



CITY COUNCIL STAFF REPORT

File Nos.	C24-064, C24-065, C24-066, C24-067, C24-068, C24-070
Location	298 parcels at various locations within the City of San José.
Existing Zoning	A Agricultural, CO Commercial Office, HI Heavy Industrial, IP Industrial Park, R-1-1 Single-Family Residence, R-1-5 Single-Family Residence, R-1-8 Single-Family Residence, R-2 Two-Family Residence, R-M Multiple Residence
Proposed Zoning	CP Commercial Pedestrian, HI Heavy Industrial, LI Light Industrial, PQP Public/Quasi-Public, R-1-8 Single-Family Residence, UR Urban Residential
CEQA:	Determination of Consistency with the Envision San José 2040 General Plan EIR (Resolution No. 76041) and the Envision San José General Plan Supplemental EIR (Resolution No. 77617), and Addenda thereto.

RECOMMENDATION:

Staff recommends that the City Council:

1. Consider the Determination of Consistency with the Envision San José 2040 General Plan EIR (Resolution No. 76041) and the Envision San José General Plan Supplemental EIR (Resolution No. 77617), and Addenda thereto.
2. Approve an ordinance of the City of San José rezoning 182 properties from the R-M Multiple Residence Zoning District to the UR Urban Residential Zoning District, 73 properties from the R-2 Two-Family Residence Zoning District to the UR Urban Residential Zoning District, 30 properties from the R-1-8 Single-Family Residence Zoning District to the PQP Public/Quasi-Public Zoning District, four properties from the CO Commercial Office Zoning District to the CP Commercial Pedestrian Zoning District, two properties from the R-M Multiple-Residence Zoning District to the PQP Public/Quasi-Public Zoning District, one property from the A Agricultural Zoning District to the PQP Public/Quasi-Public Zoning District, one property from the R-1-1 Single-Family Residence Zoning District to the PQP Public/Quasi-Public Zoning District, one property from the R-1-5 Single-Family Residence Zoning District to the UR Urban Residential Zoning District, one property from the R-1-8 Single-Family Residence Zoning District to the UR Urban Residential Zoning District, one property from the IP Industrial Park Zoning District to the HI Heavy Industrial Zoning District, one property from the HI Heavy Industrial to the LI Light Industrial Zoning District,

and one property from the CO Commercial Office Zoning District to the R-1-8 Single-Family Residence Zoning District, all located on those certain real properties situated within the City of San José.

PROJECT DESCRIPTION

GENERAL PLAN CONSISTENCY	
General Plan Designation	HI Heavy Industrial, LI Light Industrial, NCC Neighborhood/Community Commercial, PQP Public/Quasi-Public, RN Residential Neighborhood, UR Urban Residential <input checked="" type="checkbox"/> Consistent <input type="checkbox"/> Inconsistent
Consistent Policies	Implementation Policies IP-1.7, IP-8.2, IP-8.3

City-initiated Conforming Rezoning to rezone a total of 298 properties. The 182 properties from the R-M Multiple Residence Zoning District to the UR Urban Residential Zoning District, 73 properties from the R-2 Two-Family Residence Zoning District to the UR Urban Residential Zoning District, 30 properties from the R-1-8 Single-Family Residence Zoning District to the PQP Public/Quasi-Public Zoning District, four properties from the CO Commercial Office Zoning District to the CP Commercial Pedestrian Zoning District, two properties from the R-M Multiple-Residence Zoning District to the PQP Public/Quasi-Public Zoning District, one property from the A Agricultural Zoning District to the PQP Public/Quasi-Public Zoning District, one property from the R-1-1 Single-Family Residence Zoning District to the PQP Public/Quasi-Public Zoning District, one property from the R-1-5 Single-Family Residence Zoning District to the UR Urban Residential Zoning District, one property from the R-1-8 Single-Family Residence Zoning District to the UR Urban Residential Zoning District, one property from the IP Industrial Park Zoning District to the HI Heavy Industrial Zoning District, one property from the HI Heavy Industrial to the LI Light Industrial Zoning District, and one property from the CO Commercial Office Zoning District to the R-1-8 Single-Family Residence Zoning District, all located on those certain real properties situated within the City of San José. The specific locations of the parcels to be rezoned are specified in the proposed rezoning ordinance, attached hereto and incorporated herein by reference as Draft Ordinance.

Background

Government Code section 65860 (amended in 2018 by Senate Bill 1333) requires charter cities such as San José to make zoning consistent with the General Plan land use designation. To comply with the change in state law and to streamline the development review process for projects consistent with the General Plan, staff has been working on a multiyear effort to make the zoning district map consistent with the Envision San José 2040 General Plan land use map. The first phase of this work (Phase 1(a)) was approved by City Council in June 2019, which aligned the existing

zoning districts with their respective General Plan designations, including changes to permitting requirements in the Zoning Ordinance across all zoning districts. Phase 1(b) was approved by City Council in June 2021 and created six new urban village and mixed-use zoning districts to support areas that are planned for mixed-use development and high-density residential or commercial uses.

Rezoning properties to make zoning districts consistent with the General Plan land use designations represents the final phase of work to bring the Zoning District Map into conformance with the General Plan land use map. At this time, staff proposes rezoning 298 properties to make consistent their designated zoning with their General Plan land use designation. The proposed 298 properties are located in various locations, as indicated on the attached draft Ordinance and shown on the maps.

ANALYSIS

The proposed project was analyzed for conformance with the following:

- 1) Envision San José 2040 General Plan
- 2) Zoning Ordinance
- 3) Senate Bill 330; and,
- 5) California Environmental Quality Act.

Envision San José 2040 General Plan Conformance

The subject sites have an Envision San José 2040 General Plan Land Use/Transportation Diagram land use designations of HI Heavy Industrial, LI Light Industrial, NCC Neighborhood/Community Commercial, PQP Public/Quasi-Public, RN Residential Neighborhood, UR Urban Residential. (see Exhibit A-1 of the attached ordinance).

HI Heavy Industrial: This category is intended for industrial users with nuisance or hazardous characteristics which for reasons of health, safety, environmental effects, or welfare are best segregated from other uses. Extractive and primary processing industries are typical of this category. Office and research and development uses are discouraged under this designation in order to reserve development sites for traditional industrial activities, such as heavy and light manufacturing and warehousing. The Heavy Industrial designation is also the appropriate category for solid waste transfer and processing stations if those sites meet other Envision General Plan policies. Very limited-scale retail sales and service establishments serving nearby businesses and their employees may be considered appropriate where such establishments do not restrict or preclude the ability of surrounding Heavy Industrial land from being used to its fullest extent and are not of a scale or design that depend on customers from beyond normal walking distances. Any such uses should be clearly incidental to the industrial users on the property and integrated within an industrial building.

LI Light Industrial: This designation is intended for a wide variety of industrial uses and excludes uses with unmitigated hazardous or nuisance effects. Warehousing, wholesaling, and light manufacturing are examples of typical uses in this designation.

Light Industrial designated properties may also contain service establishments that serve only employees of businesses located in the immediate industrial area. Office and higher-end industrial uses, such as research and development, are discouraged in order to preserve the scarce, lower cost land resources that are available for companies with limited operating history (startup companies) or lower cost industrial operations.

NCC Neighborhood/Community Commercial: This designation supports a very broad range of commercial activity, including commercial uses that serve the communities in neighboring areas, such as neighborhood serving retail and services and commercial/professional office development. Neighborhood / Community Commercial uses typically have a strong connection to and provide services and amenities for the nearby community and should be designed to promote that connection with an appropriate urban form that supports walking, transit use and public interaction. General office uses, hospitals and private community gathering facilities are also allowed in this designation. This designation also supports one hundred percent (100%) deed restricted affordable housing developments that are consistent with General Plan Policy H-2.9 or Policy IP-5.12.

PQP Public/Quasi-Public: This category is used to designate public land uses, including schools, colleges, corporation yards, homeless shelters, permanent supportive housing, libraries, fire stations, water treatment facilities, convention centers and auditoriums, museums, governmental offices, and airports. Joint development projects which include public and private participation - such as a jointly administered public/private research institute or an integrated convention center/hotel/restaurant complex - are allowed. This category is also used to designate lands used by some private entities, including private schools, daycare centers, hospitals, public utilities, and the facilities of any organization involved in the provision of public services such as gas, water, electricity, and telecommunications facilities that are consistent in character with established public land uses. Private community gathering facilities, including those used for religious assembly or other comparable assembly activity, are also appropriate on lands with this designation. The appropriate intensity of development can vary considerably depending on potential impacts on surrounding uses and the particular Public/Quasi-Public use developed on the site.

RN Residential Neighborhood: This designation is applied broadly throughout the City to encompass most of the established, single-family residential neighborhoods, including both the suburban and traditional residential neighborhood areas which comprise the majority of its developed land. The intent of this designation is to preserve the existing character of these neighborhoods and to strictly limit new development to infill projects which closely conform to the prevailing existing neighborhood character as defined by density, lot size and shape, massing and neighborhood form and pattern. New infill development should improve and or enhance existing neighborhood conditions by completing the existing neighborhood pattern and bringing infill properties into general conformance with the quality and character of the surrounding neighborhood. New infill development should be integrated into the existing neighborhood pattern, continuing and, where applicable, extending or completing the existing street network. The average lot size, orientation, and form of new structures for any new infill development must therefore generally match the typical lot size and building form of any adjacent

development, with particular emphasis given to maintaining consistency with other development that fronts onto a public street to be shared by the proposed new project. This designation supports the development of new commercial uses within established residential neighborhoods if located on busier streets or at street intersections, and provided such development does not negatively impact the surrounding neighborhood. Hospitals and other healthcare facilities may potentially be located within such areas provided that any potential land use impacts can be mitigated. New commercial uses are discouraged on small existing streets unless it can be clearly demonstrated that the commercial use can integrate with the existing residential neighborhood without creating adverse impacts. Commercial uses in these locations will typically be limited to home occupations or similar home-based commercial activities unlikely to create a nuisance within the established Residential Neighborhood setting.

UR Urban Residential: This designation allows for medium density residential development and a fairly broad range of commercial uses, including retail, offices, hospitals, and private community gathering facilities, within identified Urban Villages, in other areas within the City that have existing residential development built at this density, within Specific Plan areas, or in areas in close proximity to an Urban Village or transit facility where intensification will support those facilities. Any new residential development at this density should be in Growth Areas or, on a very limited basis, as infill development within areas with characteristics similar to the Urban Village areas (generally developed at high-density and in proximity to transit, jobs, amenities and other services). The allowable density for this designation is further defined within the applicable Zoning Ordinance designation and may also be addressed within an Urban Village Plan or other policy document. This designation is also used to identify portions of Urban Village areas where the density of new development should be limited to a medium intensity in order to provide for a gradual transition between surrounding low-density neighborhoods and other areas within the Urban Village suitable for greater intensification. Developments in this designation would typically be three to four stories of residential or commercial uses over parking.

The proposed conforming rezoning is consistent with the following General Plan policies:

1. Implementation Policy IP-1.7: Ensure that proposals to rezone and prezone properties conform to the Land Use/Transportation Diagram, and advance Envision General Plan vision, goals, and policies.
2. Implementation Policy IP-8.2: Use the City's conventional zoning districts, contained in its Zoning Ordinance, to implement the Envision General Plan Land Use/Transportation Diagram. These districts include a range of allowed land uses, development intensities, and standards within major land use categories (residential, commercial and industrial) together with zoning districts for other land uses such as mixed-use and open space. The various ranges of allowed use and development intensity correspond generally to the respective Envision General Plan land use designations, while providing greater detail as to the appropriate land uses and form of development.

3. Implementation Policy IP-8.3 – Zoning: For the review of privately or publicly initiated rezoning applications, consider the appropriateness of the proposed zoning district in terms of how it will further the Envision General Plan goals and policies as follows:
 - a. Align with the Envision General Plan Land Use/Transportation Diagram;
 - b. Retain or expand existing employment capacity;
 - c. Preserve existing retail activity;
 - d. Avoid adverse land use incompatibilities;
 - e. Implement the Envision General Plan goals and policies including those for Urban Design;
 - f. Support higher-density land uses consistent with the City's transition to a more urban environment;
 - g. Facilitate the intensification of villages and other growth areas consistent with the goal of creating walkable, mixed-use communities; and,
 - h. Address height limits, setbacks, land use interfaces, and other design standards to provide for the intensification of land uses adjacent to already developed areas.

Analysis: The General Plan land use designations for the proposed sites include, HI, LI, NCC, PQP, RN, and UR. Therefore, staff proposes a Conforming Rezoning of the properties from the IP to HI, HI to LI, CO to CP, A to PQP, R-1-1 to PQP, R-1-8 to PQP, R-M to PQP, CO to R-1-8, R-1-5 to UR, R-1-8 to UR, R-2 to UR, and R-M to UR. This would correspond to the existing Envision General Plan land use designations for the subject sites. The proposed rezoning would allow future development consistent with the sites' General Plan land use designations.

Zoning Ordinance Conformance

The proposed rezoning conforms with Table 20-270 in Section 20.120.110 of the San José Municipal Code, which identifies the CP, HI, LI, PQP, R-1-8, and UR as a conforming district to the respective HI, LI, NCC, PQP, RN, and UR General Plan land use designations (see Exhibit A of the attached ordinance). The proposed rezoning would allow the properties to be used and developed in accordance with the allowable uses in Title 20 of the San José Municipal Code.

Senate Bill 330 Compliance

The Housing Crisis Act of 2019 (Senate Bill 330) limits the manner in which local governments may reduce the capacity for residential units that can be built on properties that allow housing, including actions such as down-zoning, changing general or specific plan land use designations to a less intensive use, reductions in height, density or floor area ratio, or other types of increased requirements. An exception to this is that a property may be allowed to reduce intensity of residential uses if changes in land use designations or zoning elsewhere ensure "no net loss" (down-zoning) in residential capacity within the jurisdiction.

Approval of File Nos. C24-064, C24-065, C24-066, C24-067, C24-068, and C24-070 would not result in a decrease of residential unit capacity. This rezoning is being paired with File No. PP24-010, which would result in a downzoning of 1,575 residential units. Among the 298 properties that are the subject of the proposed rezoning, this proposed rezoning will result in an upzoning of 25,203 residential units, complying with Senate Bill 330 requirements.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to Section 15168(c)(2) of the CEQA Guidelines, the City of San José has determined that the proposed project is pursuant to, in furtherance of, and within the scope of the Envision San José 2040 General Plan Program, the impacts of which were analyzed and disclosed in the Final Environmental Impact Report for the Envision San José 2040 General Plan (FEIR), for which findings were adopted by City Council Resolution No. 76041 on November 1, 2011 and Supplemental Environmental Impact Report (SEIR) adopted by City Council Resolution No. 77617 on December 15, 2015, and addenda thereto. The FEIR, SEIR, and Addenda were prepared for the comprehensive update and revision of all elements of the City of San José General Plan, including an extension of the planning timeframe to the year 2040.

No new or more significant environmental impacts beyond those identified in the Envision San José 2040 General Plan FEIR, SEIR, and Addenda have been identified, nor have any new mitigation measures or alternatives which are considerably different from those analyzed in the FEIR, SEIR and Addenda been identified.

PUBLIC HEARING NOTIFICATION

Staff followed Council Policy 6-30: Public Outreach Policy. Planning staff distributed notices to the property owners and tenants for File Nos. C24-064, C24-065, C24-066, C24-067, C24-068, and C24-070 on November 11, 2024 to provide information on the proposed Conforming Rezoning. Staff included their contact information on the notice and have been available to answer any questions that property owners and tenants may have. The notice also included direction to the Rezoning and General Plan Alignment website that has information to assist property owners and tenants with the process and includes frequently ask questions. The notice also included directions to our interactive Rezoning Map Viewer where the community can view the rezonings that are happening within their neighborhood and throughout the City.

Subsequent to sending the rezoning notice to affected property owners and tenants, a notice of the public hearing was distributed to the owners and tenants of all properties located within 300 feet of the project site 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.

HONORABLE MAYOR AND CITY COUNCIL

December 17, 2024

Subject: File Nos. C24-064, C24-065, C24-066, C24-067, C24-068, & C24-070

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/s/

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