

Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo

**SUBJECT: GENERAL PLAN ANNUAL
PERFORMANCE REVIEW**

DATE: November 28, 2017

Approved

 RW

Date

11.28.17

RECOMMENDATION

Accept the 2017 Envision San José 2040 General Plan Annual Performance Review, with direction to the City Manager to implement Council-approved objectives of the General Plan, and accelerate development of housing to address our critical needs by:

A. Returning to City Council in Spring 2018 with General Plan Text Amendments to:

1. Identify criteria enabling landowners to redevelop “opportunity sites”/“locally undesirable land uses” with mixed-use developments that implement Council-approved direction of Recommendations f.2 and 4 of the April 10, 2015 memorandum of Mayor Liccardo, Vice Mayor Carrasco, and Councilmember Jones, and further outlined by Recommendation 2.D.1 of Mayor Liccardo’s September 28, 2017 memorandum, approved by the Rules Committee.
2. Develop criteria that allows mixed-use development to occur on commercial lands in Neighborhood Business Districts that are currently not within existing Urban Villages, using the “Signature Project” criteria as a model.
3. Move Urban Villages located on fixed rail transit or Bus Rapid Transit to Horizon 1, that implements Council-approved direction of Recommendation 2.e. of the April 10, 2015 memorandum of Mayor Liccardo, Vice Mayor Carrasco, and Councilmember Jones to identify Urban Villages best timed to proceed based on current or imminent infrastructure investments.

B. Accepting permit applications in the North San José Area Development Policy area for processing 4,000 units of transit-oriented, mixed-use development with the requisite environmental clearances, pursuant to:

1. A clear schedule for staff to perform any work required to move forward those applications,
2. Criteria approved by Council in April 2016, as reflected in the memorandum dated April 8, 2016 by Mayor Liccardo and Councilmembers Manh Nguyen and Raul Peralez, (see Item A.1 & 2)
3. Any additional criteria staff deems appropriate to encourage construction of rent-restricted affordable housing.

- C. Adopting the specific criteria described in the November 11, 2017 memorandum co-authored by Councilmembers Rocha, Peralez and Jimenez for sites deed-restricted for 100% affordable housing, where criterion 6 is amended to ensure a predictable, objective measure for required mixed-use development in these projects, such as a minimum .25 FAR requirement for commercial, office, or other employment uses.
- D. Accelerating development of the Urban Village Financing Plans by:
1. In the event that Council approves direction on the Urban Village Financing Plans on December 5, 2017, provide Council with an Information Memorandum defining the timeline for completion of the plan, and identifying any obstacles that Council might remove to ensure completion of those plans.
 2. In light of our inability to move forward with any significant housing in any urban villages until the completion of the Financing Plans, prioritize the completion of the Financing Plans over all new urban village planning efforts.
 3. Once the Financing Plans are completed, comply with prior Council direction regarding focusing future urban village planning efforts on villages located along light rail corridors.
- E. Returning to Council in future years with clearly identified performance measures that will be consistently used from one year's report to the next to track progress.

BACKGROUND

I appreciate staff's and Council's continued attention to our General Plan objectives, particularly the preservation of employment lands. Maintaining that policy remains demonstrably critical for maintaining blue-collar jobs in San José, supporting our fiscal sustainability, funding essential City services ranging from police to potholes to parks maintenance, relieving congested commute patterns, and supporting our environmental objectives. Nonetheless, since most of the Valley's employment growth continues to occur outside of San José's city limits, our jobs-housing ratio has not improved, and it has even worsened in recent years.

As our neighboring cities continue to exacerbate the jobs-housing imbalances within their borders, San José bears an even more disproportionate responsibility as the bedroom community for Silicon Valley. That deepens our region's affordable housing crisis, and as our Sustainability Plan will emphasize in the weeks ahead, undermines our goals to reduce VMT and GhG emissions.

In light of the lack of affordable development on sites identified from our last General Plan text amendment of H-2.9 a year ago, I support the recommendation of my colleagues Councilmembers Peralez, Rocha, and Jimenez (see C. above) to allow 100% deed-restricted affordable housing development with the additional condition that we employ objective criteria to ensure that the project will include some commercial component. First Community Housing's award-winning Gish Family Apartments at 1410 North First Street and Resources for Community Development's Quetzal Gardens Apartments at 1695 Alum Rock Avenue prove that employment uses can be successfully financed and incorporated within an affordable housing development. This will better serve the needs of its residents and the neighborhood, whether a co-working incubator, business office, or a retail outlet.

I appreciate the eagerness of my colleagues to cite my September memorandum relating to various proposals for addressing our affordable housing crisis, but Item 4 on Page 4 of the memo restates an earlier erroneous assertion of Councilmember Rocha's from another memo a few weeks ago. That is, it suggests that my North San José-related proposal—to accelerate 4,000 housing units in North San José to Phase I from Phase II—amounts to some sort of greater “conversion” of employment lands than their recommendation. To the contrary, the decision to convert North San José employment lands to 32,000 units of housing was made by a Council two mayors ago, in the North San José Area Development Policy approved in 2005 under Mayor Gonzalez, and re-affirmed under Mayor Reed, subsequently. That Plan was incorporated and re-adopted unanimously by the Council as part of the 2040 Envision 2040 General Plan six years ago. It remains part of the “background” of all of our land use decisions.

In short, there is no “new” conversion of employment lands called for in that proposal of mine relating to North San José, or anywhere else in my proposal for 25,000 housing units. My focus, rather, is on getting done what we planned—and eliminating barriers to doing so.