



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: October 22, 2024

SUBJECT: Citywide Planning Activities Semi-Annual Status Report

Recommendation

As recommended by the Community and Economic Development Committee on September 23, 2024, accept the semi-annual status report on Citywide planning activities, including Urban Village planning and aligning zoning with the General Plan.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Planning, Building and Code Enforcement)

[Community and Economic Development Committee referral 9/23/2024 - Item (d)2]



Memorandum

TO: COMMUNITY AND
ECONOMIC DEVELOPMENT
COMMITTEE

FROM: Christopher Burton

SUBJECT: Citywide Planning Activities
Semi-Annual Status Report

DATE: September 10, 2024

Approved

Date:

9/16/24

RECOMMENDATION

Accept the semi-annual status report on Citywide planning activities, including Urban Village planning and aligning zoning with the General Plan.

BACKGROUND

The Citywide Planning team leads the ongoing evolution of the Envision San José 2040 General Plan, Area and Specific Plans, and Urban Villages. This includes the adoption and implementation of the Housing Element. In addition, Citywide Planning is responsible for the City's ordinances and policies related to land use and urban planning, including the Zoning Ordinance, Sign Ordinance, Citywide Design Standards and Guidelines, and various City Council Policies. The team is also responsible for monitoring and maintaining data relating to development in the City, forecasting development trends, and monitoring and responding to both pending and recently adopted state legislation. Much of the Citywide Planning team's work is mandated by state law, such as the Housing Element. Other work on the team includes City Council's priorities, such as ordinance changes related to the Super Bowl in 2026.

This update on Citywide Planning Activities is provided bi-annually to the Community and Economic Development Committee.

ANALYSIS

Tasks on the Citywide Planning team vary in duration and resource needs based on the nature of the specific task. The team's primary resource is staff. Therefore, the best way to track the team's capacity is to compare workload versus staffing. The Planning,

Building and Code Enforcement Customer Service Charter (Charter) provides a comprehensive and transparent view of the Citywide Planning team's current workload and ability to take on new tasks.

In the past, work was projected over a roughly two-to-three-year period; however, with the lessons learned from the recent and extensive process required to achieve certification of the most recent 6th Cycle Housing Element, staff identified the need to expand the horizon of the team's work plan. With this in mind, the Citywide teamwork plan has been revised to evaluate upcoming workload and capacity through at least adopting the next 7th Cycle Housing Element, due in January 2031.

Tracking through the Charter was also updated from using a Full Time Equivalent (FTE) staffing metric to hours required to complete a project. This is more transparent and can be better utilized when evaluating budgetary needs for the team. The Charter has also been updated to differentiate between mandatory work, i.e., something mandated by state law or committed to through previous legally required actions, i.e., Housing Element, versus work that is a priority for the City but is not mandated by any outside entity.

The overall goal of these changes is to help better align the Citywide Planning team's work priorities with City Council expectations, taking into account staff capacity and available budgetary resources. The new Charter provides a framework for City Council to prioritize the discretionary work of the Citywide Planning team, while taking into account the large volume of mandated work in the next seven years. As new work items are proposed or existing work items rise in importance, staff can be transparent about what project, or projects, would need to be postponed and what additional budget might be required to accommodate the work.

Citywide Division Seven-Year Horizon Work Plan

Over the next seven years, the Citywide Planning team has four key priorities that are explicitly mandated by state law, are necessary to retain certification of the current Housing Element, or are needed in preparation for the next Housing Element. These key priorities will require extensive staff work that will diminish the capacity for other priority work items and may require substantial consultant resources. Given the size and scope of these items, some work can be done concurrently, but some must be done sequentially as detailed further below.

- 1. Open Space, Safety and Environmental Justice Elements Update*
- 2. Implementation of 6th Cycle Housing Element*
- 3. General Plan Major Review*
- 4. 7th Cycle Housing Element Update*

Open Space, Safety and Environmental Justice Elements Update (2023 -2026)

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. Pursuant to Senate Bill 1425 (Stern, 2022), the Envision San José 2040 General Plan’s Open Space Element must be updated by January 2026.¹ The Safety Element is required to be updated because the City recently updated its Local Hazard Mitigation Plan.² When a jurisdiction updates two or more elements simultaneously, it is required to create a new “Environmental Justice Element.”³ Given the convergence of these statutory requirements, Planning staff on the General Plan team are currently working to update these three 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. The Safety Element must incorporate climate adaptation and resilience goals, policies, objectives, and feasible implementation measures. It must also identify evacuation routes for residential sites in identified hazard areas.

The new Environmental Justice Element must identify objectives and policies to reduce the unique health risks in disadvantaged communities (including climate vulnerability risk) through the reduction of pollution exposure and the promotion of public facilities, food access, safe and sanitary homes, and physical activity. It must also identify objectives and policies to promote civic engagement in the public decision-making process. The cities of San Francisco and Oakland recently adopted Environmental Justice Elements as well. Community engagement for this work will begin in the next several months.

Implementation of the 6th Cycle Housing Element (2024-2031)

The 6th Cycle Housing Element was approved by the City Council on June 20, 2023, and was certified by the Department of Housing and Community Development (HCD) on January 29, 2024, after a multi-year process including extensive community outreach. It includes a housing needs assessment and fair housing assessment, five core housing goals with associated strategies, an analysis of constraints to housing, an inventory of sites adequate for housing, and an energy conservation analysis. Most critical for the Citywide team’s work plan is the [over 130 strategies](#) the City is required to implement to achieve the five goals of the Housing Element and maintain certification.

¹ <https://legiscan.com/CA/text/SB1425/id/2609397>

² https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65302.&lawCode=GOV

³ *ibid*

There are 30 strategies in the Housing Element specifically led by the Citywide Planning team, which vary in terms of complexity and effort required. Each strategy contains one or more action items with an estimated timeline by which the City is committed to achieving that action item. Strategies may also contain specific metrics that must be met or measured in relation to the associated strategy to weigh its effectiveness. Embedded in each strategy is also an estimated timeline for completion. Failure to complete this work and failure to show progress on the agreed strategies could result in HCD revoking certification of the Housing Element.

Strategies include completing Urban Village Plans, allowing “missing middle” housing of four to 10 units, expanding or revising the density bonus, standardizing and streamlining permitting, and much more. Four of the Planning, Building and Code Enforcement strategies have already been completed, including updating the land use designation of the City’s remaining 56 mobile home parks. Other strategies are partially completed or underway, as noted on the Citywide Horizon Work Plan.

General Plan Major Review (2026-2028)

One of the lessons learned from the lack of consistency and changing regulations from the state during the recent adoption and certification of the 6th Cycle Housing Element is that earlier preparations would benefit the City. A key component of the 7th Cycle Housing element will be identifying sites for housing production. Based on staff’s preliminary analysis, the 6th Cycle Housing Element site inventory has taken up most of the residential capacity in the 2040 Envision San José General Plan. In order to prepare for the work of the 7th cycle, staff anticipates the need to conduct a Four-Year Review of the General Plan to potentially add residential capacity to the Plan. Updating the residential capacity of the General Plan will require an analysis of existing General Plan strategies and a significant environmental review. This process will also function as the four-year major review described in General Plan Goal IP-2.

Adopting the 7th Cycle Housing Element (2027-2030)

As noted above, earlier preparations for the next Housing Element will be beneficial. While staff began work on the 6th Cycle Housing Element in 2020, three years ahead of the due date, the pandemic, diminished staffing resources, and additional legislative requirements delayed the City’s ability to meet the statutory deadline for certification. Also, given the complexity of the 6th Cycle Housing Element and the state’s desire to see increased housing production, we should expect to encounter the same, if not more, workload to complete the 7th Cycle Housing Element. This work will require internal staff resources, coordination with the Housing Department and other internal stakeholders, substantial community engagement, and technical consultants (Environmental Review).

Other Priorities

Encouraging appropriate development, maintaining a robust business community, addressing climate change, promoting equity and inclusion, and maintaining compliance with state law are some of the top priorities of the City that often fall within the purview of the Citywide Planning team’s work. As such, City Council regularly adds various policy changes or other work for Citywide Planning to advance these goals. Examples include zoning and sign ordinance updates related to the upcoming 2026 special events, allowing digital wayfinding signage with advertising in the public right-of-way in Downtown, updating the zoning ordinance to create a permit process for smoke and vape shops, monitoring and influencing pending state legislation, and the Pleasant Hills Guiding Principles.

Citywide Planning also carries a large body of administrative work, such as participating in regular updates to this Committee and the Climate Smart Commission, leading the process to create a bench of technical consultants that can support Planning and other departments, regular data and analytic inquiries both from other departments and outside entities, responding to the audit recommendations, and aligning the zoning ordinance with the General Plan pursuant to Senate Bill 1333. Citywide Planning staff also organize regular staff trainings for the Planning Division and oversee Planning’s public information phone function. Some of these tasks are ongoing, some are unique, some are relatively small, and some are large undertakings. Collectively, this represents a significant body of work for the team. All of these must be balanced in addition to the key priorities described above.

Citywide Planning Division Fiscal Year 2024-2025 Work Plan

The Citywide Planning section is comprised of seven teams that are each responsible for a variety of work plan items. The team has made progress on several priorities since the last activities update. Significant accomplishments of the team include the adoption of the first ordinance in the state to implement Assembly Bill 1033 (for-sale Accessory Dwelling Units), the completion of the Mobilehome Park Protection and Redesignation project, and the adoption of updates to the Emergency Shelter ordinance. Below is the full list of work plan items underway in Fiscal Year 2024-2025.

<u>MTC Priority Development Area Grant Application</u>	<u>Emergency Shelters Zoning Ordinance Update Phase 2</u>
<u>Update Zoning Group Homes</u>	<u>Policy 6-4 Updates</u>
<u>UV Funding GPA</u>	<u>Density Bonus Ordinance Update for State Law Changes</u>
<u>Neighborhood Business District Housing Ordinance</u>	<u>Five Year Forecast</u>
<u>Update Zoning to streamline Reasonable Accommodation Process</u>	<u>North San Jose Zoning Overlay 2.0</u>

<u>Supergraphics</u>	<u>City Ministerial Housing Approval Ordinance</u>
<u>City Initiated Land Use Changes in Airport Vicinity</u>	<u>Development Fee Framework</u>
<u>Pro-Housing Designation Application Revisions</u>	<u>Pleasant Hills Guiding Principles</u>
<u>Evaluate Urban Village Planning Process</u>	<u>SB 9 Ordinance Expansion</u>
<u>Citywide Consultant RFP</u>	<u>Saratoga Urban Village</u>
<u>Digital Wayfinding</u>	<u>Alum Rock East Urban Village</u>
<u>North San Jose Overlays Work 2.0</u>	<u>Policy 6-30 Update for Audit & Housing Element</u>
<u>Moderate Income Housing Strategy Site Identification</u>	<u>Coyote Monterey</u>
<u>Group Homes and Reasonable Accommodation Zoning Updates</u>	<u>Tri Element Update</u>
<u>Airport Land Use Commission CLUP Update Response</u>	<u>Citywide SB 1333 Rezonings</u>
	<u>5 Wounds Urban Village Update</u>
	<u>Small Multi-Family Housing</u>

Project Hours for Citywide Planning Work Plan

Planning, Building, and Code Enforcement’s customer service charter is a transparent view of the services, metrics, and resources that illustrate the Department’s pursuit to provide excellent customer service and help make informed management decisions. The Citywide Planning team’s primary resource is staff; therefore, the best way to track the team’s capacity is to compare workload versus staffing. In the past, this has been accomplished by showing the workload for every task assigned to Citywide Planning, which is calculated as FTE. One FTE equates to one full-time staff position on the team. The Charter displayed current and upcoming Citywide Planning projects over a two-to-three-year period.

Measuring workload solely using FTEs does not capture the actual cost of staff’s time—for example, supervision of the planner, coordination with other partners, and other overhead. Therefore, the work plan has been revised to an hourly model to provide a better way of showing staff capacity over a longer period, which will allow the Department to align workload demands with budgetary needs more effectively. The hourly model will allow City Council to see the full cost of Citywide Planning’s work as it provides it allows us to multiply the time required for the project by the fully burdened hourly staff rate, which includes overhead costs. It will also aid the Department in informing the City Council how much time is required to complete new work items. In the future, the work plan will be expanded to include the capacity and workload

demands of the CEQA team, as Citywide Planning's work is increasingly requiring more complex and time-consuming CEQA clearance.

The hourly rate model shows the hours staff has available for projects minus overhead and administrative tasks. Overhead includes items such as regular staff meetings, professional development and staff trainings, administrative tasks such as the annual budget process, timecards, regular check-ins with City Council offices, regular coordination with other departments and agencies, a 1.5-hour weekly public information phone shift in the case of Planner I/II/III's, and more. Administrative tasks include preparing for this biannual report to the Community and Economic Development Committee, Housing Catalyst Work Plan reporting, supervision of the Planning, Building and Code Enforcement public information phone line, development data and analytics work, and assisting Intergovernmental Relations with state law tracking and lobbying.

After accounting for overhead and the aforementioned administrative tasks, the entire Citywide Planning team has 1,653 hours available for project work per month, which equates to 22,000 hours annually. Currently, over 50,000 hours are estimated to be required for the complete work plan through the adoption of the 7th cycle Housing Element in 2031.

At the September 23, 2024, the Community and Economic Development Committee meeting staff will present a full breakdown of upcoming mandatory and discretionary tasks by fiscal year.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.

/s/

Christopher Burton

Director, Planning, Building and Code Enforcement

For questions, please contact Martina Davis, Division Manager, Planning Building and Code Enforcement, at martina.davis@sanjoseca.gov or (408) 535-7888.