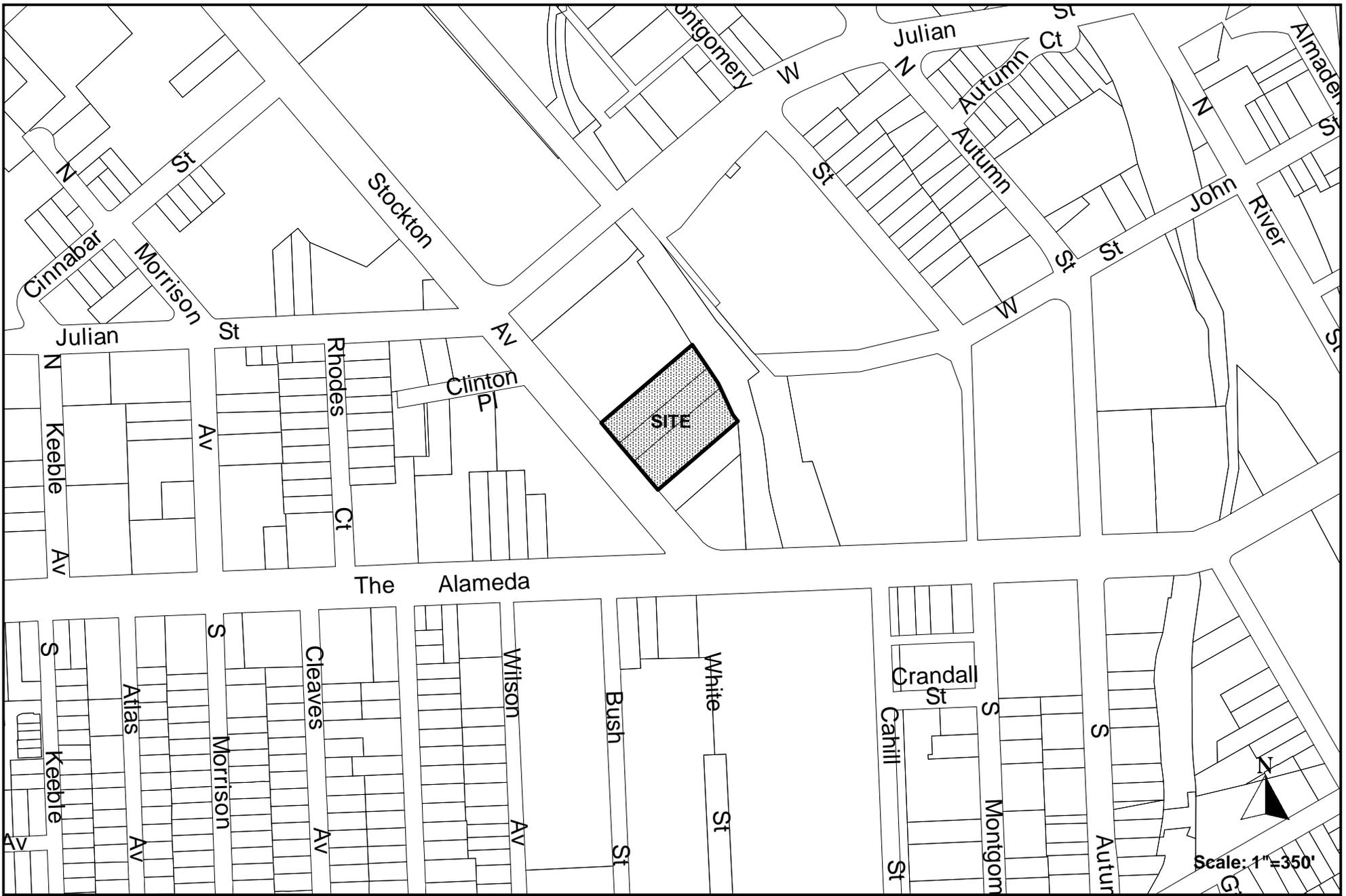




**Request No: ESJ2040-012**  
**District: 2**

## LOCATION





**Request No: ESJ2040-005**  
**District: 3**

**LOCATION**



