

# Memorandum

# TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Chris Burton

SUBJECT: See Below

Approved

DATE: November 18, 2024

Date 11/25/2024

COUNCIL DISTRICT: Citywide

# SUBJECT: Envision San José 2040 General Plan 2024 Annual Performance Review Report

# RECOMMENDATION

Accept the Envision San José 2040 General Plan 2024 Annual Performance Review report.

# SUMMARY AND OUTCOME

The Envision San José 2040 General Plan 2024 Annual Performance Review report (Annual Report) provides the City Council with updated information on the status, conditions, and outcomes related to the 12 major strategies in the Envision San José 2040 General Plan (General Plan) based on Fiscal Year 2023-2024 data to evaluate the City's progress toward implementing the General Plan. While the City has advanced many of the General Plan's goals, some performance measures remain relatively inconclusive or unchanged at this time and need continued work. This is to be expected, as the goals set forth in the General Plan are long-term.

Acceptance of this recommendation will result in acceptance of the Annual Report.

# BACKGROUND

On November 1, 2011, the City Council adopted the General Plan. California law requires an annual performance review report to be submitted to the City Council and the State, which analyzes and tracks progress on strategies and implementation actions. The **attached** Annual Report fulfills this evaluation requirement.

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# **ANALYSIS**

The General Plan provides a strong framework for the longstanding policies of growth management to create great places throughout San José and enhance job growth. The General Plan sets forth goals and policies relating to growth management, fiscal and job growth, infrastructure and service levels, environmental sustainability, housing affordability and availability of housing supply, and healthful community living. The Annual Report expands on the City's progress in implementing the General Plan.

The Annual Report is organized by the General Plan's 12 Major Strategies. Collectively, these strategies build on the vision of the General Plan to directly inform the land use/transportation diagram and the goals, policies, and implementation actions formulated to guide the physical development of the City and the evolving delivery of City services. These interrelated and mutually supportive strategies are considered fundamental to the achievement of the City's vision and together promote the continuing evolution of San José into a great city. The General Plan's Major Strategies are listed below.

- 1) Community Based Planning
- 2) Form Based Plan
- 3) Focused Growth
- 4) Innovation/Regional Employment Center
- 5) Urban Villages
- 6) Streetscapes for People
- 7) Measurable Sustainability/Environmental Stewardship
- 8) Fiscally Strong City
- 9) Destination Downtown
- 10) Life Amidst Abundant Natural Resources
- 11) Design for a Healthful Community
- 12) Periodic Major Review

Although it is not a Major Strategy, housing plays an integral role in the General Plan through the Housing Element, as a component of multiple Major Strategies and through General Plan goals and policies. The Annual Report also includes a summary of progress over the last year in achieving the General Plan's housing goals.

Since the adoption of the General Plan, the City has made notable progress toward achieving the Major Strategies of the General Plan. This progress is evidenced by new dense, mixed-use development experienced in the General Plan's Growth Areas, adoption of Urban Village Plans, implementation of multi-modal capital improvement projects; and implementation of sustainability goals and policies.

While the City has advanced many of the General Plan's goals, some performance measures, such as environmental sustainability and healthful community living, remain relatively inconclusive or unchanged at this time, as noted above, and need continued

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work. Many of these items will be addressed in our upcoming General Plan Elements update work.

# **EVALUATION AND FOLLOW-UP**

This memorandum will not require any follow-up from staff.

# COORDINATION

The information contained in the Annual Report was obtained through collaborative work with the City Manager's Office of Economic Development and Cultural Affairs, the Environmental Services Department, the Housing Department, and the Parks, Recreation, and Neighborhood Services Department, and the Transportation Department.

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

### PUBLIC OUTREACH

The Annual Review was posted on the Planning Commission Agenda website on November 13, 2024. Since public posting of the Annual Report, staff has been available to answer questions from the public.

This memorandum will be posted on the City's Council Agenda website for the December 10, 2024 City Council meeting.

# **COMMISSION RECOMMENDATION AND INPUT**

This report will be presented to the Planning Commission in a study session on December 4, 2024. No commission recommendation or input is associated with this action.

# <u>CEQA</u>

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

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### PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/ Chris Burton, Director Planning, Building, and Code Enforcement

The principal author of this memorandum is David Fong, Planner III. For questions, please contact Ruth Cueto, Principal Planner, at <u>ruth.cueto@sanjoseca.gov</u> or (408) 535-7886.

ATTACHMENT - General Plan 2024 Annual Performance Review

# **ENVISION SAN JOSE 2040**

2024 GENERAL PLAN ANNUAL PERFORMANCE REVIEW EXECUTIVE SUMMARY

This Executive Summary accompanies the 2024 General Plan Annual Performance Review. It provides an overview and dashboard of metrics pertaining to progress on the 12 General Plan Major Strategies, as measured from November 2011 when the City Council adopted the General Plan.



# COMMUNITY BASED PLANNING

23/24	40	1,442
FISCAL	PLANNING VIRTUAL	TOTAL
YEAR	& IN-PERSON	ATTENDEES
	MEETINGS	

The City is committed to open government and community participation in its governance activities. After virtual community meetings, attendees are provided a survey about the meeting so the Department can monitor the effectiveness of the outreach and where changes may be needed to improve.

Survey Questions	% Agree or Strongly Agree
I had enough advance notice of the hearing date and time	78%
The public meeting notice I received was easy to understand	74%
The meeting location and time were convenient	79%
The meeting was well organized	81%
The meeting helped me to understand the topic	78%
My input, or someone else's input was similarly expressed, and recorded	70%
City staff and facilitators were informative and helpful	78%
I understood the explanations that City staff provided	78%
I understood the next steps in the project process	70%
Overall, I was satisfied with the meeting	75%



Pleasant Hills Golf Course Redevelopement Community Meeting

2

# **UBAN VILLAGES**

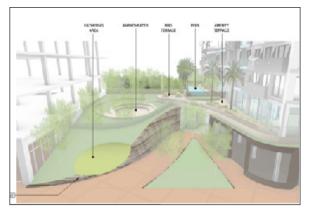
SINCE THE 2011 ADOPTION OF THE GENERAL PLAN:

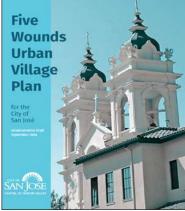
16**	
APPROVED URBAN VILLAGE PLANS	

16,685\* ENTITLED HOUSING UNITS IN URBAN VILLAGES 6.2\* MILLION SQ. FT. OF ENTITLED

COMMERCIAL SPACE IN URBAN VILLAGES

The General Plan identifies Urban Villages within San José that focus on jobs and high density growth to foster vibrant, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth.





Westbank Terraine Development POPOs Design

Five Wounds Urban Village Plan

#### URBAN VILLAGE PLANS UNDER DEVELOPMENT

Urban Village Plan	Status	Anticipated Adoption
Five Wounds (Five Wounds, Little Portugal, 24th & Williams, & Roosevelt Park Urban Villages Update)	In process	Spring 2025
Eastside ALum Rock	In process	Winter 2026
Saratoga Avenue (Saratoga Ave/Paseo de Saratoga Urban Villages)	In process	Winter 2026
De Anza Blvd	Under Consideration	TBD
South Bascom Avenue (South)	Under Consideration	TBD

\* Excludes Downtown Growth Area and Diridon Station Area Plan from the Urban Village classification. \*\* Excludes the Rincon South Urban Village Plan which was changed from a Specific Plan to an Urban Village Plan with the adoption of the Envision San José 2040 General Plan.

# FOCUSED GROWTH & REGIONAL EMPLOYMENT CENTER

SINCE ADOPTION OF THE GENERAL PLAN IN NOVEMBER 2011, BUILDING PERMITS HAVE BEEN ISSUED FOR OVER:

34.6	25.8	12.4
THOUSAND NEW	MILLION SQ. FT. OF	MILLION SQ. FT. OF
RESIDENTIAL UNITS	NEW COMMERCIAL	NEW INDUSTRIAL
	DEVELOPMENT	DEVELOPMENT

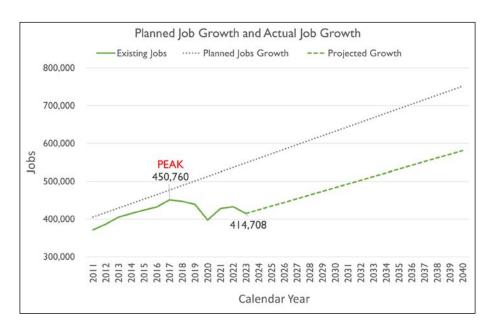
At the end of fiscal year 2023/2024, San José had a total of 414,708 payroll jobs. San José has lost 36,052 payroll jobs since its peak in 2017 with an average of approximately 6,000 jobs lost each year. San José is approximately 43,378 jobs above the levels since the adoption of the General Plan in November 2011, which represents a 12% increase from 2011 (California Employment Development Department). The General Plan includes a planned job capacity of 382,000 new jobs, equating to approximately 13,000 new jobs per year but the City has been adding only an average of approximately 3,600 jobs per year since 2011.

#### 1.1

0.79

JOBS PER EMPLOYED RESIDENTS GOAL (2040) JOBS PER EMPLOYED RESIDENTS (CURRENT)

San José largely remains a bedroom community, having more employed residents than jobs within the City. The jobs-to-employed-resident (J/ER) ratio is an indicator of a city's fiscal strength; jobs-based development generates city revenue while residential-based development necessitates greater demand for the provision of services. The General Plan sets a J/ER ratio goal of 1.1 by 2040. According to the most recent data from 2023, the City's J/ER ratio is 0.79, meaning there are 0.79 jobs per employed resident in San José.

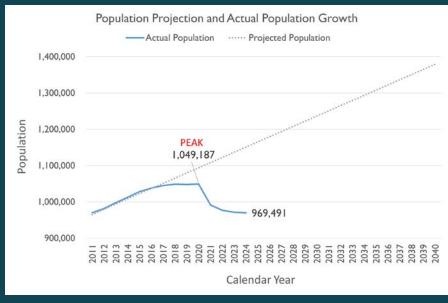


New growth is directed and encouraged within the City's Growth Areas to preserve and enhance the quality of established neighborhoods, and reduce environmental and fiscal impacts.

80%
RESIDENTIAL
DEVELOPMENT BUILT
within growth areas

86% COMMERCIAL DEVELOPMENT BUILT\* within growth areas 77% INDUSTRIAL DEVELOPMENT BUILT\* within growth areas

As of January 2024, San José had an estimated population of 969,655 people, representing a 7.6% decrease from the peak population in 2020 and an 0.05% decrease from 2011. San José's population growth is declining likely due to low birth rates, an increase of out-migration and a decrease of in-migration to the city due to high costs of living and remote work options. The population of San José stands as approximately 50.9% of the total population of Santa Clara County (State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and State, 2024).



\* Based on building permits issued since Fiscal Year 2011/2012

# MEASURABLE SUSTAINABILITY / ENVIRONMENTAL STEWARDSHIP

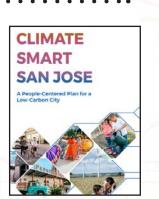
Climate Smart San José aims to achieve the State's target of 80% reduction below 1990 levels of Greenhouse Gas emissions by 2050. Some major initiative of Smart San José include:

### Major Initiatives

The Zero Emissions Neighborhood (ZEN) pilot program

The Electric Homes San José program

San Jose Clean Energy Heat Pump Incentive Program



Home Appliance Savings Program

Energy Efficient Business Program

# LIFE AMIDST ABUNDANT NATURAL RESOURCES

The General Plan promotes access to the natural environment by building a world-class trail network and adding parks and other recreational amenities.

> **100** MILES OF OFF-STREET TRAILS OPEN TO THE PUBLIC (GOAL)

64.9 MILES OFF-STREET TRAILS OPEN TO THE PUBLIC (2024)

# STREETSCAPES FOR PEOPLE

477 MILES OF BIKE WAYS

San José is becoming a place where biking is a regular and common activity for people for all ages and abilities. Better Bike Plan 2025 updated San José Bike Plan 2020 to create a bicycle network that is:



**Safe**. We want to eliminate roadway fatalities and major injuries for all – people walking, bicycling, and driving – as soon as possible. This bike plan supports our Vision Zero San José initiative.



**Comfortable**. We want to create a bicycle network that enriches the lives of everyone who lives, works, or plays in San José.



**Convenient**. We want more people biking! This plan will help us toward the goal of at least 15% of trips made by bike by 2040.

# DESIGN FOR A HEALTHFUL COMMUNITY

The General Plan supports the physical health of community members by promoting walking and bicycling as travel options, encouraging access to healthful foods, and supporting the provision of health care and safety services. Specifically, the Land Use and Transportation Chapter includes a set of balanced, long-range, multimodal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. One such policy includes reducing the automobile commute mode share to no more than 40% by 2040, with goals to increase various other modes accordingly.

Mode	2040 Goal	San Jose (2024)
Drive Alone	No more than 40%	79%
Carpool	At least 10%	15%
Transit	At least 20%	3%
Walk	At least 15%	2%
Bicycle	At Least 15%	1%



# DESTINATION DOWNTOWN

#### SINCE THE 2011 ADOPTION OF THE GENERAL PLAN:

12,892 NEW RESIDENTIAL UNITS ENTITLED

### 22.26

MILLION SO FT OF NEW

COMMERCIAL ENTITLED

23/24 945 20,600 FISCAL SQ FT OF NEW **NEW RESIDENTIAL** YEAR UNITS ENTITLED COMMERCIAL ENTITLED

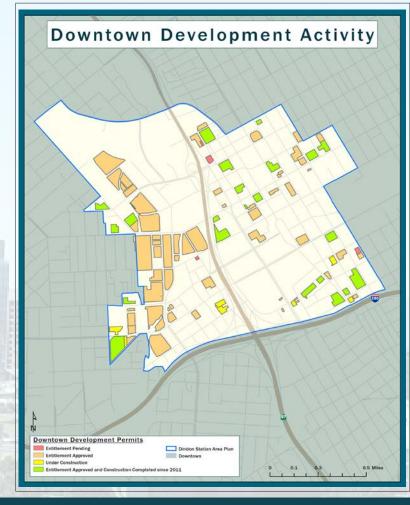
#### Office Vacancies in Downtown San José

The percentage of office vacancies declined since the General Plan adoption in 2011 until fiscal year 2016/2017, when the office vacancy rate in the Downtown hit a low of 12%. The vacancy rate rose slightly year over year until the COVID-19 pandemic started in fiscal year 2019/2020 and changed work patterns, with more hybrid and remote work. This new work pattern has continuing even as Covid-19 restrictions have lifted and infection rates remain low.

In fiscal year 2023/2024, the vacancy rate increases slightly by 1%. Hybrid work models may continue to dampen the demand for Class A office space as many companies continue to right-size their office space to adjust to hybrid work models.



**Downtown Development Activity** 



The General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley.



Housing is a key component of San José's General Plan, integrated into multiple strategies and policies aimed at addressing the diverse needs of the city's population. In June 2023, the City Council adopted the 2023-2031 Housing Element, which outlines goals, policies, and a work plan to meet housing needs.

The Housing Catalyst Team, an interdepartmental group, meets biweekly to coordinate the implementation of Housing Catalyst Work Plan items. The Work Plan contains Housing Element work plan items that are currently underway or that staff anticipates initiating in the next two years. A key tool for tracking progress is the Housing Work Plan Dashboard, which visualizes the status of strategies and policies. The dashboard is updated semi-annually and helps the public stay informed about ongoing and upcoming housing initiatives.

While San José has made significant strides, challenges remain, including increasing affordable housing availability and addressing the long-term impacts of the COVID-19 pandemic. Despite these challenges, the city is optimistic about continuing progress toward its long-term housing objectives.



In 2024, staff completed several initiatives to advance the City's housing goals, including:

- Updating emergency residential shelter regulations to expand capacity for unhoused residents
- Permitting the sale of Accessory Dwelling Units (ADUs) as condominiums to make homeownership more accessible
- Rezoning of 56 mobile home parks to ensure their preservation.

No privately-initiated General Plan Amendments were included in the 2024 General Plan Annual Review hearing cycle.

**GENERAL PLAN PERIODIC** 

MAJOR REVIEW

Planning staff will be focused on the Tri-Element Update, which includes:

- Safety Element: This update will prioritize the safety and well-being of our community by incorporating the latest safety standards, risk assessment processes, and emergency preparedness measures. The Safety Element is required to be updated because the City recently updated its Local Hazard Mitigation Plan.
- Open Space Element: This update will focus on improving parks and open spaces and enhancing environmental sustainability consistent with the Safety and Environmental Justice elements. Pursuant to state law, the Open Space Element must be updated to address issues related to equitable access to open space, climate resilience, and rewilding opportunities.
- 3. Environmental Justice Element: This newly required element will address public health risks and environmental justice concerns of those living in disadvantaged communities, and outline strategies to promote environmental justice and community empowerment.



Blossom Valley Senior Affordable Housing Project, 397 Blossom Hill Road. Image from Studio Achitects studioearchitects.com Photographer Jeff Peters with Vantage Point at vantagepointphoot.com

# FISCALLY STRONG CITY

The City's 2024-2025 Adopted Capital Budget of \$1.4 billion reflects a 9.1% decrease from the 2023-2024 Adopted Capital Budget. Over a five-year period, the 2025-2029 Adopted Capital Improvement Program (CIP) totals \$4.0 billion, a 10.3% increase from the 2024-2028 Adopted CIP, driven primarily by increased investments within the Environmental and Utility Services CSA and the Transportation and Aviation CSA. The Administration remains focused on leveraging external State and Federal resources to supplement project funding in the face of increasing operational and rehabilitation needs.



# 2024 GENERAL PLAN ANNUAL PERFORMANCE REVIEW

FOR FISCAL YEAR 2023-2024

DECEMBER 2024

Planning, Building and Code Enforcement Planning Division



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### **REPORT PREPARED BY**

Planning, Building, and Code Enforcement General Plan and Analytics Team

David Fong, Planner Laura Maurer, Planner Sanhita Ghosal, Supervising Planner Ruth Cueto, Principal Planner

Under the direction of

Chris Burton, Director

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# INTRODUCTION

On November I, 2011, the City Council adopted the Envision San José 2040 General Plan (General Plan or Plan). This plan outlines a strong framework for the longstanding policies of growth management to create great places throughout San José and enhance job growth. The plan sets goals and policies for growth



management, fiscal and job growth, infrastructure and service levels, environmental sustainability, housing affordability and housing supply, and healthful community living.

California state law requires an annual performance review report to be prepared and submitted to the City Council and the State, which analyzes and tracks progress on strategies and implementation actions. The General Plan also provides for an annual performance review process to enable evaluation of progress on the General Plan's strategies and implementation actions.

This 2024 Annual Performance Review report (Report) fulfills this evaluation requirement. The Report expands on the City's progress in implementing the General Plan during Fiscal Year (FY) 2023-2024. The Report describes the status, conditions, and progress pertinent to the 12 Major Strategies and related actions contained in the General Plan. Collectively, these strategies build on the vision of the Plan to directly inform the Land Use /Transportation Diagram and the Goals, Policies and Implementation Actions formulated to guide the physical development of the City and the evolving delivery of City services.



View of Downtown San José from Dr. Martin Luther King Jr. Library. Photo: flickr.com, Darshan Karia

The 12 interrelated and mutually supportive Major Strategies are considered fundamental to the achievement of the City's Vision and together promote the continuing evolution of San José into a great city. These Major Strategies are listed below.

- I) Community Based Planning;
- 2) Form Based Plan;
- 3) Focused Growth;
- 4) Innovation/Regional Employment Center;
- 5) Urban Villages;
- 6) Streetscapes for People;
- 7) Measurable Sustainability/Environmental Stewardship;
- 8) Fiscally Strong City;
- 9) Destination Downtown;
- 10) Life Amidst Abundant Natural Resources;
- II) Design for a Healthful Community; and
- 12) Periodic Review.

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# **MAJOR STRATEGY #I – COMMUNITY-BASED PLANNING**

## **Community Engagement and Participation**

The City of San José is dedicated to continuously improving community engagement and participation processes –especially so in planning and development for the City. The Envision San José 2040 General Plan Goals, Policies, and Actions guide the Planning Division in how we improve these processes. In addition, the City's Public Outreach Policy, Council Policy 6-

Envision San José 2040 General Plan

30, establishes a process that encourages early and frequent communication between Planning Staff, applicants, and the community on specific development application proposals.

Fiscal Year	Meetings	Total Attendees
23-24	40	1,451
22-23	41	772
21-22	71	2,172
20-21	115	3,581
19-20	26	702
18-19	63	I,795
17-18	40	I,686
16-17	58	2,686
15-16	49	2,158
14-15	27	I,246
13-14	50	I,483
12-13	49	I,429
11-12	31	442
Total	687	21,603

#### Table I Planning Division Community Meetings

The Planning Division tracks its community outreach meetings on development proposals, General Plan amendments, ordinance updates, the development of Urban Village and other area plans. As shown in Table I, in FY 2023-2024, the Planning Division held 40 in-person and virtual community meetings with approximatelty 1,451 community members and stakeholders. Out of the 40 meetings, 10 were in-person, 27 were virtual and three were hybrid.

Between FY 2011-2012 and FY 2023-2024, the Planning Division has held approximately 687 community meetings with 21,603 attendees.

A post-meeting feedback survey is distributed to community meeting attendees. 963 respondents (63%) completed the surveys during FY 2023-2024. The following table (Table 2) shows highlights of the survey responses of people who agreed or strongly agreed about various survey questions.

Survey Questions	Percentage of respondents who agreed or strongly agreed
They had enough advance notice of the hearing date and time	78%
The public meeting notice they received was easy to understand	74%
The meeting location and time were convenient	79%
The meeting was well organized	81%
The meeting helped them understand the topic	78%
Their input, or someone else's input was similarly expressed, and	70%
City staff and facilitators were informative and helpful	78%
They understood the explanations that City staff provided	78%
They understood the next steps in the project process	70%
They were overall satisfied with the meeting	75%

#### Table 2 Highlights of Post-Meeting Feedback Survey

Highlights of some of the largest meetings held during the last fiscal year are given below.

# **Community Meeting Highlights**

### Pleasant Hills Golf Course Redevelopment Project Workshops

The Planning Division led a community engagement process for the future development of the former Pleasant Hills Golf Course. Three sets of community workshops were held between February 2024 and August 2024. Each set of workshops was held in-person and virtually. The first round of workshops had 180 participants, the second round had 108 participants, and the third round had 98 participants. Notices for the workshops were mailed to owners and tenants within a 2,500-foot radius. Interpretation and translated materials were provided in Spanish and Vietnamese.

The consultant, PlaceWorks, worked directly with two community-based organizations (CBO's) – Latina Coalition of Silicon Valley and Vietnamese American Roundtable - who helped with outreach to Spanish and Vietnamese-speaking communities.



Image I Pleasant Hills Golf Course Redevelopment Meeting Activity

The CBOs distributed multilingual flyers, conducted door-to-door outreach, and utilized their social media platforms to share project information and updates.

In collaboration with PlaceWorks and based on feedback received through the community engagement process, Planning staff developed a set of guiding principles, which contained key priorities and concerns identified by more than 500 participants. The top priorities identified were transportation mitigation, low density residential, community-serving nonresidential uses, open space, and sustainability.

### Coyote Valley Corridor Study Community Meeting

On August 28, 2023, the Planning Division hosted one of its first hybrid meetings to introduce the Coyote Valley Corridor Study. This study focuses on exploring potential new land uses that are compatible with the open space and agricultural character of Coyote Valley. The meeting included both a virtual component and an in-person component (or a *viewing party*) which was held in the study area. Participants at the viewing party were able to watch a live stream of the meeting and were able to comment and participate with the virtual attendees through Zoom.

Additionally, the virtual meeting provided language interpretation services in Spanish, Vietnamese, and Mandarin. Overall, the meeting was productive with a lot of valuable input received. There was a total of 114 participants, out of which 88 were virtual participants.

### Calle Willow General Plan Amendment Project Outreach Process

A city-initiated General Plan Amendment process for approximately 55 parcels within the Willow Street Neighborhood Business District (popularly known as "Calle Willow") was conducted in Fall 2023. This project was directed by the City Council. Throughout the process, outreach efforts emphasized bilingual communication.



Image 2 Urban Village Workshop with staff presentations and interactive activity, September 2023

Planning staff collaborated with Sacred Heart Community Service and the Office of Economic Development (OED) to conduct outreach. In August 2023, letters were mailed to property owners in the area. A business owner meeting was held on September 25th at Biblioteca Latinoamericana, coordinated with the Council District 3 office and OED. Staff distributed bilingual flyers to local businesses in person. The meeting was presented in Spanish only since all attendees were Spanish speakers. On September 28th, a virtual community meeting was held with Spanish interpretation. Concerns raised in these meetings included potential displacement of businesses. Planning and OED staff clarified that the changes aimed to mitigate this risk without any current development proposals.

# **MAJOR STRATEGY #2 – FORM-BASED PLAN**

The goal of Major Strategy #2 is to use the General Plan Land Use/Transportation Diagram designations and Plan Goals and Policies to address the form and character for future development within San José. A *form-based approach* means clearly articulating a vision for San José's urban form, providing greater flexibility for economic activity, addressing neighborhood concerns about the compatibility of new development, and promoting the ongoing development of complete and cohesive neighborhoods. Therefore, the Major Strategy #2 is not a measurable goal, but rather put in place to ensure that development throughout the city addressed the form and character of the built environment.

approximately 345 units. It features an integrated amenities deck with a 4,572-square-foot privately

In prior years, the General Plan Annual Performance Review Report has reported on examples of development standards from specific plans such as the Citywide Design Standards and Guidelines (CDSG), adopted in 2021. The CDSG and other design guidelines continue to guide the City's Planning staff when determining whether new development, uses, and densities are appropriate in the project's proposed area. When the City's Planning Division receives project proposals, each project must be reviewed with the criteria set in all the policies, standards, and area plans.

San José Citywide Design Standards and Guidelines

San José Downtown Design Guidelines and Standards

# Project Highlight: File No. SP21-045, West Bank Terraine

This project is a new 17-story mixed-use development in Downtown with

owned public open space (POPOS) at ground level that flows from the second floor to the first floor. There is also a nine-story, 315,595-squarefoot parking garage with 12,183 square feet of retail space. This is a unique project in that the above-grade parking floors (floors 2-10) in the garage are designed for potential future conversion to

Image 3 POPOS at ground level that flows from the second floor to the first floor

approximately 210,000 square feet of office space. The design includes elements aimed at creating a vibrant streetscape, including retail spaces of varying sizes to meet different commercial needs, which helps to activate both frontages. The POPOS, which slopes up from the sidewalk to the second floor in an embankment adjacent to the residential tower entrance, creates an inviting vantage point for viewing activity from the street.

Located adjacent to Highway 87, the project site is identified as having an "image-defining frontage" per the Downtown Design Guidelines and Standards. These sites act as gateways to the city and are important visual markers of Downtown. Mindful of this designation, the project design emphasizes the

relationship between indoor and outdoor spaces and sustainability elements to create striking and innovative elevations.





Image 5 Propose parking structure, freeway side

Image 4 Proposed parking structure, street side



Image 6 Proposed parking structure converted to office building

Designed for future conversion to offices, the parking structure presents a striking west façade consisting of solar panels arranged in a herringbone pattern that changes direction on each floor, as well as a rooftop solar trellis. The building will provide energy to both the residential tower and to the Arbor office building, a project immediately to the south that is being developed by the same owner. The parking structure is designed to present an image-defining façade in the day and night when light filters through gaps in the pattern. On the east facade facing residential uses, planter boxes screen vehicles from view, while the plants soften the look of the

concrete structure. This design follows Downtown Design Guidelines Sections 2 and 3 by maintaining active ground-floor retail and POPOS at ground level and keeping service areas including vehicular parking from disrupting those retail and public spaces. The core of the building has been designed to accommodate vehicular circulation during the parking structure phase as well as an adequate leasing depth for eventual conversion to offices.

# Project Highlight: File No. PDA14-035-05, Communications Hill Village Center

This Planned Development Permit Amendment finalizes the design of the Village Center as envisioned in the previously approved Communications Hill II Master Planned Development. The bulk of the height follows the slope of the hillside, with the shorter portions of the building facing less intense multifamily development along Altino Boulevard to the north, and the taller portions of the building facing the internal portions of the Village Center. This is consistent with San José's Citywide Design Guidelines standards and guidelines S2, S3, and G4 in that the minimal grading is consistent with these standards. Each building is distinct, while still maintaining a cohesive design in terms of massing, orientation, architectural projects and articulation, colors, and materials. The plans identify a large restaurant at the base of the Block 31 building, which would allow for views of the east foothills and valley below. As shown in the aerial rendering below, the low commercial/amenity building gradually flows to the taller residential building behind following the upward slope of the hill and a centered grand staircase. Large outdoor courtyards serving residents, as well as large outdoor patios and plazas serving commercial spaces, are provided in each building to activate the space and provide a focal point for the entire Communications Hill area.



Image 7 Proposed village center hillside, aerial view



Image 8 Proposed village center, street view

Because this Major Strategy is not a measurable goal, there are no further progress updates.

# **MAJOR STRATEGY #3 – FOCUSED GROWTH**

The Focused Growth Major Strategy directs both population and job growth to Growth Areas identified in the General Plan through the intensification and redevelopment of existing properties. Residential developments located outside of Growth Areas are limited to neighborhood infill to preserve and enhance the quality of established neighborhoods and to reduce environmental and fiscal impacts.

To monitor progress in achieving this strategy, the Planning Division uses approved entitlement and issued building permit data that is tracked through the City's permit management software and in a Geographic Information Systems (GIS) database. Analysis of this data demonstrates where new residential, commercial, and industrial development is occurring in the city. This information is an indicator of the extent to which jobs and population growth is concentrated into Growth Areas, consistent with the Focused Growth Major Strategy.

# **New Construction in Growth Areas**

Since the adoption of the Envision San José 2040 General Plan in 2011, building permits have been issued within Growth Areas for approximately 80% of residential development, 86% of commercial development, and 77% of industrial development. In FY 2023-2024, building permits have been issued within Growth Areas for approximately 66% of residential development, 74% of commercial development, and 100% of industrial development.

### **New Construction Citywide**

Between FY 2011-2012 and FY 2023-2024, the City has issued building permits citywide for approximately 34,662 residential units, 25.8 million square feet of commercial development, and 12.4 million square feet of industrial development. New construction does not include additions or alterations.

# **Residential Construction Activity**

The number of new residential units permitted, and the construction valuation of approved new residential units are indicators of residential permit activity.



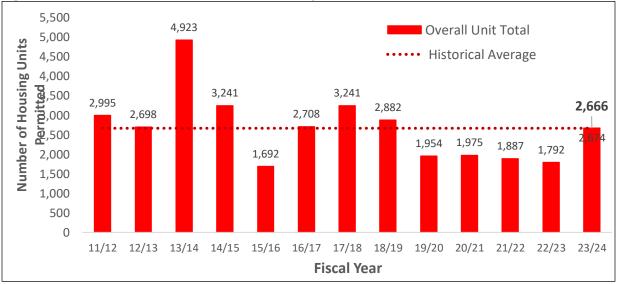


Figure I Total Units of New Residential Construction by Fiscal Year

In FY 2023-2024, the total number of residential units permitted (including single-family/duplex, multifamily and accessory dwelling units) has significantly increased to 2,674 units compared to 1,792 units in the previous fiscal year. This marks an increase of 49% from the prior year and is nearly spot on with the historical average<sup>1</sup> of 2,666 units. The total number of permitted residential units significantly dropped at the start of the Covid-19 pandemic in FY 2019-2020 and remained at this lower level for four fiscal years until this last fiscal year where it jumped significantly.

The number of building permits issued, and permit data trends compared to the previous fiscal year varies depending on the type of housing.

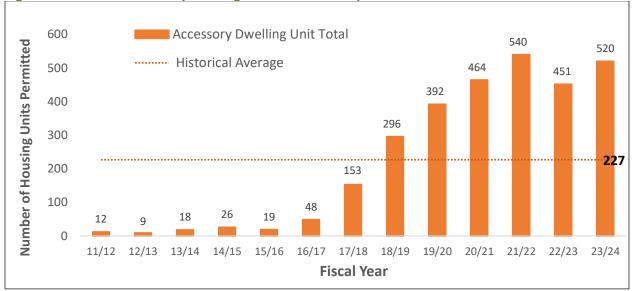


Figure 2 New Construction Single-Family/Duplex Units by Fiscal Year

In FY 2023-2024, the number of single-family<sup>2</sup>/duplex units permitted increased to 52 units, compared to 31 units in the previous fiscal year. While this represents a 68% increase from the previous fiscal year, it is still 65% below the historical average of 147 single-family/duplex units.

<sup>&</sup>lt;sup>1</sup> Historical average is the average from FY 2011-2012 through FY 2023-2024

<sup>&</sup>lt;sup>2</sup> Single-Family includes only detached single-family units.



#### Figure 3 Units of New Accessory Dwelling Unit Construction by Fiscal Year

In FY 2023-2024, the number of accessory dwelling units (ADUs) permitted increased to 520 units compared to 451 in the previous fiscal year. This represents an increase of 15% from the previous fiscal year and is 129% above the historical average of 227 ADU units

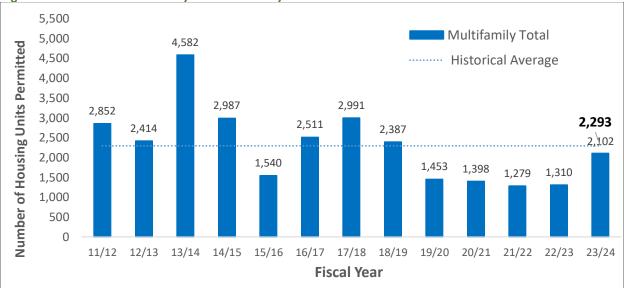


Figure 4 Units of New Multifamily Construction by Fiscal Year

In FY 2023-2024, the number of multifamily<sup>3</sup> units permitted significantly increased to 2,102 units, compared to 1,310 units issued in the previous fiscal year. This represents an increase of 60% from the prior fiscal year and is only 8% below the historical average of 2,293 multifamily units.

<sup>&</sup>lt;sup>3</sup> Multifamily includes attached townhomes, condos, and apartments.

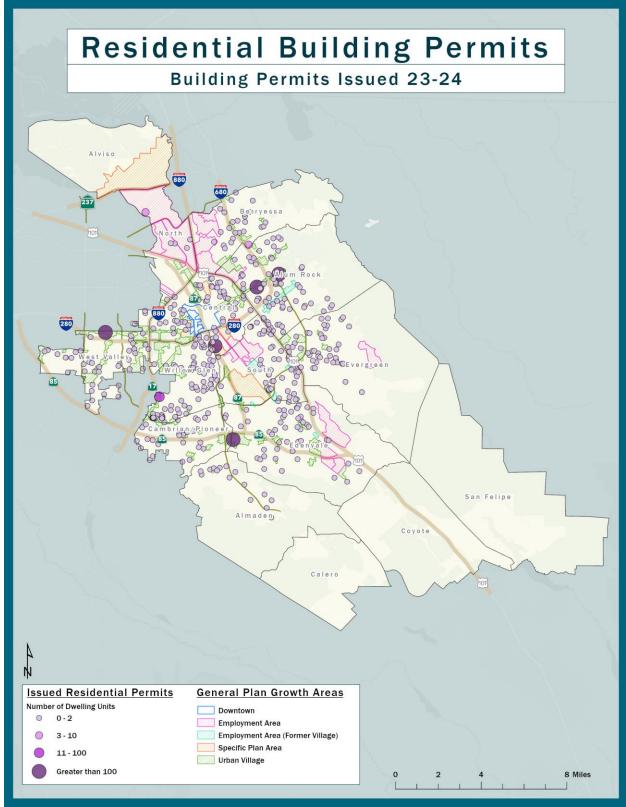
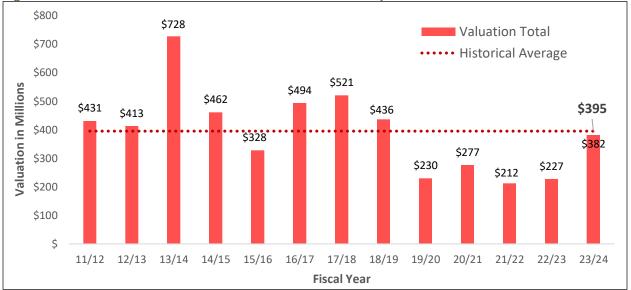


Figure 5 Residential Building Permits Issued by FY 2023-2024

### **Residential Construction Valuation**





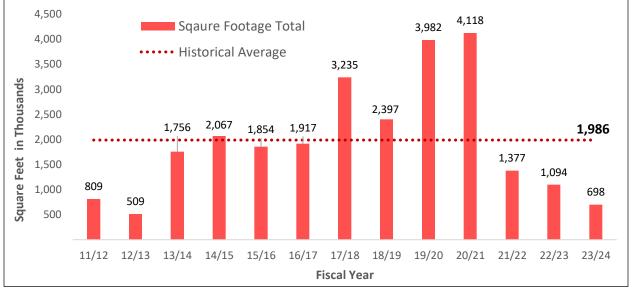
Construction valuation is another indicator of new development activity. During FY 2023-2024, the total construction valuation for all residential building permits for new construction significantly increased to \$382 million, compared to \$227 million in the previous fiscal year. This represents a 68% increase from the previous year and is only 3% below the historical average of \$395 million.

### **Commercial Construction Activity**

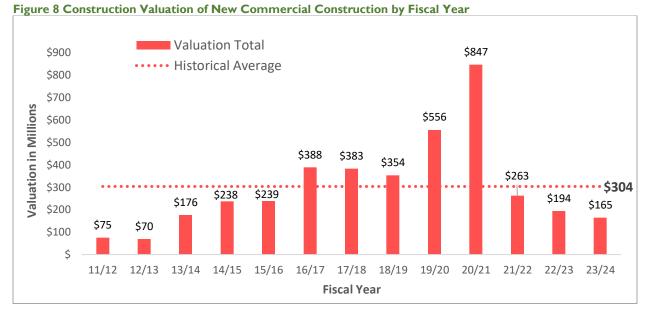
The amount of new commercial square footage permitted, and the construction valuation of approved new commercial square footage are indicators of commercial permit activity.

### Commercial Square Footage





During FY 2023-2024, building permits issued for commercial new construction yielded 698 thousand square feet of commercial development compared to 1.09 million square feet yielded in the previous year. This is a significant decrease of 36% from the previous year and is 65% below the historical average of 1.98 million square feet.



### **Commercial Construction Valuation**

The total valuation of all building permits issued for new construction of commercial projects decreased in FY 2023-2024 to \$165 million compared to the previous fiscal year's total of \$194 million. This is a decrease of 15% from the previous year and is 46% below the historical average of \$304 million.

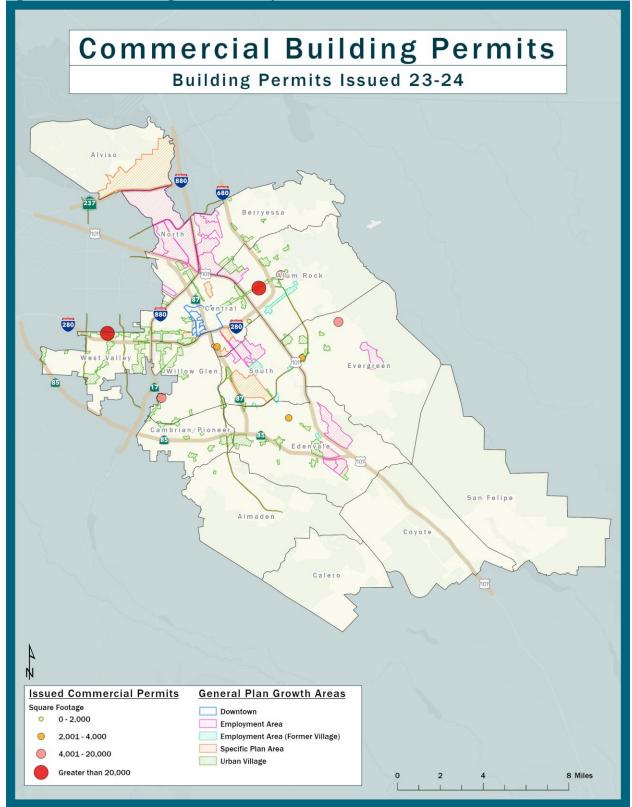


Figure 9 Commercial Building Permits Issued by Fiscal Year

# **Industrial Construction Activity**

The amount of new industrial square footage permitted, and the construction valuation of approved new industrial square footage are indicators of industrial construction activity.



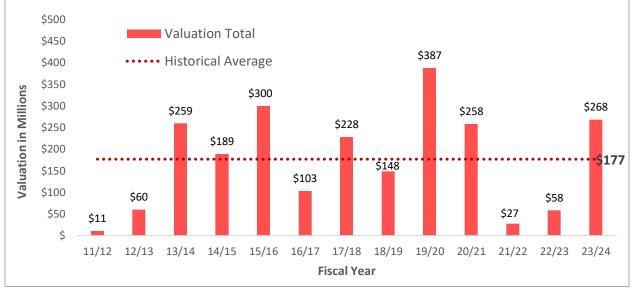
#### Industrial Square Footage

Figure 10 Square Footage of New Industrial Construction by Fiscal Year

During FY 2023-2024, building permits issued for new construction industrial projects resulted in 840,000 square feet of industrial buildings compared to 496,000 square feet yielded in the previous fiscal year. This is a significant increase of 69% from the previous year, however, this value is still 12% lower than the historical average of 956,000 square feet.

### Industrial Construction Valuation





The total construction valuation of building permits issued for new construction of industrial projects showed a very significant increase in FY 2023-2024 reaching \$268 million compared to \$58 million in the previous fiscal year. This represents a 361% increase from the previous fiscal year and is 52% above the historical average of \$177 million.



Figure 12 Industrial Building Permits Issued by Fiscal Year

### **Planning Entitlements Citywide**

In addition to evaluating building permits, Planning staff analyzed planning entitlements to understand development trends.

During FY 2023-2024, Planning entitlements were approved for 4,563 residential units, which is a decrease of 36% compared to the 7,092 residential units approved in the previous fiscal year but still significantly higher than the 1,748 units entitled the previous fiscal year. As of end of August 2024, approximately 9,626 residential units are in the planning review process.

During FY 2023-2024, Planning entitlements were approved for 701 thousand square feet of commercial development, which is a decrease of 88% compared to the 5.91 million square feet approved in the previous fiscal year. As of August 2024, approximately 3.05 million square feet of commercial development is in the Planning review process.

During FY 2023-2024, Planning entitlements were approved for 1.23 million square feet of industrial development, which is a decrease of 45% compared to the 2.32 million square feet approved in the previous fiscal year. As of August 2024, approximately 2.08 million square feet of industrial development is in the Planning review process.

Detailed data about Planning entitlements within Urban Village growth areas are further discussed in Major Strategy #5 Urban Villages and entitlements within Downtown are further discussed in Major Strategy #9 Destination Downtown.

# MAJOR STRATEGY #4 – INNOVATION/REGIONAL EMPLOYMENT CENTER

San José, the Bay Area's largest city and the nation's thirteenth-largest city, continues to play a vital role in local, regional, state, and national economies. The Innovation/Regional Employment Center Major Strategy emphasizes economic development to support San José's growth as a center of innovation and regional employment. The General Plan advances the strategy by:

- Planning for 382,000 new jobs and a jobs-to-employed-resident (J/ER) ratio of 1.1/1; and
- Supporting job growth within existing job centers; and
- Adding new employment lands; and
- Designating job centers at regional transit stations.

Of the nation's 20 largest cities, only San José has more nighttime residents than daytime workers, reflecting that it has less than a 1:1 jobs-to-employed-resident ratio.

Between 2012-2023, San José has attained roughly 28,000 new jobs (2,545 jobs annually) and added approximately 50,800 employed residents. In 2019, despite a 2% decrease in the number of jobs, the Jobs/Employed Residents (J/ER) ratio remained relatively stable (0.81) due to a 0.3% decline in the number of employed residents. In 2020, the job losses accelerated, with approximately 40,686 jobs (9.7%) and 46,200 (8.4%) employed residents lost, likely reflecting the peak impact of COVID-19 and shelter-in-place orders. By 2021, the J/ER ratio returned to its 2019 level of 0.81 with a total of approximately 428,000 jobs and 529,600 employed residents. In 2022, despite a gain of 4,900 jobs (1.14%), the J/ER ratio (0.79) fell below the 2021 level due to the addition of 14,900 employed residents. Between 2022 and 2023, San José lost approximately 18,000 jobs (-3.9%) and 16,800 employed residents. (-3.1%) reflecting a decline in the City's overall population. As a result, the J/ER ratio stabilized at 0.79, but remains the lowest since the Envision San José General Plan was adopted in 2011.

Improving J/ER requires growth in job centers, and the City has programs and staff focused on retaining, attracting, and growing business and jobs in the City's employment centers. For example, the City's Business Development team in the Office of Economic Development includes a Downtown team, a small business team that establishes and grows neighborhood business districts, and a corporate outreach team that focuses on supporting growth in the City's commercial and industrial areas. Small business became a strong focus during the COVID-19 pandemic. The corporate outreach team was bolstered in 2024 with two new hires. Downtown has long been a city focus area with an established team. In FY 2023-2024, based on calculations completed as part of the City's performance measure reporting process, the business development team helped create or retain approximately 4,600 jobs.

Sustained improvements in J/ER also requires protecting employment lands as envisioned in the General Plan 2040. As of 2023, employment lands make up 13.5% of all land in the City. Protecting these lands is crucial for creating jobs, maintaining a stable revenue stream for the general budget, and ensuring the delivery of high-quality, sustainable services to our residents. City-level employment data is provided by the California Employment Development Department (CEDD) which is typically released with approximately a one year lag. Both COVID-19 impacts and J/ER are further discussed below.

## Employment Dynamics: Post-COVID Work Models and Corporate Layoffs; Generative Artificial Intelligence (AI) Breakthroughs and Widespread Adoption

Although not on a city-level, the CEDD also provides data on a monthly basis for the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), which is comprised of the combined areas of Santa Clara and San Benito counties. This data reflects the direct and indirect loss of jobs due to thCOVID-19 pandemic and shelter-in-place restrictions and the recovery since then.

The San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) stands at 1,166,900 jobs, marking a 0.3% increase from February 2020 to August 2024. The most significant job losses occurred between March and April 2020, with 145,000 jobs lost (12.5%) in the MSA. As of August 2024, overall recovery is complete, though not across all industries, with the MSA reporting 3,300 more jobs compared to peak levels in February 2020. However, the recovery, which had previously gained momentum, has slowed due to structural shifts and adjustments in the tech industry.

Recovery was largely driven by job growth in the Healthcare and Social Assistance sector (+21,000 jobs), Manufacturing (+5,700 jobs), and Professional and Business Services (+3,900 jobs). In contrast, the hardest-hit sectors, including Retail Trade (-6,300 jobs) and Personal Services (-1,800 jobs), have yet to return to pre-COVID employment levels from February 2020. The Leisure and Hospitality sector, another severely impacted industry, saw its recovery slow (+1,200 jobs), with significant losses (-3,200 jobs) since December 2023, driven by declines in Food Services and Drinking Places (-6,900 jobs).

The Information industry has experienced substantial job losses, with 14,400 jobs lost, the majority of which occurred after December 2023 (-13,400 jobs). Meanwhile, the Professional, Scientific, and Technical Services industry, despite having 2,100 more jobs than in February 2020 and encompassing a large portion of tech jobs, saw a decline of 9,300 jobs during the same period, reflecting tech layoffs.

CEDD also provides labor market information, such as unemployment and civilian labor force data for the MSA. In February 2020, the unemployment rate was only 2.6%, but it skyrocketed to 10.8% in June 2020 due to the pandemic. Subsequently, it decreased to 7.6% in August 2020. By December 2022, the unemployment rate had further decreased to 2.4%. However, in August 2024, the unemployment rate rose to 4.5% due to job losses in technology and technology-influenced industries. In addition to Information and Professional, Scientific, and Technical Services industries notable declines were observed in manufacturing (-5,800 jobs), The unemployment rate, or the number of people suffering with financial hardships, is likely higher than reported because it may not capture those without jobs that are not and perhaps cannot actively look for employment.

It may take years to assess the full impact of COVID-19 on the local economy as there are lingering impacts and paradigm shifts in employment. Many companies are formalizing and implementing post-pandemic hybrid work models. As of October 1st, 2024, office occupancy is around 48.1% in San José metro area. This shift in employment may impact future demand for retail, commercial and office as well as how employment uses are designed and function in the future.

Artificial intelligence is also expected to have a profound and multifaceted impact on San José's economy and the number and types of jobs in it, as well as demand for different types of development. There is currently an uptick in data center development. Longer term trends point to more companies developing more data centers on their premises ("on prem") to power AI models integrated into their operations that are trained using each companies preferred methodologies and datasets. "On prem" data centers and AI systems are expected to improve security and performance, as well as reduce energy needs and costs. Smaller businesses and organizations are also integrating AI into their operations.

Jobs-to-Em	ployed-Resident	(J/ER)	) Ratio
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Year	Population	Jobs
2011	970,011	371,330
2012	981,678	386,524
2013	997,781	405,032
2014	1,012,694	414,663
2015	I,028,040	423,961
2016	1,037,952	432,208
2017	1,045,047	450,760
2018	I,048,875	447,83 I
2019	1,049,187	439,004
2020	1,049,187	397,441
2021	991,144	427,894
2022	976,482	432,792
2023	971,233	414,708
2024		Not Available

Table 3 Population Growth and Jobs in San José

Despite its growth and vibrancy, San José is the only large city (having a population greater than 500,000) in the United States that is largely a bedroom community, meaning more residents leave San José for employment in other communities than workers from other community's commute into San José. This imbalance has led to significant negative fiscal, environmental, and quality of life impacts for San José. The J/ER ratio is an indicator of a city's fiscal strength. In general, employment-based development generates city revenue while residential-based development necessitates the provision of city services, the cost of which outweighs the revenue collected. The City monitors its J/ER ratio using a combination of data from the U.S. Census Bureau's American Community Survey (ACS) and payroll data from the CEDD. According to the most recent data, the City's J/ER ratio is 0.79, meaning there are 0.79 jobs per every employed resident in San José. San José has not shown a significant improvement in the J/ER ratio since 2012. The J/ER ratios show a recovery trend across the region, with some fluctuations in smaller

cities. As shown in Table 4, San José remains the city with the lowest J/ER ratio from surrounding cities, and the only city under a 1.0. (see Table 4). The data reinforces the importance of the General Plan's jobs focus and the need to maintain employment land for future job growth.

City	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
San José	0.81	0.83	0.82	0.82	0.82	0.85	0.82	0.81	0.80	0.81	0.79	0.79
Cupertino	1.20	1.33	I.47	I.64	1.75	1.85	1.99	1.99	2.15	2.2	2.26	2.38
Fremont	0.86	0.86	0.90	0.96	0.96	0.98	0.98	0.98	1.06	1.12	1.09	1.07
Milpitas	1.17	1.19	1.18	1.18	1.17	1.26	1.25	1.20	1.10	1.18	1.13	1.15
Mtn View	1.83	2.59	I.84	1.92	1.67	1.74	1.77	I.70	1.89	I.84	1.6 5	1.53
Palo Alto	3.23	3.19	3.21	3.36	3.33	3.36	3.41	3.09	3.26	3.07	3.09	2.83
Santa Clara	2.02	2.02	1.77	1.79	I.70	1.69	1.77	I.86	1.82	1.69	I.65	1.71
Sunnyvale	1.16	1.13	1.06	1.06	1.04	1.08	1.04	1.08	1.21	1.17	1.22	1.12

Table 4 Jobs per Employed Resident for Select Cities 2012-2023

# **MAJOR STRATEGY #5 – URBAN VILLAGES**

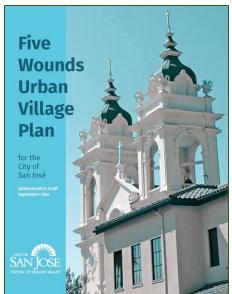


Image 9 Five Wounds Urban Village Plan cover page

Major Strategy #5 of the General Plan promotes the development of Urban Villages to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth. Urban Villages are intended to be attractive to an innovative workforce, enhance established neighborhoods, and further General Plan's environmental goals.

The General Plan establishes an Urban Village concept to create a policy framework to direct most of San José's new job and housing growth to occur within walkable and bike-friendly Urban Villages with good access to transit and other existing infrastructure and facilities. The preparation of an Urban Village Plan for each Urban Village area provides for ongoing community involvement and public workshops in the implementation of the General Plan and for land use and urban design issues to be addressed at a finer level of detail. Planning staff facilitate community engagement and coordinate the participation of staff from multiple City Departments. Concentrating new development in Urban Villages helps the City meet its environmental, fiscal, economic, and transportation

goals, and provides the public with detailed information related to allowable uses, density, and heights that are permitted within each Urban Village.

## **Approved Urban Village Plans**

Since the adoption of the Envision San José 2040 General Plan in 2011, the City Council has approved 16 Urban Village plans out of 61 Urban Village Growth Areas that are identified in the General Plan. The most recent approval was for the Capitol Caltrain Station Area Plan in November

Urban Villages Website

2023. Descriptions of the approved Urban Village plans are available on the Urban Villages website.

Urban Village Plan	Date Approved
Downtown	
Diridon Station Area Plan	May 25, 2021
Regional Transit Urban Village Plans	
The Alameda	December 16, 2016
Berryessa BART Station Area Plan	June 21, 2021
Five Wounds	November 19, 2013
Capitol Caltrain Station Area Plan	November 28, 2023
Local Transit Urban Village Plans	
Alum Rock	October 22, 2013
East Santa Clara Street	October 23, 2018
Little Portugal	November 19, 2013
North I <sup>st</sup> Street	March 22, 2022
Roosevelt Park	November 19, 2013
Stevens Creek Boulevard	August 8, 2017

#### Table 5 Approved Urban Village Plans

West San Carlos Avenue	May 8, 2018
Commercial Corridor Urban Village Plans	
Santana Row/Valley Fair	August 8, 2017
South Bascom Avenue (North)	May 8, 2018
Winchester Boulevard	August 8, 2017
Neighborhood Urban Village Plans	
24 <sup>th</sup> Street/Williams Street	November 19, 2013

## **Urban Village Plans in Process**

The new consolidated Five Wounds Urban Village Plan (combining Five Wounds, Little Portugal, 24<sup>th</sup> & Williams, and Roosevelt Park) is anticipated to be scheduled for adoption by the City Council in Spring of 2025. The Plan is in its final stages of preparation, which includes completing the Administrative Draft Environmental Impact Report (EIR), aligning the design of the BART station plaza and related facilities, and conducting a thorough review of the various chapters. Key issues that need to be addressed before adoption include establishing effective policies for the preservation of historic resources and developing antidisplacement strategies.

The planning process for the Eastside Alum Rock



Image 10 Five Wounds Urban Village Plan community workshop

Urban Village Plan and the Saratoga Avenue Urban Village Plan (combining the Saratoga and Paseo de Saratoga Urban Village areas) both began in Fall of 2024. The Plans are both in the initial stages of the urban village planning process, which includes gathering input from the community. Engagement activities focus on discussing the vision of future growth, existing assets, areas in need of improvement, and opportunities for positive growth and change.

The South De Anza Blvd and South Bascom Ave (South) Urban Villages are currently under consideration to potentially be one of the next Urban Villages to start the Urban Village planning process.

Table o Orban vinage Flans in Frocess		
Urban Village Plan	Status	Anticipated Adoption
Five Wounds (Little Portugal, Five Wounds, 24 <sup>th</sup> & Williams, & Roosevelt Park Urban Villages Update)	In Progress	Spring 2025
Eastside Alum Rock	In Progress	Spring 2026
Saratoga Avenue (Saratoga Ave & Paseo de Saratoga Urban Villages)	In Progress	Spring 2026
South De Anza Blvd.	Under Consideration	TBD
South Bascom (South)	Under Consideration	TBD

#### Table 6 Urban Village Plans in Process

## **Development Activity in Urban Village Plan Areas**

Since the adoption of the General Plan in 2011, the Planning Division has entitled approximately 16,685 residential units and 6.19 million square feet of non-residential development (commercial and industrial) within Urban Villages. In FY 2023-2024, the Planning Division entitled approximately 1,361 residential units and 191,000 square feet of non-residential development (commercial and industrial) within Urban Villages.

## Signature Projects in Urban Villages



Image II Sparta student housing (construction complete in 2022)

For residential development to move forward in Urban Villages that do not yet have an approved Urban Village plan and the property does not already have a General Plan land use designation that allows residential development, the General Plan includes Policy IP-5.10, the "Signature Project" Policy, which allows residential mixed-use development to proceed ahead of an approved Urban Village plan if the project meets an established set of requirements related to density, design, and the provision of employment space and parkland space.

Since 2011, the City has received nine applications

for signature projects under General Plan Policy IP-5.10. In the prior fiscal year, the Volar Signature project entitlement expired. All other projects' statuses have not changed in the prior fiscal year. Overall, there is one project that has completed construction, one project that partially completed

construction, one project under construction, five projects entitled, one project partially entitled and partially under review, one project with an expired entitlement and one project that was superseded by a different non-Signature Project development which is under construction. See Table 7 for more details on the complete list of Signature Projects.

Signature Projects Website

## Affordable Housing in Urban Villages



Image 12 Blossom Valley Senior Housing at 397 Blossom Hill Road (Construction complete in 2024). Image from Studio Architects at <u>www.studioearchitects.com</u>. Photographer Jeff Peters with Vantage Point at <u>www.vantagepointphoto.com</u>

In December of 2016, as part of the first General Plan 4-year review, Council approved Policy IP-5.12 which allows affordable housing development or a mixedused affordable housing development with nonresidential land use designations to proceed ahead of an approved Urban Village plan if the residential portion of the project is 100% affordable units that are deed-restricted for no less than 55 years to lowincome residents (earning 80% or less of the Area Median Income).

Since 2016, the City has received applications for 12 100% affordable housing development projects under General Plan Policy IP-5.12. In the prior fiscal year,

the Blossom Hill Senior Affordable Housing development completed construction and the Pacific West Communities Affordable Housing development started construction. All other projects' statuses have not changed in the prior fiscal year. Overall, there are two project that have completed construction, five projects under construction, four projects entitled, and one project still under planning review. See Table 7 for more details on the complete list of Affordable Housing projects using policy IP-5.12.



Image 13 Signature project 1350 S Bascom Ave residential building (under construction)



Image 14 Signature project 1350 S Bascom Ave office building (under construction)



Image 15 Affordable housing 2350 S Bascom Ave (Under Construction)



Image 16 Rendering of Blossom Hill Signature Project (Entitled)



Image 17 Rendering of Charity Housing Alum Rock affordable housing (entitled)

Project Name	File Numbers	Status	Planning Approved Date	Address	Description	Urban Village
Sparta Student Housing	PD15-044	Construction Completed	9/20/2016	505 E. Santa Clara Street	Planned Development Permit for the construction of 86 student residential units and 11,530 square feet of commercial space in a 7-story building.	East Santa Clara Street
Volar	PD15-059	Expired	6/13/2017	350 Winchester Boulevard	Planned development permit to allow the construction of 307 residential units and 52,167 square feet of commercial and office uses in an 18-story building.	Valley Fair/ Santana Row Urban Village
The Orchard	PD16-025	Construction Completed	1/10/2017	641 N. Capital Avenue	Planned Development Permit for the construction of 188 residential units, 10,000 square feet of total 108,000 square feet of commercial space, and a one-acre park.	North Capitol Avenue/ McKee Road
	PDA16-025-03	Entitled	8/10/2022	525 N. Capital Avenue	Planned Development Amendment permit to increase the mini storage building square footage from 76,000 square feet to 111,000 square feet.	
	MP21-011	Entitled	9/1/2023	0 Fruit Ranch Loop	SB 35 Ministerial Permit to add 160 affordable housing units and decrease the commercial square footage from 28,000 square feet to 2,900 square feet.	-
FortBay	PD17-014	Expired and superseded by PD20-012 & PDA20- 012-01	2/26/2017	4300 Stevens Creek Boulevard	Planned Development Permit to allow construction of a 6-story approximately 233,000-square-foot office building, a 6-story parking garage, an 8-story mixed use building containing approximately 10,000 square feet of ground floor commercial and up to 289 residential units, and an 8-story residential building containing approximately 205 market rate residential units and approximately 88 affordable residential units.	Stevens Creek Boulevard
AvalonBay	PD17-027	Entitled	6/11/2019	700 Saratoga Avenue	Planned Development Permit to allow the construction of up to 302 residential units, 17,800 square feet of retail/commercial space, and 1,110 new parking spaces within the existing multi-family residential development.	Saratoga Avenue Urban Village
Bascom Gateway Station	PD18-015	Under Construction	9/10/2019	1350/1410 South Bascom Avenue	Planned Development Permit to allow the construction of 590 multifamily residential units and 200,000 square feet of office space.	South Bascom (North) Urban Village

Blossom Hill Signature Project	SP20-012	Entitled	8/9/2022	605 Blossom Hill Road	Special Use Permit to allow the construction of one six- story mixed use building with 13,590 square feet of commercial space and 239 market-rate multi-family residential units and one five-story multifamily residential building with 89 affordable housing units.	Blossom Hill Road/Calahan Avenue
Cambrian Park Plaza	PD20-007	Entitled	11/2/2022	14200 Union Avenue	Planned Development Zoning to allow the construction of up to 305 multifamily residential units, 25 townhomes, 48 single-family residential homes, and 27 accessory dwelling units, 181,340 square feet of retail and residential care use, 229 room hotel, and 4 acres of public open space.	Camden Avenue/ Hillsdale Avenue
El Paseo Mixed Use Village	PDA20-006-02	Entitled	11/29/2023	1312 El Paseo de Saratoga	Planned Development Amendment Permit to reduce the commercial square footage from 66,838 sq ft to 58,370 sq ft and to remove all 267 residential units from Building 3 of the original approved Planned Development Permit.	Paseo de Saratoga
	PDA20-006-03	Pending Planning Approval	n/a	1312 El Paseo de Saratoga	Planned Development Amendment Permit to increase the residential unit from 267 to 376 and reduce the commercial sq ft from 64,176 sq ft to 13,500 sq ft on Building I, to increase the residential units from 273 to 371 and reduce the commercial sq ft from 29,699 sq ft to 15,500 sq ft on Building 2, to increase the commercial sq ft from 5,236 sq ft to a 116,004 sq ft, 120-unit residential care facility on Building 4a, and 248 units to be modified in a future permit amendment for Building 4b.	

Project Name	File Numbers	Status	Planning Approved Date	Address	Description	Urban Village
Blossom Hill Senior Affordable Housing	CP18-022	Construction Complete	12/11/2019	397 Blossom Hill Road	Conditional Use Permit to construct a 147-unit senior affordable housing building with approximately 16,066 square feet of commercial uses.	Blossom Hill Road/Snell Avenue
Affirmed Housing	H20-013	Construction Complete	2/28/2021	3090 South Bascom Avenue	AB 2162 Ministerial Permit to construct a 5-story, 79-unit supportive housing development, with 29 units reserved for permanent supportive housing, and 619 square feet of commercial space.	South Bascom Avenue (South)
Pacific West Communities, Inc.	CP20-025	Under Construction	10/7/2021	2880 Alum Rock Avenue	Conditional Use Permit to construct one mixed-use six-story building (Building A) with 7,000 square feet of commercial space and 119 residential units (100% affordable) and one multifamily residential six-story building (Building B) with 45 units (100% affordable) with associated podium garage parking.	Alum Rock Avenue (East of 680)
Casa de Novo	H20-046	Pending Planning Approval	n/a	2188 The Alameda	Site Development Permit to construct a new 6-story, 118-unit supportive housing development including 2 managers units of which a minimum of 50% are permanent supportive units and 21,170 sq. ft. of non- residential support spaces with 39 parking spaces.	The Alameda (West)
Maracor Development, Inc.	H21-004	Under Construction	2/4/2022	2350 South Bascom Avenue	SB 35 Ministerial Permit to construct a 6-story mixed-use, multifamily project consisting of 123 affordable units and 1,437 square feet of ground floor commercial space.	South Bascom Avenue (South)
Parkmoor Hub	MP21-004	Under Construction	1/27/2023	1510 Parkmoor Avenue	SB 35 Ministerial Permit to construct one five-story mixed use building with 81 affordable units and 17,000 square feet of social services.	Race Street Light Rail (West of Sunol)
JEMCOR Development Partners	H21-020	Under Construction	8/3/2022	1007 Blossom Hill Road	Site Development Permit to construct a seven-story building, with five-stories of multi-family 100% affordable residential housing units (271 units) over a two-story parking garage.	Oakridge Mall (Edenvale)

Dry Creek Crossing	MP22-006	Under Construction	I/27/2023	2388 South Bascom Avenue	SB35 Ministerial Permit to construct a six-story 100% affordable residential project with 64 housing units, with 63 income-restricted units and one on-site manager unit.	South Bascom Avenue (South)
Charities Housing Santa Teresa	MP22-009	Entitled	4/21/2023	5885 Santa Teresa Boulevard	SB 35 Ministerial Permit to construct three new building with 49 affordable units.	Santa Teresa Boulevard/ Snell Avenue
Charities Housing Alum Rock	MP22-010	Entitled	9/1/2023	2920 Alum Rock Avenue	SB 35 Ministerial Permit to construct one four-story 100% affordable residential project with 63 units with one manager's unit.	Alum Rock Avenue (East of 680)
Community Development Partners	MP22-011	Entitled	9/1/2023	525 North Capitol Avenue	SB 35 Ministerial Permit to construct a 5-story mixed-use affordable housing project consisting of 160 affordable housing rental units and 2,600 sf of community serving flex space.	North Capitol Ave/McKee Road
Affirmed Housing Group	MP22-014	Entitled	8/24/2023	1371 Kooser Road	SB 35 Ministerial Permit to construct a 7-story, 100% affordable housing apartment consisting of 191 residential units, of which 8 are set aside as Rapid Rehousing Units and 2 are for managers, with a 2- level parking garage with 130 parking spaces.	Kooser Road/Meridian Ave

# **MAJOR STRATEGY #6 – STREETSCAPES FOR PEOPLE**

Major Strategy #6 focuses on designing streets to prioritize people over cars and to accommodate a diverse range of urban activities and functions in them. The city's transportation network promotes walking, bicycling, and public transit use to support this strategy. General Plan policies advocate for the development of "Complete Streets" that cater to all users and support various activities such as pedestrian movement, cycling, utilities, outdoor gatherings, and vehicle traffic. Complete Streets ensure safe, comfortable, and convenient travel for people of all ages, abilities, and preferences. Close alignment between the City's Capital Improvement Program and the General Plan policies enables strategic planning and allocation of resources to develop infrastructure that supports the Plan's objectives.

The Department of Transportation (DOT) led efforts in the past few years for the approval of several transportation plans which move forward Complete Streets principles. These include:

- Vision Zero Action Plan (2020)
- Better Bike Plan 2025 (2020)
- En Movimiento or East San José Multimodal Transportation Improvement Plan (2021)
- Downtown Transportation Plan (2022)
- West San José Multimodal Transportation Improvement Plan (2022)
- Transit First Policy (2022)

DOT staff's current project delivery activity is guided by these plans. Additionally, several planning efforts are currently being pursued by DOT staff that include: the North San José Multimodal Transportation Plan (MTIP) and transit-priority complete streets plans for the Stevens Creek-San Carlos corridor, Santa Clara Street, King Road, and Monterey Road. Notable highlights about these planning and project delivery efforts are described in detail below.

## Better Bike Plan 2025

Better Bike Plan 2025 continues the build-out of its network in all 10 City Council Districts. These new bikeways and enhancements to existing bikeways projects leverage DOT's Pavement Maintenance Program. Bikeways are any street or path that is designed to

Better Bike Plan 2025 Website

accommodate people on bikes, which includes a bike boulevard, a street with a bike lane, a protected bike lane, or a multi-use path, also called a trail.

In FY 2023-2024, the City installed 17.6 miles of new on-street bikeways and upgraded 5.3 miles of existing on-street bikeways. Notable on-street bikeways completed in FY 2023-2024 included:

- Saratoga Avenue between Lawrence Expressway and Williams Road: Lane reduction with new bollard-protected bikeway, connecting to bike lanes on Campbell Avenue, Hamilton Avenue, and Williams Road.
- Airport Parkway between North First Street and Airport Boulevard: enhancement of existing bike lanes to a parking-protected bikeway, connecting to the Guadalupe River Trail.
- Leigh Avenue (between Hamilton Avenue and Southwest Expressway): lane reduction with new bike lanes, connecting to existing bike lanes on Southwest Expressway, new bikes lanes on Stokes Street, and the Los Gatos Creek Trail.
- Almaden Boulevard at Park Avenue: raised protected bikeway connecting to existing bikeways on Park, Almaden, and San Fernando streets



Image 19 Protected bikeway on Saratoga Avenue implemented through Vision Zero program



Image 21 New bike lanes on Leigh Ave near Blackford Elementary



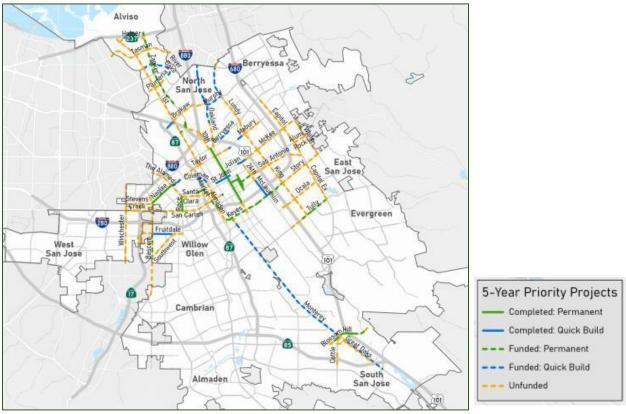
Image 20 Protected bikeway on Airport Parkway implemented through pavement maintenance



Image 18 Bikeway on Almaden Blvd, constructed via coordination with private development

Better Bike Plan 2025 defines a five-year priority project network to help guide planning efforts. Funding has not been identified for full implementation of the five-year priority network. Many of these corridors currently have basic and/or buffered bike lanes. Most of these corridors are planned as protected bikeways and must be upgraded as part of plan implementation. The implementation status of the five-year priority project network is shown in Figure 13 below.





## **Downtown Transportation Plan**

The Downtown Transportation Plan is a community-based, longrange multimodal transportation improvement plan for Downtown San José in Council District 3. The plan prioritizes a list of 56 projects, programs, and policies to be implemented in 20 years. In 2024, the following grant-funded projects have made significant progress in planning and designs:

San José Downtown Transportation Plan Website

- Transforming Keyes Street and Story Road (west of King Road) into Complete Streets including transit and bikeway improvements.
- Installing on-street mobility hubs on San Fernando Street to support the first last-mile connections with multiple travel options. Mobility hubs are places in a community that bring together public transit, bike share, car share and other ways for people to get where they want to go without a private vehicle.
- Installing camera technology to collect and display the inventory and usage of the curb on Downtown streets. The technology adheres to the City's Digital Privacy Policy and has been approved.
- Converting the one-way traffic on Julian Street and Saint James Street (Market Street to Fourth Street) to two-way traffic, making more livable streets with safety and streetscape improvements.

## **Monterey Road Transit and Safety Projects**

In FY 2023-2024, several projects are underway to redevelop Monterey Road as a Grand Boulevard, or transit-first corridor, that improves transit reliability, pedestrian safety, and quality of life. Monterey Road is also a Vision Zero Priority Safety Corridor. Notable project progress on Monterey Road includes the following actions:

- VTA developed a Community Based Transportation Plan (CBTP) to identify areas where pedestrian, bicycle, and transit improvements can best meet the community's expressed needs.
- The City secured a federal grant to develop a Monterey Road Reconnecting Communities Plan and advance the high level recommendations of the CBTP and rail improvements.
- The Capitol Caltrain Urban Village Plan, adopted by City Council in November 2023, identifies projects in the station area to improve rail safety and reliability, improve local quality of life, and support major rail systems.
- The Monterey Road Transit Project aims to provide low-cost safety and transit improvements, including bus lanes, boarding islands, protected bicycle lanes, and improved crosswalks. Conceptual designs for quick-build bus lanes were complete. The City secured a grant of \$8.7 million in construction funding from the State's Affordable Housing and Sustainable Communities program.
- The Coyote Valley Corridor Study has started evaluating zoning changes and the associated street access and circulation needs to allow agricultural supporting businesses.
- Existing guardrails along Monterey Road that were damaged and not up to current standards were replaced to improve safety.
- The Peninsula Open Space Trust secured funding to develop a plan to reduce vehicle/wildlife conflicts and increase wildlife connectivity in the greater Coyote Valley across Monterey Road.

## Eastridge to BART Regional Connector

The Eastridge to BART Regional Connector (EBRC) will extend light rail approximately 2.4 miles along Capitol Expressway from the Alum Rock Station to the Eastridge Transit Center. Highlights of this project include grade separations at Capitol Avenue, Story Road, Ocala Avenue, Cunningham Avenue, and Tully Road. The EBRC Project includes an elevated light rail station at Story Road and an at-grade station at the Eastridge Transit Center. The project extension will operate primarily in the median of the Capitol Expressway. The EBRC Project includes an aerial guideway, trackwork, two passenger stations, two traction power substations, and minor road widening.

The total project cost is estimated to be \$652.9 million, with funding from Measure A, Regional Measure 3, Senate Bill I, the Low Carbon Transit Operations Program, and the Transit and Intercity Rail Capital Program, and VTA Local Funds Reserve. The project has started construction since May 2024 and is expected to complete and start passenger service by 2028.

## US 101/Trimble Road/De La Cruz Boulevard Interchange

The US 101/Trimble Road/De La Cruz Boulevard Interchange Improvement upgrades the regional highway system and connects bicyclists and pedestrians to the Guadalupe River Trail and across US 101. The Project includes the following components:

Freeways Website

• Construction of a separated bike/pedestrian path crossing, connecting the Guadalupe River Trails System to De La Cruz Boulevard and Central Expressway;

- Reconstructing the existing US 101 southbound loop off-ramp to connect a new intersection terminus at De La Cruz Boulevard;
- Replacement of the existing De La Cruz-Trimble Road overcrossing structure to provide additional lanes and structural support for the bike/pedestrian facilities;
- An additional through lane in each direction on De La Cruz Boulevard, from Trimble Road to Central Expressway; and
- Reconstruction of the intersection of De La Cruz Boulevard and Central Expressway to add through and turn lanes and improve operational and multimodal connectivity.

The project completed construction in August 2024. The total project cost was approximately \$76 million, with funding from Measure B, Senate Bill I, and development traffic impact fees.



Image 22 Ribbon-cutting ceremony for the official opening of the US 101/Trimble Road/De La Cruz interchange project.

Also see Major Strategy #11 – Design for a Healthful Community for additional transportation-related projects which also contribute towards Major Strategy #6.

# MAJOR STRATEGY #7 – MEASURABLE SUSTAINABILITY/ENVIRONMENTAL STEWARDSHIP

Major Strategy #7 of the Envision San José 2040 General Plan aims to achieve ambitious environmental leadership goals by advancing its Climate Smart San José plan through 2040. The General Plan also contains multiple policies to support the implementation of environmental best practices, aligned with the city's goals of managing resources for present and future generations, efficiently using natural resources, and minimizing waste.

To measure progress towards these goals, staff in the Environmental Services Department (ESD) collect data annually on key environmental indicators for energy use, transportation, housing, and water use.

## **Climate Smart San José**

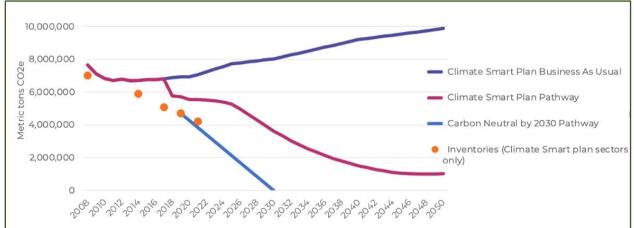
Climate Smart San José (2018) provides a roadmap for achieving significant reductions in greenhouse gas emissions. It aims to meet the state's target of an 80% reduction below 1990 levels by 2050, in line with the Paris Climate Agreement goals. While Climate Smart already set

ambitious climate goals, the City recognized the urgency of climate change and, in November 2021, approved the *Pathway to Carbon Neutrality by 2030*. Progress on the nine strategies of Climate Smart San José is available on the public Climate Smart Dashboard and highlights are provided at the end of this section.

## Communitywide Greenhouse Gas (GHG) Inventory

In June 2023, the 2021 Inventory of Communitywide GHG Emissions (Inventory) was published on the Climate Smart Dashboard. The net communitywide GHG emissions in 2021 were an estimated 4.9 million metric tons of carbon dioxide equivalent, a 10 percent reduction from

2019 Inventory. As in previous years, the majority of communitywide GHG emissions came from transportation (49%) and energy use in buildings (33%). Based on the data in the 2021 Inventory, San José is on track to meet its Climate Smart GHG emissions reduction goals by 2050. However, these emissions are slightly higher than those required to achieve carbon neutrality by 2030. Figure 14 provides a comparison between the Climate Smart Plan's GHG emissions reduction pathway, the Pathway to Carbon Neutrality by 2030, and San José's GHG emissions reduction progress so far.



#### Figure 14 Climate Smart GHG Emissions and Reduction Pathways and Progress

<u>Climate Smart San José</u>

Website

**GHG** Emissions

Website

# Climate Advisory Commission

In May 2023, the City Council established the Climate Advisory Commission (CAC), merging it with the Clean Energy Community Advisory Commission. The CAC became effective January 1, 2024, and holds meetings bi-monthly, starting in March 2024. Key meeting topics included reviewing the commission's purpose, Climate Smart initiatives, outreach strategies, and the election of a Chair and Vice-Chair. The

Environmental Services Department (ESD) co-leads the Commission with support from the departments of Energy (ED), Transportation, and Planning, Building, & Code Enforcement.

## **Climate Smart Plan Administrative Update**

Environmental Services Department staff is currently working on an administrative update for the Climate Smart plan. The update will align the plan with the Envision San José 2040 General Plan fouryear update; update the Climate Smart data model; incorporate the City's carbon neutrality goal; and incorporate new Climate Smart elements. Staff anticipates presenting the update to City Council in Spring 2025.

## **Reach Code Updates**

In September 2023, Council adopted a building reach code ordinance update. The updated reach code includes the following components for all new construction building types:

- Efficiency requirements for mixed fuel buildings
- Solar-ready requirements where not already covered by 2022 building code
- Electrification-ready requirements where not already covered by 2022 building code

ESD staff also conducted research and community engagement to update to the City's electric vehicle charging infrastructure reach code ordinance to include requirements for 100% EV readiness for new multi-family housing developments with parking. This update was adopted by City Council in January 2024 and became, effective July 1, 2024.

In winter 2024-25, City staff will begin to analyze an update of the building reach code based on the 2025 Building Energy Efficiency Standards, which will become effective on January 1, 2026.

## Major Initiatives

Current areas of work that are driving progress on Climate Smart San José goals include:

• The Zero Emissions Neighborhood (ZEN) pilot program: This program implements multiple climate smart improvements to the Santee neighborhood in East San José. In 2022, this program was awarded a grant to implement urban greening projects through the end of 2024. In FY 2023-2024, ESD staff

worked with program partners to plant native species at a community center, with additional planting projects planned for Fall 2024. These planting projects reduce greenhouse gases, support pollinators, and beautify neighborhood spaces. ESD was also awarded a \$25,000 county grant for building electrification efforts in the pilot area Santee, with implementation planned for FY 24-25.

• The Electric Homes San José program: On April 22, 2024, Earth Day, the City successfully launched the Electric Homes San José program. A comprehensive

<u>Climate Advisory</u> <u>Commission (CAC)</u> <u>Website</u>

Reach Code Webpage



electrification upgrade program to support single-family and multifamily building-owners throughout San José seeking to complete all-electric upgrades on their buildings. First round funding was 100% reserved within 17 days. Funding was reserved for: 22 heat pump heating, ventilation, and air conditioning (HVAC) units, 15 heat pump water heaters (HPWH), 22 weatherization upgrades, and 6 electric/induction cooktops. The program had a goal of utilizing 50% of the available funding for San José's Equity Communities (specific communities that have been historically underserved) and successfully achieved the reservation of 74% of first round funding for equity communities.

- San José Clean Energy (SJCE) Heat Pump Incentive Program and On-Bill Financing Pilot: Energy Department staff is developing a new heat pump incentive program and on-bill financing pilot for residential customers and plans to launch in fall 2024. Staff expect its heat pump incentive budget of approximately \$1.2M to result in at least 500 heat pump installations in FY 2024-2025, or a reduction of approximately 2,900 metric tons of CO2.
- SJCE Energy Efficiency Programs: In September 2022, SJCE launched two energy efficiency programs, the Home Appliance Savings Program, and the Energy Efficient Business Program, which will end in the last quarter of calendar year 2024 and are estimated to result in 2,800 megawatt-hours of annual savings over the lifetimes of the energy-saving equipment equal to the annual energy usage of about 560 homes. Through the Home Appliance Savings Program, customers have purchased more than 230 clothes washers, dryers, refrigerators, and induction cooktops at Airport Home Appliance. In addition, the program has delivered more than 315 smart thermostats, 140 smart plugs, 175 energy-efficient shower heads, and 290 portable induction hotplates to customers. The San José Energy Efficient Business Program provides technical assistance and 20 to 90 percent discounts for HVAC, water heating, and refrigeration systems and components for small- and medium-sized businesses and schools. The program has served over 775 businesses.

#### • SJCE Peak Rewards Program

Peak Rewards is SJCE's demand response programs, which pays residential and commercial customers to reduce their energy usage during critical hours when supply is tight on the electric grid. Program participants will soon be able to enroll their smart thermostats, electric vehicles, and electric vehicle chargers in the program for automated reductions in energy. Staff are working towards achieving 5 megawatts (MW) of peak reductions by the end of FY 2024-2025 and 25 MW by 2028.

## **Community Engagement**

- The Induction Cooktop Checkout program, which offers San José residents the chance to try out clean, healthy, all-electric cooking with an induction cooktop at no cost for up to two weeks. In FY 2023-2024, 20 San José residents participated in the checkout program.
- The Climate Smart Challenge and GoGreen Teams program, which provides residents with information on how to contribute to Climate Smart San José goals and connect with other interested residents. The last GoGreen Teams campaign, which concluded in November 2023, engaged 123 San José residents and students, and by the end of the program participants avoided 87,300 lbs. of CO2e emissions and saved nearly 117,300 gallons of water. The Climate Smart Challenge platform (www.climatesmartsjchallenge.org) engages with San José residents on climate solutions, contributing to Climate Smart's goals of reducing emissions from the residential sector. The platform currently has 1,318 users. Since its inception in 2019, participants on the platform have completed over 4,200 climate actions and committed to an

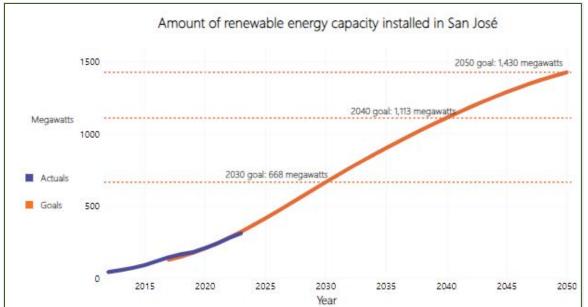
additional 900 actions that have resulted in \$135,000 saved, 370 tons of CO2 avoided, 12,300 gallons of gas saved, and 620,000 gallons of water saved.

• The Home Electrification Webinar Series, bringing education on residential electrification to San José residents. Staff have partnered with electrification experts at Redwood Energy to put present five interactive webinars covering the fundamentals and importance of home electrification, available incentives and rebates, and tips for electrifying with a small panel. In May and June 2024, staff hosted webinars in Spanish and Vietnamese for the first time and organized in-person viewings of these webinars, providing food and refreshments to encourage attendance. In total, nearly 130 San José residents attended the webinars in 2024, with 55 attending the in-person Spanish or Vietnamese viewings.

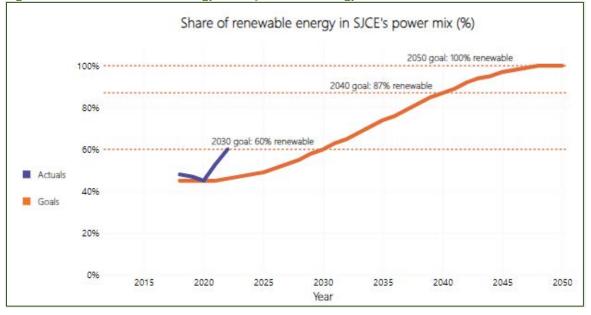
## Measurable Sustainability and Climate Smart Goals

Highlights of specific measurable goals of the *Climate Smart San José* Plan are given below. More detailed progress and reporting metrics can be found at the Climate Smart webpage.

<u>Climate Smart Data</u> <u>Dashboard</u>

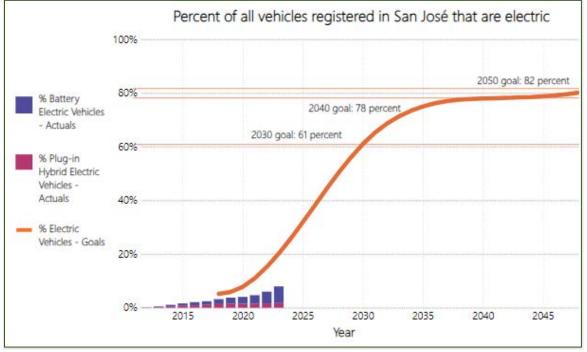


#### Figure 15 Amount of Renewable Energy Capacity Installed in San José



#### Figure 16 Share of Renewable Energy in San José Clean Energy Power Mix





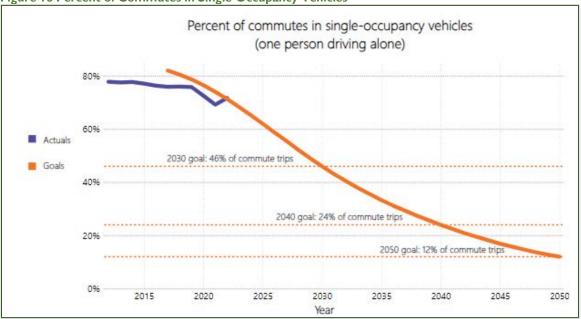
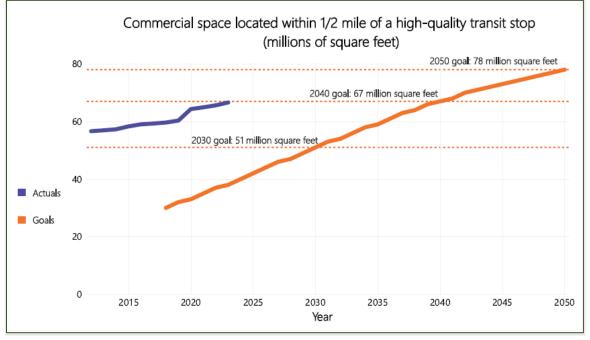
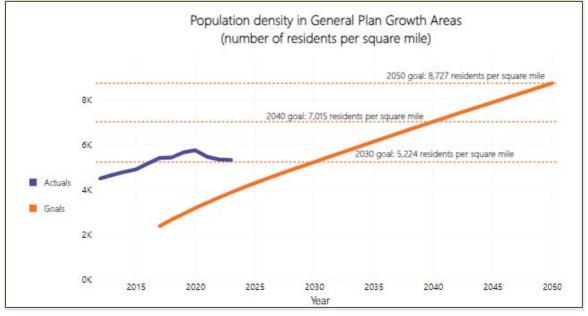


Figure 18 Percent of Commutes in Single-Occupancy Vehicles

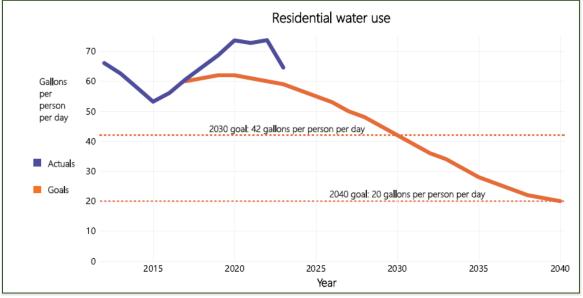












# **MAJOR STRATEGY #8 – FISCALLY STRONG CITY**

The General Plan establishes a land use planning framework that promotes fiscal balance of revenue and costs to allow the City to deliver high-quality municipal services. The Fiscally Strong City Major Strategy was created in part to counteract the negative fiscal consequences of past land use patterns.

# Land Use and Fiscal Health

Past land use patterns have resulted in a predominance of low-density, single-family residential uses (43% of the City's total land area and 94% of land designated for residential uses) compared to only approximately 13.5% of job-generating employment land. The remaining land is for higher-density residential, public, or other uses. Low-density sprawl results in a disproportionate cost to the City due to high capital investments and ongoing operations and maintenance for infrastructure, serving fewer people and businesses than the City otherwise could in a higher-density built environment. High concentrations of jobs and housing contribute to place-making and economic development, boosting demand for retail and services, and facilitating transportation alternatives such as walking, bicycling, and public transit. As the City begins to achieve its goals for a more urban, transit-connected community, it is anticipated that its service and infrastructure cost structure will become more efficient with lower marginal costs and higher marginal benefits per resident.

## **Budget Overview**

Key measures for determining the City's fiscal strength are the Capital and Operating Budgets, including the Capital Improvement Program (CIP). According to the 2024-2025 Adopted Operating Budget<sup>4</sup>, the FY 2024-2025 Adopted Operating Budget totals \$6.12 billion for all City funds, which is

Adopted Operating Budget 2024-2025

0.5% more than the FY 2023-2024 Adopted Budget. The Adopted Budget includes the elimination of 66 positions, as these positions were funded on a one-time basis only in the FY 2023-2024 Adopted Budget. However, 20 new positions were added primarily due to the investments in Beautify San José and in support of the City's Stormwater Permit implementation. Overall, the net level of staffing decreases by 46 positions to 6,994 full-time equivalent (FTE) positions in the 2024-2025 Adopted Budget.

2024-2025 Adopted Budget — All Funds (Table 1)								
	2023-2024 Adopted	2024-2025 Adopted	% Change					
General Fund	\$ 2,092,480,477	\$ 2,130,127,112	1.8%					
Special Funds	3,362,611,337	3,667,126,712	9.1%					
<less: operating<br="">Transfers&gt;</less:>	(940,383,884)	(1,106,073,764)	17.6%					
Net Operating Funds	4,514,707,930	4,591,180,060	3.9%					
Capital Funds	1,588,248,927	1,444,448,232	(9.1%)					
<less: capital="" transfers=""></less:>	(4,030,000)	(6,952,000)	72.5%					
Net Capital Funds	1,584,218,927	1,437,496,232	(9.3%)					
Total	\$ 6,098,926,857	\$ 6,128,676,292	0.5%					

Table 9 All Funds Table from Adopted Operating Budget 2024-2025

<sup>&</sup>lt;sup>4</sup> https://www.sanjoseca.gov/home/showpublisheddocument/115774/638663101021200000

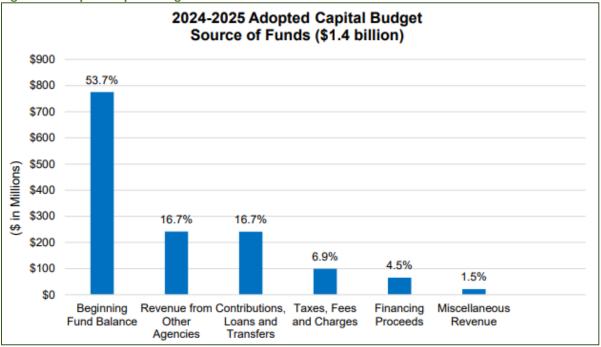
# Capital Improvement Program (CIP)

The City's Adopted Capital Improvement Program (CIP) includes 14 capital programs aligned to one of the six City Service Areas, focusing on infrastructure renovation, renewal, and expansion. This CIP provides resources to renovate, renew, and expand the City infrastructure that is

Adopted Capital Budget 2024 - 2025

essential to the day-to-day needs of our community and improves our quality of life, such as roadways, sewer collection and treatment systems, parks and sports fields, fire and police facilities, and airport facilities. Funding for the CIP comes from a variety of sources, including leftover balance from previous years, revenue from other agencies, contributions, taxes and fees, financing proceeds, and miscellaneous revenue. Some of these fees and charges can only be used to mitigate the impact of new development and cannot contribute to City services or deferred infrastructure maintenance.

According to the 2024-2025 Adopted Capital Budget<sup>5</sup>, the FY 2024-2025 Adopted Capital Budget of \$1.4 billion reflects a 9.1% decrease from the FY 2023-2024 Adopted Capital Budget of \$1.6 billion. Over a five-year period, the 2025-2029 Adopted CIP totals \$4.0 billion, a 10.3% increase from the 2024-2028 Adopted CIP of \$3.6 billion, driven primarily by increased investments within the Environmental and Utility Services CSA and the Transportation and Aviation CSA. While the Administration remains focused on leveraging external State and federal resources to supplement project funding, several of the City's key local revenues dedicated to the CIP have declined or remained stagnant, at least over the next several years, in the face of increasing operational and rehabilitation needs.



#### Figure 22 Adopted Capital Budget Source of Funds 2024-2025

<sup>&</sup>lt;sup>5</sup> <u>https://www.sanjoseca.gov/your-government/departments-offices/office-of-the-city-manager/budget/budget-documents/2024-2025-budget-documents/2024-2025-adopted-capital-budget</u>

## **General Fund**

The City's General Fund is the primary operating fund used to account for all revenues and expenditures of the City, which are not related to special or capital funds that were created for a specific purpose. As City Hall emerged from the pandemic a limited number of strategic areas were identified for meaningful progress. The projected shortfalls omitted significant new expenditures necessary to implement the State of California's regulatory requirements for the new Stormwater Permit, as well as the cost of programs previously funded on a one-time basis in the General Fund.

In February 2024, the Administration released the 2024-2025 City Manager's Budget Request and 2025-2029 Five-Year Forecast and Revenue Projections document to estimate the budget condition of the General Fund and selected Capital Funds over the next five years. The Forecast initially anticipated an ongoing shortfall of \$3.6 million in 2024-2025. That shortfall was revised slightly downward to \$4.5 million due to a number of factors, including corrections to personal services costs within the Base Budget and minor revisions to several revenue categories.

## Management of 2023-2024 Budget

The City managed 139 budgeted funds in FY 2023-2024. Budget actions were brought forward during the year to help ensure that revenues and expenditures remained in alignment with actual performance. Due to careful forecasting, monitoring, and management throughout all City funds, overall FY 2023-2024 revenues and expenditures ended the year very close to budgeted expectations. For the General Fund, the Ending Fund Balance of \$600.9 million was \$24.5 million above the fund balance estimate assumed when the FY 2024-2025 Adopted Budget was developed, but only \$2.4 million after accounting for required clean-up/rebudget adjustments that are necessary to close out FY 2023-2024. The \$24.5 million variance represents 0.6% of the FY 2023-2024 Modified Budget for revenues and expenditures and the \$2.4 million represents a variance of 0.05%. These priorities, among other items, are addressed in the Capital and Operating Budgets available on the Budget Office website.

With the end balance for FY 2023-2024, the Administration followed City Council Policy I-18 and first considered clean-up/rebudget actions associated with the close-out of the FY 2023-2024 to be essentially non-discretionary and the highest priority. The financial results of FY 2023-2024 will also be factored into the development of the FY 2025-2026 City Manager's Budget Request & 2026-2030 Five-Year Forecast and Revenue Projections document that will be released at the end of February 2025.

# **MAJOR STRATEGY #9 – DESTINATION DOWNTOWN**

The Envision San José 2040 General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley, providing employment, entertainment, and cultural activities more intensely than any other area in the City. The General Plan also supports a significant amount of job and housing growth within the Downtown Growth Area, specifically, 105,809 new jobs and 27,779 new dwelling units by 2040. San José continues to work towards these goals by attracting high-density, mixed-use development and by hosting cultural and recreational activities, entertainment, and sporting events.

#### **Development Activity in Downtown**

Since the adoption of the Envision San José 2040 General Plan in 2011, the City has approved planning entitlements for approximately 12,892 residential units and approximately 22.26 million square feet of commercial/office space in the Downtown Growth Area. The Downtown West (Google) entitlements, approved in 2021, make up a sizable portion of all entitlements with 5,900 residential units and 7.8 million square feet of commercial entitled. In FY 2023-2024, planning entitlements were approved for approximately 925 residential housing units and approximately 20,600 square feet of commercial/office space in Downtown.

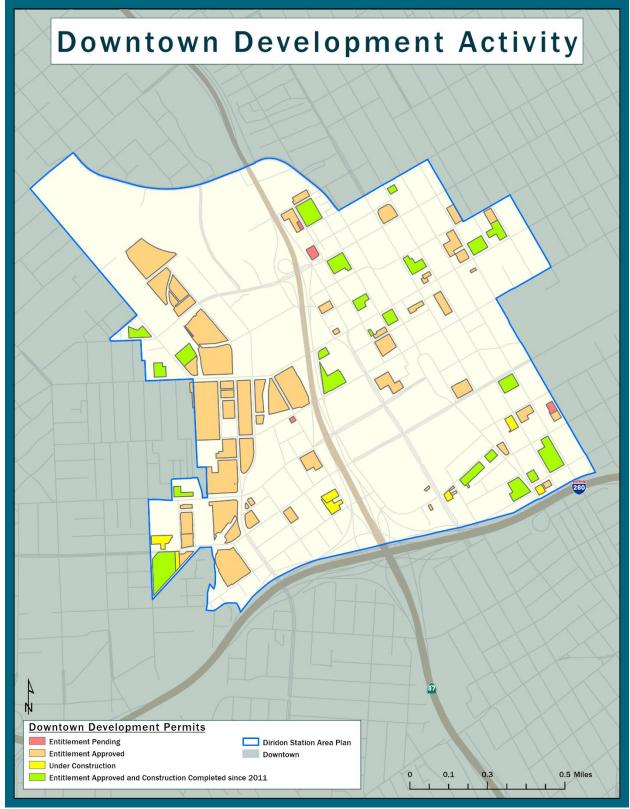


Image 23 Affordable housing project at 427 Auzerais Ave (construction complete)

## **Residential Development Activity in Downtown**

Residential development activity in Downtown has continued to be affected by economic uncertainty from high interest rates and continued remote and hybrid work patterns. After a significant increase in planning entitlements in the prior fiscal year, this past fiscal year saw a decrease in the number of planning entitlements, though still higher than in FY 2020-2021 and FY 2021-2022. In FY 2023-2024, there were 925 residential units entitled in Downtown compared to 2,983 residential units entitled in the last fiscal year, which is a 69% decrease.

As of August 2024, one project with 87 affordable units and one project with 130 affordable units completed construction in Downtown. Among "major" projects (those of 50 units or greater) in Downtown, 690 units were under construction. This includes 364 affordable housing units across three developments and 336 market-rate units at a residential tower at 10 E. Reed Street. As of August 2024, 5,982 residential units had been entitled and 1,946 residential units are in the Planning entitlement review process in Downtown.



## **Commercial Development Activity in Downtown**

Commercial development activity continued to be lackluster during the fiscal year, as the market waited to absorb existing vacancies including from recently constructed and renovated office buildings. In FY 2023-2024, planning entitlements were approved for 20,606 square feet of commercial development in Downtown compared to 3,404,366 square feet in the previous fiscal year, which is a 99% decrease.

In FY 2023-2024, no commercial projects were completed in Downtown. The 144,000 squarefoot Marriot Hotel at 495 W. San Carlos Avenue is currently under construction but the Park Habitat/Tech Museum expansion development at 180 Park Avenue and the Platform 16 office development at 440 W. Julian Avenue have paused construction with plans to return to complete construction when the office market improves. As of August 2024, 19 projects totaling 10.65 million square feet of commercial space had been entitled, and three projects totaling 1.69 million square feet of commercial space were in the Planning entitlement review process in Downtown.



Image 24 Marriot Keystone Hotel at 495 W. San Carlos Ave (under construction)

While the list of entitlements is robust, it remains unclear how many projects will move to construction in the near term. Many tech companies are re-assessing office needs in light of hybrid work schedules and general belt-tightening amid an uncertain economy. This includes Google, which announced in early 2023 that it was "re-assessing" the timeline for its project in Diridon. On the other hand, Downtown's largest private employer, Adobe, has occupied its fourth office tower at 333 W. San Fernando St., bringing on an additional 700,000 square feet of office space, suggesting there is still demand of office space among major tenants. Downtown's advantages – transit access, arts and cultural activities, entertainment, and central location – still make it a good submarket for office, housing, and retail.

#### **Office Vacancy in Downtown**

Since the Envision San José 2040 General Plan was adopted in 2011, the downtown office vacancy rate declined from a high of 23% in FY 2012-2013 to a low of 12% in FY 2016-2017, before ticking back up into the 20% range with the onset of the COVID-19 pandemic as more tenants chose to shrink their space due to hybrid work policies. However, the downtown office market is relatively small, with a building base of roughly 11 million square feet. This means that relatively small occupancy changes can have a significant impact on the vacancy percentages.



#### Figure 24 Downtown Office Vacancy Percentage<sup>6</sup>

## **BART Silicon Valley Phase II Extension**

The VTA's BART Silicon Valley Phase II Extension Project will extend BART regional rail service six miles from the Berryessa/North San José Station into downtown San José and terminate in the City of Santa Clara. It will include three below-ground stations in San José, 28th St/Little Portugal, Downtown, and Diridon Station, and one at-grade station in Santa Clara adjacent to the Santa Clara Caltrain Station. Most of the alignment in San José will be underground in a single-bore tunnel containing side-by-side tracks.

In March 2024, VTA announced that, due to industry-wide escalation rate adjustment, the project cost estimate was revised from \$12.24 billion to \$12.7 billion. The projected passenger service date was also revised from October 2036 to May 2037. Additionally, VTA announced that they would conduct an updated comparison of the single-bore versus twin-bore approach to the project, including cost, disruption, and other factors in response to public concerns about the increasing project cost. The analysis is intended for informational purposes; the project is advancing with the single-bore tunnel.

Furthermore, VTA announced the Business Resource Program aiming to support small businesses during construction. VTA authorized up to \$3 million per year in local funding for the implementation of the Small Business Resource Program, including direct financial assistance grants during significant construction of the project and a cap of \$10,000 per qualified business per year. This cap may be flexible in case more money was warranted to keep an impacted business afloat.

In May 2024, early works construction at the Newhall Yard/West Portal started to prepare the site for the tunnel launch and related facilities. VTA is in coordination with the City to obtain permits and other requirements before the start of construction. Heavy construction is anticipated to begin in 2026.

<sup>&</sup>lt;sup>6</sup> Source: Cushman and Wakefield. Data for each fiscal year is based on Quarter 2 (April- June) data for end year of the fiscal year.

## **Diridon Integrated Station**

Electrified Caltrain, BART, and High-Speed Rail service will add to the trains, buses, and light rail that currently serve San José Diridon Station. The City of San José has also adopted plans for substantial transit-oriented development near the station, which would bring thousands of new jobs and residents to the area. With these changes, Diridon Station is poised to become one of the busiest intermodal stations on the West Coast. The California High-Speed Rail Authority, Caltrain, Santa Clara Valley Transportation Authority, Metropolitan Transportation Commission and the City of San José are working together on a plan to expand and redesign Diridon Station to be a world-class center of transit and public life that provides smooth connections between modes and integration with the surrounding neighborhoods.

The multi-agency Diridon team is evaluating the costs and benefits of station design alternatives with a goal to identify a preferred alternative that is cost effective, implementable, and in alignment with the goals and objectives of the partner agencies and the greater community. This cost-benefit analysis work began in early 2023 and is expected to conclude by the end of 2024. The analysis will produce a clearly defined locally preferred alternative that is detailed enough to allow environmental review required by the California Environmental Quality Act (CEQA) to commence. CEQA review is expected to take approximately three years. This clearly defined project alternative will be sufficiently detailed to enhance the projects competitiveness for state and federal funding opportunities.

## **Diridon Station to Airport Connector**

The Diridon Station to Airport Connector project includes a new approach to transit that can be designed and built faster, at lower cost, and with a better rider experience than traditional transit systems.

The system will use electric, automated transit vehicles. These will run on transit-ways separate from city streets. The vehicles will provide ondemand, direct, non-stop service to all riders. The technology can scale to higher ridership demand corridors in the city. This allows for future extensions within San José, such as along the Stevens Creek Corridor which City Council has directed



Image 25 Prototype electric, automated transit pods

staff to consider. The Connector is one of the 14 eligible projects in VTA's 2000 Measure A sales tax program.

The project could be the first in a larger transit system to carry people across San José and neighboring cities without interruptions from traffic. The City is pursuing a public-private partnership to keep public costs low and encourage innovation. The project is structured in three phases. Each phase ends with a City Council decision whether to proceed to the next phase. Phase one will produce a conceptual design, Project Plan, and Feasibility Validation Report for City Council's review in December of 2024. Phase two will produce engineering and environmental work for CEQA consideration and 65% design. In phase three the City and the private party partners to the project will negotiate a project implementation agreement. If negotiation is successful, the project would enter construction. Although no construction funding has been secured, the project is anticipated to start construction in 2027, if approved.

## Cultural, Entertainment, and Visitor Activity

Downtown San José is the hub of San José's civic and cultural attractions, including City Hall, the Martin Luther King Jr. Library, the Convention Center, the San José Arena/SAP Center, multiple museums, numerous theaters, public art pieces, and outdoor gathering venues. The South First Area (SoFA) cultural district is also located within the downtown area, which is home to multidisciplinary art organizations of all sizes and commercial arts-based businesses.

Many cultural events and festivals add to the vibrancy of the downtown, such as Christmas in the Park, the San José Jazz Summerfest, and



Image 26 CityDance San José at San José Museum

the annual Silicon Valley Turkey Trot. The activity levels in Downtown have returned to pre-pandemic levels. According to the Office of Cultural Affairs' 2023 and 2024 Events Calendar, San José hosted 84 outdoor events in downtown in FY 2023-2024. These 84 outdoor events activated 278 event days, attracting almost 2.5 million people which was 1 million more people than the previous fiscal year.

Some notable events in this last fiscal year were VivaCalle, Winter Wonderland, Christmas in the Park, Music in the Park, Pumpkins in the Park, SubZERO Festival, SJ Jazz Summerfest, Fountain Blues and Brew Festival, SoFA Street Fair, Silicon Valley Pride Festival and Parade, Veterans Day Parade, the Levitt Pavilion concert series, and numerous run/walk events.

# MAJOR STRATEGY #10 – LIFE AMIDST ABUNDANT NATURAL RESOURCES

Major Strategy #10 emphasizes the crucial role of preserving and nurturing one of San José's most notable attributes: easy access to the outdoors. The strategy identifies goals for promoting an active lifestyle and prioritizing the residents' quality of life by supporting and enhancing the equitable distribution, development, and accessibility of an exceptional park system, trails, and community centers.

San José's commitment to enhancing the quality of life for its residents is exemplified through the projects and programs of the Department of Parks, Recreation, and Neighborhood Services (PRNS) and Department of Transportation (DOT). The discussion below elaborates on how the General Plan's goals related to the Major Strategy #10 are being implemented by PRNS. In addition, refer to Major Strategy #11, which includes highlights of trails.

The details of these Goals and Policies can be found in the Envision San José 2040 General Plan.

## Goal PR-I High-Quality Facilities and Programs

San José recognizes that great cities should have great parks and that the City should have standards for the provision of minimum parkland acreages. As summarized in Table 9, the General Plan establishes service level objectives for parks and recreational facilities. The actual service level figures were last updated in the 2024-2028 Adopted Capital Improvement Program (CIP), but not in the most recent 2025-2029 Proposed CIP, as summarized in Table 9. The service level ratios in Table 9 reflect a City population of 959,256 residents as mentioned in both the 2024-2024 Adopted CIP and the 2025-2029 Proposed CIP. The amount of parkland acreage per resident remained the same from the FY 2022-2023 to the FY 2023-2024 due to a concurrent increase of new parkland and new population.

General Plan Park Acreage Policy Objectives <sup>7</sup>	Actual Service Level as of 06/30/24	Estimated Service Level 2024-25*	Estimated Service Level 2024-2028*
3.5 acres of neighborhood and community recreational lands per 1,000 population	3.2	3.2	3.1 (Acres)
7.5 acres of regional/city parklands per I,000 population (valley floor)	18.1	17.8	17.5 (Acres)
500 square feet of community center floor area per 1,000 population	573.2	564.7	564.5 (sq. ft.)

#### Table 10 Parkland Acreage per Resident

## Goal PR-2 Contribute to a Healthful Community

PRNS provides services that promote community safety, cleaning and restoring neighborhoods, elderly health, youth engagement, and food initiatives that contribute to a Healthful Community.

<sup>&</sup>lt;sup>7</sup>Please see the <u>2023-2024 Adopted Capital Budget</u>, Capital Programs by City Service Area Parks and Community Facilities Development.

With more than 205 neighborhood parks, 10 regional parks, and 64.9 miles of trails, PRNS oversees our essential outdoor spaces, through the dedicated work of our park's maintenance staff. During the FY 2023-2024, PRNS added approximately four acres of new parkland and over one mile of trails.

 Recreation: Therapeutic Recreation Services provides recreation, education, and community services to enrich the quality of life for individuals with disabilities. Therapeutic Recreation Services focuses on abilities, rather than disabilities and offers events, such as wheelchair basketball, Fun with Arts, and Power Soccer. In the past fiscal year, Senior Nutrition Program served over 354,000 meals. The PRNS Out-of-School Time Program (OOST) staff worked hard to ensure safety and fun for all youth participants. With 40 programs, including ROCK Afterschool, Afterschool Education



Image 27 Senior Nutrition Program staff in Halloween costumes ready to serve senior residents.

and Safety (A.S.E.S.), Teen Centers and Youth Centers, and 29 summer camps, OOST staff also served as leaders, friends, and role models for over 2,000 city youth. In the past fiscal year, PRNS invested \$3,638,824 in scholarships providing access to recreation programs.

- **Community Services**: Youth Intervention Services operates seven programs in partnership with community organizations powered by PRNS. These programs effectively utilize various community resources to promote positive behavior to counter the negative influences gangs have on youth. Additionally, Project Hope is an innovative neighborhood engagement and empowerment program that aims to improve the quality of life in the City of San José by promoting the creation of neighborhood associations in underserved areas stressed by crime, blight, and violence. Project Hope's Neighborhood Academy trains and supports neighborhood associations in seven San José council districts to lead monthly meetings, advocate for resources and services, host events, and actively engage with City departments and partners to address issues in their neighborhoods.
- Neighborhood Improvement: The Beautify SJ initiative aims to encourage neighborhood clean-up efforts, beautification projects, and neighborhood engagement opportunities. Beautify SJ cleaned over 17,000,000 pounds of trash and removed over 2,907,445 square feet of graffiti from San José. In addition, 96 dumpster days were held for the community, volunteers dedicated over 22,081 hours, and the RAPID Program (Removing and Preventing Illegal Dumping), which responds to alerts of illegal dumping and removes large trash and debris to keep our streets clean and safe, completed over 22,000

service requests.

• **Capital Projects:** In the past fiscal year, PRNS celebrated the opening of five new parks: Heinlenville Park, Mariposa Park, Newbury Park, Payne Ave Friendship Park, and Pellier Park; and nine renovated amenities: Backesto Park Playground, Bellevue Park Playground, Boggini Park Playground, Danna Rock Playground, Emma Prusch Farm Park All Inclusive Playground,



Image 28 Heinlenville Park Ribbon Cutting

Meadowfair Park Playground, Murdock Park Playground, Nancy Lane Playground, and Penitencia Creek Dog Park.

## Goal PR-3 Provide an Equitable Park System

The ActivateSJ Strategic Plan, adopted in 2020 is the guiding document for PRNS to maintain, improve, and expand the facilities, programs, and services. The Plan includes the equity guiding principle *"we embrace people of all ages, cultures and abilities"* and has a goal of achieving a 10-minute walk to a quality park for all San Joséans. To align with the ActivateSJ10-minute walk goal, in October 2023 the City of San José joined the Trust for Public Land 10-Minute Walk Program, which is a network of U.S. cities aiming to expand access and green spaces for everyone. Per the



Trust for Public Land

Trust for Public Land, 80% of San José residents live within a 10-minute walk of a park.

## Goal PR-4 Community Identity

PRNS contributed to Community Identity by activating neighborhood parks by hosting over 75 Viva Parks events and three Viva CalleSJ events. Viva Parks is a series of free events held at City parks that promote health and wellness resources, physical activity, and community involvement by uniting neighbors, visually transforming the park with positive programming, increasing usage, and providing neighborhood resources. Viva CalleSJ is the City's premier open streets program that temporarily closes miles of San José streets to bring



Image 29 Viva CalleSJ in East San José

communities together to walk, bike, skate, play, and explore the city like never before.

## Goal PR-5 Grand Parks

PRNS staff partnered with the San José Conservation Corps' Resilience Corps to clean and restore the mineral spring grottos at Alum Rock Park, mitigate fire reductions projects alongside Park Rangers, and provide trail maintenance and safety. Additionally, an all-inclusive playground in the theme of a giant chicken, opened within Emma Prusch Farm Park in May 2024 and offers play features for children of all ages and abilities. An all-inclusive playground is one that brings children of all abilities to one space and allows them to play together and adds picnic areas, planting, irrigation, and other site furnishings to the park. This new all-inclusive playground joins the City's growing inventory of all-inclusive playgrounds. These include Rotary PlayGarden, which opened in 2015 as San José's first all-inclusive playground and was expanded in June 2023, and Lincoln Glen Park, which opened an all-inclusive playground in 2021. A future all-inclusive playground at Almaden Lake Park broke ground in June 2024.



Image 30 Emma Prusch Farm Park All Inclusive Playground

#### Goal PR-6 Sustainable Parks and Recreation

A new section of the Thompson Creek Trail was constructed between Quimby Road and Aborn Road in August 2023. This accessible trail connects the Evergreen Neighborhood with Lake Cunningham. Coyote Creek Trail segments near Watson Park and Kelley Park began construction this fiscal year and will be complete by December 2024. These segments will offer off-road transportation between the Berryessa BART Station and Watson Park and complete a connected segment leading from William Street Park all the way south to the City of Morgan Hill.

## Goal PR-7 Interconnected Parks System

Four trail systems within San José's growing Trail Network are designated as part of the National Recreational Trail System. These include the Lower Guadalupe River Trail, Coyote Creek Trail, Highway 237 Bikeway, and Penitencia Creek Trail in Alum Rock Park. As mentioned in the previous section, work is underway to close gaps in the Coyote Creek Trail to improve connections between various destinations.

## Goal PR-8 Fiscal Management of Parks and Recreation Resources

For the FY 2023-2024, the Parks and Community Facilities Development (P&CFD) Capital Improvement Program (CIP) budget allocated \$224.8 million to maintain and improve existing parks, recreational facilities, and trails. The overall size of the P&CFD CIP decreased by \$36.7 million; from \$421.5 million in the 2023-2027 Adopted CIP budget to \$384.8 million in the 2024-2028 Adopted CIP budget. This decrease is due to a slowdown in the local real estate market, which has also affected Construction and Conveyance (C&C) tax revenues in the 2024-2028 Adopted CIP.<sup>8</sup>

The Capital Improvement Program for PRNS continues to emphasize the need to repair and replace facility infrastructure. The estimated value of the deferred maintenance and unfunded infrastructure backlog totals approximately \$554 million for park facilities, community buildings, regional facilities, trails, and park restrooms. While the CIP allocates project funding for infrastructure backlog needs, the PRNS-related infrastructure backlog continues to grow at a rate that exceeds available resources within the P&CFD CIP. Current fiscal management of the CIP calls for innovative approaches to reduce our infrastructure backlog and maintain revenues.

## Goal TN-I National Model for Trail Development and Use

San José has one of the nation's largest urban trail networks with 64.9 miles of trails composed of Core and Edge trail systems. Linkages to Rural trails within San José's regional parks and open spaces contribute further to the recreational amenities available in the region. Several of these trail systems are recognized as part of regional, state, and national systems.

## Goal TN-2 Trails as Transportation

ActivateSJ, Trail Program Strategic Plan, Envision San José General Plan, and Better Bike Plan 2025 all support further development of trails with the goal of an interconnected 100-mile urban trail network and 30 miles of hiking trails. See Major Strategy #11 for more details of the Trails program.

<sup>&</sup>lt;sup>8</sup> Projects with the most significant changes between the 2023-2027 Adopted CIP and the 2024-2028 Adopted CIP are summarized in the City's <u>2023-2024 Adopted Capital Budget</u>, Capital Programs by City Service Area Parks and Community Facilities Development.

#### Goal TN-3 Accessible, Safe, and Well-Functioning Trails

Development of the Trail Network continued in FY 2023-2024 with the completion of the Thompson Creek Trail between Quimby Road and Aborn Court in August 2023. Two segments along Coyote Creek Trail began construction in 2023 and will offer accessible connection to Berryessa BART, Watson Park, William Street Park, Kelley Park, Galveston Community Gardens, Tully Community Gardens, the City of Morgan Hill, and more.

# MAJOR STRATEGY #11 – DESIGN FOR A HEALTHFUL COMMUNITY

Major Strategy #11 covers a wide range of topics aimed at creating a healthy community. It incorporates various strategies to establish a policy framework that promotes and supports an active lifestyle through walking and biking, promotes access to a large and diverse variety of parks, trails, and recreations facilities, facilitates access to healthy foods, and provides healthcare and safety services.

The discussion below elaborates on how the General Plan's goals related to the Major Strategy #11 are being implemented by Department of Transportation (DOT) programs. In addition, refer to Major Strategy #6 for other transportation plans and projects that contribute towards building a healthful community by encouraging biking and walking as modes of transportation, and refer to Major Strategy #10 for plans and projects related to providing and maintaining parks, trails, and community/recreation programs to promote active lifestyle being implemented by the Department of Parks, Recreation, and Neighborhood Services Department (PRNS).

The City envisions addressing climate change through reducing air pollution and improving quality of life. Climate Smart San José (Climate Smart), adopted by the City Council in 2018, lays out how the City plans to reach the targets of the International Paris Agreement. To get there, Climate Smart, along with the Land Use and Transportations chapter of the Envision San José 2040 General Plan, sets long range goals and policies that provide for a safe, efficient, and sustainable transportation network. General Plan Policy TR-1.3 calls for reducing the drive-alone mode share to no more than 45% by 2030 and no more than 25% by 2040, with goals to increase various other modes accordingly.

As shown in the charts below, the City has increased its goals to crease the reliance on single-car travelers and more reliance on alternative modes of transportation. Although we have not seen an increase in public transit users in the last five years, we are seeing an increase in more carpool and rideshare participation. The City is still actively working to improve these numbers.

Mode	All Trips Starting and/or ending in San José		
	2030 Goal	2040 Goal	
Drive Alone	No Mode than 45%	No more than 25%	
Carpool/ Shared Mobility	At least 25%	At least 25%	
Transit	At least 10%	At least 20%	
Bicycle/ Micro-mobility	At least 10%	At least 15%	
Walk	At least 10%	At least 15%	

Table II Mode Split Goals for 2030 and 2040

#### Table 12 San José Mode Split in 2019, 2022, and 2023

Mode	All Trips Starting and/or Ending in San José		
	2019 <sup>9</sup>	202210	2023''
Drive Alone	80%	75%	79%
Carpool/ Shared Mobility	12%	11%	15%
Transit	5%	<2%	3%
Bicycle/ Micro-mobility	<2%	<2%	۱%
Walk	<2%	10%	2%

#### **Vision Zero**

and bike environments.

Vision Zero is a nationwide program adopted by the City in 2015. The goal of Vision Zero is to reduce and eventually eliminate traffic deaths and severe injuries. General Plan Action TR-9.23 calls for implementing Vision Zero strategies to eliminate all traffic fatalities and severe injuries, significantly reduce injury crashes, and create safe and comfortable walk

Vision Zero Webpage

In San José, traffic fatalities have doubled in the last 11 years, as shown in Table 12. The uptick in traffic fatalities in San José mirrors other cities across the U.S. Out of all modes of transportation, walking has the highest fatalities. Pedestrians continue to be the most vulnerable users of San José's roadways. In 2023, San José traffic fatalities dropped 25% to 49 from a peak of 65 in 2022. This is the first major reduction in traffic fatalities since 2020, a year with abnormal traffic conditions due to COVID-19, and before that in 2017. The roads with the highest traffic fatalities were Monterey Road and White Road with four fatalities each; followed by Blossom Hill Road, Jackson Avenue, and Capitol Expressway, with three fatalities each.

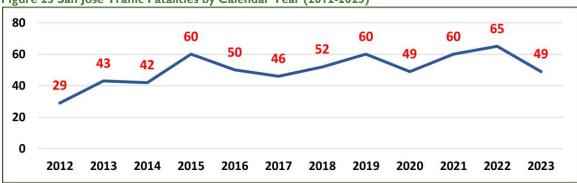


Figure 25 San José Traffic Fatalities by Calendar Year (2012-2023)

<sup>&</sup>lt;sup>9</sup> Citywide mode split in FY 2019-2020 was obtained from the City's travel demand forecasting model that was calibrated with the U.S. Census Bureau's 2013-2017 American Community Survey commute-to-work data and other data sources.

<sup>&</sup>lt;sup>10</sup> Citywide mode split in FY 2022-2023 was obtained from location-based big data

<sup>&</sup>lt;sup>11</sup> Citywide mode split in FY 2023-2024 was derived from the U.S. Census Bureau's 2022 American Community Survey commute-to-work data.

#### Vision Zero Action Plan

The Vision Zero Action Plan (2020) includes a \$25M investment strategy towards eliminating fatalities and reducing severe injuries while providing safe mobility on our roadways. Redesigning streets to reduce fatal and severe injury crashes is DOT's top strategy to deliver safety

improvements quicker and less costly than capital projects. Quick-build

Vision Zero Action Plan

projects are prioritized on Priority Safety Corridors to expedite pedestrian and bicyclist safety treatments. Quick-build improvements primarily include pavement markings, roadway signs, plastic bollards, streetlight upgrades, minor traffic signal hardware enhancements, and traffic signal timing changes. In 2024, DOT was awarded over \$81.3M in grant funding for transportation safety projects that support walking, biking, and taking transit. Some notable accomplishments include:

- Completion of quick-build improvements at Saratoga Avenue from Williams Road to Lawrence Expressway/Quito Road. The improvements included high-visibility crosswalks, reconfiguring and narrowing travel lanes, upgrading streetlights to newer LED fixtures, traffic signal retiming, and hardware modifications, radar speed signs, and adding buffered protected bike lanes.
- Implementation of Leading Pedestrian Intervals (LPI), which are signal timing improvements that give pedestrians a head start by giving them the "walk signal" four seconds before vehicles travel in the same direction. This allows them to enter the crosswalk before turning vehicles begin to move, increasing the visibility of the pedestrians to the drivers of the turning vehicles. LPIs have been shown to reduce pedestrian-vehicle collisions by 58.7%<sup>12</sup>. As of the end of 2023, an LPI was installed in 100% (848) of the City-operated signalized crosswalks with a pedestrian-vehicle turn conflict.
- The Slow Down San José campaign, which began in May 2023, generated over 22 million impressions, effectively reaching, and engaging a broad audience. Communication media included a wide range of communication from billboards to digital displays. Community feedback has been overwhelmingly positive, with residents expressing gratitude for the City's proactive approach to addressing road safety concerns. Initial findings indicate a notable increase in awareness and self-reported safe driving behaviors, particularly among younger demographics. The campaign earned significant and positive responses in recognition, media performance, social interaction, and web clicks. VTA has used our images to run a similar "Countywide Ped-Bike Safety" campaign.



Image 31 The "Slow Down" Speeding Reduction Campaign

<sup>&</sup>lt;sup>12</sup> Fayish, A.C. and Gross, F. (2010). "Safety Effectiveness of Leading Pedestrian Intervals Evaluated by a Before– After Study With Comparison Groups." Transportation Research Record: Journal of the Transportation Research Board, 2198, pp. 15–22, Transportation Research Board of the National Academies, Washington, DC.

- In FY 2023-2024, DOT was awarded over \$81.3 million in grant funding for transportation safety projects that support walking, biking, and taking transit. This includes a highly competitive US Department of Transportation Safe Streets for All Implementation Grant award. Specifically, DOT won \$12.9 million to redesign four intersections with the highest fatal and severe injuries:
  - o Curtner Avenue near VTA Light Rail (between Canoas Garden Avenue and SR-87)
  - o Capitol Expressway and Senter Road (near Andrew P. Hill High School)
  - o Monterey Road and Curtner Avenue-Tully Road
  - o E. Santa Clara Street and II<sup>th</sup> Street.
- Pop-up demonstrations conducted as part of Walk Safe San José: Pedestrian Safety Plan's efforts to show the community what future redesigns could look like and to help DOT and VTA understand the traffic operations and impacts at two intersections:
  - Yerba Buena Road and McLaughlin Avenue
  - Taylor Street and Coleman Avenue.



Image 32 Pop-up demonstration at Taylor St/ Coleman Ave



Image 33 Pop-up demonstration at Yerba Buena Rd/McLaughlin Ave

## **Emerging Mobility Action Plan**

The Emerging Mobility Action Plan (2022) is a racial equity-focused action plan to guide emerging mobility in San José. Emerging mobility includes ride-hailing, on-demand shuttles, carshare, bikeshare, and e-scooters. It also includes services on the horizon, such as automated vehicle carsharing and automated ride-hailing services, ground-based and aerial delivery drones, and aerial drones transporting humans.

In FY 2023-2024, the City worked closely with residents and communitybased organizations in East San José, such as the *Si Se Puede Collective*, SOMOS Mayfair, and the Latino Business Foundation, to co-develop and expand e-mobility programs and services including bike sharing and emicro transit. The City and its partners secured \$1.5M in the reporting Emerging Mobility Action Plan

<u>Micro Mobility</u> <u>Municipal Code</u>

period and will continue to seek grant funds to implement those programs and services as well as build the capacity of environmentally focused community-based organizations in East San José.

# **Shared Micro-Mobility**

The Shared Micro-Mobility Ordinance (2019) establishes the City's requirements for operators to develop and deploy technology capacity for preventing sidewalk riding in areas of high pedestrian activities or other designated areas. Only operators complying with the sidewalk riding prevention requirements will be allowed to operate devices in the areas.

DOT is collaborating closely with the Metropolitan Transportation Commission and Lyft, the Bay Wheels bike share operator, to expand access to the Bay Wheels program in communities that do not have easy access to the bike share program. This expansion entails the purchase of 500 new e-bikes and installing approximately 23 new stations on the eastern side of the service area. Furthermore, the City secured a \$1.5 million grant from the Clean Mobility Options program in December 2023 to support expansion efforts in the Mayfair neighborhood. This program will include procuring 75 new bikes, establishing nine new stations, organizing promotional events, and providing heavily discounted fares for all trips to, from, and around the Mayfair community. These investments aim to significantly augment the overall station coverage and system accessibility in underserved neighborhoods in San José.



Image 34 Participants in Viva CalleSJ's "Parks to Roses," head up and down East St. John Street in downtown San José, Calif., on Sunday, Sept. 8, 2024. (Nhat V. Meyer/Bay Area News Group)

# Trail Network

The City has a goal to provide 100 miles of off-street trails designated for use by pedestrians, cyclists, and other non-motor vehicles; as of FY 2023-2024, 64.9 miles were open to the public. Paved trails account for 85% of the network. The remaining 15% currently have a gravel surface and may be subject to future pavement per related master plans. The urban Trail

Trail Network Webpage

Network is composed of Core Trails<sup>13</sup> and Edge Trails<sup>14</sup>. An additional 13 miles of trails are Hiking Trails<sup>15</sup>, found currently at Alum Rock Park and Guadalupe Oak Grove Park. Among more than 30 trail projects in various stages of development, some notable accomplishments in the FY 2023-2024 include:

- A new section of the Thompson Creek Trail was constructed between Quimby Road and Aborn Road and had a ribbon cutting in August 2023.
- Construction began this fiscal year for new segments of the Coyote Creek Trail near Watson Park and Kelley Park which will be complete by December 2024. Notable features include:
  - A new pedestrian bridge over Coyote Creek.
  - A new undercrossing under US-101.
  - Access between the Berryessa/North San José BART Station and Downtown's Northside neighborhood.
  - o Coyote Creek Trail resurfacing between Tully Road and Yerba Buena Road.



Figure 26 Anticipated San José Trail Network, Specifically of the Coyote Creek Trail, by 2025

# **Community Forest Management Plan**

San José's community forest is a vital City asset and part of our nature-based infrastructure with a complex maintenance and management structure. The Community Forest Management Plan (CFMP) studies how we currently manage those trees and lays out a roadmap for restoring our San José community forest.

<sup>&</sup>lt;sup>13</sup> Core Trails – Major routes which extend a long distance and provide an opportunity for both recreation and commuting, include trails like the Guadalupe River, Coyote Creek, and Los Gatos Creek.

<sup>&</sup>lt;sup>14</sup> Edge Trails – Neighborhood connector trails which provide access to nature and open space for recreation, include trails like Albertson Parkway and Upper Silver Creek.

<sup>&</sup>lt;sup>15</sup> Hiking Trails – Trails that offer challenging inclines and valley-wide views, include trails like the Silver Creek Valley system.



Figure 27 Arbor Day Celebration Planting. April 2023

The Community Forest Management Plan (2022) includes a new tree database, the planting of 200 trees in disadvantaged communities, an analysis of the condition of the

Community Forest Management Plan Webpage

community forest, forestry management roles and responsibilities, and a strategic work plan. The City's forestry program aims to prune and maintain all street trees on a 12-year cycle and plant 1,000 trees per year. DOT and its partners plant an additional 1,000 trees annually with various collaborations and funding streams.

In September 2023, DOT received a \$5.6 million grant from the United States Department of Agriculture Forest Service Urban and Community Forestry Program to plant and maintain trees. The project will include pruning 5,000 street trees and planting 2,800 new trees over a four-year period, as well as job training for local

youth facilitated by the San José Conservation Corps and Charter School. PRNS has also been awarded \$1 million to make Alum Rock Park and Overfelt Gardens Park safer and more resilient through vegetation management and community engagement to decrease the risk of wildfires. Projects include pruning trees, removing dead and invasive trees, and planting native, resilient trees through opportunities and on-the-job training.

Accomplishments in FY 2023-2024 include:

- Completed a tree inventory for all trees in City parks and 90% of trees maintained by DOT, including updated specifications on the health and safety conditions of park trees.
- Planted a total of 2,304 new trees, including 1,421 trees in DOT-maintained areas, including street medians, spaces between sound walls and streets, and on vacant parcels, and 883 trees in parks.
- Pruned 2,088 trees to prevent storm damaged to the trees and adjacent property.

# MAJOR STRATEGY #12 – PERIODIC MAJOR REVIEW

Envision San José 2040 General plan provides a comprehensive road map that guides the City's growth through the year 2040. Major Strategy #12 lays out a periodic major review process to ensure that the current community context and values are reflected in the General Plan and that the achievement of key goals is closely monitored and adapted as needed. The Major Strategy requires the City to review the Plan every four years to evaluate significant changes in the planning context and the achievement of key General Plan goals. The Four-Year Review process requires the reassembly of a community stakeholder Task Force to evaluate changes in the planning context and achievement of goals, as well as provide recommendations to staff.

## Four-Year Reviews

Since its adoption in 2011, two four-year reviews have taken place. The first Four-Year Review process (November 2015 to December 2016) was led by a 43-member Task Force. The major policy changes included adjusting the General Plan's Jobs to Employment (J/ER) goal from 1.3 to 1.1, reducing the planned job capacity from 470,000 new jobs to 382,000 new jobs and adopting several policies to encourage affordable housing within Urban Villages and outside of existing growth Areas, and prioritize planning efforts on Light Rail and BART Urban Villages.

The second Four-Year Review process (November 2019 to November 2021) was led by a 42-member Task Force. The major policy changes included the removal of Coyote Valley as an Employment Lands Growth Area, allowing residential uses in underutilized business corridors, the elimination of the Residential Pool Policy and Growth Horizons for Urban Villages, developing objective criteria for the Signature Project policy, the removal of commercial space requirements for affordable development projects, reallocation of planned residential capacity of the General Plan to Downtown, Vehicle Miles Traveled (VMT) Tier II Policy update and the transition of the Evergreen-East Hills Development Policy to the VMT Policy. Planning staff continues to complete the Council-directed work from this Major Review period, such as SB9 implementation, housing in neighborhood business districts, and the Monterey Corridor Study.

Given the recent multi-year effort to adopt and certify the 6<sup>th</sup> Cycle Housing Element and current work on the Tri-Element update (see below), the next Four-Year Review of the General Plan is anticipated to take place in 2026-2028 timeframe. Among other things, this review will assist in preparing for the 7th Cycle Housing Element. Staff anticipates needing to add residential capacity to the General Plan, as the 6th Cycle Housing Element site inventory utilized most of the existing capacity. Updating the residential capacity of the General Plan will require an analysis of existing General Plan strategies and a significant environmental review. The 7th Cycle Housing Element update work is expected to follow in the 2027-2030 time frame.

# Upcoming Activities Related to the General Plan Update

During the past four years, staff have been focused on updating the 6<sup>th</sup> Cycle Housing Element (2023-2031), which was a major endeavor. Most of the previous Four-year Major Review policy work focused on policy changes to facilitate housing production. Currently, staff has not identified additional policy items that could be undertaken as part of a Four-Year Review process.

California state law requires each city and county to adopt a general plan to guide the physical development of the county or city. It must include eight required "elements." (Gov. Code § 65300). Depending on the element and other state laws (for example, Housing Element law), the General Plan must be updated from time to time. Beginning in 2024, and continuing over the next two years, Planning staff has been focused on the Tri-Element Update, updates to the

Safety, Open Space, and Environmental Justice elements of the Envision San José 2040 General Plan to comply with state law. Specific work will include the following:

- **Safety Element:** This update will prioritize the safety and well-being of our community by incorporating the latest safety standards, risk assessment processes, and emergency preparedness measures. The Safety Element is required to be updated because the City recently updated its Local Hazard Mitigation Plan.
- **Open Space Element:** This update will focus on improving parks and open spaces and enhancing environmental sustainability consistent with the Safety and Environmental Justice elements. Pursuant to state law, the Open Space Element must be updated to address issues related to equitable access to open space, climate resilience, and rewilding opportunities.
- **Environmental Justice Element:** This newly required element will address public health risks and environmental justice concerns of those living in disadvantaged communities, and outline strategies to promote environmental justice and community empowerment.

# 2024 General Plan Land Use/Transportation Diagram Amendments

Per General Plan policy, privately initiated General Plan Amendments are heard only during the Annual Review hearing to facilitate a comprehensive review of the cumulative implications of proposed amendments. No privately-initiated General Plan Amendment was included in the 2024 General Plan Annual Review hearing cycle.

# HOUSING

While not a Major Strategy, housing plays an integral role in the General Plan through the Housing Element, as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The following section provides a summary of progress over the last year in achieving the General Plan's housing goals.

# Housing Goals and Regional Housing Allocation

On January 29, 2024, the State's Department of Housing and Community Development (HCD) certified the City of San José's 2023-2031 Housing Element (6<sup>th</sup> Cycle). This Housing Element covers the planning period from January 31, 2023 to January 31, 2031. By State law, every eight

Housing Element Webpage

years, every city, town, and county must update its Housing Element and have it certified by the California Department of Housing and Community Development (HCD). At its core, a Housing Element is an opportunity for a community conversation about how to address local housing challenges and find solutions. While the Housing Element addresses a range of housing issues such as affordability, design, housing types, density, and location, it also establishes goals, policies, and programs to address existing and projected housing needs. Statewide housing needs are calculated by HCD, and the California Department of Finance (DOF) based on regional population forecasts. The Association of Bay Area Governments (ABAG) assigns the region's housing allocation to each jurisdiction, known as the Regional Housing Needs Allocation (RHNA).

The 6<sup>th</sup> Cycle Housing Element includes goals and policies that provide direction to help the City meet its housing goals. The Housing Element includes a work plan that outlines the objectives, policies, and implementation programs that support the City in its quest to meet its residents' housing needs and promote fair housing. The work plan can be found in Chapter 3 of the Housing Element. Since Housing Element adoption, staff have been working to implement work plan items, achieving the goals, and following the timelines described in Chapter 3.

# Housing Catalyst Team & Work Plan

The Housing Catalyst Team is an interdepartmental team that meets on a biweekly basis to coordinate implementation of Housing Catalyst Work Plan items, including the housing production, preservation, and protection work across multiple departments. The team is composed of staff from the Business Development Team of the Office of Economic Development and Cultural Affairs (OED), the Citywide Planning Division of the Department of Planning, Building, and Code Enforcement (PBCE), the Policy and Planning Team and the Residential Development Team of the Housing Department, and the Planning Team of the Department of Parks, Recreation, and Neighborhood Services (PRNS).

The Housing Catalyst Work Plan contains the strategies, programs, and policies from the City's 2023-2031 Housing Element, certified by HCD on January 29, 2024, that are currently underway or that staff anticipates initiating in the next two years. As part of the work plan, the team provides an annual update to the Community and Economic Development Committee and City Council in the spring. The update includes reporting on housing production and coincides with the Housing Element Annual Progress Report. Staff also provides an update on the individual items within the workplan.

# Work Plan Dashboard

The Work Plan Dashboard, which can be found on the City's website, visualizes the strategies, programs, and policies that are currently underway or that staff anticipates initiating in the next two

years. The dashboard is updated semi-annually to provide ongoing updates for work plan items. The dashboard also identifies the status of work plan items by department and breaks down each strategy, program, and policy by impact and level of effort. Impact on housing production, preservation, and protection is measured by Low (red), Moderate (yellow), or High (green). Level of effort in regard to staff hours and resources is measured by Low (green), Moderate (yellow), or High (red).

<u>Housing Catalyst</u> <u>Webpage & Dashboard</u>

2023-2031 Housing Element

The full list of completed and in-progress work plan items can be found

on the City's Housing Catalyst webpage. Detailed descriptions of each work plan item, as well as their geographic areas of impact, timeline, potential barriers, and goals to be achieved can be found in the 2023-2031 Housing Element (Chapter 3).

## Strategies, Programs, and Policies: 2024 Highlights

- **City Ministerial Ordinance** In 2024, staff began ordinance work to provide a streamlined approval process for residential projects. This ministerial review process would apply to housing development projects that meet objective standards in General Plan designated Growth Areas with a minimum density of 40 DU/AC. This process would apply to sites primarily with approved urban village plans. The ordinance will be heard by City Council in December 2024. If adopted, staff will work on ongoing evaluation and reporting of the project in 2025.
- Emergency Residential Shelters In June 2024, City Council approved the proposed ordinance updates related to emergency residential shelters, updating the definition of emergency residential shelters to align with the state's definition, where interim interventions are considered emergency residential shelters, and permitting shelters with 150 beds or less by right in zoning districts that already allow for them on sites outside of the Airport Influence Area. By permitting shelters by right in these zoning districts, the City was able to meet its capacity needs for its unhoused residents and comply with the requirements of AB 2339.

Staff worked on additional updates to ensure that specific use regulations for emergency residential shelters are Housing First and low barrier to housing, permit shelters with 150 beds or less by right in the Downtown Zoning District and allow shelters within the Airport Influence Area to use the City's local ministerial approval process. In November 2024, City Council approved the additional ordinance updates that were proposed.

- **ADU Condo Sales** In June 2024, City Council approved the proposed ordinance updates authorizing the sale of Accessory Dwelling Units (ADUs) as condominiums, consistent with Assembly Bill 1033 (Ting, 2023), which authorized cities to permit the sale of ADUs as condominiums. The update fosters an increase in availability of entry-level, affordable homes for sale and provides more families the stability of homeownership opportunity. The City was the first jurisdiction in the state to implement such an ordinance.
- **Mobile Home Parks** In June 2024, staff completed the application of the Mobilehome Park Land Use Designation to the remaining 56 mobile home parks through a City-initiated General Plan Amendment. The goal of this work was to promote preservation, public input, and transparency on future mobile home park conversion proposals.

# CONCLUSION

The City of San José has made significant progress in achieving the Major Strategies of the Envision San José 2040 General Plan. This progress is evident through new dense, mixed-use development in the Growth Areas, adoption of Urban Village Plans, implementation of multi-modal Capital Improvement Projects, and implementation of sustainability goals and policies.

However, there are still some challenges that the city needs to overcome to implement the General Plan effectively. These challenges include increasing the jobs-to-employed resident ratio, meeting desired service-level standards for City services, increasing the percentage of affordable housing, and improving the distribution of commute mode shares. The City will need to continue to strive to achieve these goals.

In addition, short- and long-term impacts of the COVID-19 pandemic are evident, and it may take years to see the full extent of its impact. However, the introduction of policies during the previous two Major Review cycles, as well as the adoption of the 6th Cycle Housing Element, will help to adjust the direction of the General Plan towards achieving our long-term goals.

Despite the challenges, we remain optimistic about our ability to reach these long-term goals.



Figure 28 Aerial view of Plaza de Cesar Chavez, San José

# LIST OF CONTRIBUTORS

### Planning, Building and Code Enforcement Department

Kenneth Chou, Planner Brent Carvalho, Planner Michelle Flores, Supervision Planner Laura Meiners, Supervising Planner Jennifer Provedor, Senior Supervisor, Administration Jerad Ferguson, Principal Planner Martina Davis, Division Manager

### **Office of Economic Development**

Nathan Donato-Weinstein, Downtown Manager Bige Yilmaz, Executive Analyst Doug Moody, Senior Executive Analyst Blage Zelalich, Deputy Director

#### **Department of Transportation**

Wilson Tam, Senior Transportation Specialist

#### **Environmental Services Department**

Edward Schreiner, Supervising Planner Sarah Emerson, Environmental Services Specialist Hannah Greenberg, Environmental Services Specialist Anne Balis, Supervising Environmental Services Specialist Julie Benabente, Deputy Director

#### **Community Energy Department**

Kate Ziemba, Senior Environment Program Manager

### Parks, Recreation, and Neighborhood Services Department

Leonel Tapia, Planner Rebekah Ross, Supervising Planner

#### Public Works Department, Enterprise GIS Team

Gloria Desanker, Geographic Information Systems Specialist II Drew Smith, Senior Geographic Information Systems Specialist

Photo acknowledgement: All photos taken by City of San José staff, unless otherwise noted.