

City Council Hearing Downtown West Mixed-Use Plan

Tuesday, May 25, 2021

Rosalynn Hughey, Nanci Klein, Lori Mitchell, Rachel VanderVeen, Jessica Zenk,
Nicolle Burnham, Lori Severino, and John Tu

GP19-009, PDC19-039, PD19-029, PT20-027, HL20-004, HL20-005 & HP20-002

Agenda

1. Downtown West – *item 10.2*

- a) Staff presentation: background, project overview by topic, and Community Benefits
- b) Applicant presentation
- c) Public Comment
- d) Council discussion

2. City's Amended Diridon Station Area Plan (DSAP) and City's Diridon Affordable Housing Implementation Plan (AHIP) - *items 8.1 and 10.3 combined*

- a) Staff presentation – DSAP
- b) Staff presentation – AHIP
- c) Public Comment
- d) Council discussion

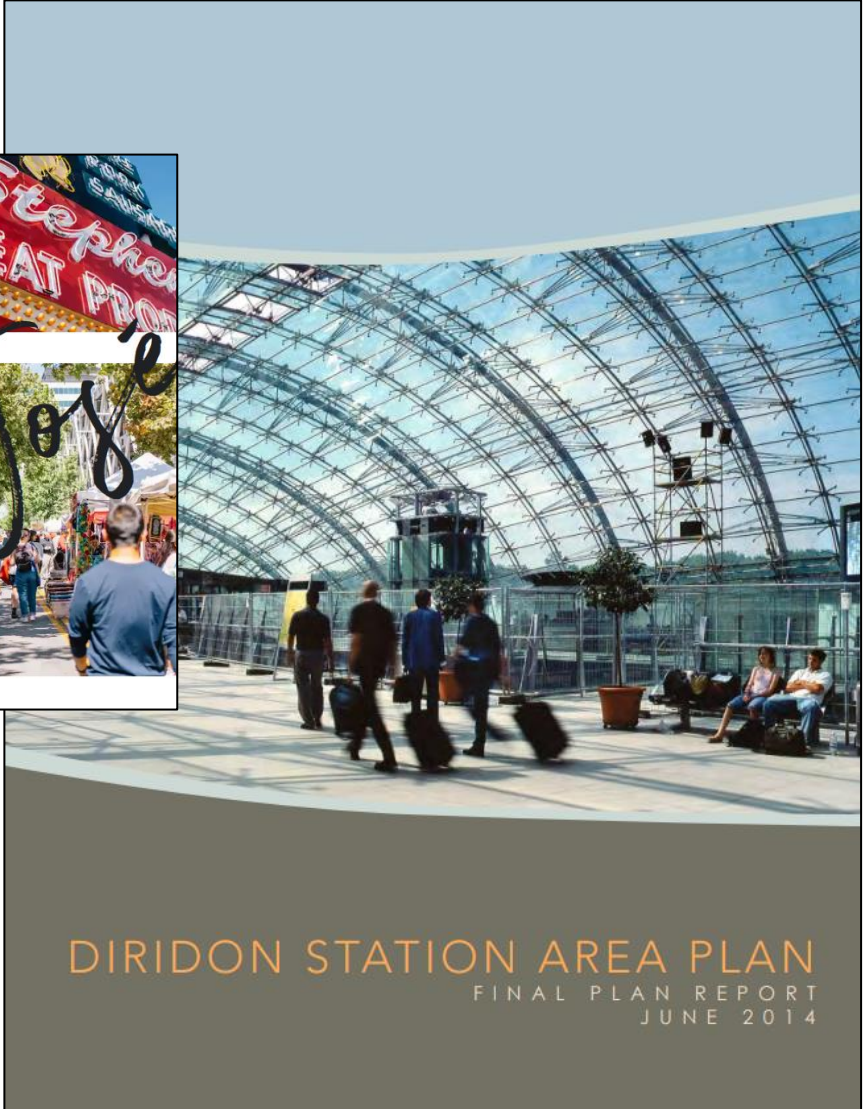
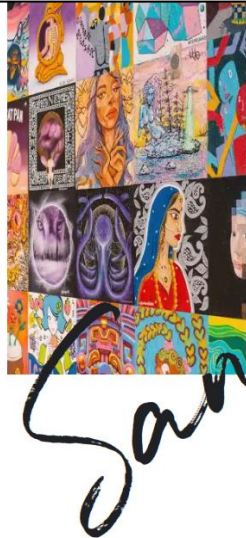


Creating Places for People



A place
inspired
by San José

We're working together to imagine this part of downtown — one that draws from San José's culturally-rich history, vibrant personality and innovative spirit.





Create a **balanced** development
 Capitalized on transit **synergy**
 Optimize density & **mix of uses**
Grow & preserve housing
 Create broad job **opportunities**
 Pursue **equitable** development
 Design for **human** scale
 Enhance & connect the **public** realm
 Pursue **excellence** in design
 Maximize use of **public transit & minimize parking**
 Pursue excellence in transit **access & operations**
 Optimize **sustainability**
 Be open to **innovation**
 Proceed with **timely** implementation
 Participate in **fair share** development
 Pursue **progressive hiring & wage** practices
Community engagement regarding community benefits
 Support & collaborate with **local schools**

Google

City Council's direction on top Community Benefit priorities:

- 1) Affordable housing
- 2) Anti-displacement (community stabilization)
- 3) Jobs/education/opportunity

2018

- City establishes SAAG and conducts public engagement
- Desired Outcomes in 2018 Report
- Memorandum of Understanding (MOU) with Google

2019

- Pre-application input
- Google submits initial "Downtown West" application
- AB 900 certification of the project
- Environmental scoping

2020

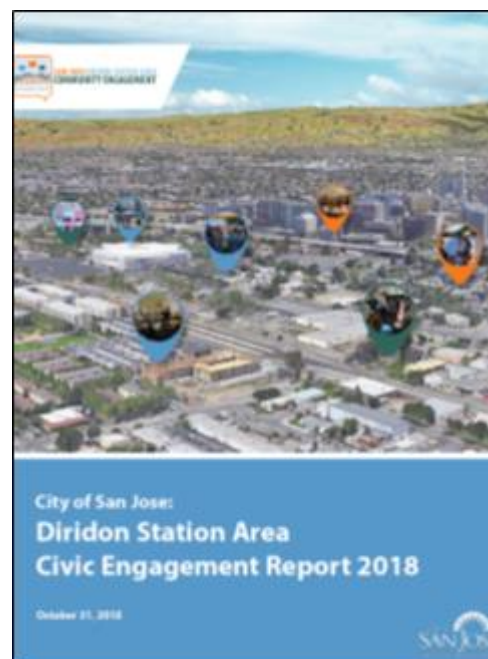
- Online survey, including community benefit priorities
- Updated "Downtown West" submittal, including Draft Design Standards and Guidelines
- Draft Environmental Impact Report (EIR)

2021

- Staff-recommended Draft Development Agreement
- Final EIR
- Public hearing process

Since February 2018...

- **19** Station Area Advisory Group (SAAG) meetings
- **14** SAAG small group discussions
- **30+** Community Meetings and Partner Events
- **3** online surveys with **~2,260** responses
- over **300** online feedback forms submitted
- **~93,000** page views and **36,000+** unique visitors on diridonsj.org
- **9** pop-ups at community events
- **5** virtual office hours
- **Many** meetings with community groups and stakeholders



Resolutions

1. Downtown West (DW) Environmental Impact Report (EIR)
2. Airport Land Use Commission (ALUC) Override
3. General Plan Amendment (GPA)
4. Diridon Station Area Plan (DSAP) Amendment
5. Planned Development Permit (PD)
6. Vesting Tentative Map (VTM)
7. Major Encroachment Permits for District Systems
8. Major Encroachment Permits for Streetscape Improvements
9. Construction Impact Mitigation Plan (CIMP)
10. Historic Preservation Permit Amendment (HPA)

11. Amendments to San José Water Works City Landmark & Southern Pacific Depot City Landmark boundary
12. Partial Street Vacations of South Montgomery Street, Otterson Street, Park Avenue, Cinnabar Street

Ordinances

13. Title 20 Amendments
14. Planned Development Rezoning (PDC)
15. Development Agreement (DA)

Other

16. Accept staff's recommendations on the allocations of Google's early payment of \$7.5 million and of up to \$22.3 million in Community Benefits funding over time

- City circulated the Draft EIR for public review from October 7, 2020 to December 8, 2020 (62 days, 17 days more than the required 45 days)
 - 34 comment letters received
- The First Amendment to the Draft EIR, containing responses to all comments and minor revisions to the Draft EIR text and figures, was published on April 16, 2021.
 - 1 comment letter received on the First Amendment to the EIR
- Topic Areas with Significant Unavoidable Impacts: Air Quality, Cultural/Historic Resources, Land Use, Noise, and Population & Housing
- Evaluates Alternatives to Project which avoid or minimize identified Significant Unavoidable Impacts

Supports 25% Affordable Housing Goal	\$154.8M for Equity-driven Programs	Leadership in Sustainability, Resilience, and Ecology	Substantial Investment
<ul style="list-style-type: none"> • Exceeds City's baseline Inclusionary Housing requirement • Includes land dedication, fees, and affordable units integrated on-site • Supports production of ~1,000 units in the DSAP affordable to a range of incomes¹ • Early delivery of land to accelerate affordable housing 	<ul style="list-style-type: none"> • \$154.8M for new Community Stabilization and Opportunity Pathways Fund • Unique community-led fund governance model • Early payment of \$7.5M for job readiness and community stabilization to support existing City strategies 	<ul style="list-style-type: none"> • 15 acres of parks and open space • Innovative District Systems approach to utilities • Zero net new greenhouse gas emissions, advancing climate action and sustainability • \$30M for transportation, plus shared parking and DISC coordination • Ecological enhancements and historic preservation 	<ul style="list-style-type: none"> • \$200M for Community Benefits focused on equity and community needs • \$1 billion in voluntary project features

(1) Includes the Autumn Street site. The City is considering changing the land use designations and zoning of the Autumn Street site (located outside of the Downtown West project site but within the Diridon Station Area) to allow for residential uses and approximately 200 affordable housing units, subject to subsequent clearances and discretionary approvals.

- The Development Agreement is legally binding and enforceable
- Requires an annual review of the performance and compliance by the Planning Director and a report to the Planning Commission
- The City cannot force Google to build, but the Development Agreement includes requirements for performance to maintain Development Agreement rights
 - Milestones at 10 or 20 years, which respectively require completion of 2 and 4 million GSF of office or payment of Community Benefits on the equivalent amount of office
- In addition, Google is limited to transferring office development rights/land to no more than 40% of constructed office square footage to ensure growth of jobs and tax base

Affordable Housing and Anti-Displacement: Strategies support the "3Ps" approach

PRODUCTION

Construct new affordable units with public subsidies and private sector contributions



PRESERVATION

Preserve existing housing as permanently affordable to lower- and moderate-income households



PROTECTION

Enact policies & run programs to protect vulnerable households from displacement



Affordable Housing Requirements	Community Benefits
Land dedication of 3 sites for a range of incomes (600 units extremely low-, very low-, and low-income)	Land dedication of an additional site that could potentially support 200 units (extremely low-, very low-, and low-income) ¹
Moderate-income (170 units at 100% of area median income (AMI)) integrated with market-rate housing	Additional 30 units at 100% AMI, integrated with market-rate housing
Payment of Commercial Linkage Fees	

Total value of affordable housing investments = \$183 million

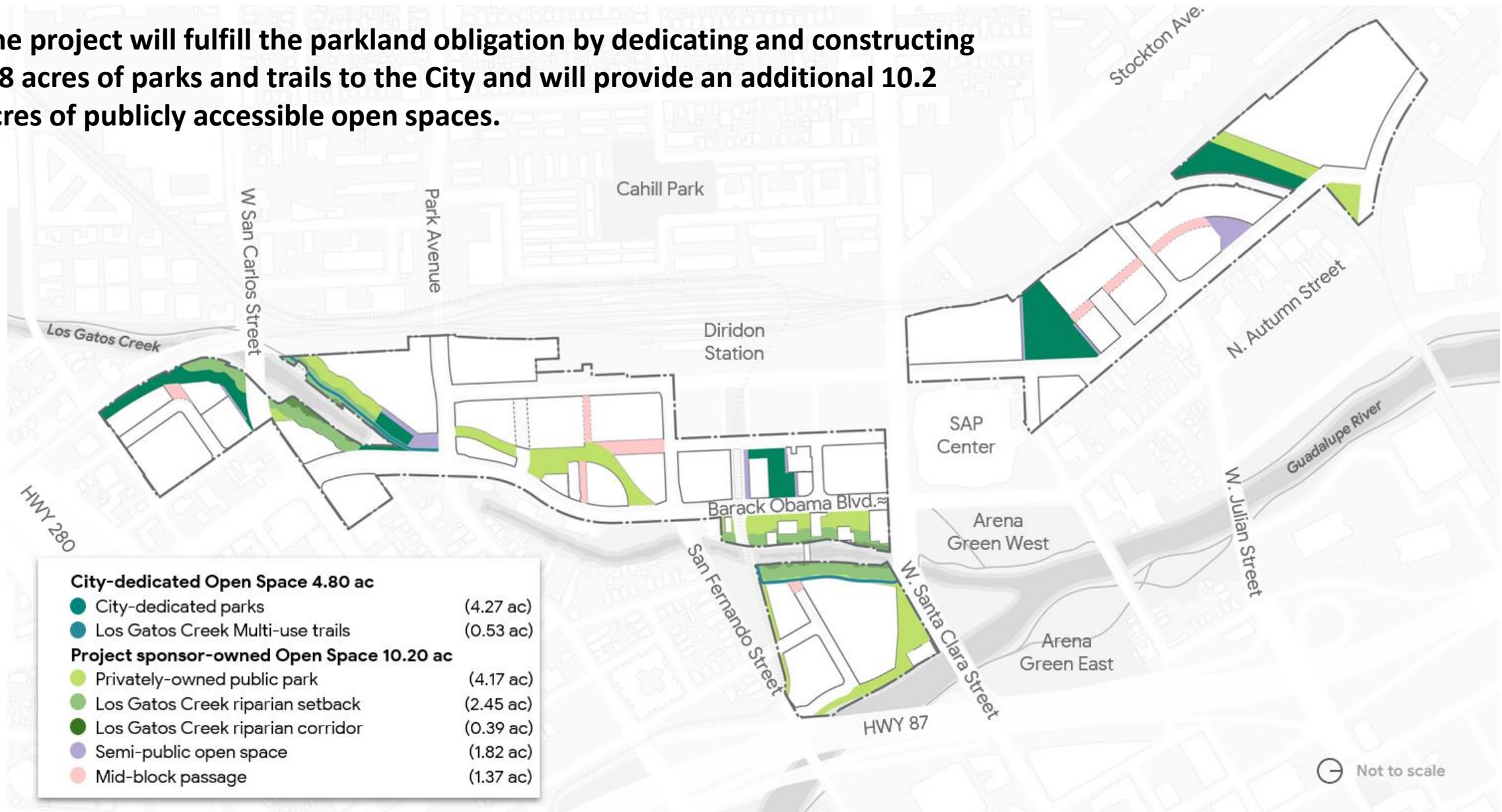
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Note: AMI = Area Median Income

The project will fulfill the parkland obligation by dedicating and constructing 4.8 acres of parks and trails to the City and will provide an additional 10.2 acres of publicly accessible open spaces.



District systems in tandem with the City networks will provide resources across the entire development

- Underground "Utilidor" to deliver Wastewater, Recycled Water, Energy and Electricity via Microgrid
- Located mostly on private sites; public crossings to be covered by Encroachment Agreement

Infrastructure Improvements

- Upsizing of surrounding storm and sanitary sewer systems
- Other major improvements such as reconstruction of West San Fernando Street bridge and Los Gatos Creek channel improvements

Electric Microgrid

Advanced Electrical Distribution System Microgrid Proposed

- Consistent with development goals and Council priority for increased energy resiliency
- **Multiple options for electric service delivery**
- **Construction funded-performed by Google on all options**
- DA defines a pathway to for City option (Appendix J)
- **Additional analysis of City Option to be completed** (business plan, risk/benefit assessment, draft agreements) for Council consideration in Fall 2021
- **Evaluation of options funded by Google with selection of final option in 2022** based on best alignment with development schedule and goals

Three Options for Microgrid Service*

1. PG&E retail/Community Microgrid Enablement Program (CMEP) service

2. City-provided service

3. Private (Google-provided) service

**All three options will be enabled through the entitlement to maintain flexibility*

Sidewalk designed for people, Protected bikeways with planted buffers, Mobility hubs with improved public transit, Built-in flexibility, Shared Streets for all modes, Roadway Network, Transportation Improvements, Shared Parking

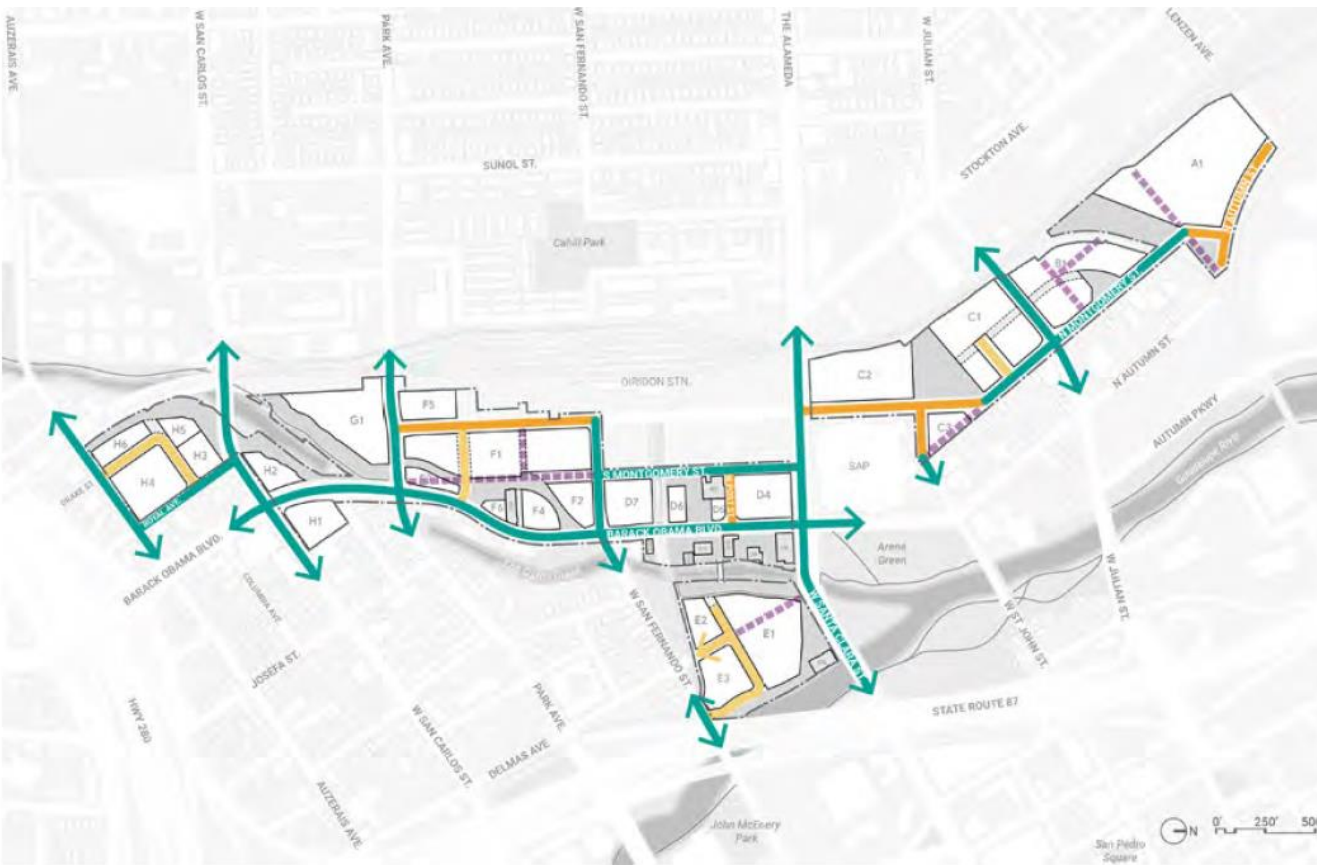


FIGURE 6.2: Street network

- █ Existing public street network
- █ New public streets
- █ Removed / relocated public streets
- █ New private streets

***NOTE:** On January 6, 2021, City Council approved a proposal to rename portions of North Autumn Street, South Autumn Street, and South Montgomery Street to Barack Obama Boulevard.



BUS STOPS AND LAYOVER ZONES



BICYCLE AND SCOOTER SHARE



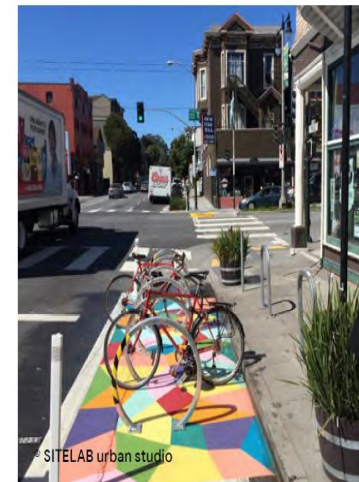
ACTIVE USES WITH OUTDOOR SEATING



PARKLET

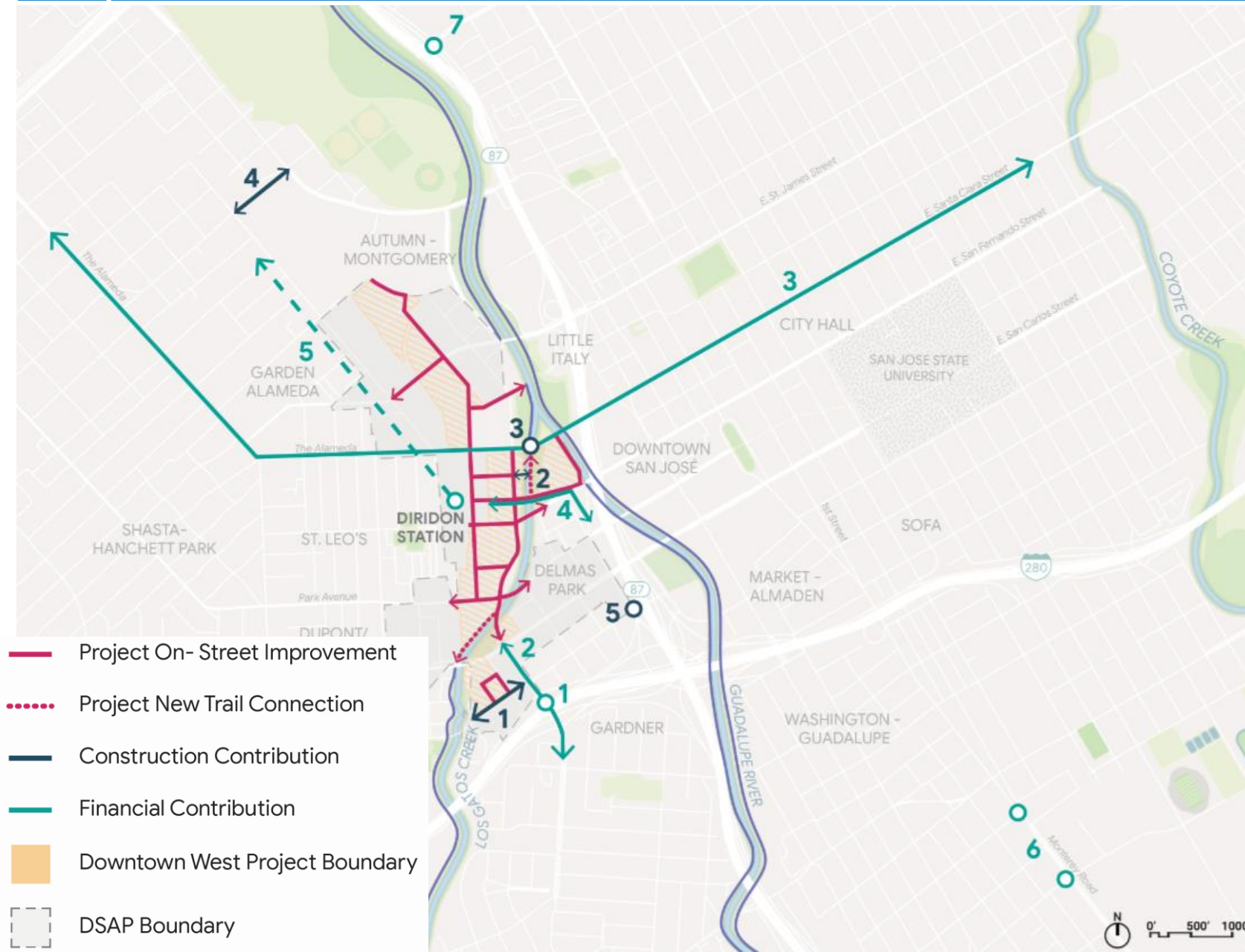


CLASS IV PROTECTED BIKEWAY



SHORT-TERM BIKE PARKING

FIGURE 6.52: Examples of mobility hub supportive amenities and elements



LTA Construction

- 1** Auzerais Ave
Protected Bikeway
- 2** Footbridge over Los Gatos Creek
- 3** W Santa Clara St
Controlled At-Grade Crossing Connecting the LGC Trail
- 4** Coleman/Taylor
Multimodal Gap Closure
- 5** Auzerais Ave / Delmas
Sidewalk Extension
- 6** Multimodal and Neighborhood Transportation Management Improvements and Transit Studies at the Discretion of the City

LTA Financial Contribution

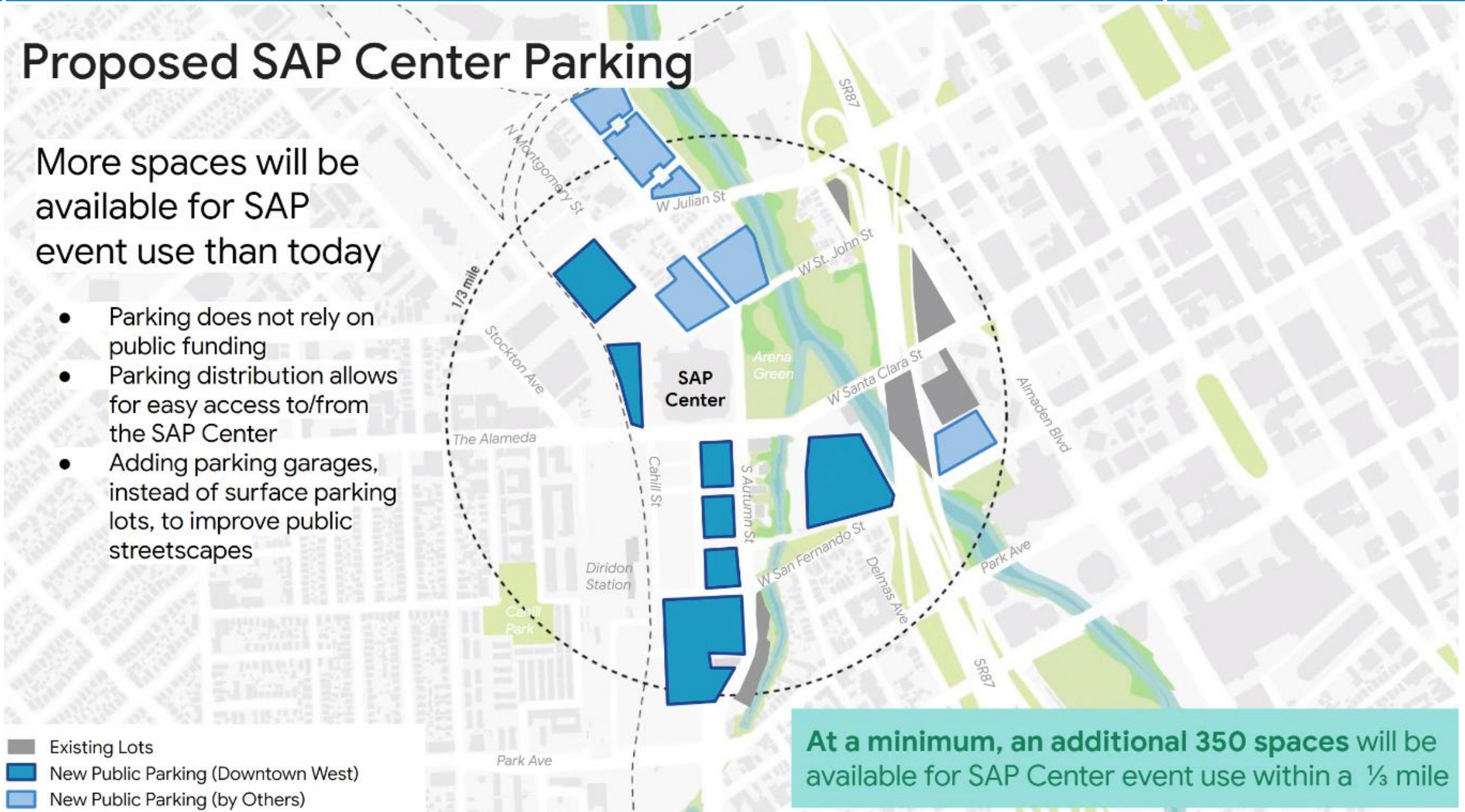
- 1** Barack Obama Boulevard / I-280
Multimodal Improvements
- 2** Barack Obama Boulevard
Protected Bikeway
- 3** Santa Clara (I-880 to 17th)
Public Service Lanes Study
- 4** Light Rail
Transit Improvement Study
- 5** Airport / Diridon / Stevens Creek
Connector Study
- 6** First Ave & Alma Ave / Goodyear St
Multimodal Improvements
- 7** Taylor / SR 87
Interchange Improvements

- Shared, publicly-accessible parking in conjunction with commercial development (At least 4,000 spaces and up to 4,800 at full build-out)
- At any given time during Downtown West construction, at least 2,850 parking spaces must remain available to SAP Center patrons
- Residential parking will be rented or sold separately to lower housing costs for those who choose to live without a car
- Neighborhood Parking and Traffic Monitoring Plan to identify and address parking spillover and/or neighborhood traffic issues

Proposed SAP Center Parking

More spaces will be available for SAP event use than today

- Parking does not rely on public funding
- Parking distribution allows for easy access to/from the SAP Center
- Adding parking garages, instead of surface parking lots, to improve public streetscapes



Transportation Demand Management (TDM) plan to manage traffic and emissions, ultimately limiting solo occupancy vehicle trips to a maximum of 35%, with penalties up to \$5M/year for non-compliance



**PED & BIKE
IMPROVEMENTS**



**LIMITED PARKING
LIMIT, MARKET-RATE,
UNBUNDLED PARKING**



**COMMUTER BENEFITS
OR TRANSIT FARE
SUBSIDIES**



**BIKE PARKING AND
STORAGE**



RIDESHARE



**CARPOOL + VANPOOL
PARKING**



**FIRST/LAST MILE
SUBSIDIES**



**DESIGNATED
RIDE-HAILING
WAITING AREAS**



**TRAFFIC CALMING
MEASURES**



**EXPRESS BUSES
OR COMMUTER SHUTTLE
SERVICES**

- City and Google value the Sharks and SAP Center
 - City and/or Google have met with SSE roughly 75 times since early 2019
 - To support the SAP Center, multiple consultants have conducted extensive supplementary analysis
 - City has made several changes to the project documents in response to SSE comments
- Key findings:
 - The project supports the City's compliance with the AMA parking requirements
 - At buildout, there would be more spaces available to SAP Center patrons than today
 - More than 4,000 parking spaces can exit within 30 minutes
 - Vehicles traveling to the SAP Center on event days may experience up to seven minutes of additional travel time compared to non-event days
 - The average vehicular travel time to the SAP Center after Downtown West's buildout is expected to be within the range of travel times observed in 2019

Overall Public Benefits

City Requirements		Community Benefits (Negotiated)		Voluntary Project Features
IHO Land Dedication	\$40.5M	Community Stabilization and Opportunity Fund	up to \$154.8M	10% construction DBE goal, 30% local hire goal
IHO Moderate Units	\$39.8M	Early Payment for Jobs/Community Stabilization	\$7.5M	10.2 ac. of open space & funded ongoing programming
Commercial Linkage Fee	\$87.6M	30 Additional Moderate-Income Units	\$7.0M	4,000 housing units
Parks and Open Space	\$55.8M	Land Transfer to the City ¹	\$8.4M	Multi-modal transportation improvements
Transportation Improvements	\$30.0M	Currently Unallocated Commitment	up to \$22.3M	Net zero energy
Plus: Green building code, TDM program, impact fees, ongoing taxes				Infrastructure for 80 acres delivered without public financing
Subtotal	\$253.7M	Subtotal	\$200.0M	Subtotal: \$1B+

(1) The City is considering changing the land use designations and zoning of the Autumn Street site (located outside of the Downtown West project site but within the Diridon Station Area) to allow for residential uses and approximately 200 affordable housing units, subject to subsequent clearances and discretionary approvals.

Composition of the Community Advisory Committee for the new Community Stabilization and Opportunity Fund:

- Balanced mix of perspectives, experiences, and subject area expertise with 13 voting members (5 with lived experience and 8 with technical expertise), all of whom must either:
 - live in or own a business in San José
 - have a history of conducting work in San José in relevant areas
 - or otherwise have a meaningful connection to San José
- All need to demonstrate commitment to furthering City's goals (i.e., anti-displacement, workforce development, racial equity, education)
- The Committee must collectively reflect the racial/ethnic, economic, generational, and other diversity of the City of San José
- Will include non-voting members: 3 City representatives, 1 Google, and potentially representatives from other major funders

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Staff Recommendations

\$7.5 Million of Early Funding

\$3 Million*: Community Stabilization and Ownership Programs

(including tenant education/outreach, eviction protection services, land trust predevelopment/ feasibility)

\$3.25 Million: Scholarships and Job Training *(including scholarships/training for at-risk youth/ adults; childcare to support workforce participation)*

\$1 Million: Neighborhood Programs to Support Economic Recovery/Resilience

(in and around the DSA)

\$250,000: Funding to Initiate Community Stabilization and Opportunity Pathways Fund, including first Five-year Strategic Plan (Governance/Management)

* Google would make this payment 30 days after Council Approval. The other \$4.5 million would come 120 days after Final Approval (following resolution of litigation, if any).

Staff Recommendations

Up to \$22.3 Million of Funding Over Time*

\$10.3 Million: Educational Opportunity (*including College/Career Readiness, College Scholarships, STEAM*)

\$7.5 Million: Community Stabilization Programs (*including Ownership models, Homeless Outreach and Street-Based Services*)

\$2.5 Million: Early Childhood Education and Childcare Support

\$2 Million: Seed Funds for Neighborhood Programs in and around the DSA to Support Economic Resilience

* Google would pay the City \$3.05/sq ft at Temporary Certificate of Occupancy for each office building.

Adobe Systems
Alameda Business Association
Cahill & Georgetown Home Owners Associations
California High Speed Rail Authority (staff)
CalTrain (staff)
Delmas Park NAC
Gardner Neighborhood Association
Google
Greenbelt Alliance
Guadalupe River Park Conservancy
Law Foundation of Silicon Valley
Lofts on the Alameda
Market Almaden Neighborhood Association
Minority Business Consortium
North Willow Glen Neighborhood Association
PACT
Plant 51
San Jose Downtown Residents Association (3 seats –
Homeowner, Renter, and Former Homeless Resident)

San Jose Downtown Association
San Jose State University
San Jose Unified School District
Santa Clara & San Benito Counties Building and
Construction Trades Council
Santa Clara County
Santa Clara Valley Transportation Authority
Santa Clara Valley Water District
SAP at San Jose
Shasta Hanchett Park Neighborhood Association
Silicon Valley Bike Coalition
Silicon Valley Leadership Group (SVLG)
South Bay AFL-CIO Labor Council
SPUR
St. Leo's Resident
SV Rising
SV@Home
The Silicon Valley Organization
Working Partnerships USA

Outreach/Engagement Partners (City Grantees)

African American Community Service Agency

Business Circle LatinX by Prosperity Lab

Catalyze SV

Friends of Caltrain

San Jose Jazz

SOMOS Mayfair

Trinity Episcopal Cathedral



CATALYZE SV



TRINITY
EPISCOPAL
CATHEDRAL
IN THE HEART OF SAN JOSÉ



***And many more organizations and community members –
thank you!***

City Manager's Office

Rosalynn Hughey – Deputy City Manager

Kim Walesh – *former Deputy City Manager*

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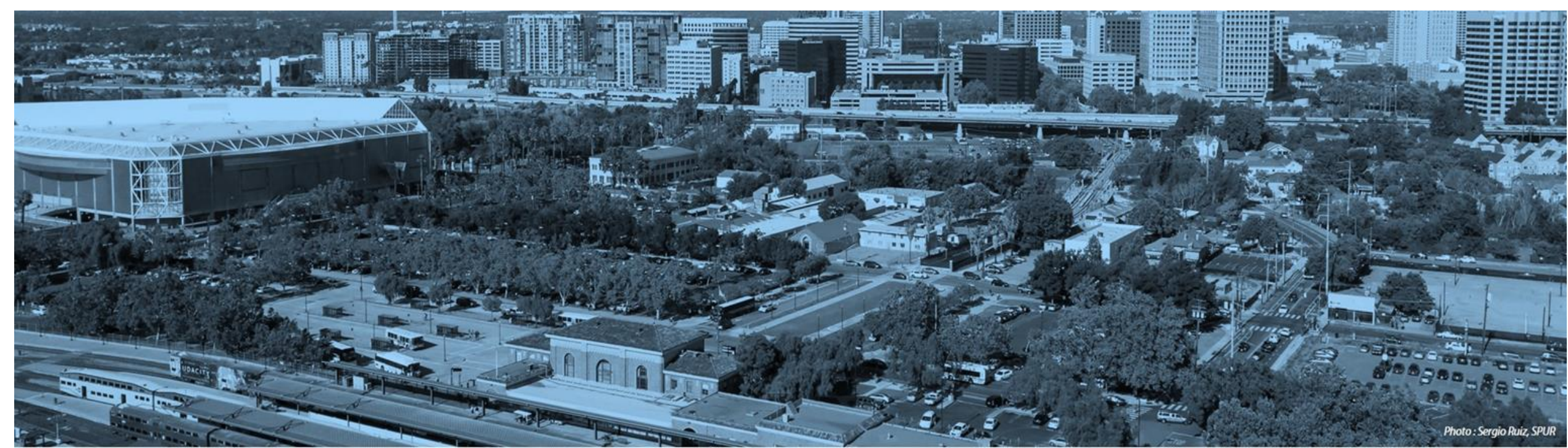
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BlueScape Environmental



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Tuesday, May 25, 2021 | 1:30 PM