



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Cohen

SUBJECT: SEE BELOW

DATE: August 12, 2025

Date: 8/7/2025

Approved:

SUBJECT: PDC25-016, T25-006, PD25-008 & ER25-080 - Planned Development Rezoning, Vesting Tentative Map, and Planned Development Permit for Certain Real Property Located at 1655 Berryessa Road.

RECOMMENDATIONS:

To achieve the plan and the timeline described above, we direct the Administration to advance a process and bring forward to Council any needed approvals to achieve the following:

1. The City will own in fee title all of Block E, which contains the wetland and the public recreation/open space, as conceptually depicted in the exhibits below.
2. DPW and Finance will work with the Facchino Master Developer to form a Community Facility District to assess all of the residential development on Blocks A, B, C, D, F & G (below) at a level that will provide adequate funding for ongoing maintenance and management of the wetlands area and public recreation/open space area. This will be a second CFD for this area, in addition to CFD 15.
3. DOT will be responsible for oversight and management of the wetland area, utilizing the funds from the future CFD. DOT can decide whether to perform these maintenance functions in-house, require a third-party property manager to do the work, or a combination of approaches.
4. PNRS will be responsible for the oversight and management of the public recreation/open space area, utilizing funds from the CFD. PNRS can decide whether to perform these maintenance functions in-house, require a third-party property manager to do the work, or a combination of approaches. The project will enter into a Turnkey Park Agreement for the development of the public recreation areas of Block E. The project will get full park credit for the dedication and development of the public recreation area of Block E.
5. The Facchino Master Developer will fund and construct all of the improvements on Block E - both the wetland and the public recreation/open space.
6. If desired by City Departments, the property owner of Blocks F&G can be assigned the responsibility of coordinating and implementing the maintenance functions on Block E, utilizing the proceeds of the future CFD and under agreement with the City.

BACKGROUND

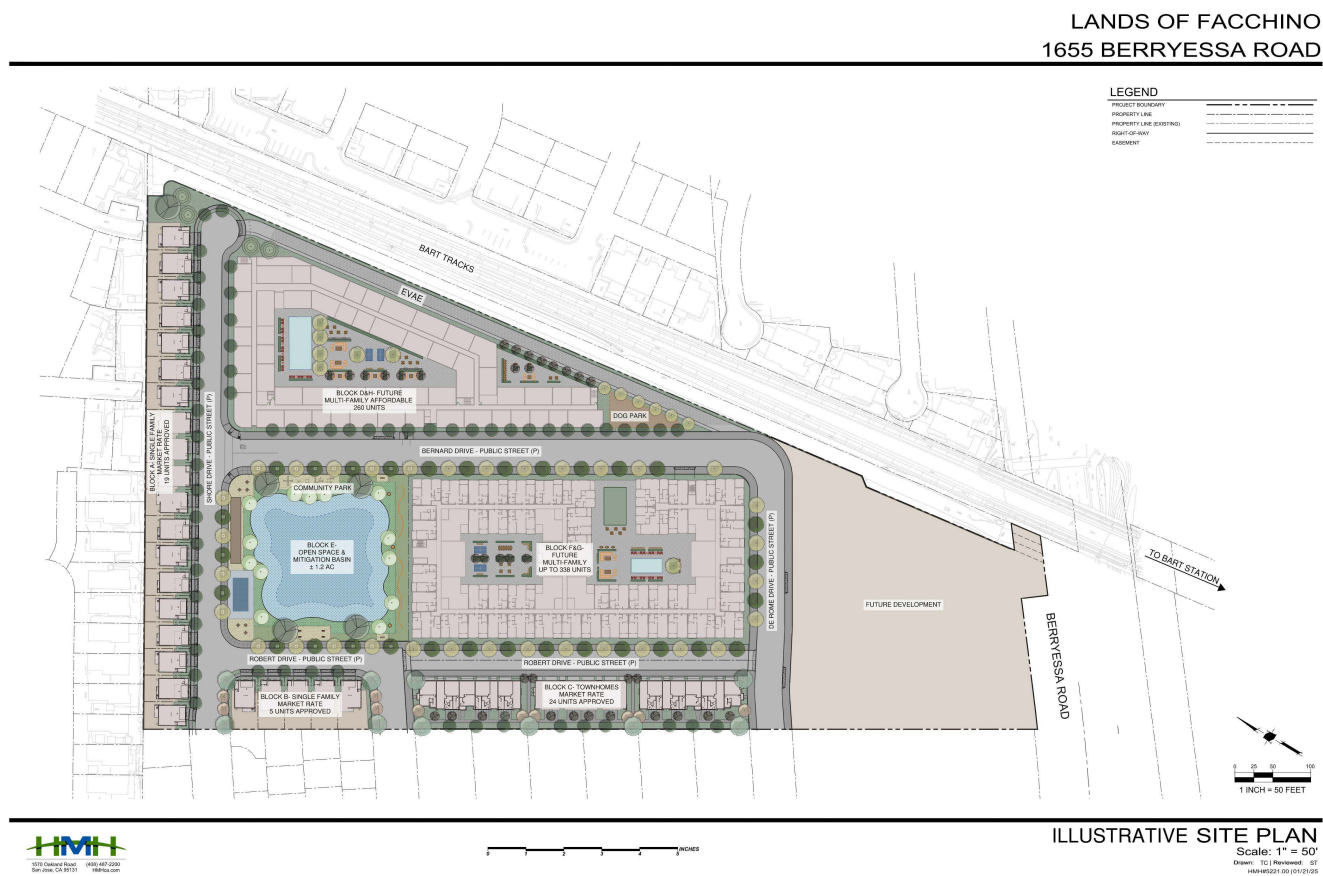
The Facchino Development is a key housing project consistent with the Berryessa BART Urban Village Plan, and it comes at a critical time for San José as we face an urgent need for affordable and market-rate housing. The project includes a 260-unit affordable housing development currently moving toward financial close within the next six months, backed by tens of millions in investment from the Housing Department. It also unlocks an additional 400–500 market-rate residential units.

A long-planned public open space will be located on Block E. Due to a determination by the Regional Water Quality Control Board that an existing industrial drainage ditch on site is a wetland, the project must now incorporate a restored natural wetland into the Block E public space.

The Water Board requires a permanent funding source for long-term wetland maintenance. To meet this need, the developer proposes forming a new Community Facilities District (CFD), which would collect property tax assessments from surrounding new development to pay for ongoing maintenance of the wetland and public open space. The CFD statute requires public ownership of the facilities it funds, which is why the City must own Block E.

The Water Board will issue approved Waste Discharge Requirements (WDR), which will clearly detail the routine and long-term maintenance requirements of the wetland. This will allow for an accurate budget to calculate the CFD assessments.

The project is on an extremely limited timeline. To retain affordable housing funding, demolition and grading must begin by October 1, 2025, and a Final Map must be recorded by November 28, 2025. Swift Council action is required to keep this crucial and strategic housing project on track.



FACCHINO WETLAND PARK CONCEPT

ILLUSTRATIVE LANDSCAPE CONCEPT

Project No: 5221.00
Drawn By: ST
Reviewed By: ST
Date: 2/18/2025

