



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

SUBJECT: SEE BELOW

DATE: November 28, 2022

Approved

Date

SUBJECT: Amendment to the City Council Policy 5-1 Transportation Analysis for Affordable Housing Projects

RECOMMENDATION

Approve staff's recommendation updating Policy 5-1 including their proposed statement of overriding consideration.

1. Initiate the steps for a transparent, City-led community visioning process for the 114 acre Pleasant Hills Golf Course that will enable a developer to apply for a General Plan Amendment.
2. If the Council and community agree to prioritize housing, then a supplemental minimum level of affordability should be established by Council policy, such as the on-site 45-50% affordability threshold urged by Staff at the Transportation and Environment Committee, and as similarly approved by our voters in 2018 Measure C.

BACKGROUND

Much overlooked in this battle over the redevelopment of the Pleasant Hills Golf Course has been what is accomplished with Council approval of Staff's recommendation: to streamline environmental review and eliminate barriers for affordable housing projects and market rate projects in areas long-identified for development (designated "City Planned Growth Areas"). Staff has also provided a process for enabling a Statement of Overriding Consideration under the California Environmental Quality Act (CEQA) for housing projects outside the land use policies of the General Plan, *where the public necessarily elicits a very substantial, publicly defined benefit*. Staff's approach recognizes and reaffirms the critical importance of ensuring our land use and transportation policies allow for much-needed housing production in San Jose, while mitigating traffic congestion and environmental impact.

Distinctions between the Staff and Alternative Recommendations

In light of the substantial push at the Transportation and Environment (T&E) Committee by a group of developers for the redevelopment of Pleasant Hill Golf Course, Staff sought to provide a principled approach for the redevelopment of such sites outside of our Planned Growth Areas. We appreciate the alternative recommendation of the Committee and of Councilmembers Davis and Peralez, but two important distinctions exist with Staff's proposed direction that were watered down in the proposal that emerged: (1) Staff proposed a minimum commitment of affordability of on-site 45-50% of the housing units; and (2) Staff proposed a City-led community engagement process, not a process led by a developer.

These distinctions are not minor, because if adopted, Staff's suggestion would already have Council making a major concession by allowing, through a reformulated Policy 5-1, findings for a Statement of Overriding Considerations for market-rate housing projects in areas with immitigable VMT outside of our adopted General Plan growth areas. Developers have sought to rationalize this concession by referring to sites such as Pleasant Hill as "infill." Yet, housing built outside of designated growth areas, and with immitigable VMT, defies the very definition of "infill" housing. If that is not already a "bridge too far," an even more ambitious expanse is contemplated by characterizing unincorporated land outside of our city limits as "infill."

To alter long standing Council-adopted policy direction, formulated through substantial public input, and clearly articulated in the City's General Plan and Climate Smart San Jose, we should require a concession of a very substantial public benefit. Yet the proposed alternative approach fails to ensure that any specific amount of affordable housing is built beyond the citywide 15% inclusionary housing mandate. In contrast, the Staff proposal at the committee would have ensured that the public would have received 15% affordability up to 80% area median income (AMI), with another 35% of the homes affordable up to 120% AMI built on-site.

Pleasant Hill's Redevelopment

Let's also be honest with ourselves: but for developer interest in the redevelopment of the Pleasant Hill Golf Course, this Council would not be reconsidering the community's and the City's long-established goals. A single parcel's redevelopment should not drive land use and transportation policies with citywide implications. The proverbial "slippery slope" lurks, with the broad universe of properties to which a permissive policy could apply.

Let's let the merits of a particular development at Pleasant Hill justify a closer look by letting the developer engage with the residents and stakeholders in a City-led and transparent planning process, to ensure that what emerges is a project with an appropriate level of public input and community benefit. Staff's recommendation does not not preclude Council consideration of development of this or similar properties, through a General Plan Amendment process that appropriately invites the public to participate.

COUNCIL AGENDA

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The imperative to build more affordable housing appears squarely addressed by Staff's recommendation, which "would allow deed-restricted affordable housing developments near High-Quality Transit to be exempted in all areas of the City. This would expand the area of the City where affordable housing has access to this exemption from 15% to 63%." (p. 5 of Staff Report). This will "not only increase the area accessible to affordable housing development but also better allow affordable housing construction in high-resource areas of the City." Arguments about our affordability crisis should not distract us into bad planning or bad policymaking.

If Council desires to consider development on the Pleasant Hill Golf Course, we should initiate a City-led planning process that allows for meaningful resident and stakeholder engagement, and create a clearly defined affordability threshold for any Statement of Overriding Consideration.