



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: December 7, 2018

COUNCIL DISTRICTS: 3 & 6

SUBJECT: FILE NOS. PP15-102, GP17-010, and GPT17-002.
ACTIONS RELATED TO THE PROPOSED DOWNTOWN STRATEGY 2040

RECOMMENDATION

The Planning Commission voted (4-1-1; Leyba opposed, Ballard absent) to recommend that the City Council take the following actions:

1. Adopt a resolution certifying the Environmental Impact Report (EIR) for the Downtown Strategy 2040, including the second amendment as recommended by the Planning Commission; and making certain findings concerning significant impacts, mitigation measures, alternatives, and adopting a Statement of Overriding Considerations, all in accordance with CEQA, as amended; and
2. Adopt a resolution amending the Envision San José 2040 General Plan (General Plan) to:
 - a. Amend Appendix 5 (Planned Job Capacity and Housing Growth Areas by Horizon table) of the General Plan to increase the development capacity within the Downtown boundary through the transfer of 4,000 dwelling units and 10,000 jobs (approximately 3,000,000 square feet of office capacity) from other General Plan Growth Areas to Downtown;
 - b. Establish a new General Plan Land Use/Transportation Diagram Employment Priority Area Overlay to support Downtown San José's growth as a Regional Employment Center that will be applied to all parcels located within the overlay area (within approximately one block of the future central Downtown Bay Area Rapid Transit (BART) Station generally including properties bounded by St. John Street to the north, 4th Street to the east, San Fernando Street to the south, and San Pedro Street to the west);
 - c. Change the General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial to Downtown and Commercial Downtown

designations on an approximately 10-acre site located at the intersection of Ryland Street and Santa Teresa Street between SR-87 and the Guadalupe River (200 Ryland Street);

- d. Amend the Planned Growth Areas Diagram to expand the General Plan Downtown Growth Area boundary along the east side of North 4th Street between St. John and Julian Streets and to remove the Downtown Transit Employment Center;
 - e. Make General Plan text amendments to modify and clarify Vibration Policy EC-2.3 on types of sensitive historic structures, frequency of vibration, and minimum required distances for some types of construction equipment operations; and
 - f. Make General Plan text amendments related to the description of the Downtown Growth Boundary and transitions for projects located adjacent to existing neighborhoods planned for lower intensity development, and other minor technical changes or clarifications.
3. Adopt a resolution approving a new Downtown Strategy 2040 to replace the existing San José Downtown Strategy 2000 adopted by the City Council in 2005.

OUTCOME

If City Council certifies the EIR for the Downtown Strategy 2040, and approves the General Plan Amendments and the new Downtown Strategy 2040, the Envision San José 2040 General Plan would be amended to reflect the Text and Land Use/Transportation Diagram changes as described above and the Downtown Strategy would take effect as the land use document governing development in Downtown.

EXECUTIVE SUMMARY

At the Planning Commission hearing on November 28, 2018, the Planning Commission recommended that the City Council:

- A. Adopt a resolution certifying the Environmental Impact Report (EIR) for the Downtown Strategy 2040, including the second amendment as recommended by the Planning Commission; and making certain findings concerning significant impacts, mitigation measures, alternatives, and adopting a Statement of Overriding Considerations, all in accordance with CEQA, as amended; and
- B. Adopt a resolution amending the Envision San José 2040 General Plan to:
 1. Amend Appendix 5 (Planned Job Capacity and Housing Growth Areas by Horizon Table) of the General Plan to increase the development capacity within the Downtown Boundary through the transfer of 4,000 dwelling units and 10,000 jobs (approximately 3 million square feet) from other General Plan Growth Areas to Downtown;

2. Establish a General Plan Land/Use Transportation Diagram Employment Priority Area Overlay to support Downtown San José's growth as a regional employment center that will be applied to all parcels located within the Overlay (within approximately one block of the future central Downtown BART Station generally including properties bounded by St. John Street to the north, 4th Street to the east, San Fernando Street to the south, and San Pedro Street to the west);
 3. Change the General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial, to Downtown on approximately seven (7) acres and to Commercial Downtown on approximately three (3) acres on an approximately 10-acre site at the intersection of Ryland and Santa Teresa Streets between SR-87 and the Guadalupe River;
 4. Amend the Planned Growth Areas Diagram to expand the General Plan Downtown Growth Area boundary along the east side of North 4th Street between St. John and Julian Streets and remove the Downtown Transit Employment Center;
 5. Amend and clarify General Plan Vibration Policy EC-2.3 on types of sensitive historic structures, frequency of vibration, and minimum required distances for some types of construction equipment operations; and
 6. Make General Plan text revisions relation to the description of the Downtown Growth boundary and transitions for projects located adjacent to existing neighborhoods planned for lower intensity development and other minor technical changes or clarifications.
- C. Adopt a resolution to replace the existing San Jose Downtown Strategy 2000 adopted by the City Council in 2005 with a new Downtown Strategy 2040.

BACKGROUND

The Planning Commission held a public hearing on November 28, 2018, to consider the proposed recommendations for actions as described above. Planning staff recommended approval of the actions.

Staff Presentation

Staff presented a summary of the Environmental Impact Report (EIR), the proposed General Plan Amendments, and the proposed Downtown 2040 Strategy, including Planning Commissioners' and public comment prior to the Planning Commission hearing.

Public Testimony

A representative from the Loma Prieta Chapter of the Sierra Club, Chris Dier, referenced the letter that they sent to the Planning Commission. He commented that the 10 acres that is proposed to be re-designated from CIC to Downtown and Commercial Downtown is problematic and asked for protection for the riparian corridor, with at least 100 feet setbacks for development from the corridor. He also stated that there was limited access with traffic funneling out on one road. He suggested a bridge to address the access issue.

A representative for the Preservation Action Council of San Jose, Andre Luthard, expressed support for bringing more people into the core. He said the historic architecture and signage have visual character and provide a sense of place that differentiates San Jose from other cities. He stated that more residents and visitors can enjoy a high-quality mix of building styles, and that the existing historic fabric makes San José an interesting place to live, work, and play, as well as furthers the goal to enliven the downtown area. He cautioned that the Downtown Strategy 2040 EIR cannot possibly analyze every project-specific impact to historic resources, or provide blanket approval to projects in proximity of the historic structures identified or not. He also expressed his opinion that the program level EIR should not provide clearance for high-rise projects. He said his organization will be watching closely as new projects are proposed.

An owner's representative of the Hotel De Anza, Yves Hansel, commented on a specific pending development proposal for a 19-story, 217-room hotel that he believes requires an EIR and that cannot depend on the Downtown EIR. The hotel project was not on the Planning Commission agenda for that evening.

Erik Schoennauer, the representative of the landowner that is subject to the General Plan Amendment for the 10-acre site proposed to be re-designated from CIC to Downtown and Commercial Downtown, said he lived in the neighborhood for 30 years and wants to see this vacant old railroad property developed as an extension of and continuation of downtown. He said what is being proposed will require office and allow residential. He noted that the river park and trail have a predetermined edge to it. He shared that there is adequate access via the road right out to Coleman, which is a major arterial street.

Mathew Reed, the policy manager from Silicon Valley@Home, stated that he had submitted a letter to the Planning Commission (see attached public correspondence). He disagreed with the proposal to shift growth capacity from outlying Urban Village growth areas and later Horizons to Downtown. He said there needs to be more housing everywhere. He said an additional 4,000 dwelling units proposed for the Downtown Strategy and reflected in the EIR are insufficient based on plans for the new development and in the plan area. He said the total available capacity of 7,190 residential units in the entire area between now and 2040 is inadequate and will exacerbate the housing crisis.

Eugenia "Jeanie" Verbeckmoes, a resident of the Axis residential tower representing the homeowners' association, stated that she did not support the use of the Downtown Strategy 2040 EIR for any portion of the environmental review for the pending hotel project application at 8 North Almaden (see comment letter in the FEIR) and that when the units were sold, the seller made representations that adjacent buildings would only be 5-6 stories in height. Cheri Lewis Miller also expressed similar concerns with the new hotel project.

Chair Allen cautioned that comments on a specific pending hotel project, which is not on the Planning Commission's agenda, cannot be considered and comments should be limited to the Downtown Strategy. Deputy City Attorney Todorov informed audience members and speakers who desire notice of public meetings on the hotel project to provide Planning staff with their contact information so that they will receive notice of the meetings, and also informed those

speakers that their written comments specifically on the hotel project are not part of the administrative record for this hearing and will need to be submitted or re-submitted at the time that the hotel project is publicly noticed and appears on an agenda for action by the City.

Stephanie Patterson, a property owner and resident, near the 10-acre parcel proposed for re-designation said that it is in an area that is a block away from a small, quaint, historic section of homes, and the parcel is bound by three different sides without access for transportation. She said she lives directly on one of the streets that ends up being an outlet for residents on Ryland Street and traffic that speeds through to highway 87 going north in the morning. She added that if anything but a park or a museum was going to be built, there must be some traffic mitigation for the neighborhood. Stephen Patterson, owner of 115 North San Pedro, expressed concerns with traffic issues in the area of the 10-acre parcel.

A representative for Acquity Realty, Dennis Randall, stated that the 10-acre site proposed for re-designation is directly adjacent to highway 87, directly next to an active railway, directly next to a PG&E substation, directly underneath the flight path of one of the busiest airports on the west coast, and walking distance to the station in Downtown. He noted that it has contaminated soil that needs to be mitigated. He emphasized that it is also the largest single parcel in Downtown San José. He commented that the river park goes right through the property line and will be a part of the site no matter what is developed. He said it deserves to be a dense urban site to promote economic development and urban living.

Planning Commission Discussion

Commissioner Griswold asked for clarification about a statement in the EIR that **all** future development shall be required to implement a TDM that includes “**all**” feasible measures, whereas the City Council Policy for Transportation Analysis has exemptions for certain developments. She said there is more flexibility in the City Council Transportation Analysis Policy language. She asked whether we need the language of “all” feasible measures.

Staff clarified that the City Council Transportation Analysis Policy 5-1 addresses transportation. The TDM measures that are cited are related to minimizing air quality impacts, which is different than what is described in Transportation Policy 5-1. Staff added that we look at what is physically feasible and financially feasible, and that can change over time. Staff noted that this is a long-range programmatic look at development through 2040. What may not be technologically feasible today could be feasible 10 years from now.

Commissioner Griswold asked staff if there are concerns that the program-level EIR does not adequately account for individual historic resources and if more specific analysis can be done for individual projects’ impacts to historic resources.

Staff responded that project-specific analysis of impacts to individual historic resources would be done when a specific development proposal is submitted, and that analysis is not assumed to be covered under the Downtown Strategy 2040 EIR, although, on a case-by-case basis, development projects might be able to use the Downtown Strategy EIR for tiering development-

specific analysis of impacts to historic resources. Staff confirmed that it was not assuming through the Downtown Strategy 2040 EIR that the City can provide blanket approval for development near historic resources.

Chair Allen asked staff to respond to the other public comments. Staff responded that the housing crisis cited by Silicon Valley@Home is regional, statewide, and national. San José has shown through its General Plan's Housing Element, which was certified by the State, and for which the City reports on annually to the State, the City has met its regional housing needs allocation with its existing capacity for dwelling units. Any capacity that the City adds or shifts from future horizons goes beyond the State allocation, so we would be providing capacity for meeting regional demand, not just demand in the City of San José. Whether that demand is taken up by market-rate housing or affordable housing is a policy decision.

Staff noted that the City has struggled to meet its affordable housing demand based on the State's allocation by income-level. If there were affordable housing requirement Downtown, that would help address the affordability issue. But it is not a direction that Council gave staff to explore; rather it is a policy issue that Council can consider.

Staff explained that by shifting housing capacity from future horizons and outside of Downtown to Downtown, the City is providing additional capacity for dwelling units immediately. Staff noted that adding 4,000 more dwelling units to Downtown is a recommendation of the General Plan Four-Year Review Task Force. The transfer of dwelling units to Downtown fits within the planned growth of 120,000 dwelling units in San José. Any increase of the maximum housing capacity evaluated for, and authorized by, the current General Plan would require a major amendment to the General Plan and appropriate environment analysis that was not part of the scope of the review for this project. Any proposal to increase the residential capacity citywide would need to be considered in the future as part of the next Comprehensive Review or potentially as part of the next Four-Year Review. General Plan Implementation Policy IP-3.4 explicitly requires the City to maintain the total planned housing growth capacity as a cumulative result of amendments considered during the General Plan Annual Review.

It took about 13 years since adoption of Downtown Strategy 2000 EIR to approve approximately 6,000 units. Staff also clarified that the Downtown Strategy 2040 proposal does not shift growth planned for in the areas within the Diridon Station Area Plan boundary that lie outside of the Downtown. Staff also provided a status update that the Airport Land Use Commission at their hearing that evening determined that the Downtown Strategy 2040 project was consistent with the Mineta Airport Comprehensive Land Use Plan (CLUP).

Future development on the 10-acre site proposed for re-designation would be subject to a local transportation analysis for operational traffic coming in and out of that site. The ALUC will have another opportunity to determine consistency with the CLUP if the site is rezoned. The current zoning is Industrial Park and no residential use is allowed in the IP-Industrial Park Zoning District.

Commissioner Leyba asked how it is not necessarily considered a loss of employment if the 10-acre site is developed under the Downtown land use designation. Staff reiterated that the 10-acre site is vacant and is an opportunity to advance the Destination Downtown Major Strategy and associated Goals and Policies of the General Plan by allowing a mix of uses there. Three acres of the 10-acre site would be re-designated to Commercial Downtown so that commercial development would be required on the site. Staff explained that it did a comprehensive look at all the land uses during the downtown strategy process, and the proposed Employment Priority Area around the future Downtown Bay Area Rapid Transit (BART) station would lock in some employment land uses near BART. It is looking at the land use fabric and where it might make sense for it to be employment-focused.

No dwelling units are proposed to be transferred from an approved Urban Village plan or from west San José because of the demand for housing in that area of the City. The recommendation by the General Plan Task Force and Council was to shift jobs capacity from North Coyote Valley because there has not been a significant short-term demand for development in Coyote Valley, and there was growth planned for 45,000 jobs in North Coyote Valley in the General Plan. The capacity that remains in Coyote Valley is equal to or above the amount of entitled employment capacity that is there. The shift in jobs capacity would allow the existing entitlements to move forward with the full approved capacity. The Planning Director added that staff saw this as an opportunity to leverage the future transit investment in Downtown with the possibility to concentrate many jobs there.

Staff added that the housing capacity proposed to be shifted would be from Urban Villages in south San José without good transit or much employment growth right now and moved into an area that has very good transit and a lot of employment demand.

Commissioner Vora said she was not completely in agreement with moving capacity more downtown. She asked staff to clarify why a significant unavoidable impact is the jobs-to-employed-resident ratio. Staff explained that the General Plan, itself, is a “jobs-first” General Plan long-term to 2040 with a goal of 1.1 jobs to each employed resident, even though the City’s existing jobs-to-employed resident ratio is imbalanced in favor of residents. The current proposal cumulatively contributes to the long-term goal of J/ER of 1.1.

Staff commented that the City has been successful at growing housing Downtown. While the City is adding housing capacity, it is still important to think about growing and preserving land for employment. The increment of capacity that is being added, both for dwelling units and for job capacity, is to already existing capacity Downtown. Most of the recent development Downtown that has used up previously allocated capacity has been for residences.

Commissioner Yesney commented that for the next 15 years, people will use this EIR in varying ways for development including staff, the development community, and consultants. If the EIR is not clear, then it does not serve its purpose well. She said she had some clarifying comments on the text, and the only way she could introduce these into the record is to have the Planning Commission ask for a Second Amendment to the EIR. She added that she had talked to the staff and cleared up some of the issues (see staff’s proposed Second Amendment for Council

consideration in response to the Planning Commission's recommendations). Commissioner Yesney's comments are as follows with reference to page number in the EIR:

- P. 40, Billboard Policy – The EIR should be updated to exclude the General Plan Policy pertaining to billboards because the City deleted this Policy from the General Plan after the DEIR started circulation.
- P. 80, Riparian Habitat Policy references – Change the word “would” to “will” so that it is very clear that new development is required to conform to the corridor policy, as well as the Habitat Conservation Plan provisions in the San José Municipal Code.
- P. 108 – The reference to the “City” as a responsible party for ensuring mitigation is too vague and should be changed to either the Director of Planning, Building and Code Enforcement or the Senior Environmental Planner.
- P. 137 – The reference to the “Department of Public Works” as reviewing soil reports. The reference for this responsibility should be changed to the City Geologist. Also, there is a confusing reference to future projects that implies that the subject of this EIR is not a project; for CEQA purposes, it is a project. The Commissioner suggests that the reference should clarify that individual future developments must conform to the Policy.
- P. 166 – Mentions consistency with the CLUP, but the language is vague and difficult to understand. The Commissioner stated that staff's explanation resolved this issue.
- Pp. 168-169 – The EIR says that when PG&E designs major new facilities, PG&E, is required to identify cautionary measures in a plan, but the EIR does not say what happens to that plan. The EIR should state that PG&E is required to implement the plan during its engineering of the new facilities.
- Pp. 187 and 189 – In the discussion about construction impacts to water quality and related mitigation measures, include language about the oversight that is provided for the SWPPP and other stormwater protection measures by the City, by the Regional Board, specify which authorities are involved in oversight, and specify best management practices.
- P. 193 – The description of St. James Park being surrounded by residential uses is inaccurate. Rather, the St. James Park area has a courthouse and a post office. Additionally, this part of the Downtown area is described as including the Civic Center area and the former City Hall which are not in Downtown, so this description needs to be corrected.
- P. 233 – the 65 CNEL contour appears to imply that housing may be constructed that has no open space and no balconies. The Commissioner acknowledged staff's explanation that new housing types proposed in Downtown include dwelling units with no balconies, and that there will be more emphasis on life in the public realm including public open spaces, which will be discussed in the pending update to the City's urban design guidelines.

Commissioner Vora asked staff to clarify whether the development in Downtown does not have affordable housing requirements. Staff confirmed that there is a time-limited waiver of requirements for affordable housing Downtown that is set to expire in June 2021.

Commissioner Griswold asked staff to define “continuous” in the proposed change to General Plan Policy EC-2.3, for the requirement for new development to minimize continuous vibration impacts. Staff explained that “continuous” is used for measuring vibration to assess impacts from

construction equipment that can create a steady vibration that over time creates a momentum of possible structural impacts in comparison to a momentary or “transient” vibration impact from construction operations. Typically, the level of vibration that is transient can be higher with lesser impacts in comparison to impacts from continuous vibration. There should be a lower threshold for continuous vibration that could start building up momentum and have an impact on particularly fragile buildings. Staff suggested that staff would wordsmith the language to make it clearer. The draft General Plan resolution for proposed clarifying text changes to existing General Plan Policy EC-2.3 now states:

EC-2.3 Require new development to minimize continuous vibration impacts to adjacent uses during demolition and construction. For sensitive historic structures, including ruins and ancient monuments or building that are documented to be structurally weakened, a continuous vibration limit of 0.08 in/sec PPV (peak particle velocity) will be used to minimize the potential for cosmetic damage to a building. A continuous vibration limit of 0.20 in/sec PPV will be used to minimize the potential for cosmetic damage at buildings of normal conventional construction. **[NEW PROPOSED ADDED TEXT]: Equipment or activities typical of generating continuous vibration include but are not limited to: excavation equipment; static compaction equipment; vibratory pile drivers; pile-extraction equipment; and vibratory compaction equipment.** Avoid use of impact pile drivers within 125 feet of any buildings, and within 300 feet of historical buildings, or buildings in poor condition. On a project-specific basis, this distance of 300 feet may be reduced where warranted by a technical study by a qualified professional that verifies that there will be virtually no risk of cosmetic damage to sensitive buildings from the new development during demolition and construction. **Transient vibration impacts may exceed a vibration limit of 0.08 in/sec PPV only when and where warranted by a technical study by a qualified professional that verifies that there will be virtually no risk of cosmetic damage to sensitive buildings from the new development during demolition and construction.**

Commissioner Griswold said she reviewed the EIR and asked staff about the need to require analysis of the historical significance of all buildings over 45 years of age. Staff responded that CEQA Guidelines establish 50 years of age as being the minimum requirement for assessing whether structures have historic significance. The City uses 45 years of age for initiating assessment because by the time a project has begun construction, it may be close to the 50-year mark. Staff added that the City Council has funded an Historic Preservation Officer to coordinate historic surveys of Downtown to identify potential historic resources, and where appropriate add structures to the City’s historic resources inventory so developers can find out early on whether a site has a historic resource.

Commissioner Griswold asked staff for clarification about the term “lesser significance” as a category of historic resources. Staff responded that the General Plan discusses Structures of Merit, which can be resources of lesser historic significance. When the City looks at a whole historic area, there are some structures within an area that stand out on their own as significant historic resources, but there may also be structures that are not individually as significant but that contribute to the context of the larger historic district or neighborhood.

Commissioner Griswold asked staff to explain whether the intent of the proposed General Plan design policy number CD 6.3 regarding transitions between new development and established neighborhoods Downtown is for compatibility adjacent to all existing neighborhoods or for neighborhoods as planned in the General Plan Land Use/Transportation Diagram. She asked, “are we talking about what is there or what we want to be there?” She suggested adding language to that Policy that says that the development is compatible with and respects the character of these neighborhoods *as designated*. Staff concurred that the intent is to respect the General Plan and staff can look at clarifying the proposed policy language. The draft General Plan Amendment resolution amending General Plan Policy CD 6.3 states:

New development within the Downtown Growth Area that is adjacent to existing neighborhoods that are planned for lower intensity development should provide transitions in height, bulk and scale to ensure that the development is compatible with and respects the character of these neighborhoods, **as they are designated in the General Plan.**

Commissioner Leyba said he read General Plan Policy CD 6.3, the opposite of Commissioner Griswold, as referring to what is planned, because it states adjacent to existing neighborhoods that are planned for lower intensity development. He said he would rather cite page 32 in the General Plan, which includes goals like integrate with surrounding uses to become part of the neighborhood, rather than being an isolated project, promote conservation rehabilitation of existing viable housing stock, and for new development in transition areas between identified growth areas and non-growth areas, use a combination of building setbacks, landscaping, and other design techniques to provide a consistent streetscape that buffers lower intensity areas from higher intensity areas and reduces potential shade or other land use compatibility concerns. He asked staff whether the proposed policy CD 6.3 is necessary. Staff responded that the intent is to have a policy that directly addresses Downtown, particularly where the boundary is proposed for expansion where there is an interface with some lower intensity neighborhoods. Staff said the issue came up because there was a preliminary review application, for a seven- or eight-story building proposed on St. John and 6th Street, right across from City Hall where there are also two-story single-family homes across the street built a long time ago, and at the time there weren't design guidelines specific to Downtown that addressed such a height interface.

Commissioner Leyba asked staff if it had considered expanding Downtown so that the Diridon Station area would be completely within the Downtown Boundary. Staff responded that the influence area of Diridon Station does not fully line up with Downtown, and when the Diridon Station Area Plan was in process, the consensus was not to expand Downtown to absorb the Diridon Station Area Plan boundary completely. He asked how the housing capacity component of the project fits into the Council's desire to build units in the next five years. Staff responded that shifting capacity for 4,000 dwelling units to Downtown is an action item in the Housing Crisis Work Plan, and that Downtown Strategy 2040 is intended to help achieve the City's 25,000-housing-units goal.

Chair Allen requested an edit for the second amendment on page 255 of the EIR, under schools, to correct an inaccuracy. The San Jose Unified school located within the boundaries of Downtown Strategy area is Horace Mann School. The statement that Lowell School is in the area is inaccurate and needs to be corrected. He also asked staff to review and correct the enrollment chart if there are any inaccuracies.

Commissioner Yesney made a motion to recommend to the City Council the following:

- A. Prepare a Second Amendment to the draft EIR that addresses all of her and Chair Allen's comments.
- B. Adopt a resolution certifying the EIR, including amendments, for the Downtown Strategy 2040, and making certain findings concerning significant impacts, mitigation measures, alternatives, and adopting a Statement of Overriding Considerations, all in accordance with CEQA, as amended; and
- C. Adopt a resolution amending the Envision San José 2040 General Plan to:
 1. Amend Appendix 5 (Planned Job Capacity and Housing Growth Areas by Horizon Table) of the General Plan to increase the development capacity within the Downtown Boundary through the transfer of 4,000 dwelling units and 10,000 jobs (approximately 3 million square feet) from other General Plan Growth Areas to Downtown;
 2. Establish a General Plan Land/Use Transportation Diagram Employment Priority Area Overlay to support Downtown San José's growth as a regional employment center that will be applied to all parcels located within the Overlay (within approximately one block of the future central Downtown BART Station generally including properties bounded by St. John Street to the north, 4th Street to the east, San Fernando Street to the south, and San Pedro Street to the west);
 3. Change the General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial, on approximately seven (7) acres to Commercial Downtown on approximately three (3) acres on an approximately 10-acre site at the intersection of Ryland and Santa Teresa Streets between SR-87 and the Guadalupe River;
 4. Amend the Planned Growth Areas Diagram to expand the General Plan Downtown Growth Area boundary along the east side of North 4th Street between St. John and Julian Streets and remove the Downtown Transit Employment Center;
 5. Amend and clarify General Plan Vibration Policy EC-2.3 on types of sensitive historic structures, frequency of vibration, and minimum required distances for some types of construction equipment operations; and
 6. Make General Plan text revisions relation to the description of the Downtown Growth boundary and transitions for projects located adjacent to existing neighborhoods planned for lower intensity development and other minor technical changes or clarifications.
- D. Adopt a resolution to replace the existing San Jose Downtown Strategy 2000 adopted by the City Council in 2005 with the new Downtown Strategy 2040.

Commissioner Yesney said the project is exciting, and we have been trying to make our Downtown exciting for a long time. She said she lives right next to Downtown, and BART is going to make a difference. She added that it was a good EIR.

Commissioner Vora seconded the motion, and she said she is looking forward to making this happen because the City has been planning stages for a long time.

Commissioner Leyba expressed concern that the proposed General Plan Policy CD 6.3 “steam rolls” existing neighborhoods because we are looking at what is planned as opposed to what is there. Staff reiterated that the Policy is intended to protect existing residential neighborhoods that are planned to be maintained as such; for example, the Horace Mann and Hensley neighborhoods. Commissioner Leyba said this is a redundant General Plan policy. Commissioner Leyba requested the maker of the motion for a friendly amendment to include a change to Policy 6.3 to protect existing neighborhoods, including those with existing residences. Commissioner Yesney did not agree to change her motion.

Commissioner Griswold observed that the General Plan has some conflicting goals and policies that must be balanced and that she did not think that we would want to have a Downtown dotted with single-family homes even if that was the existing character of the neighborhoods. She acknowledged that there may be significant places that have historical significance worth saving. Staff responded that the urban design team is working on updated guidelines to address these issues.

Chair Allen said he was a little confused by the bifurcation of the Downtown and Commercial Downtown designations on the 10 acres considering there is no development project that has been proposed yet. He said he could see how the land use changes and limited ingress/egress are a concern for the neighbors.

The Planning Commission voted 4-1-1 (Leyba opposed; Ballard absent) to recommend to the City Council adoption of the resolutions described above, including the changes embodied in the Second Amendment to the EIR.

ANALYSIS

For a complete analysis, please see the Planning Commission staff report (attached).

EVALUATION AND FOLLOW UP

Staff has prepared an EIR with a First Amendment and, in response to the Planning Commission’s recommendations, a Second Amendment for Council consideration for certification. If the EIR for the Downtown Strategy 2040 is certified, and the General Plan Amendments and new Downtown Strategy 2040 are approved as recommended by the Planning Commission, then the Envision San José 2040 General Plan would be amended to reflect the Text and Land Use/Transportation Diagram changes, and a new Downtown Strategy 2040 policy document will be used as the guiding land use document for projects in the Downtown area.

PUBLIC OUTREACH/INTEREST

Staff followed Council Policy 6-30: “Public Outreach Policy” and CEQA requirements to inform the public of the proposed project. A notice of the public hearings with the Planning Commission and the City Council was published in the San José Post-Record, distributed to the owners and tenants of all properties located within 1,000 feet of the 10-acre site at 200 Ryland Street that is proposed for amending the land use designation from Combined Industrial/Commercial to Downtown on approximately seven (7) acres and Commercial Downtown on approximately three (3) acres, and posted on the City website. The staff report is also posted on the City’s website. Staff has been available to respond to questions from the public. For a more detailed discussion, please see the Planning Commission staff report (attached).

COORDINATION

Preparation of this memorandum has been coordinated with the City Attorney’s Office.

CEQA

A Draft EIR including amendments thereto for Downtown Strategy 2040 was prepared by the Director of Planning, Building and Code Enforcement in accordance to CEQA. The EIR tiers off the “Envision San José 2040 General Plan Final Program Environmental Impact Report,” adopted by City Council Resolution No. 76041 on November 1, 2011; and Supplemental Environmental Impact Report to the Envision San José 2040 General Plan Final Program Environmental Impact Report,” adopted by City Council Resolution No. 77617 on December 15, 2015, and Addenda thereto, all as explained in the EIR. For a more detailed discussion, please see the Planning Commission staff report (attached).

/s/
Rosalynn Hughey, Secretary
Planning Commission

For questions please contact Michael Brilliot, Deputy Director, at 408-535-7831.

Attachments: Planning Commission Staff Report
<http://www.sanjoseca.gov/DocumentCenter/View/81321>
Public Correspondence

From: Katja Irvin <katja.irvin@sbcglobal.net>
Sent: Monday, November 26, 2018 7:43 PM
To: City Clerk; Planning Commission 3; Planning Commission 1; Planning Commission 4; Planning Commission 5; Planning Commission 6; Planning Commission 7
Cc: James Eggers; Barbara Kelsey
Subject: November 28, 2018 Planning Commission Item 8.a – GP17-010

Dear Chair Allen and Planning Commissioners,

Please find a letter attached regarding the Sierra Club's concerns about changing the General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial to Downtown and Commercial Downtown on an approximately 10-gross acre site located at the intersection of Ryland Street and Santa Teresa Street between SR-87 and the Guadalupe River.

As detailed in the letter, we're concerned about EIR deficiencies and the late timing of community outreach for this General Plan Amendment and therefore we request the Planning Commission recommend that the change to Downtown and Commercial Downtown Land Use for the 10-acre site should not be approved at this time and should be returned to staff for further analysis.

Thank you for your consideration,

Katja Irvin
Conservation Committee Co-Chair
Sierra Club Loma Prieta Chapter



SIERRA CLUB
LOMA PRIETA

Sierra Club Loma Prieta Chapter
Serving San Mateo, Santa Clara and San Benito Counties
Protecting Our Planet Since 1933

3921 East Bayshore Road, Suite 204
Palo Alto, CA 94303

November 26, 2018

City of San Jose Planning Commission
[sent via email]

Subject: November 28, 2018 Item 8.a – GP17-010

Dear Chair Allen and Planning Commissioners,

The Sierra Club Loma Prieta Chapter is concerned about changing the General Plan Land Use/Transportation Diagram land use designation from Combined Industrial/Commercial to Downtown and Commercial Downtown on an approximately 10-gross acre site located at the intersection of Ryland Street and Santa Teresa Street between SR-87 and the Guadalupe River.

We attended a community meeting about this land use change on November 1, 2018 (which occurred after the Draft EIR comment period ended on October 22, 2018). Since that meeting, staff removed the proposed change to the General Plan Land Use/Transportation Diagram land use designation from Downtown to CIC Combined Industrial/Commercial on approximately 2.05 acres located on the north side of Ryland Street, east of SR-87, and south and west of Coleman Avenue.

This last-minute change shows that these Land Use/Transportation Diagram changes have not been adequately analyzed and considered. Aside from the timing of stakeholder outreach coming after the Draft EIR review period, the EIR also does not specifically analyze any impacts of this land use change. All analysis is general to the Downtown Strategy even though the 10-acre site proposed for Downtown development has many specific environmental constraints as discussed below.

Environmental stakeholders request the Planning Commission recommend that this land use change be deferred for further analysis and consideration for the following reasons.

1. Site constraints

The 10-acre site in question is not suitable for intensive development. The site is encumbered by a Water District easement along Guadalupe River to the west, a Caltrans easement for Highway 87 to the east, and a railroad easement along the south edge of the property. There is only one possible ingress and egress location on Ryland Ave. Ingress and egress concerns are heightened by the removal of the request to down-zone the 2.05-acre site from Downtown to Industrial/Commercial. That site will be developed as dense housing or mixed use which will impact traffic

in the vicinity of the 10-acre site. It is unrealistic to plan for another bridge over the Guadalupe River for ingress and egress – the Coleman Avenue bridge and the railroad bridge are already in close proximity and another bridge would further impact the river and riparian habitat. Clearly, any development at this site will require an additional bridge over the Guadalupe River. Therefore, the EIR should analyze the impacts of this additional bridge and not defer analysis to a segmented project-level review in the future.

2. Airport Land Use Considerations

The current land use designation for the 10-acre site (Combined Industrial/Commercial) was likely determined due to airport land use constraints. The site is within the 65 dB CNEL noise contour and within the Outer Safety Zone for San Jose International Airport, and also within the 162 to 212 feet structure height area, which is lower than most of downtown. The Comprehensive Land Use Plan (CLUP) for San Jose International Airport states:

The Land Use Compatibility Guidelines for Community Noise in the Goals and Policies Chapter of the San Jose 2020 General Plan, Figure 16, specifies a maximum interior noise quality level limit of 45 DNL and a long-range maximum exterior noise quality level of 55 DNL (equivalent to CNEL) for schools, hospitals, libraries and auditoriums, and a maximum exterior noise level limit of 60 DNL for residences, hotels, motels, retail and business areas, parks and playgrounds. (Page 3-3)

The CLUP also includes safety zone compatibility policies in Table 4-2 (page 4-8). In the Outer Safety Zone, the Maximum Population Density policy states “Nonresidential, maximum 300 people per acre (includes open area and parking area required for the building’s occupants and one-half of the adjacent street area)” and the Open Space Requirement is 20 percent of gross area. The Table 4-2 Land Use policy for the outer safety zone states “if non-residential uses are not feasible, allow residential infill to existing density.”

The airport land use constraints on this site expressly indicate that the location is not suitable for dense Downtown development. Furthermore, the requirement for 20 percent of the site to be open space supports an approach to land use on this site that protects the riparian habitat of the Guadalupe River, as described in more detail in the following paragraphs.

3. Riparian Corridor Enhancement Opportunity

Given the site and airport land use constraints this site has limited potential for intensive Downtown development. This situation offers an opportunity to use the Land Use/Transportation Diagram to protect the riparian corridor. The Santa Clara Valley Water District’s EIR comments about this issue elaborates on the need for riparian corridor and habitat protection (see comments C.3 and C.4 starting on page 12 of the EIR Amendment).

During the Community Meeting we asked staff about how the Riparian Corridor Policy and the setback requirements of the Habitat Plan would be implemented at this site. The response was that it would be taken into account when a development proposal is submitted. However, without strong direction developers will propose development as close to the Guadalupe River as possible, and are likely to request variances. Designating land use as Open Space at least 100’ back from

top of bank would prevent submittal of such proposals and at the same time provide enhanced riparian habitat on this highly impacted reach of the river (see proposed land use diagram below). A 150' foot section of Open Space would be preferable and would support the 20 percent open space required in the CLUP.



In conclusion, we are concerned about EIR deficiencies and the late timing of community outreach for this General Plan Amendment and therefore we request the Planning Commission recommend that the change to Downtown and Commercial Downtown on the 10-acre site should not be approved at this time and should be returned to staff for further analysis. In the community meeting, staff said there was no current development proposal for the site so we assume this change is staff-initiated. We are hard-pressed to understand the logic of staff's proposal given the constraints and issues mentioned above.

Sincerely,

Katja Irvin
Conservation Committee Co-Chair
Sierra Club Loma Prieta Chapter

**GP17-010, GPT17-002, PP15-102
Item 8.a.**

From: Tina M [<mailto:tinam777@yahoo.com>]
Sent: Wednesday, November 28, 2018 3:21 PM
To: Provedor, Jennifer <jennifer.provedor@sanjoseca.gov>; Planning Commission 3 <PlanningCom3@sanjoseca.gov>
Subject: Planning Commission Agenda Nov 28 2018 Item 8

Hello Commissioners,

Unfortunately, I doubt I can be in attendance for tonight's Planning Commission meeting to offer these comments in person so please accept these late comments on Item 8 and please accept my apologies for submitting them so late.

I live in the Vendome Neighborhood, bound by Guadalupe Parkway (and then Santa Teresa Street where it crosses Coleman), Taylor Street, N First Street and Bassett.

The 10 acre parcel referred to in Exhibit A of Staff Report is in our neighborhood and has ONE driveway on Ryland Street for ingress/egress. *That is all. ONE.* My concern for years has been the development of a large project on this parcel and the impact of additional cut through traffic in our small neighborhood. Consider:

- Numerous traffic mitigation measures implemented to slow cut through traffic over the years on N San Pedro have to date been mostly ineffective,
- The opening of the Coleman Marketplace encourages more drivers to cut down N San Pedro and from there it's a quick right and left on Ryland which curves around to Santa Teresa Street and onto Coleman.
- The impacts of Waze and other apps directing drivers through our neighborhood has exacerbated the atmosphere where people are afraid to ride their bikes (despite the recent addition of "sharrows"),
- Pedestrians have been hit,
- People's pets have been hit
- Numerous auto accidents occur
- The speeds and volume are high and have increased on roads like Hobson Street where people come off of Jackson to cut through Hobson on their way to Taylor/Highway 87. I shudder to think what will happen when the Corp Yard project breaks ground, and when Vendome Place (across Taylor by the E Lot) adds it's additional towers.

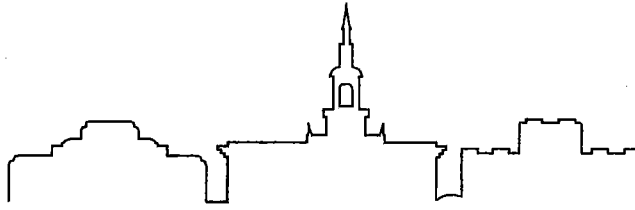
This is not to say development should not happen, I understand we live in a downtown. I also understand what you are considering tonight is not a development. **However I want to voice that it is incumbent on any developer to be willing to pay for and the City to require adequate ingress/egress options which do not go through and overload our neighborhood.**

It should be noted, there is another driveway abutting the property on Autumn street which could be considered for ingress/egress and indeed was something I would like very much to have considered, however as is pointed out in other public comment, that would impact a riparian corridor. Clearly a brainstorm session needs to happen with the community and any

interested developer so that traffic impacts are mitigated and future development encourages pedestrians, bikes, and the like, and takes full advantage of public transit options which are very close by.

Thank you.

Tina Morrill
Hobson Street
Vendome Neighborhood



PRESERVATION ACTION COUNCIL OF SAN JOSE

Dedicated to Preserving San Jose's Architectural Heritage

Mr. Peter Allen, Chair
San Jose Planning Commission
200 East Santa Clara St.
San Jose, CA 95113

November 28, 2018

Dear Chair Allen,

The Preservation Action Council of San Jose (PAC*SJ) supports a growing downtown and bringing more people into the core. San Jose's historic architecture and signage adds important visual character, and provides a sense of place that differentiates this city from others elsewhere. More residents and visitors should be able to enjoy a high quality mix of building styles and signs. The existing historic fabric helps to make San Jose an interesting place to live, work and play, and furthers the City's goal to enliven the downtown.

Our specific concern with regard to the Downtown Strategy 2040 EIR lies with the fact that developers already want to rely on programmatic EIRs for environmental clearance for their high-rise projects. However, the DS 2040 EIR cannot possibly analyze every project specific impact to historic resources. This EIR cannot provide blanket approval to projects that are in proximity to historic structures, identified or not. Appendices and initial studies may not be sufficient to fully analyze a project's environmental impacts.

So even as the Planning Commission forwards its recommendation to the City Council, acknowledgement must be made that full project-specific EIRs must still be required of developers if their project may impact our few remaining historic buildings and signs. The two basic reasons for California CEQA law are: first, to provide decision makers with sufficient information about the environmental impacts of projects prior to granting approval; and second, to provide the public

with specific information about the impacts of projects in their community. My organization will be watching closely as new projects are proposed.

Thank you very much.

Sincerely,

A handwritten signature in cursive script that reads "André Luthard".

André Luthard
VP Advocacy, Preservation Action Council of San Jose

Cc:

Rosalyn Hughey, Director, Planning, Building and Code Enforcement
Raul Peralez, Councilmember, District 3
Honorable Sam Liccardo, Mayor

From: Mathew Reed <mathew@siliconvalleyathome.org>
Sent: Tuesday, November 27, 2018 1:12 PM
To: Planning Commission 4; Planning Commission 7; Planning Commission 6; Planning Commission 1; Planning Commission 5
Cc: City Clerk; Brilliot, Michael; Piozet, Jennifer; Clements, Kristen; Klein, Nanci
Subject: Item 8a - Actions related to Downtown Strategy 2020

Chair Peter Allan, and members of the San Jose Planning Commission.

RE: Downtown Strategy 2040

We are pleased to have this opportunity to comment on the Downtown Strategy 2040 General Plan Update. We have attached a copy of our comments submitted in response to the DEIR dated October 22, 2018.

While we are generally supportive of the expanded Downtown frame, we have concerns that the plan adds insufficient residential dwelling unit capacity to accommodate the expected growth in the area. As we state: A vibrant downtown needs both residents *and* employees.

Our concerns, laid out in greater detail in the attached letter, can be summarized as follows:

We do not agree with the strategy of shifting growth allowances from other Urban Villages to Downtown. The addition of new capacity to downtown should not come at the expense of residential growth opportunities in other parts of the city.

We believe that the additional 4000 dwelling units proposed by the Downtown Strategy 2040 General Plan Update, and reflected in the EIR, is insufficient based on plans for new employment growth in the Plan Area. This will leave the entire downtown and station areas with capacity for only an additional 7,190 units of housing between now and 2040.

We are also concerned that the new expanded Downtown Planned Growth Area boundaries, which are bounded to the west by the Cal Train tracks, are not coterminous with the boundaries of the original Diridon Station Area plan, which includes territory on both sides the Cal Train tracks. It is not clear how this will affect the CEQA clearance for planned development outside the new boundaries of this General Plan Update.

Thank you for your time and attention.

Mathew Reed
Policy Manager

SV@Home

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sv@home

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TRANSMITTED VIA EMAIL

October 22, 2018

Darryl Boyd and Jenny Nusebaum
 City of San Jose
 200 East Santa Clara Street, 18th Floor
 San Jose, CA 95113

Dear Mr. Boyd and Ms. Nusebaum

RE: Downtown Strategy 2040 – DEIR

On behalf of SV@Home and our members, we are pleased to have the opportunity to comment on the Draft EIR for the Downtown Strategy 2040 General Plan Update. SV@Home supports the expanded Downtown frame, particularly as we begin to envision development in the Diridon Station Area Plan and surrounding neighborhoods. We are also very supportive of any action that adds residential dwelling unit capacity to the Downtown. A vibrant downtown needs both residents and employees.

We do, however, have three concerns about the underlying assumptions of the EIR.

- 1) **We do not agree with the strategy of shifting growth allowances from other Urban Villages to Downtown.**

While we agree that we need more housing in the Downtown, and appreciate the efforts to expand these allowances, we should not be reducing the opportunities for residential growth in other parts of the City. We simply need more housing everywhere.

- 2) **We believe that the additional 4000 dwelling units proposed by the Downtown Strategy 2040 General Plan Update, and reflected in the EIR, is insufficient based on plans for new employment growth in the Plan Area.**

With the Diridon Station Plan underway, and plans for as many as 20-30,000 new jobs, more housing is needed. Members of the SAAG have consistently placed the importance of housing, and affordable housing in particular, at the top of the priority list for the Station Area.

We understand that the GP 2040 was designed as a “Jobs-First” General plan. But our housing needs have become significantly more acute since the Plan was adopted in 2011, even as the City has made strides in acknowledging the challenge and working to bring more residential development on line.

When originally adopted, the San Jose General Plan contemplated the development of 48,659 new jobs and 11,160 new homes within the Downtown and Station area plans (which have now been combined to include both sides of Highway 87, as far west as the Caltrain tracks) by 2040. This can be translated as 4.36 new jobs per new dwelling unit.

Ron Gonzales, Chair
*Hispanic Foundation
 of Silicon Valley*

Janice Jensen, Vice Chair
*Habitat for Humanity
 East Bay/Silicon Valley*

Kevin Zwick, Treasurer
Housing Trust Silicon Valley

Kathy Thibodeaux, Secretary
KM Thibodeaux Consulting LLC

Shiloh Ballard
Silicon Valley Bicycle Coalition

Bob Brownstein
Working Partnerships USA

Gina Dalma
*Silicon Valley Community
 Foundation*

Katie Ferrick
LinkedIn

Amie Fishman
*Non-Profit Housing Association of
 Northern California*

Javier Gonzalez
Google

Poncho Guevara
Sacred Heart Community Service

Nathan Ho
Silicon Valley Leadership Group

Janikke Klem
Technology Credit Union

Jan Lindenthal
MidPen Housing

Jennifer Loving
Destination: Home

Mary Murtagh
EAH Housing

Chris Neale
The Core Companies

Andrea Osgood
Eden Housing

Kelly Snider
Kelly Snider Consulting

Jennifer Van Every
The Van Every Group

Staff

Leslye Corsiglia
Executive Director

The proposed GP update would add 10,000 jobs and 4,000 dwelling units to the anticipated amount of development by 2040, which represents a ratio of 2.5 jobs per dwelling unit added to the amount of anticipated development.

However, if you take the total into account (58,469 new jobs and 15,160 new units) and subtract out what has already been permitted (estimate based on City of San Jose Planning, Building, and Code Enforcement data and staff), 48,569 jobs and 7,190 dwelling units remain-- or 6.77 new jobs per new dwelling unit.

We believe that these remaining 7,190 residential units will not provide the allowance necessary to accommodate expected growth, and that if residential development is constrained by these allowances, the resulting jobs per housing ratio will set back our collective efforts to respond to the housing needs of our city.

- 3) **We are also concerned that the new expanded Downtown Planned Growth Area boundaries, which are bounded to the west by the Cal Train tracks, are not coterminous with the boundaries of the original Diridon Station Area plan, which includes territory on both sides the Cal Train tracks.**

The proposed amendment to the General Plan that is covered by the pending EIR would take all the planned growth capacity (both jobs and housing) that was included in the Diridon Station Plan and assign them all to Downtown. Thus, the areas west of the tracks that are planned for higher density residential development in the Diridon Station Area – 1) the NW corner of Stockton & Julian; 2) the area bounded by the tracks to east, San Carlos to the south, Sunol St. to the west, and Park Ave. to the north (which includes the 300-unit all-affordable project proposed by First Community Housing); and (3) some residual sites on the south side of San Carlos between the tracks and Sunol St. – would apparently be left with no development capacity, which could amount to several hundred planned units that would no longer be in a Downtown Planned Growth Area.

If it is determined that this is indeed the case, this issue will need to be addressed in the pending EIR, or General Plan amendments for residential development expected for these areas will lack necessary CEQA clearance.

This is an exciting time for San Jose and the future of its Downtown. That said, it is important that the Downtown Strategy 2040 recognize the increased demand for housing to ensure that every job has a home.

Sincerely,



Leslye Corsiglia
Executive Director

