



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: February 25, 2022

COUNCIL DISTRICT: 3

**SUBJECT: FILE NOS. GP21-016, GP21-017, PP21-014, C21-041, AND C21-042:
GENERAL PLAN AMENDMENT, REZONING, AND MUNICIPAL CODE
CHANGES FOR THE NORTH 1ST STREET LOCAL TRANSIT
VILLAGE**

STAFF RECOMMENDATION

Staff recommends that City Council approve all of the actions listed below.

1. Consider the Determination of Consistency to the Final Program Environmental Impact Report (EIR) for the Envision San José 2040 General Plan (Resolution No. 76041) and the Supplemental EIR to Envision San José General Plan EIR, Resolution No. 77617, and Addendum thereto, in accordance with CEQA.
2. Adopt a resolution approving the following:
 - a. General Plan Amendment to modify the North 1st Street Local Transit Village boundary and change the General Plan Land Use Designations on the Land Use/Transportation diagram on specified properties within the boundary of the Urban Village Plan area;
 - b. Adoption of the North 1st Street Local Transit Village Plan as the guiding policy document for new development and identified public improvements within the urban village area; and
 - c. Adopt a resolution approving a General Plan Amendment changing the General Plan Land Use Designation on the land use/transportation diagram on specified properties located adjacent to the North 1st Street Local Transit Village boundary;
3. Approve an ordinance amending the regulation of maximum height limitations in San Jose Municipal Code Section 20.85.020;
4. Approve an ordinance rezoning specified properties within the North 1st Street Local Transit Village as follows:
 - a. Twenty-four properties from the CO Commercial Office and CN Commercial Neighborhood zoning districts to the CP Commercial Pedestrian zoning district;

- b. One property from the CN Commercial Neighborhood zoning district to the R-1-8 Single-Family Residence zoning district;
 - c. Thirty-two properties from the CO Commercial Office, CP Commercial Pedestrian, R-2 Two-Family Residence, and R-M Multiple Residence zoning districts to the TR Transit Residential zoning district;
 - d. Twelve properties from the CO Commercial Office, CP Commercial Pedestrian, and R-2 Two-Family Residence zoning districts to the UR Urban Residential zoning district; and
 - e. Nine properties from the CO Commercial Office, CG Commercial General, and CN Commercial Neighborhood zoning districts to the UVC Urban Village Commercial zoning district; and
5. Approve an ordinance rezoning specified properties in the vicinity of the North 1st Street Local Transit Village as follows:
- a. Forty-four properties from the CO Commercial Office, CN Commercial Neighborhood, R-2 Two-Family Residence, R-M Multiple Residence, and A(PD) Planned Development zoning districts to the CP Commercial Pedestrian zoning district;
 - b. Two properties from the R-1-8 Single-Family Residence zoning district to the MUC Mixed-Use Commercial zoning district;
 - c. Three properties from the R-1-8 Single-Family Residence and CO Commercial Office Zoning District to the OS Open Space Zoning District;
 - d. Four properties from the CO Commercial Office, R-1-8 Single-Family Residence, and LI Light Industrial zoning districts to the PQP Public/Quasi Public zoning district;
 - e. Forty-three properties from R-2 Two-Family, R-M Multiple Residence, CO Commercial Office, CP Commercial Pedestrian, and A(PD) Planned Development zoning districts to the R-1-8 Single-Family Residence zoning district;
 - f. Six properties from CO Commercial Office, LI Light Industrial, and R-1-8 Single-Family Residence zoning districts to the TR Transit Residential zoning districts; and
 - g. Eleven properties from the CO Commercial Office and LI Light Industrial zoning districts to the UR Urban Residential zoning district.

PLANNING COMMISSION RECOMMENDATION

Commissioner Torrens made a motion to approve staff's recommendation (including the items read into the record by staff), and Commissioner Caballero seconded. Commissioner Cantrell added a friendly amendment that this Village area is to be added to the small business displacement pilot program for equity. The motion with the amendment passed 9-2 (Garcia and Oliverio opposed).

OUTCOME

If the City Council accepts the staff and Planning Commission recommendation, then the actions listed above will occur and the proposed North 1st Street Local Transit Village will be the guiding policy document for the area, and the properties listed above will have amended General Plan Land/Use Transportation Diagram and Zoning District changes, and approve Municipal Code changes to Section 20.85 – Specific Height Regulations.

EXECUTIVE SUMMARY

On February 9, 2022, the Planning Commission voted 9-2 (Garcia and Oliverio opposed) to recommend that the City Council approve the following resolutions and ordinances:

- A General Plan Amendment to modify the North 1st Street Local Transit Village boundary and change the General Plan Land Use Designations on the Land Use/Transportation diagram on specified properties within the boundary of the Urban Village Plan area; and
- Adoption of the North 1st Street Local Transit Village Plan as the guiding policy document for new development and identified public improvements within the urban village area; and
- Adopt a resolution approving a General Plan Amendment changing the General Plan Land Use Designation on the land use/transportation diagram on specified properties located adjacent to the North 1st Street Local Transit Village boundary; and
- Approve an ordinance amending the regulation of maximum height limitations in San Jose Municipal Code Section 20.85.020; and
- Approve an ordinance rezoning specified properties within the North 1st Street Local Transit Village (as detailed above); and
- Approve an ordinance rezoning specified properties in the vicinity of the North 1st Street Local Transit Village (as detailed above).

BACKGROUND

The Planning Commission held a public hearing on February 9, 2022, to consider the proposed General Plan Amendments, Rezonings, and Ordinance Amendment as described under the staff Recommendation above. Staff read into the record that five properties shown in the Planning Commission packet to be in the Transit Village boundary would be moved outside the boundary (described in detail below), and the Planning Commission included these changes in its recommendation to the City Council.

The City evaluated the properties in and around the North 1st Street Local Transit Village area as part of the Citywide Historic Resources Survey by a qualified historic resources consultant (Michael Baker International). Under this evaluation, the properties located at 480 North 1st St

(APN: 249-43-087) and 490 North 1st St (APN: 249-43-088) (in dark brown on the map below within the yellow box) were determined to be eligible as Candidate City Landmarks. Consistent with the public feedback and staff's previous land use recommendations, staff recommended that these properties be removed from the Village boundary to indicate that these properties are not identified for intensive redevelopment.



As such, staff recommends that the Planning Commission adjust the original staff recommendation to:

- Remove the properties located at 480 North 1st St (APN: 249-43-087) and 490 North 1st St (APN: 249-43-088) (in dark brown on the map above within the yellow box) from the proposed Transit Village boundary and keep the existing General Plan land use/transportation diagram designation of Neighborhood/Community Commercial (instead of changing to Transit Residential).
- Rezone the properties located at 480 North 1st St (APN: 249-43-087) and 490 North 1st St (APN: 249-43-088) from the CO Commercial Office to the CP Commercial Pedestrian Zoning District, which allows a wider range of uses, smaller setbacks, and other development standards more aligned with the urban village concept.

Staff also recommended removing the properties at 465 North 2nd Street (APN: 249-43-055), 469 North 2nd Street (APN: 249-43-056), and 477 North 2nd Street (APN: 249-43-057) from the Transit Village boundary to avoid creating an awkward Village boundary. Specifically:

- Remove the properties located at 465 North 2nd Street (APN: 249-43-055), 469 North 2nd Street (APN: 249-43-056), and 477 North 2nd Street (APN: 249-43-057) from the proposed Transit Village boundary (in light brown on the map above within the yellow box)
- Change General Plan land use/transportation diagram designations for the properties located at 465 North 2nd Street (APN: 249-43-055), 469 North 2nd Street (APN: 249-43-056), and 477 North 2nd Street (APN: 249-43-057) from the existing Residential Neighborhood to Urban Residential to better reflect the existing higher intensity uses on the sites.
- The sites are already zoned R-M Multiple Residences which aligns with the Urban Residential designation, so a rezoning action is not required.

Following staff's presentation, Commissioner Ornelas-Wise asked how tall 200 feet is in stories. Ms. Jennifer Piozet and Deputy Director Michael Brilliot responded that it is about 18 floors for residential and 14 to 15 floors for commercial. Ms. Piozet added that the ground floor height requirement is 15 feet which can affect the building height. Commissioner Ornelas-Wise asked how displacement concerns were addressed in the document. Ms. Piozet responded that displacement is outside the scope of work, but we continue to coordinate and rely on the Housing Department which has some programs in place. Deputy Director Brilliot stated this is a larger, citywide issue, and there are other pilot efforts in the Five Wounds and Alum Rock Urban Villages to try to prevent business displacement. The thought at this point is that those studies would be the framework to develop a more citywide approach. The City's Housing Department also has an anti-displacement strategy. Ms. Piozet stated that the Neighborhood/Community Commercial land use designation is proposed on properties predominately occupied by existing small businesses. This has proven to be an effective strategy to discourage small business displacement because this land use designation would not support the redevelopment of these properties with housing. Commissioner Ornelas-Wise indicated she wants to see the small businesses retained in the Village area.

Public Testimony

There were 10 public commenters at the hearing. Comments included:

- Why were properties west of North 1st Street removed from the village?
- What are the zonings and heights for areas next to residential homes?
- Why do neighborhood district overlays have different rules than the General Plan?
- Why were the housing and jobs numbers not changed when parts of the village were removed?
- Why was the police parking lot removed from the boundary if it's only being used for temporary homeless housing?
- What guidelines are in place to prevent the over-saturation of affordable housing?
- Are parking guidelines in place that could phase out parking with a successful village?
- Are there fees or taxes to enhance nearby parks and the Guadalupe River Park?
- Will there be any planned lighting plans like historic lighting?
- What is the relationship to the Senate Bill 35 waivers to this Plan like street trees?
- Are there any proposed transportation improvements (i.e., mitigation or traffic calming)?
- Will there be future community outreach for future projects in the area?
- Likes height reduction along North 1st and Empire Streets.
- What does "potential historic homes" mean?
- Plan places appropriate high-density development near the Civic Center, Japantown, and St. James Transit Centers.
- The plan is similar to The Alameda and West San Carlos plans that were successful.
- The benefit of the light rail and bus lines makes it the perfect location for high-density housing and new job growth.
- The plan is sensible as it balances housing and job production, will increase investment.

- Will there be enough street parking (the Kelsey project had very little parking provided)?
- Thanked staff for their work and extensive community engagement sessions.
- This is the first village plan that has fixed rail stations (Japantown/Ayer and Civic Center).
- Will be a collaboration with County on its development?

Chair Bonilla asked staff to respond to the public. Ms. Piozet stated that the areas to the west of the Village are excluded for a variety of reasons such as the Valley Transportation Authority and the County's sites are being used by these public agencies under their governmental missions. As such, staff are designating the sites as Public/Quasi-Public for both General Plan and Zoning as the proposed uses are likely outside of City's land use authority. Other sites on the west side of North 1st Street are being removed as they have some community or historic significance, are awkwardly shaped lots or do not have growth potential, and staff does not want to signal to the market that it would be planned for growth. Particularly, the police parking lot ("Lot E") is city-owned and would not be pulling any permits from Planning for future development if development were proposed per the City's governmental mission.

Ms. Piozet stated that the site being designated as Open Space, Parklands, and Habitat is an existing community garden (Garden to Table) so the site is not anticipated for growth with its awkward location and configuration. Further south, staff is removing the existing single-family homes (many of which are historic) and small businesses from the boundary and designating them Residential Neighborhood and Neighborhood/Community Commercial (respectively). Staff recommends removing the existing Ryland Park from the boundary as it is not anticipated for redevelopment. Similarly, the existing condos and apartments at the southern end of the village were removed as they are not anticipated to accommodate any new growth. The heights for the properties removed from the village boundary would be governed by the San Jose Municipal Code. For example, the properties located along the western side of North 1st Street between Hawthorne Way and Clayton Avenue would be designated CP Commercial Pedestrian for the zoning and Neighborhood/Community Commercial for the General Plan, meaning the maximum height would be 50 feet. Any project developed on these parcels would have to comply with the General Plan, Municipal Code, and Citywide Design Standards and Guidelines.

Ms. Piozet explained that the City cannot control the "oversaturation" of an affordable housing project within the village plan. The Housing Department is working on how to spread out where they fund affordable projects through their NOFA (Notice of Funding Availability) which they use in conjunction with their Affordable Housing Siting Policy about where to invest this money in the City like high resource areas. This siting policy does not apply to privately funded affordable projects, and it is unlawful to write a policy to deny housing projects based upon the saturation of affordable projects in an area.

Planning Commission Discussion

Chair Bonilla opened the Planning Commission discussion. Commissioner Cantrell thanked staff for their work and stated this is good planning that also will protect existing businesses. He

understands that it is not Planning's purview to retain businesses, but he feels it is difficult to approve these types of urban village plans until City Council can address small business displacement and equity.

Commissioner Young echoed Commissioner Cantrell's comments, reiterating it was a good, well-written plan, and it was obvious staff conducted a lot of community outreach. He asked if the properties on North 2nd Street were part of the original boundary and why were they removed. Ms. Piozet responded that these properties were removed as they are mostly existing single-family homes and some are historic. In an effort to maintain a cohesive neighborhood fabric and retain these uses, staff excluded those properties.

Commissioner Young stated that the entire area is really interesting and there are a lot of architectural styles. He noted that the Plan mentions that a future park is desired and asked staff to elaborate. Ms. Piozet stated that staff cannot designate private land for public use, as it may be considered a taking. Instead, staff places a "Floating P" on the land use diagram and worked with the Department of Parks, Recreation and Neighborhood Services to identify where to place that symbol. However, the park location is not finalized at this time. Staff worked with the residents to also identify the potential location of POPOs (publicly accessible privately owned and maintained open spaces) in other areas of the village as notated on the land use diagram with a solid green dot.

Commissioner Young asked staff to provide more of an explanation on the Plan's vision for the paseo on Miller and Asbury which could change and limit traffic in that area. Ms. Piozet responded that the idea these streets could potentially be closed for events, and given that these streets are minor and provide limited connections and there would likely be little impact to traffic flow. If a future project in the area implements the paseo, that project applicant would need to work with the City (and Department of Transportation specifically) to work toward that vision. This paseo is located in the heart of the Village where staff anticipates more intensive growth and more opportunities to congregate.

Commissioner Torrens noted she became a Planning Commissioner because she wanted to be part of helping Village work move along. She made a motion to accept staff's recommendation including the amendments read into the record. She stated that she likes the Urban Village plan ideas and echoes Commissioner Cantrell's comments about equity. Commissioner Torrens stated that while these plans are great, the market drives future developments. She hopes that the City Council will work on something to address equity and potential business displacement due to redevelopment.

Commissioner Caballero stated that she lives in the neighborhood and is excited by the changes. She believes that the plan actually preserves the existing commercial and will also help increase opportunities for new businesses. Many of the existing businesses rely on daytime foot traffic as there is not a lot of nighttime traffic. This plan will create more opportunities for businesses by bringing in new residents. She likes that this plan protects the existing residences and historic structures. When reviewing these plans, Commissioner Caballero would usually go for something denser, but this is the right move to keep something more moderate here given the

existing single-story context. It makes sense that the core is the most intense and tall, and likely aligns with what the County will build to in the future. This Plan will make the area more of a destination like Japantown, promoting more beauty, vibrancy, and diversity. She does not believe business displacement is under the purview of the Planning Commission but shares the concerns of her fellow Commissioners that she hopes the City Council will address the issue so existing businesses will be able to stay in the area.

Commissioner Cantrell stated he thinks this is an opportunity to tell the City Council that this is something that they should pay attention to and that this area should be part of the small businesses pilot. Commissioner Cantrell would like to make a friendly amendment to add to the recommendation to tell the City Council that the Planning Commission wants to see equity in commercial preservation as a priority.

Commissioner Oliverio stated many of the small businesses are bail bonds businesses that have been a thorn in the side of the neighborhood, and many may not like to see these businesses retained. Given this, Commissioner Oliverio questioned desirability. Commissioner Oliverio asked staff if the planned height would increase the existing height allowances on the Swenson property called the “Vendome Apartments” on the corner of Taylor and First Streets. Ms. Piozet confirmed the height would be increased to 200 feet and the existing Vendome Apartments building is around 120 feet. Commissioner Oliverio praised the staff’s great presentations at the meeting with the above-average visual graphics. He noted that the North 1st Street Plan document, which was not included as part of the Planning Commission packet and instead was on a separate website, was not considered accessible pursuant to the requirements of the Americans with Disabilities Act.

Commissioner Cantrell clarified his friendly amendment to the motion as “Addition of this community to the current small business displacement pilot program being done on Alum Rock Avenue.”

Commissioner Caballero asked for clarification if the development in the Alum Rock and Five Wounds areas is eminent and those businesses are at higher risk of displacement instead of the potential for displacement. Deputy Director Brilliot responded that several affordable housing projects are proposed or approved in Alum Rock) and that these projects will result in the displacement of “mom and pop” businesses. The other issue is that the BART Phase II extension is closer to reality, which could result in more interest in redevelopment, which in turn could result in small business displacement. In contrast, these types of displacement pressures are not currently present in the North 1st Street area. Mr. Brilliot restated that the North First Street Urban Village Plan proposes to designate most of the areas containing small businesses with a Neighborhood/Community Commercial land use designation, which discourages redevelopment and, therefore, business displacement. Staff used this same approach in the East Santa Clara Street Urban Village. While displacement could happen, it would not likely happen due to redevelopment.

Commissioner Caballero stated that she will include the friendly amendment but does not think it is necessary to include the amendment as displacement is not eminent in the North 1st Street area,

and the City has ongoing, fruitful discussions on how to address both residential and business displacement. To keep the project moving forward, she will include the amendment.

Commissioner Oliverio sat sitting through hours of discussion on the community's concern about bail bonds in this neighborhood, and the fact that what is being proposed was not part of the community discussions during outreach, Commissioner Oliverio asked his colleagues to not support the friendly amendment. He did not believe the community would support the friendly amendment.

Commissioner Torrens made a motion to approve staff's recommendation (including the items read into the record by staff), and Commissioner Caballero seconded. Commissioner Cantrell added a friendly amendment that this Village area is added to the small business displacement pilot program currently being developed for Alum Rock Avenue. The motion with the friendly amendment passed 9-3 (Garcia and Oliverio opposed).

ANALYSIS

For a complete analysis, including the related CEQA clearance, please see the [Planning Commission Staff Report](#) (attached).

CONCLUSION

The Planning Commission voted to recommend that the City Council approve the staff's recommendation.

Airport Land Use Plan Consistency

Pursuant to the provisions of Section 21676 of the California Public Utilities Code ("Section 21676"), the City made a referral of the General Plan Amendments (File Nos. GP21-016 and GP21-017), Rezonings (File Nos. C21-041 and C21-042), and an Ordinance Amendment (File No. PP21-014) to the Airport Land Use Commission of Santa Clara County ("ALUC") for a determination of consistency with the ALUC's plans to the extent that the area covered by the subject General Plan Amendments, Rezonings, and Ordinance Amendment associated with the North 1st Street Local Transit Village plan falls within the ALUC's Airport Influence Area surrounding the Mineta San José International Airport ("SJC"). On February 23, 2022, the ALUC, acting pursuant to its authority under Section 21676, determined that the project was consistent with ALUC policies as defined in the "Comprehensive Land Use Plan for San José International Airport" ("CLUP"), as the language regulating height in the San Jose Municipal Code Amendment (File No. PP21-014) requires conformance to the CLUP's Part 77 Surfaces (a requirement governed by the Federal Aviation Administration (FAA)) and a "no hazard determination" will be required of development projects to meet this FAA requirement.

EVALUATION AND FOLLOW UP

If the proposed General Plan Amendments, Rezoning, and Ordinance Amendment are approved as recommended by the Planning Commission, future development within the Village boundary must align with the policies contained therein, and projects inside and outside the Village boundary would have to comply with the Zoning Ordinance for submitting and seeking approval for the project to obtain Building and Public Works permits to begin construction.

CLIMATE SMART SAN JOSE

The proposed General Plan Amendments, Rezoning, and Ordinance Amendment align with Climate Smart San José's overall goals by concentrating future mixed-use, high-intensity projects near existing Light Rail.

PUBLIC OUTREACH

There were three workshops held (total of four meetings), in addition to meeting with neighborhood leaders (total of four meetings) and office hours (total of two meetings). These meetings were primarily held in the evening, except for office hours and one of two meetings for the Third Workshop series. Notice of both the General Plan and Rezoning actions was provided at the third workshop series, during office hour contact, and in the postcard hearing notices for the Planning Commission and City Council hearings.

Summaries of the workshops and office hours can be found in Exhibit B of the Planning Commission report. These summaries include a description of small group activities, community concerns, and meeting logistics information (e.g. number of attendees).

Staff followed Council Policy 6-30: Public Outreach Policy to inform the public of the Village Plan effort. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 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.

COORDINATION

The preparation of this memorandum has been coordinated with the City Attorney's Office.

HONORABLE MAYOR AND CITY COUNCIL

February 25, 2022

Subject: File Nos. GP21-016, GP21-017, PP21-014, C21-041, and C21-042

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CEQA

The environmental impacts of this project including all of the above-recommended actions were addressed in a determination of consistency with the Final Program EIR for the Envision San José 2040 General Plan (Resolution No. 76041) and the Envision San José 2040 General Plan Supplemental EIR (Resolution No. 77617), and Addenda thereto. This EIR was 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 2035 and including designating Growth Areas and Urban Villages, which propose intensified urban redevelopment of underutilized commercial lands to accommodate new commercial and residential growth.

The EIR is available for review on the Planning website at: www.sanjoseca.gov/activeeirs

/s/

Christopher Burton, Secretary
Planning Commission

For questions, please contact Michael Brilliot, Deputy Director, at 408 896-0136 or michael.brilliot@sanjoseca.gov

Attachment: [Planning Commission Staff Report](#)



Memorandum

TO: PLANNING COMMISSION

FROM: Christopher Burton

SUBJECT: GP21-016, GP21-017, PP21-014,
C21-041, C21-042

DATE: January 26, 2022

COUNCIL DISTRICT: 3

Project	North 1 st Street Local Transit Village (File Nos. GP21-016, GP21-017, PP21-014, C21-041, C21-042)
General Plan Designated Jobs and Housing Capacity	<ul style="list-style-type: none"> • Job Capacity: 2,520 new jobs (756,000 square feet of commercial space) • Housing Capacity: 1,678 units
Location	Generally bounded by Interstate 880, North 2 nd Street, North San Pedro Street, and Hensley Street
Planning Process Timeline	2017-2022
Project Planner	Tracy Tam
CEQA Clearance	Determination of Consistency

RECOMMENDATION

Staff recommends that the Planning Commission recommend to the City Council all the following actions:

1. Consider the Determination of Consistency to the Final Program Environmental Impact Report (EIR) for the Envision San José 2040 General Plan (Resolution No. 76041) and the Supplemental EIR to Envision San José General Plan EIR, Resolution No. 77617, and Addendum thereto, in accordance with CEQA.
2. Adopt a resolution approving the following:
 - a. General Plan Amendment to modify the North 1st Street Local Transit Village boundary and change the General Plan Land Use Designations on the land use/transportation diagram on specified properties within the boundary of the Urban Village Plan area (see proposed resolution amendment in Exhibit D); and
 - b. Adoption of the North 1st Street Local Transit Village Plan as the guiding policy document for new development and identified public improvements within the urban village area (see proposed resolution amendment in Exhibit D);
3. Adopt a resolution approving a General Plan Amendment changing the General Plan Land Use Designation on the land use/transportation diagram on specified properties located adjacent to the North 1st Street Local Transit Village boundary (see proposed resolution amendment in Exhibit E);
4. Approve an ordinance amending the regulation of maximum height limitations in San Jose Municipal Code Section 20.85.020 ((see proposed resolution amendment in Exhibit F);
5. Approve rezoning specified properties within the North 1st Street Local Transit Village as follows (see proposed resolution amendment in Exhibit G):

- a. 24 properties from the CO Commercial Office, CN Commercial Neighborhood zoning districts to the CP Commercial Pedestrian zoning district;
 - b. One property from the CN Commercial Neighborhood zoning district to the R-1-8 Single-Family Residence zoning district;
 - c. 34 properties from the CO Commercial Office, CP Commercial Pedestrian, R-2 Two-Family Residence, R-M Multiple Residence zoning districts to the TR Transit Residential zoning district;
 - d. 12 properties from the CO Commercial Office, CP Commercial Pedestrian, and R-2 Two-Family Residence zoning districts to the UR Urban Residential zoning district; and
 - e. Nine properties from the CO Commercial Office, CG Commercial General, and CN Commercial Neighborhood zoning districts to the UVC Urban Village Commercial zoning district, and
6. Approve an ordinance rezoning specified properties in the vicinity of the North 1st Street Local Transit Village as follows (see proposed resolution amendment in Exhibit H):
- a. 42 properties from the CO Commercial Office, CN Commercial Neighborhood, R-2 Two-Family Residence, R-M Multiple Residence, and A(PD) Planned Development zoning districts to the CP Commercial Pedestrian zoning district;
 - b. Two properties from the R-1-8 Single-Family Residence zoning district to the MUC Mixed-Use Commercial zoning district;
 - c. Three properties from the R-1-8 Single-Family Residence and CO Commercial Office Zoning District to the OS Open Space Zoning District;
 - d. Four properties from the CO Commercial Office, R-1-8 Single-Family Residence, and LI Light Industrial zoning districts to the PQP Public/Quasi-Public zoning district;
 - e. 43 properties from R-2 Two-Family, R-M Multiple Residence, CO Commercial Office, CP Commercial Pedestrian, A(PD) Planned Development zoning districts to the R-1-8 Single-Family Residence zoning district;
 - f. Six properties from CO Commercial Office, LI Light Industrial, and R-1-8 Single-Family Residence zoning districts to the TR Transit Residential zoning districts;
 - g. 11 properties from the CO Commercial Office and LI Light Industrial zoning districts to the UR Urban Residential zoning district.

PROJECT DESCRIPTION

The proposed North 1st Street Local Transit Village Plan (Plan) was prepared by the City with community input to provide a policy framework that will guide new job and housing growth within this Village boundary. This Plan will also provide guidance as to the characteristics of future development, including buildings, parks, plazas, placemaking elements, streetscape, and circulation. The Plan supports the identified growth capacity for this Village in the Envision San José 2040 General Plan, providing the capacity for the development of 2,520 new jobs (756,000 square feet of commercial space) and 1,678 new residential units (333 units have already received a planning entitlement, leaving a remainder of 1,345 unentitled residential units).

Development or redevelopment of properties within the Village area will be required to comply with the Plan.

Urban Village Location

The North 1st Street Local Transit Village (Village) is located in Central San José, generally along North 1st Street and bordered by Interstate 880 to the north and bounded by Hensley Street to the south. Two Valley Transportation Authority (VTA) light rail lines (the Blue Line (Baypointe to Santa Teresa) and the Green Line (Old- Ironsides-Winchester)) bisect the Village. The North 1st Street Local Transit Village is located adjacent to many unique neighborhoods, including Rosemary Gardens, Hyde Park, Japantown, Civic Center, Vendome, Hensley Historic District, and Downtown San José.

The North 1st Street Local Transit Village is currently developed with commercial, governmental, and residential uses, including restaurants, commercial offices, Santa Clara County offices, single-family and multifamily residences. A existing Village boundary map can be found in Exhibit A.

File Numbers

File number GP21-016 is for North 1st Street Local Transit Village Plan document, including modifications to the Village boundaries and changes to the General Plan land use designations for properties located within the new Village boundary. The specific changes can be viewed in Exhibit D.

File number GP21-017 is for changes to the General Plan land use designations for properties being removed from the current Village boundary. The purpose of this General Plan Amendment is to align the General Plan Land Use designations with the existing uses. The specific changes can be viewed in Exhibit E.

File number PP21-014 is for modifications to San José Municipal Code (SJMC) Section 20.85.020 Specific Height Exceptions, related to the maximum heights in the North 1st Street Local Transit Village Plan. Currently, there are four different regulations which control height for properties within and outside the Village boundary. The intent is to regulate height for properties within the Village boundary through the Village Plan itself, and not through the San José Municipal Code which is reflected in the proposed modifications to SJMC Section 20.85.020. The specific changes can be viewed in Exhibit F.

File number C21-041 is for the rezoning of properties located in the Village boundary to ensure the zoning district and General Plan land use designations are conforming. The purpose of this rezoning action is to align the zoning district with the General Plan land use designation and this rezoning action is required to be in compliance with Senate Bill 1333 (SB 1333). SB 1333 requires cities to have consistency of zoning districts with the General Plan land use designations for properties. The specific changes can be viewed in Exhibit G.

File number C21-042 is for the rezoning of properties that are proposed for removal from the Village boundary. This rezoning action is coupled with file number GP21-017 to ensure the City complies with SB 1333. The specific changes can be viewed in Exhibit H.

This Village Plan effort does not directly result in construction as it is a long-range policy document. As property owners consider and propose development projects (that are subject to discretionary planning permits), they will be required to comply with the Village Plan. This Village Plan effort also does not impact existing structures and uses of land, but serves to establish goals, standards, and guidelines for new development proposals, within the Village boundary.

ADOPTION OF THE VILLAGE PLAN

Prior to the adoption of the North 1st Street Local Transit Village Plan, only commercial development could move forward under the rules of the General Plan. With the adoption of this Village Plan, commercial, residential, and mixed-use development projects can move forward with entitlements and those entitlements must be consistent with the goals, policies, guidelines, and action items identified in the Village Plan.

BACKGROUND

When the Envision San José 2040 General Plan was adopted by the City Council in 2011, Major Strategy #5 Urban Villages was adopted. The Major Strategies identify how and where the city will grow within the timeframe of the General Plan. There are 56 urban village areas identified as part of the General Plan, one of which is the North 1st Street Local Transit Village.

If approved, the North 1st Street Local Transit Village will be a City Council adopted policy document with the goal to shape private development within the Village boundary. As allowed by the General Plan, the North 1st Street Local Transit Village Plan proposes a Land Use Diagram that allows for 2,520 new jobs or 756,000 square feet of new employment space (calculated at roughly 300 square feet per job), and up to 1,678 residential units (with 333 residential units already entitled; with a remainder of 1,345 residential units). With the exception of some affordable housing projects that comply with certain local or state laws, residential units and employment uses will generally need to obtain City-approved discretionary land use permits to be built. This Village Plan changes the General Plan land use designations to allow for residential uses and adopts standards that must be followed.

Planning Process

Community Engagement

Through the community engagement process, the community provided input on their values and goals which were articulated through an extensive and meaningful community-based planning process.

First Workshop:

At the first workshop, participants were asked to help identify and discuss the assets and opportunities within the Village area. Assets were identified as places, buildings, and environments that are prized within the community. Opportunities were identified as areas of improvement or change. The assets and opportunity discussions were used to create the Vision for the Village. The Vision is the overarching concept for the community's preferred future for development and transportation along the corridor. To support the Vision, Guiding Principles were also created. These Guiding Principles consist of three defining elements that embody the foundation of this Village Plan's goals, standards, guidelines, and action items. Together, these elements represent the community's preferred future development and transformation of the Village. The first workshop was held in-person on Thursday, June 13, 2019 and approximately 85 individuals participated (approximately 56 community members, 15 staff members, and 8 consultants). More information on this workshop can be found in Exhibit C.

Second Workshop:

At the second workshop, participants were asked to establish the Character Areas for the three segments of the Village. Character Areas are places that have a distinct feel based upon the types of development and intensities allowed. Feedback from this workshop was used to inform the land uses, height, densities, Floor Area Ratios (FARs), historic preservation policies, open space and plaza policies, and transportation-related policies. The second workshop was held in-person on Monday, October 21, 2019 and approximately 75 individuals participated (approximately 50 community members, 25 City staff and community partners). More information on this workshop can be found in Exhibit C.

Three Character Areas were created:

- Commercial Gateway Character Area: Located on the northern portion of the Village, generally from Interstate-880 to Hedding Street

- Central Civic Center Character Area: Located in the center of the Village, generally from Hedding Street to Jackson Street
- Southern Mixed-Use Character Area: Located on the southern portion of the Village, generally from Jackson Street to Hensley Street

Third Workshop:

At the third workshop series, staff presented the draft Village Plan and invited participants to join virtual breakout rooms to provide feedback. The feedback received has been considered and incorporated, where feasible and appropriate, into the draft Village Plan. The virtual workshop occurred on Monday, August 16, 2021 and Saturday, August 21, 2021 and approximately 65 individuals participated (40 community members, 19 staff members, four consultants, and two interpreters) attended the August 16th meeting. Approximately 31 individuals (20 community members, nine staff members, and two interpreters) attended the August 21st meeting. More information on this workshop can be found in Exhibit C.

Office Hours:

Office hours sessions were held virtually to allow members of the public to drop-in to seek information, ask questions, and provide feedback. These office hours were created to allow for additional opportunities for public outreach and to provide an informal, smaller format virtual space for that feedback. The office hours occurred on Wednesday, August 25, 2021 and Tuesday, August 31, 2021. Three individuals participated on August 25th and eight individuals participated on August 31st.

Community Leaders Meetings:

A series of meetings were held with the community leaders throughout the planning process. The purpose of these meetings was to inform, answer questions, obtain feedback, and provide a preview of the workshops in order to help increase attendance and awareness of the North 1st Street planning effort.

Interdepartmental and Outside Agency Government Coordination

The preparation of the North 1st Street Local Transit Village Plan was coordinated with a variety of City departments and outside City agencies and organizations. The participating City departments included the Departments of Parks, Recreation and Neighborhood Services, Public Works, Transportation, Office of Economic Development, and Environmental Services, and the outside City agencies and organizations included the Santa Clara Valley Transportation Authority (VTA), and Santa Clara County.

The Role of the Village Plan

The North 1st Street Local Transit Village is situated in a strategic location within San José, providing a connection between Downtown San José to the south and North San José to the north. As such, the North 1st Street Local Transit Village is an ideal location for people who want to live and work in an urban environment that has access to other major cities and amenities.

The land use densities proposed in this Plan support the General Plan's anticipated growth. Under the direction of the General Plan, the Village Plan would add additional residential housing units in a denser form of development, and make this area more attractive to businesses, which will contribute to the sales tax base for the City and create an active streetscape with visible activities during the day and night. In addition, this Plan encourages well-designed dense multifamily housing to create a desirable place for new skilled workers who want to live in urban settings, as well as for employers who want to locate in amenity-rich urban areas with talented workers. This Village Plan also encourages employers to locate proximate to transit and housing as a strategy to internalize and reduce traffic, vehicle miles traveled, and greenhouse gas emissions.

State Law Implications

The following is a brief discussion of some of the State laws that have impacted this Village Plan. It is not meant to be an exhaustive discussion, but rather provide policy context that shaped this Village Plan.

Assembly Bill 3194

Assembly Bill 3194 prohibits local agencies from requiring a rezoning of properties to facilitate housing projects if the General Plan land use designation supports housing. Since the rezoning requirement is no longer allowed and many of General Plan land use designations in urban villages allow housing, the rezoning can no longer be used to create a value capture mechanism to facilitate building additional public improvements and amenities as was envisioned by the Council-adopted Urban Village Implementation and Amenities Framework (Implementation Framework). As such, the City must find alternative ways to facilitate the construction of amenities and further implement the Envision San José 2040 General Plan Urban Village Major Strategy.

This has impacted the North 1st Street Local Transit Village Plan by removing the City's ability to collect funds or require certain improvements that were linked to rezoning actions in urban villages. The City may still lawfully require public improvements related to the impacts caused by a project collect including affordable housing and/or impact fees, parkland and/or impact fees from private development.

Senate Bill 330

Senate Bill 330 prohibits the City's ability to impose any standard on a housing project (housing project is defined as a project where two-thirds of the project square footage is residential uses) that is not an objective standard. With some exceptions, a city also may not change the general plan, zoning, or other policy that would reduce residential capacity on a site unless there is a "no net loss" of residential capacity. No net loss of residential capacity is generally accomplished with a change in general plan designation or a zoning amendment that provides replacement residential capacity elsewhere in the city.

The State Law requiring City's to use objective standards for residential projects has impacted the North 1st Street Local Transit Village Plan by the village plan is written in an objective manner to ensure the standards can be applied to housing projects that meet the senate bill's definition of a housing project. Furthermore, staff conducted an analysis to ensure there is no net loss in residential capacity with the changes to the general plan land use designations and the zoning districts.

Senate Bill 1333

Senate Bill 1333 requires charter cities to have zoning be consistent with the and General Plan land use designation. While in the past the approval of Urban Village plans did not include proposed rezonings to implement the Plan, consistent with the requirements of Senate Bill 1333 staff are proposing rezoning in the North 1st Street Urban Village to ensure that the zoning districts within the Village match with the proposed General Plan land use designations. Additionally, as part of this same effort staff are rezoning properties removed from the Village boundary to be consistent with the underlying General Plan land use designations.

PURPOSE OF THE VILLAGE PLAN

The Plan includes goals, standards, guidelines, and action items to guide new development and private and public investment to achieve the vision of the Village consistent with the General Plan's Urban Village Major Strategy.

Summary of the Urban Village Plan

1. Chapter 1—Introduction: Describes the planning areas and the Village Plan purpose and outlines the organization of the Village Plan document.
2. Chapter 2—Vision: Conveys the community's vision for the North 1st Street Local Transit Village and presents the guiding principles which inform the goals, standards, guidelines, and action items contained within this Village Plan.
3. Chapter 3—Land Use: Describes the planned growth, identifies land use designations, and land use goals, standards, guidelines, and action items.
4. Chapter 4—Parks and Open Space: Identifies policies, guidelines, standards, and action items and potential locations for new publicly-accessible open spaces, and presents strategies for incorporating plazas, pocket parks, paseos, parklets, and public art into the Village boundary.
5. Chapter 5—Urban Design and Placemaking: Describes the urban design concept and the placemaking strategy. Contains policies, standards, guidelines, and action items related to urban design and placemaking opportunities.
6. Chapter 6—Circulation and Streetscape: Discusses the existing circulation network for pedestrians, bicyclists, and cars, streetscape treatments, and transportation improvements as future action items.
7. Chapter 7—Implementation: Summarizes the City's action items and potential funding sources to assist with implementing certain aspects of the Village Plan over time.
8. Appendix A—Village Planning and Community Outreach Process: Provides information related to the Village Planning Process and the Community Outreach Process. Agendas and meeting notes from the workshops are also contained within the Appendix.
9. Appendix B —Relationship to Other Documents: Provides an overview of the relationship between the Village Plan and other City documents.
10. Appendix C—Definitions: Contains definitions of terms used throughout the document. Terms defined in this Appendix are notated in italicized text.
11. Appendix D—Architectural Styles: Contains objective guidance for architectural styles listed under Urban Design and Placemaking Standard UDP-1.

ANALYSIS

The proposed Village Plan was analyzed with respect to conformance with:

1. Envision San José 2040 General Plan
2. California Environmental Quality Act (CEQA)

Village Boundary and Land Uses

General Plan Implementation Policy IP-5.1 states that an Urban Village Plan should identify potential

adjustments to the identified Urban Village Boundaries and potential modifications to the Land Use/Transportation Diagram as necessary to best utilize existing land use growth capacity, address neighborhood context, and promote economic development through the identification of optimal sites for retail and other employment uses.

Consistent with this policy, this Village Plan includes changes to the Village boundary by primarily decreasing the Village area by approximately 76 acres. The current Village is approximately 132 acres, and the proposed Village is approximately 56 acres. There is a small pocket of properties that are proposed to be added to the Village boundary, generally located in the southern portion of the Village, from Jackson Street to Hensley Street.

The Village boundary has been modified based on community feedback, development potential and likelihood, and the desire to preserve historic resources. In the Commercial Gateway Character Area, many of the properties were removed from the Village boundary as they are existing single-family homes being used as such, and therefore, have a low potential to redevelop and change use. In the Central Civic Center Character Area, properties were generally removed due to the potential historic significance and low potential for meaningful development. In the Southern Mixed-Use Character Area, properties were removed due to the potential historic significance and low potential for development.

Also, consistent with this General Plan policy, the adoption of this Plan will modify the General Plan land use designations, as depicted on the General Plan Land Use/Transportation Diagram, for properties within the boundary of this Plan area as shown on the Plan's Land Use Diagram.

Envision San José 2040 General Plan Conformance

The following describes this Plan's consistency with the General Plan Major Strategies and Policies:

Major Strategy # 5 - Urban Villages

This strategy promotes the development of Urban Villages to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth attractive to an innovative workforce and consistent with the Plan's environmental goals. The General Plan establishes the Urban Village concept to create a policy framework to direct most new job and housing growth to occur within walkable and bike-friendly Urban Villages that have good access to transit and other existing infrastructure and facilities. San José Urban Villages are planned for a balanced mix of job and housing growth at relatively high densities with greater emphasis placed upon building complete communities at each Urban Village location while also supporting use of the local transit system. The Urban Village Strategy fosters:

- Mixing residential and employment activities
- Establishing minimum densities to support transit use, bicycling, and walking
- High-quality urban design
- Revitalizing underutilized properties with access to existing infrastructure
- Engaging local neighborhoods through an Urban Village Planning process

The following describes how each of the chapters of the Urban Village Plan are consistent with General Plan policies. The General Plan Policies are listed first, followed by the analysis. Summaries of the chapters may be found in the previous section of this report.

Chapter 1 and 2: Introduction, Vision Statement and Guiding Principles

Policy CE-2.3, Community Partnership: Support continuation of existing and formation of new community- and neighborhood-based organizations to encourage and facilitate effective public engagement in policy and land use decisions.

***Analysis:** Community input gathered during the planning process provided the basis for overarching vision and guiding principles for future development in this Village. The vision statement describes elements that represent the community's preferred future for development and transformation of the North 1st Street Local Transit Village area. The North 1st Street Local Transit Village guiding principles consist of three defining elements that embody the foundation of this Village Plan and include:*

- *Create a vibrant business corridor with community gathering and open spaces*
- *Celebrate the multicultural environment, preserve existing historic assets, and encourage affordable housing*
- *Establish a well-connected, safe, and integrated multimodal transportation system*

Chapter 3: Land Use

Policy E-1.2, Land Use and Employment: Plan for the retention and expansion of a strategic mix of employment activities at appropriate locations throughout the City to support a balanced economic base, including industrial suppliers and services, commercial/retail support services, clean technologies, life sciences, as well as high technology manufacturers and other related industries.

Policy LU-1.1, Land Use: Foster development patterns that will achieve a complete community in San José, particularly with respect to increasing jobs and economic development and increasing the City's jobs-to-employed resident ratio while recognizing the importance of housing and a resident workforce.

Policy LU-1.9, Land Use: Preserve existing Public / Quasi-Public lands in order to maintain an inventory of sites suitable for Private Community Gathering Facilities, particularly within the Residential Neighborhoods, Urban Villages and commercial areas, and to reduce the potential conversion of employment lands to non-employment use. Lands designated Public / Quasi-Public located within the Diridon Station Area Plan may be re-designated to other land use designations provided that such uses will advance San José's employment growth or housing goals and any redevelopment projects include publicly accessible open space and other community amenities.

Policy LU-4.3, Commercial: Concentrate new commercial development in identified growth areas and other sites designated for commercial uses on the Land Use/Transportation Diagram. Allow new and expansion of existing commercial development within established neighborhoods when such development is appropriately located and designed, and is primarily neighborhood serving.

Policy LU-10.1, Land Use: Develop land use plans and implementation tools that result in the construction of mixed-use development in appropriate places throughout the City as a means to establish walkable, complete communities.

Policy IP-5.5, Implementation: Employ the Urban Village Planning process to plan land uses that include adequate capacity for the full amount of planned job and housing growth, including identification of optimal sites for new retail development and careful consideration of appropriate minimum and maximum densities for residential and employment uses to insure that the Urban Village Area will provide sufficient capacity to support the full amount of planned job growth under this Envision Plan.

Policy IE-1.6, Land Use and Employment: Plan land uses, infrastructure development, and other initiatives to maximize utilization of existing and planned transit systems including fixed rail (e.g., High-Speed Rail, BART and Caltrain), Light-Rail and Bus Rapid Transit facilities, promote development potential proximate to these transit system investments compatible with their full utilization.

Policy LU-16.1, Sustainable Practices: Integrate historic preservation practices into development decisions based upon fiscal, economic, and environmental sustainability.

Analysis: A primary objective of this Village Plan is to retain the existing amount of commercial space and increase commercial activity and employment opportunities as the area redevelops. The land use diagram (contained in Exhibit C) supports the development of new employment uses up to 756,000 square feet. The land uses as designated can support a variety of commercial and institutional uses in small to midsized developments that serve the immediate neighborhoods, to large office buildings that would serve the larger city. The areas designated for new high-density residential uses will be instrumental in creating a vibrant, walkable place, as the Plan anticipates up to 1,678 new residential units. The planned intensification of commercial uses will support the light rail lines by promoting growth that will increase ridership. The sites proposed as Public/Quasi-Public are primarily sites that contain governmental uses that are proposed for removal from the Village boundary. Changing the General Plan Land Use designation to Public/Quasi-Public and removing these properties from the Village boundary will increase and preserve lands designated as Public/Quasi-Public.

Additionally, to ensure that the Village can accommodate the planned commercial growth, minimum Floor Area Ratios (FARs) for commercial development are included in addition to commercial square footage replacement requirements, should an existing commercial building be demolished. Higher FARs and building heights were designated in specific areas that were identified as optimal for new commercial and mixed-use development and consistent with community feedback. This Village Plan also proposes land use designations and minimum densities to ensure that the planned housing capacity can be accommodated in the Village. The residential land use densities are higher than the existing development pattern to encourage future transit improvements and support existing transit services in this Local Transit Village.

ASSOCIATED REZONINGS

To implement the growth objectives of the General Plan through this Village Plan, GP21-016 and C21-041 are brought forward. File number GP21-016 is for the adoption of the North 1st Street Local Transit Village Plan document, including modifications to the Village boundaries and changes to the General Plan land use designations for properties located within the new Village boundary (see Exhibit D and Graphic 1). In conjunction with GP21-016, file number C21-041 is for the rezoning of those same properties located in the Village boundary to ensure the zoning district and General Plan land use designations are conforming (see Exhibit G and Graphic 2) as required by Senate Bill 1333 (SB 1333). SB 1333 requires cities to have consistency of zoning districts with the General Plan land use designations for properties.

After Staff analysis and community input, Staff have removed certain properties from the Village Plan boundary (and adjust the Village boundary to match these shifts) as these sites are not anticipated to accommodate the type of growth envisioned for the area. This is done under file number GP21-017 for changes to the General Plan land use designations for properties being removed from the current Village boundary (see Exhibit E and Graphic 2). Staff are also proposing the align the zoning districts of these same properties through file number C21-042 to ensure the City complies with SB 1333 (see Exhibit H).

Chapter 4: Urban Design and Placemaking

Policy CD-1.11, Attractive City: To create a more pleasing pedestrian-oriented environment, for new building frontages, include design elements with a human scale, varied and articulated façades using a variety of materials, and entries oriented to public sidewalks or pedestrian pathways. Provide windows or entries along sidewalks and pathways; avoid blank walls that do not enhance the pedestrian experience. Encourage inviting, transparent façades for ground-floor commercial spaces that attract customers by revealing active uses and merchandise displays.

Policy CD-1.14, Attractive City: Use the Urban Village Planning process to establish standards for their architecture, height, and massing.

Policy CD-2.8, Function: Size and configure mixed-use development to accommodate viable commercial spaces with appropriate floor-to-floor heights, tenant space configurations, window glazing, and other infrastructure for restaurants and retail uses to ensure appropriate flexibility for accommodating a variety of commercial tenants over time.

Policy CD-4.8, Compatibility: Include development standards in Urban Village Plans that establish streetscape consistency in terms of street sections, street-level massing, setbacks, building facades, and building heights.

Policy CD-7.1, Urban Villages Design: Support intensive development and uses within Urban Villages, while ensuring an appropriate interface with lower-intensity development in surrounding areas and the protection of appropriate historic resources.

Policy CD-7.4, Urban Villages Design: Identify a vision for urban design character consistent with development standards, including but not limited to building scale, relationship to the street, and setbacks, as part of the Urban Village planning process. Accommodate all planned employment and housing growth capacity within each Urban Village and consider how to accommodate projected employment growth demand by sector in each respective Urban Village Plan.

Policy TN-1.4, National Model for Trail Development and Use: Provide gateway elements, interpretive signage, public art, and other amenities along trails to promote use and enhance the user experience.

Policy AC-2.2, High Impact Public Art: Integrate planning for public art in other City planning efforts, including area specific planning processes, and Urban Village master planning processes.

Policy VN-4.3, Cultural Opportunities: Consider opportunities to include spaces that support arts and cultural activities in the planning and development of the Downtown, new Urban Village areas and other Growth Areas.

Analysis: This Chapter includes goals, standards, and guidelines that promote strong urban design concepts to guide future development in the Village while protecting established residential neighborhoods. While the Village Plan primarily relies on the Council adopted Citywide Design Standards and Guidelines, it does include standards and guidelines that are catered to and are specific to this Village. Some of these standards include requirements for architectural styles, a required setback for properties with a North 1st Street frontage, and screening techniques for development proposals abutting single-family residences. The guidelines are meant to capture the community's desire for urban design elements, such as public art and sidewalk seating, and placemaking features, such as gateway elements. The Height Diagram in this Chapter designates the maximum building heights for each property, which are to be used in conjunction with the transitional height standards in the Citywide Design Standards and Guidelines.

The Village Plan also supports gateway elements to be considered at strategic locations throughout the village, to help signify when an individual has entered an area or a neighborhood. Some of the location of these gateway elements include the intersection of Taylor Street and North 1st Street, Hedding Street and North 1st Street, Burton Avenue and North 1st Street.

AMENDMENT TO SJMC SECTION 20.85.020 (HEIGHT)

To ensure consistency among all pertinent regulations, Staff are proposing file number PP21-014 for modifications to San José Municipal Code (SJMC) Section 20.85.020 Specific Height Exceptions, related to the maximum heights in the North 1st Street Local Transit Village Plan. Currently, there are four different regulations which control height for properties within and outside the Village boundary. The adopted Village Plan will serve as the regulating document regarding height for properties within its boundary instead of through the San José Municipal Code; therefore, Staff have proposed an amendment to SJMC Section 20.85.020 to remove the controls under SJMC Section 20.85.020 that currently govern height in the Village Plan area (see proposed ordinance amendment in Exhibit F), and instead refer to the Height Diagram of the adopted Village Plan (see Exhibit F).

Chapter 5: Parks and Open Space

Policy CD-2.4, Function: Incorporate public spaces (squares, plazas, etc.) into private developments to encourage social interaction, particularly where such spaces promote symbiotic relationships between businesses, residents, and visitors.

Policy CD-7.8, Urban Village Design: Encourage development along edges of public parks or plazas within or adjacent to Urban Villages to incorporate site and architectural design measures which promote access to and encourage use of the park and which minimize potentially negative shade and shadow impacts upon the park or plaza space.

Policy PR-1.9, High Quality Facilities and Programs: As Urban Village areas redevelop, incorporate urban open space and parkland recreation areas through a combination of high-quality, publicly accessible outdoor spaces provided as part of new development projects; privately or, in limited instances, publicly owned and maintained pocket parks; neighborhood parks where possible; as well as through access to trails and other park and recreation amenities.

Policy CD-1.2, Attractive City: Install and maintain attractive, durable, and fiscally- and environmentally-sustainable urban infrastructure to promote the enjoyment of space developed for public use. Include attractive landscaping, public art, lighting, civic landmarks, sidewalk cafés, gateways, water features, interpretive/way-finding signage, farmers' markets, festivals, outdoor entertainment, pocket parks, street furniture, plazas, squares, or other amenities in spaces for public use. When resources are available, seek to enliven the public right-of-way with attractive street furniture, art, landscaping and other amenities.

Analysis: *This Village Plan recommends the creation of new, publicly-accessible spaces within the existing and planned context of the Village, which extend and enliven the existing public realm. These spaces provide much needed opportunities for the community to gather, recreate, and to possibly hold events. Two open space concepts included in the Village Plan are the creation of publicly-accessible but privately-maintained open spaces and the pedestrian and bicycle paseo. The open space concept focuses on smaller areas, as opposed to traditional large open spaces. This is in part due to the size of the parcels within this Village and the difficulty in obtaining park land, while meeting the size and location requirements of public parks. The bicycle and pedestrian paseo is a high level concept that envisions Miller Street and Asbury*

Street to have limited vehicular access and be transformed into a pedestrian and bicycle environment. This concept envisions that the paseo area will be an area where people can gather and spend time outside. Fronting the paseo are higher intensity residential and commercial uses. The paseo was placed strategically from an interest generator and a transportation network lens. Since the mid-section of the Village is the “heart” of the Village, and much of the growth is anticipated in that section, the paseo was placed to generate interest and to synergize with the anticipated growth. As the paseo is located in the center, or “heart” of the Village, it is intended to provide a space to gather where the highest intensity uses will be placed. These open space concepts have been developed with the community and other city departments.

The Village Plan also supports the installation of public art (including that which is publicly-viewable) and other installations. This Village Plan supports the development of a comprehensive wayfinding and community identification sign system for the North 1st Street Village in the context of its surrounding neighborhoods. While the linear nature of this Village oriented along the light rail line may not necessitate extensive wayfinding signage, a strong Village wayfinding program can facilitate interest, help define the character areas of the Village, and assist in neighborhood identification. This is particularly true as it develops into a vital commercial and social hub for the surrounding residential communities.

Chapter 6: Circulation and Streetscape

Policy CD-1.9, Attractive City: Give the greatest priority to developing high-quality pedestrian facilities in areas that will most promote transit use and bicycle and pedestrian activity. In pedestrian-oriented areas such as Downtown, Urban Villages, or along Main Streets, place commercial and mixed-use building frontages at or near the street-facing property line with entrances directly to the public sidewalk, provide high-quality pedestrian facilities that promote pedestrian activity, including adequate sidewalk dimensions for both circulation and outdoor activities related to adjacent land uses, a continuous tree canopy, and other pedestrian amenities. In these areas, strongly discourage parking areas located between the front of buildings and the street to promote a safe and attractive street facade and pedestrian access to buildings.

Policy CD-2.3, Function: Enhance pedestrian activity by incorporating appropriate design techniques and regulating uses in private developments, particularly in Downtown, Urban Villages, Main Streets, and other locations where appropriate.

1. Include attractive and interesting pedestrian-oriented streetscape features such as street furniture, pedestrian scale lighting, pedestrian oriented way-finding signage, clocks, fountains, landscaping, and street trees that provide shade, with improvements to sidewalks and other pedestrian ways.

Policy CD-3.2, Connections: Prioritize pedestrian and bicycle connections to transit, community facilities (including schools), commercial areas, and other areas serving daily needs. Ensure that the design of new facilities can accommodate significant anticipated future increases in bicycle and pedestrian activity.

Analysis: North 1st Street is one of seven Grand Boulevards established by the City’s General Plan and is the spine of the North 1st Street Local Transit Village Plan. As described and defined in the General Plan, Grand Boulevards are major, transit priority corridors that connect City neighborhoods. Bicycles and motor vehicles can be served by these streets; however, if there are conflicts in the public right-of-way, priority will be given to enhancing 1) transit service, 2) pedestrian access to transit, and 3) public life, in this order. As such, wider sidewalks of 15 feet on North 1st Street are proposed. Due to the narrowness and roadway configuration of North 1st Street, bicycle lanes are not proposed on North 1st Street, but rather divert bicycle riders to adjacent streets for east-west and north-south travel. This chapter relies on the recently adopted Better Bike Plan 2025 for direction on bicycle infrastructure.

This chapter identifies potential future transportation improvements that include traffic calming improvements, intersection improvements, and changing street typologies. While these improvements will not be implemented with the Village Plan as it requires further study, the Village plan captures the community's desire for the type of transportation improvements.

Senate Bill 330 Compliance

With limited exceptions, the Housing Crisis Act of 2019 (SB 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 requirements that reduce residential capacity. 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” of in residential capacity within the jurisdiction. Additionally, SB 940 authorizes the City of San José to proactively change a zoning to increase residential capacity (up-zoning) and to bank the added capacity to support zoning changes elsewhere in the city that would result in a reduction of residential capacity.

Approval of File Nos. GP21-016 and GP21-017 would result in a increase of residential capacity by 8,690 units.

Approval of File Nos. C21-041 and C21-042 would result in a increase of residential capacity by 2,365 units for C21-041 (within the proposed Village boundary) and 4,478 units for C21-042 (parcels outside the proposed Village boundary), equally a total increase of residential capacity of 6,843 units. As such, this project does not need to pull from the existing 15,356 units of remaining residential capacity from file numbers PDC19-039, C20-002, C20-014, and C21-003 (these file numbers are associated with the Diridon Area Station Plan update), in accordance to SB330 and SB940, therefore, approval of these rezonings would result in no net loss of residential capacity, consistent with SB 330 and SB 940.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The environmental impacts of this project including all of the above recommended actions were addressed in a determination of consistency with the Final Program Environmental Impact Report (EIR) for the Envision San José 2040 General Plan (Resolution No. 76041) and the Envision San José 2040 General Plan Supplemental Environmental Impact Report (Resolution No. 77617), and Addenda thereto. This EIR was 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 2035 and including designating Growth Areas and Urban Villages, which propose intensified urban redevelopment of underutilized commercial lands to accommodate new commercial and residential growth.

The EIR is available for review on the Planning web site at: www.sanjoseca.gov/activeeirs

PUBLIC OUTREACH

As mentioned in the background section of this report, there were three workshops held (total of four meetings), in addition to meeting with neighborhood leaders (total of four meetings) and office hours (total of two meetings). These meetings were primarily held in the evening, with the exception of the office hours and one of two meetings for the Third Workshop series. Notice of the both the General Plan and Rezoning actions was provided at the third workshop series, during office hour contact, and in the postcard hearing notices for the Planning Commission and City Council hearings.

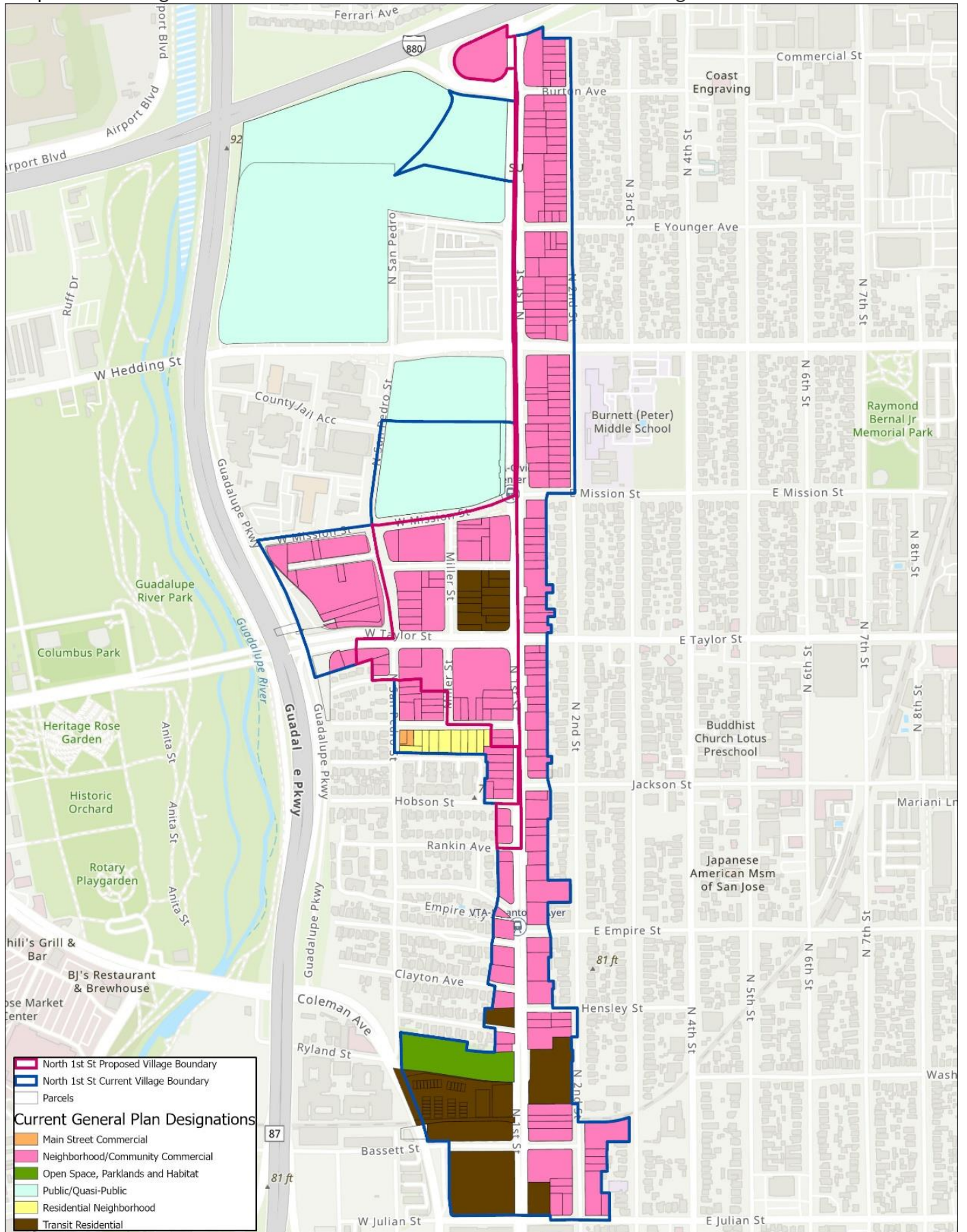
Summaries of the workshops and office hours can be found in Exhibit B of this report. These summaries include a description of small group activities, community concerns, and meeting logistics information (e.g. number of attendees).

Staff followed Council Policy 6-30: Public Outreach Policy in order to inform the public of the Village Plan effort. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 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.

Project Manager: Jennifer Piozet

Approved by: /s/ Michael Brilliot, Deputy Director for Christopher Burton, Planning Director

ATTACHMENTS:	
Exhibit A:	Existing Village Boundary Map
Exhibit B:	Workshop and office hours summaries
Exhibit C:	North 1 st Street Local Transit Village Plan
Exhibit D:	GP21-016 Resolution (Adoption of the Village Plan, associated General Plan Amendments of properties inside the Village boundary, and Village boundary changes)
Exhibit E:	GP21-017 Resolution (General Plan Amendments of properties outside the Village boundary)
Exhibit F:	PP21-014 Ordinance (SJMC Section 20.85.020 Amendment)
Exhibit G:	C21-041 Ordinance (Rezoning of properties within the Village boundary)
Exhibit H:	C21-042 Ordinance (Rezoning of properties outside the Village boundary)
Exhibit I:	Public Correspondence

Graphic 1: Existing North 1st Street Local Transit General Plan Land Use Designations

Proposed General Plan Designations

- MUC
- NCC
- OSPH
- PQP
- RN
- TR
- UR
- UVC

Legend:

- North 1st St Proposed Village Boundary
- North 1st St Current Village Boundary
- Parcels

GP21-016, GP21-017, PP21-014, C21-041, C21-042

Links to Attachments

Click on the title to view document

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Exhibit I: Public Correspondence

Public Correspondence received after 2/2/2022