

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE DEFINING GEOGRAPHICAL AREAS FOR USE AS MARKET AREAS IN CONNECTION WITH CHAPTER 5.08 OF TITLE 5 OF THE SAN JOSÉ MUNICIPAL CODE AND DESIGNATING CERTAIN AREAS AS STRONG MARKET AREAS

WHEREAS, Section 5.08.212 of the proposed amendments to the Inclusionary Housing Ordinance, Chapter 5.08 of Title 5 of the San José Municipal Code (the “Proposed Amendments”), defines a “Market Area” as a specific geographic area designated through the adoption by the City Council of a resolution or policy; and

WHEREAS, Subsection D of Section 5.08.520 of the Proposed Amendments provides that the Council may by resolution or policy based on findings, designate defined Market Areas or other geographical areas as Strong Market Areas or Moderate Market Areas, and specify different in lieu fees which apply in those defined geographical areas; and

WHEREAS, as part of the Proposed Amendments, different initial in lieu fee rates are proposed for residential rental projects in the Strong Market Areas and the Moderate Market Areas and the resolution establishing those in lieu fee rates will be considered concurrently with this resolution; and

WHEREAS, as described in the report of the Housing Director submitted for the February 23, 2021 City Council Meeting, staff has defined eleven (11) initial Market Areas for use in connection with the Proposed Amendments; and

WHEREAS, as described in the report of the Housing Director submitted for the February 23, 2021 City Council Meeting, the initial Market Areas are intended to represent areas of the City with differing growth profiles and characteristics; and

WHEREAS, as described in the report of the Housing Director submitted for the February 23, 2021 City Council Meeting, staff has determined that the Market Areas known as the West Valley Market Area and Central Market Area are Strong Market Area and the remaining Market Areas are Moderate Market Areas; and

WHEREAS, as described in the report of the Housing Director submitted for the February 23, 2021 City Council Meeting, the West Valley Market Area, which is bordered by the City of Cupertino on the west which includes, amongst others, the Valley Fair/Santana Row, Stevens Creek and Winchester Blvd urban villages and is identified as geographic area with high market rate and other construction activity, and based on data presented in the Department of Planning, Building and Code Enforcement report entitled Development Activity Highlights and Five-Year Forecast (2021-2025) dated February 2020 and data from market data provider CoStar, seven (7) rental residential projects with a combined 2,443 residential units were either built within the last three years or in various stages of pending or, approved entitlements; and

WHEREAS, as described in the report of the Housing Director submitted for the February 23, 2021 City Council Meeting, the Central Market Area, which includes thirteen (13) urban villages, the Midtown and Jackson-Taylor specific plan areas, the Diridon Station area and the City's Downtown Planned Growth Areas is a geographic area with higher market rate and other construction activity, based on data presented in the Department of Planning, Building and Code Enforcement report entitled Development Activity Highlights and Five-Year Forecast (2021-2025) dated February 2020 and data from market data provider CoStar, twenty one (21) low and mid-rise rental residential projects with a combined 4,332 residential units and eight (8) high-rise rental residential projects with a combined 7,810 units were either built within the last

three years or in various states of pending, approved entitlements or under construction;
and

WHEREAS, based on the above findings and the findings in the report of the Housing Director submitted for the February 23, 2021 City Council Meeting, the West Valley Market Area and the Central Market Area are recommended to be designated as Strong Market Areas for purposes of in lieu fee rates applicable to residential rental projects;
and

WHEREAS, the remaining nine Market Areas (Alum Rock, Alviso, Berryessa, Cambria/Pioneer, Edenvale/Almaden, Evergreen, North, South, and Willow Glen) as described in the memorandum of the Housing Director submitted for the February 23, 2021 City Council Meeting do not currently show higher market rate rental housing construction and entitlement activity and thus are recommended to be designated as Moderate Market Areas;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- A. The above recitals are true and correct.
- B. The Market Areas defined in the attached Exhibit A and generally depicted in Exhibit B are adopted.
- C. The West Valley Market Area and the Central Market Area are designated as Strong Market Areas and the remaining nine Market Areas are designated as Moderate Market Areas based on the findings above and the findings in the memorandum of the Housing Director submitted for the February 23, 2021 City Council Meeting, and the documents attached or linked to the memorandum.

NVF:SSG:JGH
1/30/21

ADOPTED this _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

Exhibit A **Market Areas**

1. The ‘Alum Rock’ Market Area means the subarea generally encompassing 101 to the west, Tully Road and Murillo Avenue to the South, the municipal boundaries to the East and Berryessa Road and Penitencia creek to the North. The western boundary of the subarea runs north from the intersection of Highway 101 and Berryessa Road along Highway 101 south to the intersection of Highway 101 and Tully Road. The southern boundary of the subarea runs from the intersection of Highway 101 and Tully Road to the intersection with Murillo Avenue then continues south along Murillo Avenue until the intersection with Norwood Avenue then runs south on Norwood Avenue until the intersection with Norwood Creek then follows Norwood Creek until the municipal boundary. The eastern boundary of the subarea is the municipal boundaries of the City of San Jose from the southern and northern boundaries of the subarea. The northern boundary of the subarea runs from the intersection of the municipal boundary of the City of San Jose and Alum Rock Falls Road along Alum Rock Falls Road as it becomes Penitencia Creek Road at which point it includes the properties south of the Penitencia Creek Trail until the intersection of Interstate 680 at which point it includes properties to the west of Interstate 680 to the intersection of Berryessa Road. The northern boundary then runs along Berryessa Road to the intersection with Highway 101.

2. The ‘Alviso’ Market Area means the subarea with Highway 237 as the southern boundary and the municipal boundaries of the City of San Jose to the east, west and north.

3. The ‘Berryessa’ Market Area means the subarea generally encompassing Interstate 880, Berryessa Rd, and the municipal boundaries. The northern boundary begins at the intersection of Interstate 880 and Montague Expressway and runs along the municipal boundary of the City of San Jose east and then becomes the eastern boundary of the subarea until the municipal boundary intersects with Alum Rock Falls Road. The southern boundary of the subarea runs from the intersection of the municipal boundary of the City of San Jose and Alum Rock Falls Road along Alum Rock Falls Road as it becomes Penitencia Creek Road at which point it includes the properties north of the Penitencia Creek Trail until the intersection of Interstate 680 at which point it includes properties to the east of Interstate 680 to the intersection of Berryessa Road. The southern boundary then runs along Berryessa Road to the intersection with Highway 101 and continues along Highway 101 until the intersection with Interstate 880.

4. The ‘Cambria/Pioneer’ Market Area means the subarea encompassing Hillsdale Ave, Guadeloupe River, the Guadeloupe Creek, and the municipal boundary of the City of San Jose. The northern boundary is Hillsdale Ave from the intersection with the Guadeloupe River until it becomes Camden Ave and runs into the municipal boundary of the City of San Jose. The eastern boundary of the subarea runs south along the Guadeloupe River starting at the intersection with Hillsdale Avenue until the intersection with Guadeloupe Creek. The southern boundary then runs along the Guadeloupe Creek until the intersection with the municipal boundary of the City of San Jose. The western boundary of the subarea is the municipal boundary of the City of San Jose from its intersection with Guadeloupe Creek north to the intersection with Hillsdale Ave.

5. The ‘Central’ Market Area generally encompasses the area bordered by Interstate 880, Highway 101, Interstate 280 and Story Road. The eastern boundary runs along Highway 101 from its intersection with Interstate 880 south to its intersection with Story Road. The southern boundary runs west along Story Road from its intersection with Highway 101 then continues west on Keyes Street until the intersection

with S 1st Street then runs north on S. 1st Street until the intersection with Willow Street then runs west on Willow Street until the intersection with the Guadeloupe River. The southern boundary of the continues along Guadeloupe River from the intersection of Willow Street to Interstate 280. The southern boundary continues from that intersection along Interstate 280 to Interstate 880. The western boundary is Interstate 880 from the intersection with Interstate 280 north to the intersection with Highway 101.

6. The ‘Edenvale/Almaden’ Market Area generally encompasses the area bounded by the West Capital Expressway to the north, the Guadeloupe River and municipal boundary to the west, Highway 101 and Hellyer Avenue to the east, and the municipal boundary south. The northern border is Coyote Road from the intersection of Highway 101 to the intersection with Senter Road and then runs west along Senter Road, turns north on Monterey Road until the intersection with West Capital Expressway then follows West Capital Expressway until its intersection with the Guadalupe River. The western boundary is the Guadalupe River from its intersection with West Capital Expressway until its intersection with Guadalupe Creek. The western boundary continues west along Guadalupe Creek until the municipal boundary. The southern boundary follows the municipal boundary from its intersection with Guadalupe Creek and follows the municipal boundary until its intersection with Highway 101 at Burnett Avenue. The eastern boundary runs along Highway 101 from its intersection with Burnett Avenue then runs north along Highway 101 until its intersection with Bernal Road then continues north on Bernal Road then continues along Silicon Valley Boulevard then continues along Tennant Avenue then continues north on Piercy Road until the intersection with Hellyer Avenue. The western boundary continues along Hellyer Avenue until its intersection with Highway 101, the area includes properties with frontage on Hellyer Avenue, then continues along Highway 101 north until its intersection with Coyote Road.

7. The ‘Evergreen’ Market Area generally encompasses Tully Road to the north, Highway 101 to the west, the municipal boundary to the east and municipal boundary to the south. The northern boundary of the subarea runs from the intersection of Highway 101 and Tully Road to the intersection with Murillo Avenue then continues south along Murillo Avenue until the intersection with Norwood Avenue then runs south on Norwood Avenue until the intersection with Norwood Creek then follows Norwood Creek until the municipal boundary. The eastern border is the municipal boundary of the City of San Jose. The southern border is the municipal boundary of the City of San José. The western boundary runs along Highway 101 from its intersection with Burnett Avenue then runs north along Highway 101 until its intersection with Bernal Road then continues north on Bernal Road then continues along Silicon Valley Boulevard then continues along Tennant Avenue then continues north on Piercy Road until the intersection with Hellyer Avenue. The western boundary continues along Hellyer Avenue until its intersection with Highway 101, but the area excludes properties with frontage on Hellyer Avenue, then continues along Highway 101 north until its intersection with Tully Road.

8. The ‘North’ Market Area generally encompasses the area bounded by Highway 237 to the north, interstate 880 to the east and south, and the municipal boundary of the City of San Jose to the west. The northern border of the planning area runs along Highway 237 from the municipal boundary of San Jose west to the intersection with the Guadeloupe River. The eastern boundary is the municipal boundary of San Jose from its intersection with Highway 237 south to the intersection with Interstate 880 and then continues along Interstate 880, becoming the southern border of the planning area, until it intersects with the railtracks between Elm Street and Stockton Ave. The western border runs along the rail road tracks that intersect Interstate 880 and that then runs between Elm Street and Stockton Ave. to the municipal boundary and then the border is the municipal boundary until its intersection with Highway 237.

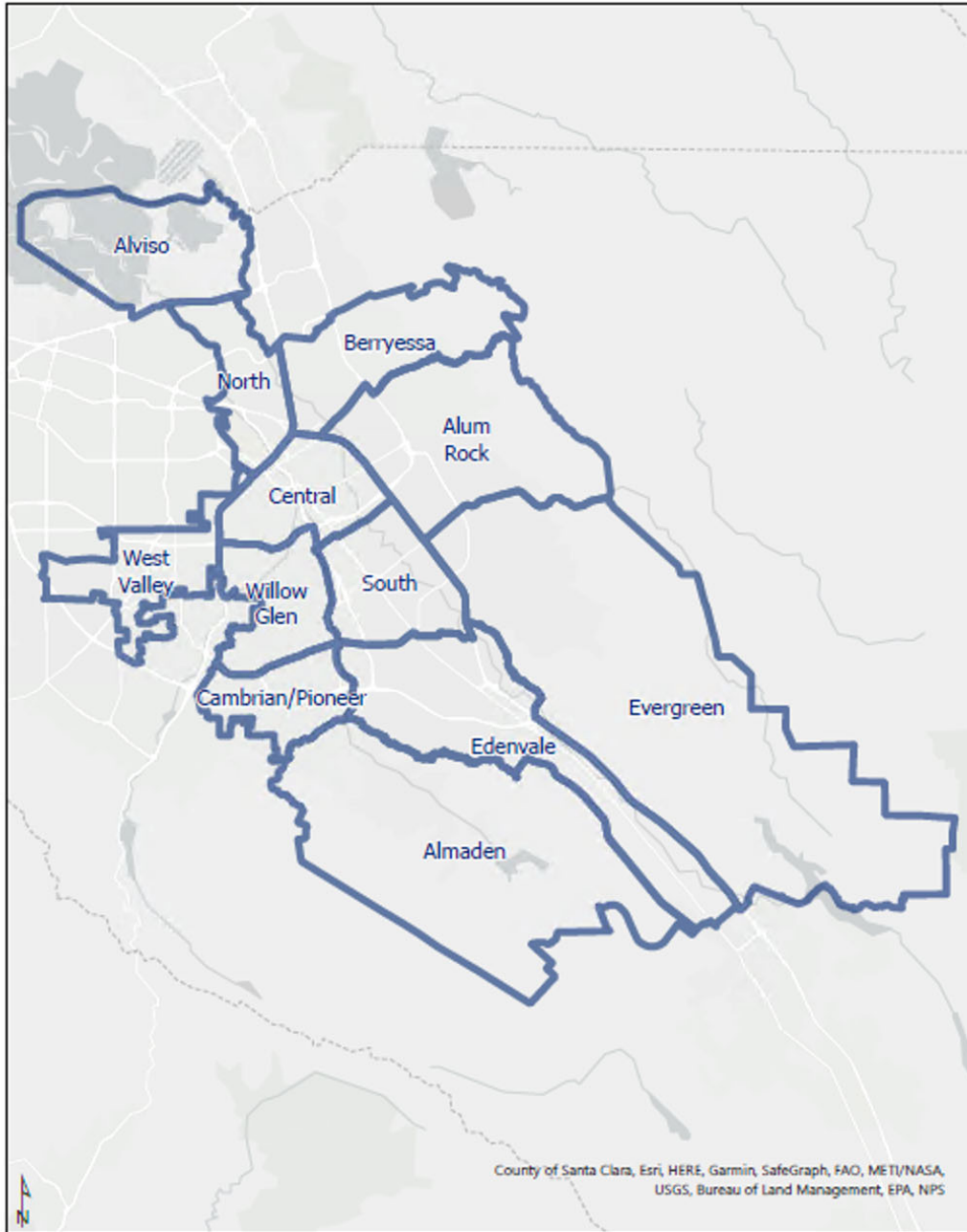
9. The ‘South’ Market Area generally encompasses the area between Highway 101 to the east, West Capital Expressway to the south, Guadeloupe River to the west, and story road to the north. The northern boundary runs along Willow Street from the intersection with the Guadeloupe River to South 1st Street and runs south along S 1st Street until the intersection with Keyes Street. The northern boundary continues east along Keyes Street continuing east along Story Road until the intersection with Highway 101. The eastern border is Highway 101 from the intersection with Story Road to the intersection with Coyote Road. The southern border is Coyote Road from the intersection of Highway 101 to the intersection with Senter Road and then runs west along Senter Road, turns north on Monterey Road until the intersection with the West Capital Expressway which forms the southern border to the intersection with the Guadeloupe River. The western border is the Guadeloupe River from the intersection with the West Capital Expressway to where the Guadeloupe River intersects with Willow Street.

10. The ‘West Valley’ Market Area generally encompasses the area bounded by the municipal boundaries of the City of San Jose and Highway 17. The eastern border is Interstate 880 from its intersection with the railtracks that run between Elm Street and Stockton Ave south to the beginning of the municipal boundary between the City of San Jose and the City of Campbell at Westfield Avenue. The southern and western boundaries are the municipal boundaries of the City of San Jose. The norther boundary is the municipal boundary of the City of San Jose and the rail that run between Elm Street and Stockton Ave from the municipal boundary to Interstate 880.

11. The ‘Willow Glen’ Market Area generally encompasses the area bounded by the Guadeloupe River, Interstate 280, Hillsdale Ave and the municipal boundary of the City of San Jose. The northern border of the area is Interstate 280 from its intersection with Highway 17 to its intersection with the Guadeloupe River. The eastern border is the Guadeloupe River from the intersection with Highway 17 to the intersection with Hillsdale Ave. The southern border is Hillsdale Ave from the intersection with the Guadeloupe River until it becomes Camden Ave and runs into the municipal boundary of the City of San Jose. The western border is the municipal boundary of the City of San Jose starting in the south at Camden Ave and then becomes Highway 17.

Exhibit B Depiction of Market Areas

Inclusionary Housing Ordinance Areas



Created by San José Spatial Team
February 4th, 2021

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