



# Memorandum

**TO:** City Council

**FROM:** Mayor Ron Gonzales  
Councilmembers Gregory  
Cortese and Williams

**SUBJECT:** Proposed Framework for  
Evaluating Proposed Conversions  
of Employment Lands

**DATE:** April 5, 2004

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Approved

Date

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## RECOMMENDATION

We recommend the following criteria be added to the conversion framework approved by the Mayor and City Council on Tuesday, March 30, 2004.

### 1. Public Benefit

The public benefits of a project could be considered when they are significantly more than the minimum standards (required mitigation) of a conversion project. Most public benefits are not addressed at the General Plan stage of review, but if the applicant is making this information available then staff should include it in its evaluation of the project. For example, all residential projects are required to address park impacts either through mitigation or by dedicating land. Some projects must pay for other significant impacts such as fire stations. A project that proposes to convert land from industrial to residential and is following the minimum standard would not be significant enough to be included in the evaluation. However, if a proposed conversion would convey a significant amount of land to the public for a use that is not a direct mitigation (police substation, fire training facility, etc.) then a conversion may be considered. Other public benefits are priorities that have been previously identified by the Mayor and City Council. Public benefits could include:

- Significant contributions towards a major public facility such as a police substation, fire training facility or community center
- Infrastructure improvements
- Creation of affordable housing
- Improvements to a blighted area
- Variety of housing types including home ownership versus rental housing in areas that have predominantly one or the other

## 2. Smart Growth

### A. Transit-Oriented Development

San Jose has an existing land use policy that encourages transit-oriented development around current and proposed BART station locations and light-rail stops, and other public transportation hubs and corridors. The City's TOD policy should be a factor for subareas with potential BART stations and light-rail stops. These would include:

- *Northeast San Jose Subarea east of Coyote Creek:* Consider housing near the Berryessa BART station consistent with our Transit Oriented Development policies
- *Northern portion of Central San Jose I Subarea:* Consider conversion to housing consistent with the existing neighborhood, the BART Station Node, and the City of Santa Clara's conversion to housing within the portion of this subarea west of the railroad tracks and north of I-880.

### 3. Add the following language to *Framework Element #3: Subareas to Preserve for Driving and Business Support Industries:*

Potential conversions should be considered for approval in subareas where conversions of industrial lands to residential may:

- complete a transition to existing neighborhoods within or adjacent to the subarea, or
- buffer and provide uniformity to an existing neighborhood within or adjacent to the subarea or
- further the City's smart growth policies or
- aid in revitalizing declining neighborhoods within or adjacent to the subarea.

### 4. In addition to the criteria approved, staff shall add to *Framework Element #4: Criteria for the evaluation of proposed conversions to housing, mixed-use, retail, and/or other Household Serving Industries:*

#### A. Promote pedestrian access

Opportunities exist to provide residential uses near jobs and commercial lands promoting pedestrian access and minimizing vehicle trips. Recognize that certain areas can effectively utilize commercial land uses as important transitions, thereby protecting existing industrial lands from potential conversions.

#### B. Residential and commercial mixed-use drivers

New residential projects are sometimes necessary to improve and support neighborhood and general commercial uses. The criteria should recognize residential conversions that improve and support neighborhood and commercial uses. The conversion criteria should also consider mixed-use projects that include commercial and residential on one-site.

C. Areas in transition

Throughout the study area are small islands and peninsulas of industrially zoned land that would be suitable for conversion to residential to make them consistent with surrounding uses.

5. In areas of the City that are not covered by this study and have a long-term regional planning effort that include industrial areas, Council approved triggers and requirements are still applicable. When the planning efforts' vision and land use plans are adopted and it shifts into the implementation phase, General Plan conversions must balance the overall goal of that planning area with creative smart growth opportunities.

6. Staff shall provide a report and evaluation on the progress, outcome and impact of the *Framework for Evaluating Proposed Conversions of Employment Lands*. The report should come to the City Council during the General Plan Amendment Hearings in summer, 2005. The evaluation should include a recommendation on how often to review and update subareas.

**BACKGROUND**

By providing greater clarity and certainty to our business community regarding future residential, commercial and industrial development will help the community achieve our long-term vision for how and where San Jose should grow jobs and protect neighborhoods. This vision must consider not only the San Jose and the economic challenges and opportunities we know today, but also the community, residents, and employers we hope to provide over the next 50 or 100 years.

Historically San Jose has served as the bedroom community for other Silicon Valley communities that have not provided adequate housing to balance the jobs that have been created, and we remain the regional leader in creating housing with 4,000 new homes every year. As policy makers, however, we must balance the need for more housing with the need to protect our community's job base that secures our economy.

Staff's recommendations and supporting reports address policy issues on a comprehensive and macro level. When the Mayor and Council are reviewing a General Plan amendment application that is converting land from its existing use, further

understanding of the surrounding existing uses is a critical factor in evaluating the application. It is important to understand the land use trends in the immediate area surrounding the property. Flexibility in addressing trends in subareas and the ability to utilize conversions as a tool to promote, revitalize and complete existing neighborhoods is important. It can reduce the existing and future incompatible land uses while promoting the investment that prevents further decline of older residential, encourages new job areas and attracts new retailers to San Jose.

Establishing a framework for proposed conversions of industrial lands to residential or commercial uses is extremely important for the future of San Jose, its economy, and its quality of life and prosperity for our residents. The framework approved by the City Council on March 30, 2004, and supplemented by these recommendations provides a clear context for General Plan Amendment applications and surrounding uses beyond the typical 500 ft. This framework is a helpful guideline to measure the cost/benefit and merits of each application.