



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Joseph Horwedel

SUBJECT: SEE BELOW

DATE: April 30, 2012

Approved

Date

5/9/12

**SUBJECT: INCLUSION OF VTA CORES, CORRIDORS AND STATION AREAS
IN THE CITY OF SAN JOSE AS REGIONAL PRIORITY
DEVELOPMENT AREAS (PDAS)**

RECOMMENDATION

Adopt a resolution to support the designation of VTA Cores, Corridors and Station Areas within the City of San José as Priority Development Areas under the Association of Bay Area Governments (ABAG) FOCUS program.

OUTCOME

Adoption of the proposed resolution will qualify the areas that are included in the VTA's Cores, Corridors and Station Areas, but not yet formally proposed as Priority Development Areas (PDAs) by the City of San José under the regional FOCUS program, to be included in the PDA framework for the concurrent efforts of the regional Sustainable Communities Strategy (SCS), the 2014-2022 Regional Housing Need Allocation (RHNA) methodology, and transportation funding eligibility under the One Bay Area Grant (OBAG) (see map in Attachment A). Designated PDAs may also be eligible for technical, planning, and financial assistance from the FOCUS program to facilitate focused growth with infrastructure and transportation improvements in these areas. As the region's Sustainable Communities Strategy is being developed and refined, a significant share of available regional funding for transportation and other infrastructure will be focused on PDAs to support urban, mixed-use and sustainable development.

BACKGROUND

FOCUS, short for Focusing Our Vision, is a multi-agency, regional planning initiative spearheaded by the Association of Bay Area Governments (ABAG) and the Metropolitan

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Transportation Commission (MTC) in coordination with the Bay Area Air Quality Management District and Bay Conservation and Development Commission. It builds upon regionally adopted smart growth policies and programs and is funded by the State's Regional Blueprint Planning Program. Regional agencies, working with local governments and partners, work to create a specific and shared concept of where growth can best be accommodated within Priority Development Areas (PDAs) and what areas need protection in the region (Priority Conservation Areas).

FOCUS goals support a future development pattern that is compact and interconnected. PDAs seek to accommodate growth as mixed-use, infill development near transit and job centers. Although past emphasis has been on addressing regional housing needs, the FOCUS program was broadened in 2011 to include the potential for designating key employment areas as PDAs in cities with lower than the regional average of jobs per household which includes San José.

Previously Approved PDAs in the City of San Jose

The City of San José is well represented in the FOCUS program. Together, the approved Planned and Potential PDAs in the City of San José represent almost 15,000 acres and comprise one of the largest PDA areas — if not the largest area — of any city in the FOCUS program.

In June 2007, the City of San José submitted an application to the FOCUS program for approval of a San José Consolidated Planned PDA that includes selected Specific Plan areas, BART Station Area Nodes, Transit-Oriented Development Corridors, Development Policy Areas, Neighborhood Business Districts, and other Special Strategy Areas in the San Jose 2020 General Plan. This includes areas such as Alum Rock Avenue, the Berryessa BART Station Area, The Alameda, the Downtown Core and Frame, North San José, and Communications Hill. ABAG approved the San José Consolidated Planned PDA in September 2007, which then helped position the City to win approval of a \$750,000 MTC Planning Grant for the Diridon Station Area Plan in 2008.

In addition, ABAG approved the Potential Priority Development Area in 2007 that includes Cores, Corridors, and Station Areas originally proposed by the Santa Clara Valley Transportation Authority (VTA) together with a Community Design and Transportation (CDT) Program and Manual of Best Practices in 2002 — many of which are located in the City of San José. The San José City Council adopted a Resolution of support of the VTA's CDT Program on September 30, 2003. Inclusion in a Potential or Planned PDA allows such areas to be considered for technical assistance and planning grants administered by agencies associated with FOCUS (i.e., MTC and ABAG).

In 2009, following Council adoption of a resolution on June 23, 2009, staff applied for the designation of the Cottle Transit Village and Shopping Center (the site commonly known as the Hitachi Campus site) as a regional Planned PDA. Inclusion of the Cottle site in the FOCUS program as a Planned Priority Development Area was unanimously approved by ABAG's Executive Board on September 17, 2009.

In December 2011, the City of San José submitted an application to the FOCUS program for approval of thirteen Envision San José 2040 General Plan Growth Areas as a regional Priority

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Development Area, for which application the City Council adopted a resolution in support on January 24, 2012. 11 of the 13 Growth Areas meet the criteria of being within an existing community, near existing or planned transit, and planned for additional housing, and were adopted as Priority Development Areas by the ABAG Executive Board on March 15, 2012. These areas are:

1. Bascom TOD Corridor
2. Bascom Urban Village
3. Blossom Hill/Snell Urban Village
4. Camden Urban Village
5. Capitol Corridor Urban Villages
6. Capitol/Tully, King Urban Villages
7. Oakridge/Almaden Plaza Urban Villages
8. Saratoga TOD Corridor
9. Stevens Creek TOD Corridor
10. Westgate/El Paseo Urban Village
11. Winchester Boulevard TOD Corridor

Two additional Envision Growth Areas meet the FOCUS program criteria for an Employment Center PDA. These two areas are the Old Edenvale Employment Area and the International Business Park Area. Consideration of Employment Center PDAs has been deferred region-wide by the ABAG Board, and is anticipated to be brought forward for discussion in June 2012. If the addition of these two employment areas is approved by the ABAG board the total acreage of the areas designated as a PDA in the City of San José would increase from 15,000 acres to approximately 16,400 acres.

Complete descriptions, area profiles and maps of existing PDAs within the City of San José and throughout the nine-county Bay Area region can be viewed at:

www.bayareavision.org/pda/santa-clara-county/

ABAG Request for City Direction by May 31, 2012, to Confirm Inclusion of VTA Cores, Corridors and Station Areas as Priority Development Areas

Today, there are nearly 200 Priority Development Areas across the Bay Area. The PDA framework is being incorporated into three concurrent efforts—the funding for transportation investments through the One Bay Area Grant (OBAG), the development of the regional Sustainable Communities Strategy (SCS), and the 2014-2022 Regional Housing Need Allocation methodology (RHNA). Funding allocations for the distribution of the OBAG are being finalized and MTC Staff will be presenting a Final OBAG proposal for Commission consideration in May. A Final Draft of the region's Sustainable Communities Strategy (SCS) is underway and anticipated to be released for comment in the late spring 2012 timeframe.

Because the existing set of VTA Cores, Corridors and Station Areas was approved in 2007 as a Potential Priority Development Area without a formal proposal by the jurisdictions in which these Cores, Corridors and Station Areas are located, and because the existing PDA framework is being used as the foundation for these three interrelated regional efforts, ABAG was prompted to return to local city councils to verify local authorization for the inclusion of any and all PDAs at

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the regional level. ABAG and the VTA are jointly requesting that all city jurisdictions provide direction to ABAG through a letter from the City Manager, or through City Council action supporting the program by May 31, 2012, to continue the inclusion of the Cores, Corridors and Station Areas in their respective jurisdictions as Potential or Planned Priority Development Areas.

Regional agencies are committed to securing incentives and providing technical and financial assistance to designated PDAs. Under the draft regional Sustainable Communities Strategy, an even more direct relationship is expected between targeting areas of focused sustainable growth and allocation of regional transportation and other infrastructure funding, making application for inclusion of all appropriate areas within the City of San Jose at this time of vital importance. As noted above, a large portion of San Jose including the Downtown and North San Jose is already included in the FOCUS program, and ABAG's approval of the City's recent application for a PDA designation for specific growth areas makes them prime candidates in the regional FOCUS program. In return, the expectation is that local jurisdictions will commit to expedite development and support local policies that advance sustainable development goals, and, in particular, regional housing goals. San José has done this with the recently adopted Envision 2040 General Plan.

ANALYSIS

City Council Resolution Supporting Priority Development Area Designation of VTA Cores, Corridors and Station Areas.

In order for the City of San José to formally support the inclusion of the VTA Cores, Corridors and Station Areas as regional PDAs within its jurisdiction, ABAG requires that a resolution be adopted by the City Council to show support for their inclusion in the FOCUS process within San José by May 31, 2012. It is important to note that this action is required only for the areas that have not already been nominated as Priority Development Areas by resolution directly by the City (see map in Attachment A). These highlighted portions of the VTA Cores, Corridors and Station Area represent approximately 3,600 acres, an increase of about 22 percent more than the PDA areas already proposed by the City of San José. Council approval of the resolution to include these 3,600 additional lands and transportation facilities as PDAs within San José would insure that these VTA service areas would continue to qualify for funding through the OBAG and other efforts through the SCS. ABAG indicates that the PDA designation of these VTA areas is not expected to significantly alter the housing distribution for a jurisdiction overall.

The City of San José remains in partnership with the Valley Transportation Authority and with other cities and County of Santa Clara in developing a strong regional planning framework, and has been in a leadership role in the ongoing development of the Sustainable Communities Strategy, the creation of the One Bay Area Grant, and the development of the Regional Housing Need Allocation methodology. The City of San José's support for the designation of VTA Cores, Corridors and Station Areas as PDAs strengthens both that partnership, and the City of San José's position for qualification for its fair share of regional transportation monies.

EVALUATION AND FOLLOW-UP

Future funding and policy direction decisions related to the Sustainable Communities Strategy (SCS), One Bay Area Grant (OBAG), and the PDAs will be brought to Council for consideration as needed.

POLICY ALTERNATIVES

Alternative #1: The City Council may choose not to adopt the resolution.

Pros: None

Cons: The VTA Cores, Corridors and Station Area PDAs located within San José may not be eligible for technical and financial assistance opportunities provided by FOCUS, and may not be eligible for infrastructure and transportation funding targeted to Regional PDA areas in the future.

Reason for not recommending: The City will be less competitive for transportation and other infrastructure funding, and will lose the potential to obtain assistance for plans that the City has already begun implementing in accordance with FOCUS program goals and will be

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)**

Although this action does not meet any of these criteria, inclusion of VTA Cores, Corridors and Station Areas as Priority Development Areas is consistent with land uses identified in the Envision San José 2040 General Plan. After a four-year process, the City of San José City Council adopted a comprehensive Update of the City's General Plan through approval of the Envision San José 2040 General Plan on November 1, 2011. The development of the Envision Plan was achieved through a successful process based on significant involvement of the community members, property owners and other interested stakeholders. Over the four years of the development of the Envision General Plan, there were 51 public Task Force meetings, seven community workshops, two on-line survey opportunities and over 125 additional outreach meetings. In addition to participation by the 35-member Council-appointed Task Force, City staff, and regularly-attending community members, over 5,000 community members contributed to the General Plan Update through on-line or conventional engagement opportunities. Several

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hundred attendees at the workshops had opportunity to work with Lego blocks to consider preferred locations and form for the proposed new growth.

The proposed support for the PDA comprised of VTA Cores, Corridors and Station Areas not already proposed by the City of San José for inclusion in the FOCUS program, is consistent with the growth areas and transportation network identified on the Envision Land Use/Transportation Diagram.

COORDINATION

San José's participation in the FOCUS process has been coordinated with the City of San Jose Department of Transportation, and the City Attorney's Office. The Envision San Jose 2040 General Plan Update, with which this PDA proposal is consistent, was also coordinated with the Housing Department, the Office of Economic Development, the Redevelopment Agency, and other City Departments, as well as the Santa Clara Valley Transportation Authority, and the County of Santa Clara.

FISCAL/POLICY ALIGNMENT

This project is consistent with applicable Envision San José 2040 General Plan Major Strategies, goals, and policies.

CEQA

Envision San José 2040 Final Environmental Impact Report, adopted on November 1, 2011, Resolution No. 76041.

/s/

JOSEPH HORWEDEL, DIRECTOR
Planning, Building and Code Enforcement

For questions please contact Laurel Prevetti, Assistant Director, at 408-535-7901.

Attachment A: Map of VTA Cores, Corridors and Station Areas not already submitted as PDAs by the City of San José

City of San Jose
 Proposed Priority Development Areas in San Jose
 Adopted by the Valley Transportation Authority per the
 Countywide Cores, Corridors, and Station Areas Program

