



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rosalynn Hughey

**SUBJECT: ENVISION SAN JOSÉ 2040
GENERAL PLAN ANNUAL
PERFORMANCE REVIEW**

DATE: November 12, 2019

Approved

Date

11/22/19

RECOMMENDATION

Accept the Envision San José 2040 General Plan 2019 Annual Performance Review report.

OUTCOME

The City Council's consideration of the attached General Plan Annual Performance Review report provides the Council with updated information on the status, conditions and outcomes relating to the General Plan's 12 Major Strategies prior to making decisions on pending land use and text amendments to the General Plan.

BACKGROUND

On November 1, 2011, the City Council adopted the Envision San José 2040 General Plan, which built on longstanding policies of growth management and added a stronger framework to create great places throughout San José and enhance job growth. The General Plan requires an annual performance review to enable evaluation of progress on strategies and implementation actions. The attached annual report, which includes an Executive Summary, fulfills this evaluation requirement.

ANALYSIS

As the largest city in the Bay Area and the tenth largest city in the country, San José is in a prime position for attracting and creating economic growth and sustainable development. Since the adoption of the Envision San José 2040 General Plan in November 2011, San José has experienced tremendous growth in development with the vast majority being constructed in the City's designated Growth Areas, consistent with the Focused Growth Major Strategy.

The Envision San José 2040 General Plan also sets forth goals and policies relating to infrastructure/service levels, environmental sustainability, housing affordability and availability of housing supply, and healthful community living. The City of San José has made notable progress towards achieving these goals. This progress is evident from the new dense, mixed-use development experienced in the General Plan's Growth Areas; implementation of multi-modal Capital Improvement projects; and implementation of sustainability goals and policies, including implementation of Climate Smart San Jose.

While the City has advanced many of the General Plan's goals, some performance measures remain relatively inconclusive or unchanged at this time. This is to be expected as many of the goals set forth in the General Plan are long term. Some of the primary General Plan goals that the City continues to work toward achieving include increasing the City's jobs to employed resident ratio, increasing the percentage of new housing units that are affordable, increasing the share of workers who commute by transit, bicycle, and walking, and maintaining current service levels for parkland and community centers. The attached Annual Performance Review Report expands on the City's progress in implementing the General Plan. The Report is organized by the General Plan's 12 Major Strategies:

- 1) Community Based Planning;
- 2) Form Based Plan;
- 3) Focused Growth;
- 4) Innovation/Regional Employment Center;
- 5) Urban Villages;
- 6) Streetscapes for People;
- 7) Measurable Sustainability/Environmental Stewardship;
- 8) Fiscally Strong City;
- 9) Destination Downtown;
- 10) Life Amidst Abundant Natural Resources;
- 11) Design for a Healthful Community; and
- 12) Phasing and Periodic Review.

CONCLUSION

The City of San José has made notable progress towards achieving the Major Strategies of the Envision San José 2040 General Plan. This progress is evidenced by:

- new dense, mixed-use development experienced in the General Plan's Growth Areas;
- decrease in commercial/office vacancy rates;
- adoption of Urban Village Plans;
- implementation of multi-modal Capital Improvement projects; and
- implementation of sustainability goals and policies.

While the City has advanced many of the General Plan's goals, some performance measures remain relatively inconclusive or unchanged at this time as noted above and need continued work.

EVALUATION AND FOLLOW-UP

On December 3, 2019, December 17, 2019, and in January 2020, the City Council will consider land use and text amendments to the Envision San José 2040 General Plan. The annual performance review report is intended to provide information that is helpful to the Council in making decisions on the individual amendments.

CLIMATE SMART SAN JOSE

This memorandum is a report of the General Plan's annual performance, and City Council's action to accept this report has no effect on Climate Smart San José energy, water, or mobility goals.

Climate Smart San José fulfills and goes beyond the Measurable Sustainability/Environmental Stewardship Major Strategy in the General Plan. Multiple other major strategies in the General Plan are furthered with Climate Smart San José's goals, such as job creation through the Innovation/Regional Employment Center Major Strategy; facilitating bicycling, walking and transit rideshare through the Streetscapes for People Major Strategy; and increasing the density of new development through the Focused Growth, Urban Villages, and Destination Downtown Major Strategies.

PUBLIC OUTREACH

The report will be available for public review prior to the Council's discussion, and staff is available to answer questions. Public engagement on the General Plan is considered important and desirable. It is also Major Strategy #1 Community Based Planning. This memorandum will be posted on the City's website for the December 3, 2019 Council agenda.

COORDINATION

The information contained in the General Plan Annual Performance Review report was obtained through collaborative work with the Office of Economic Development, City Manager's Office, and the Departments of Transportation, Environmental Services, Housing, and Parks, Recreation and Neighborhood Services.

HONORABLE MAYOR AND CITY COUNCIL

November 12, 2019

Subject: Envision San José General Plan Annual Performance Review

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COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action. A study session on the General Plan Annual Performance Review was held for the Planning Commission on October 23, 2019, but no recommendation or action was taken. Staff provided a summary of the report at the study session and answered questions from the Planning Commissioners.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

/s/

Rosalynn Hughey, Director
Planning, Building and Code Enforcement

For questions please contact Michael Brilliot, Deputy Director, at 408-535-7831.

Attachment: Envision San José 2040 General Plan 2019 Annual Performance Review Report

ENVISION SAN JOSÉ 2040

2019 GENERAL PLAN ANNUAL PERFORMANCE REVIEW | EXECUTIVE SUMMARY

This Executive Summary accompanies the 2019 General Plan Annual Performance Review. It provides an overview and dashboard of metrics pertaining to progress on the 12 General Plan Major Strategies, some of which are combined in this summary, as measured from November 2011 when the City Council adopted the General Plan.

COMMUNITY BASED PLANNING

18-19

**FISCAL
YEAR**

63

**PLANNING
MEETINGS HELD**

1,795

**TOTAL
ATTENDEES**

Interactive charrettes enable community members to engage and think about the placement and intensity of development...

The City is committed to open government and community participation in its governance activities. The General Plan includes five goals, 23 policies, and two action items related to community outreach, going far beyond state requirements for providing public outreach and community engagement in land use planning activities.



FORM-BASED PLAN & URBAN VILLAGES

SINCE THE 2011 ADOPTION OF THE GENERAL PLAN:

12

**APPROVED URBAN
VILLAGE PLANS**

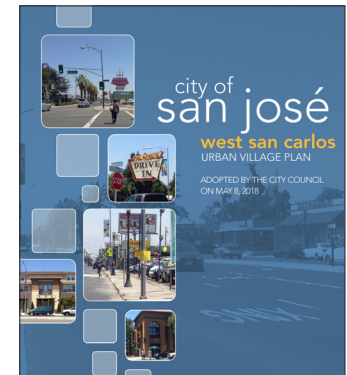
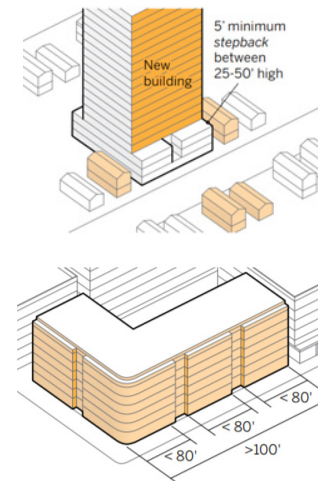
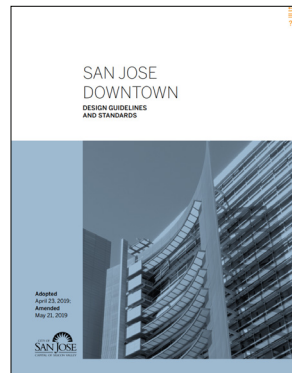
9,526

**APPROVED HOUSING UNITS IN
URBAN VILLAGES**

3.5

**MILLION SQ. FT. OF APPROVED
COMMERCIAL SPACE IN URBAN
VILLAGES**

The Planning Division applies form-based principles during the review of development proposals and in the preparation of Urban Village Plans. The General Plan identifies Urban Villages within San José that focus on jobs and high density growth to foster vibrant, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth.



URBAN VILLAGE PLANS UNDER DEVELOPMENT

Urban Village Plan	Status	Anticipated Completion
Horizon I		
Berryessa BART	In Progress	Summer 2020
N. 1st St.	In Progress	Fall 2020
Race Street Light Rail	To be Initiated	Spring 2021
Southwest Expressway	To be Initiated	Spring 2021
Alum Rock Ave. (E. of 680)	To be Initiated	Fall 2022

FOCUSED GROWTH & REGIONAL EMPLOYMENT CENTER

SINCE ADOPTION OF THE GENERAL PLAN IN NOVEMBER 2011,
BUILDING PERMITS HAVE BEEN ISSUED FOR OVER:

23.8
THOUSAND NEW
RESIDENTIAL UNITS

14.6
MILLION SQ. FT. OF
NEW COMMERCIAL
DEVELOPMENT

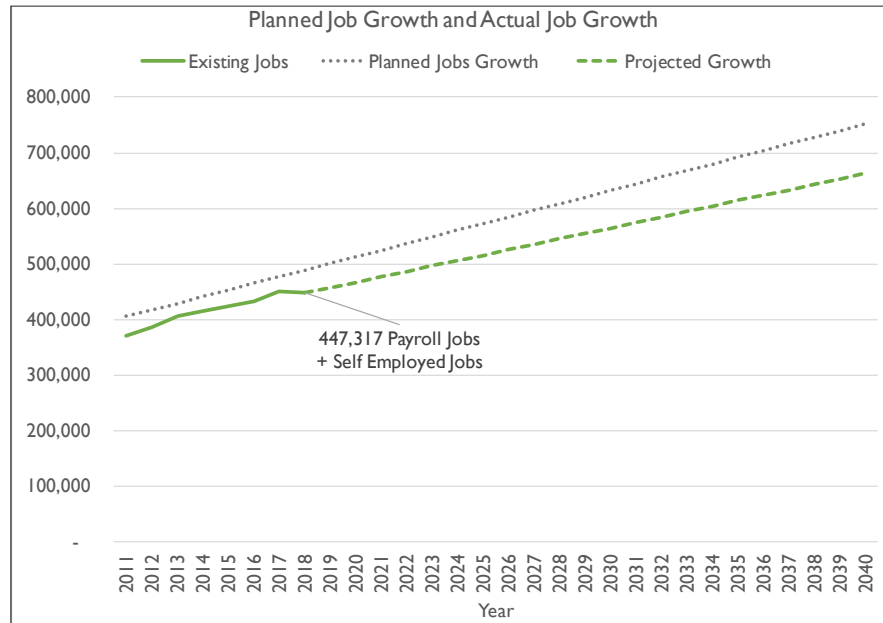
10
MILLION SQ. FT. OF NEW
INDUSTRIAL/OFFICE
DEVELOPMENT

As of September 2019, San José has a total of 405,050 payroll jobs and approximately 30,168 self employed jobs, of which approximately 80,000 of these jobs were created since the adoption of the General Plan in November 2011 and represents a 20% increase from 2011 (California Employment Development Department). On average, this is approximately 10,700 new payroll jobs per year. The General Plan includes a planned job capacity of 382,000 new jobs, equating to approximately 13,000 new jobs per year.

1.1
JOBS PER EMPLOYED
RESIDENTS GOAL (2040)

0.82
JOBS PER EMPLOYED
RESIDENTS (CURRENT)

San José largely remains a bedroom community, having more employed residents than jobs within the City. The jobs-to-employed-resident (J/ER) ratio is an indicator of a city's fiscal strength; jobs-based development generates city revenue while residential-based development necessitates greater demand for the provision of services. The General Plan sets a J/ER ratio goal of 1.1 by 2040. According to the most recent data, the City's J/ER ratio is 0.82, meaning there are 0.82 jobs per employed resident in San José.



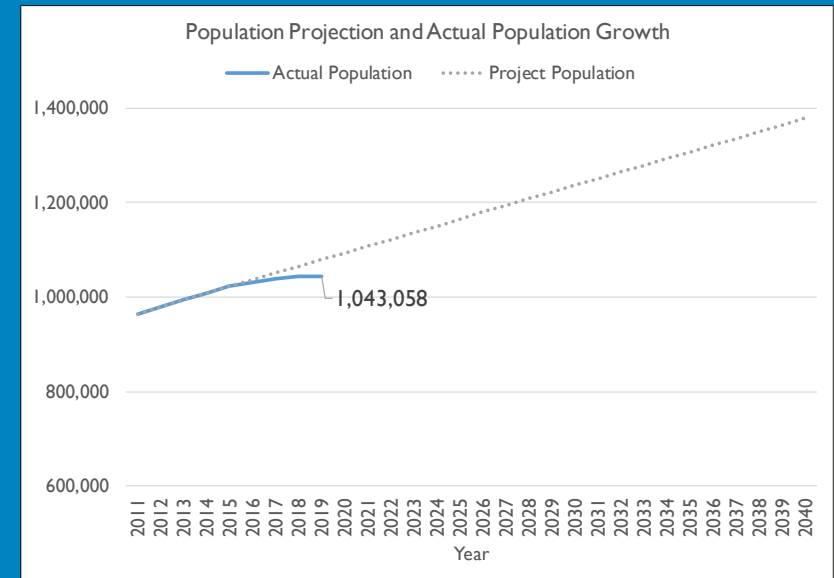
New growth is directed and encouraged within the City's Growth Areas to preserve and enhance the quality of established neighborhoods, and reduce environmental and fiscal impacts.

85%
RESIDENTIAL
DEVELOPMENT BUILT*
within growth areas

57%
COMMERCIAL
DEVELOPMENT BUILT*
within growth areas

86%
INDUSTRIAL / OFFICE
DEVELOPMENT BUILT*
within growth areas

As of January 2019, San José had an estimated population of 1,043,058 people, representing an almost unmeasurable 0.02% increase from 2018 and an 8% increase from 2011 (see Figure 2). This stands as approximately 53% of the total population of Santa Clara County (State of California, Department of Finance).



* Based on building permits issued since adoption of the General Plan in November 2011

MEASURABLE SUSTAINABILITY / ENVIRONMENTAL STEWARDSHIP

Approved by the City Council in February 2018, Climate Smart San José uses the General Plan as a foundation and creates a pathway for San José to reach the State's target of 80% reduction below 1990 levels of Greenhouse Gas emissions by 2050. In October 2018, San José was named as a winning City in the Bloomberg American Cities Climate Challenge. San José plans to use support from the Climate

Challenge to focus on turbocharging the implementation of Climate Smart San José. Specifically, San José will work with Bloomberg and partners to develop and implement a shared electric-vehicle strategy, including education and incentives, implementation of high-priority segments for the City's walking and bicycling network, inclusion of new mobility options such as bike- and scooter-sharing systems, development of a roadmap to eliminate natural gas use in residential housing, and require solar and EV-readiness in new construction.

CLIMATE SMART SAN JOSE

A People-Centered Plan for a Low-Carbon City



LIFE AMIDST ABUNDANT NATURAL RESOURCES

The General Plan promotes access to the natural environment by building a world-class trail network and adding parks and other recreational amenities.

100
MILES OF OFF-STREET
TRAILS BY 2022
(GOAL)

61
MILES OFF-STREET
TRAILS OPEN TO THE
PUBLIC
(2019)

STREETSCAPES FOR PEOPLE

320 MILES OF ON-STREET BIKE WAYS

San José Better Bike Plan 2025
San José is becoming a place where biking is a regular and common activity for people for all ages and abilities. Better Bike Plan 2025 will update San José Bike Plan 2020 to create a bicycle network that is:



Safe. We want to eliminate roadway fatalities and major injuries for all – people walking, bicycling, and driving – as soon as possible. This bike plan supports our Vision Zero San José initiative.



Comfortable. We want to create a bicycle network that enriches the lives of everyone who lives, works, or plays in San José.

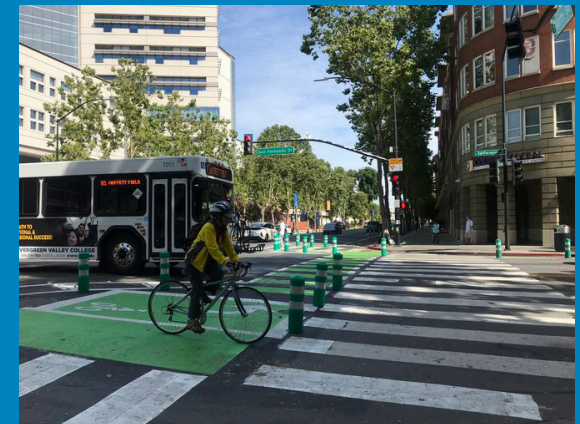


Convenient. We want more people biking! This plan will help us toward the goal of at least 15% of trips made by bike by 2040.

DESIGN FOR A HEALTHFUL COMMUNITY

The General Plan supports the physical health of community members by promoting walking and bicycling as travel options, encouraging access to healthful foods, and supporting the provision of health care and safety services. Specifically, the Land Use and Transportation Chapter includes a set of balanced, long-range, multi-modal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. One such policy includes reducing the automobile commute mode share to no more than 40% by 2040, with goals to increase various other modes accordingly.

Mode	2040 Goal	San Jose (Current)
Drive Alone	No more than 40%	75.9%
Carpool	At least 10%	11.7%
Transit	At least 20%	4.5%
Walk	At least 15%	1.7%
Bicycle	At Least 15%	0.9%



DESTINATION DOWNTOWN

For the first time in more than a decade, Downtown San José has seen significant market interest in new commercial developments with 7.6 million square feet in pending commercial entitlements. Most recently, it was the site for a new commercial tower building as Adobe, Inc. broke ground on a 1.3 million-square-foot tower.

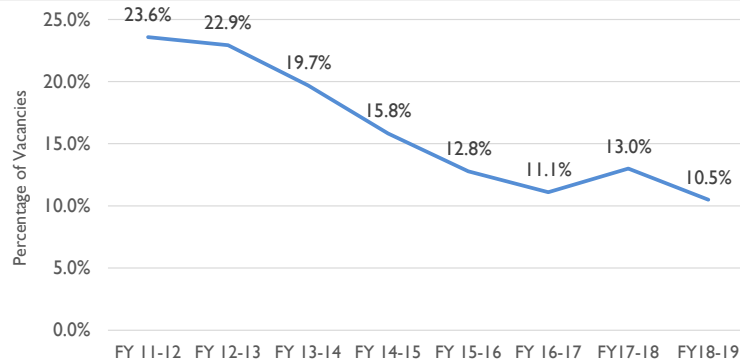
Since adoption of the General Plan, the City has approved development permits for approximately 6,900 residential units and approximately 3.81 million square feet of commercial/office space in the downtown. Of those approvals, over 3,700 units and 1.32 million square feet were within a quarter-mile of planned BART stations.

Google has acquired and secured rights to more than 55 acres in the area around Diridon station and SAP Center and recently unveiled their vision for 6.5 to 7.3 million square feet of new office space in the Diridon Station Area Plan project area; 15 acres of parks, plazas and green space; 500,000 square feet of retail, arts, education, and other active uses; 300 hotel rooms; 800 rooms for limited-term corporate accommodations; and approximately 3,000 to 5,000 new units of housing.

San José hosted over 100 outdoor events in fiscal year 2018-19 the downtown attracting an estimated 749,500 people in total, similar to previous years.

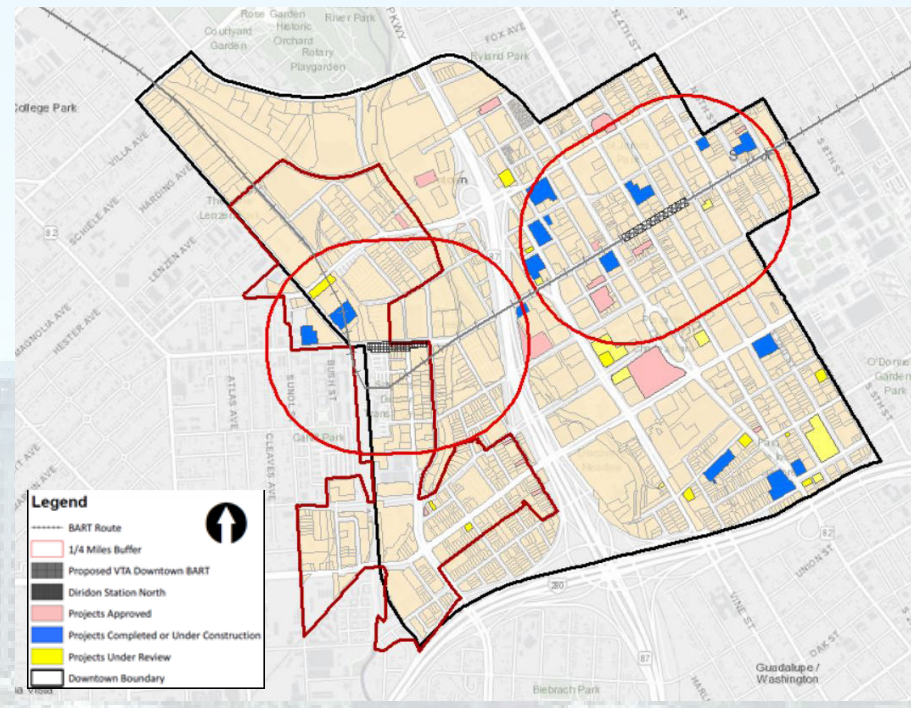
Office vacancies have declined since General Plan adoption in 2011. From 23.6% to the current vacancy rate of 10.5%.

Office Vacancies in Downtown San José



Source: CBRE, Inc., Marketview Snapshot

Downtown Development Activity



The General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley.



Japantown annual Obon Festival



Adobe at VV San Fernando

HOUSING

The Association of Bay Area Governments (ABAG) assigns the City of San José's Regional Housing Needs Allocation or RHNA.

While not a Major Strategy by itself, housing plays an integral role in the General Plan through the Housing Element, and as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The General Plan plans for 120,000 new residential units over the time-frame of the Plan.

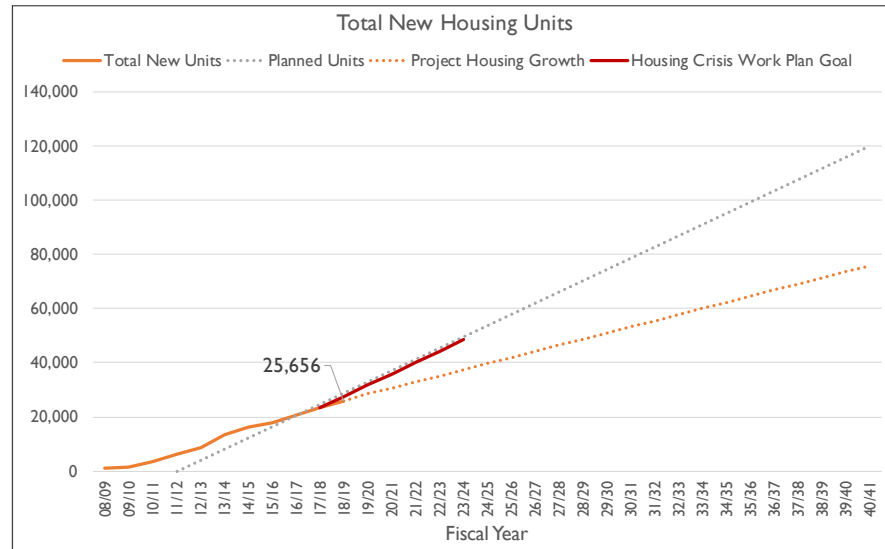
Housing Crisis Work Plan

In September 2017, the Mayor issued a memorandum entitled "Responding to the Housing Crisis." The memo set a citywide goal of 25,000 homes, at least 10,000 of those affordable, be constructed or approved by 2022. In June

2018, City Council approved a Housing Crisis Workplan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy actions to facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022.

RHNA	2014-2023 RHNA
New housing units goal	35,080
Actual number of units built*	14,638 (through 2018)
Percentage built as affordable	19% (through 2018)
Percentage built as market rate	81% (through 2018)

*based on building permits issued



60%

**AFFORDABLE GOAL
(21,849 UNITS)**

40%

**MARKET RATE GOAL
(14,231 UNITS)**

PLAN HORIZONS AND PERIODIC MAJOR REVIEW

Six privately-initiated General Plan Land Use/Transportation Diagram Amendment requests are included in the 2019 General Plan Annual Review hearing cycle:

1. GPI8-010 (0 Diamond Heights Drive): Rural Residential to Residential Neighborhood
2. GPI8-013/SPI8-060 (623 Stockton Avenue): Residential Neighborhood to Neighborhood Community Commercial
3. GPI8-014/PDC18-037 (555 Winchester Boulevard): Residential Neighborhood to Urban Residential
4. GPI8-015/PDC18-038/PD19-020 (1250 Campbell Avenue): Light Industrial to Transit Residential
5. GPI9-001 (4070 Williams Road): Residential Neighborhood to Urban Residential
6. GPI9-004 (E. Capitol/ Alum Rock): Neighborhood Community/ Commercial to Mixed Use Neighborhood

There are also three proposed City-initiated General Plan Amendments in this year's Annual Review cycle:

1. GPI9-005 (625 Hillsdale Avenue): Urban Residential to Mobile Home Park
2. GPI9-006 (500 Nicholson Lane): Urban Residential to Mobile Home Park3.
3. GPT19-003: Text Amendment to make minor revisions related to the mobile home park preservation and to establish a Mobile Home Park land use designation.
4. GPT19-004: Text Amendment to make minor modifications to the Santana Row/Valley Fair Urban Village Plan to remove references to Winchester Mobile Home Park, update the Building Height Diagram and update the transition areas.
5. GPT19-005/GPI9-009: Text Amendment to make minor modifications to the General Plan.

FISCALLY STRONG CITY

In total, the City's 2018-2019 Adopted Capital Budget and 2019-2023 Adopted CIP reflect a 34.5% increase and a 14% increase, respectively over the previous fiscal year, due in large part to San José residents passing the Measure T – Disaster Preparedness, Public Safety, and Infrastructure Bond. Approved in November 2018, the measure authorized the City to issue up to \$650 million in general obligation bonds for investment in city infrastructure, including upgrades to emergency and disaster response facilities, road construction, flood protection, water quality protection, and improvements to other critical infrastructure. Even with the infusion of bond funding, the City continues to lack the resources required to fully maintain and fund its infrastructure portfolio.



2019 GENERAL PLAN ANNUAL PERFORMANCE REVIEW FOR FY2018-19

OCTOBER 2019

Department of Planning, Building and Code Enforcement
Planning Division



REPORT PREPARED BY

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INTRODUCTION

When adopted in November 2011, the **Envision San José 2040 General Plan** (General Plan) provided for an annual performance review to enable evaluation of progress on the General Plan's strategies and implementation actions. Implementation Policy IP-3.1 specifies: "Beginning in 2013, hold one Annual Review hearing for the Planning Commission and the City Council to review and consider privately proposed amendments to the *Envision General Plan* and to evaluate its Performance Measures."

This annual performance review report fulfills this evaluation requirement. The report describes the status, conditions, and/or progress pertinent to the 12 Major Strategies and related actions contained in the General Plan.

The 12 interrelated and mutually supportive Major Strategies are considered fundamental to the achievement of the City's Vision and together promote the continuing evolution of San José into a great city.



View the complete General Plan at
<http://www.sanjoseca.gov/DocumentCenter/Home/View/474>



Since 2011, the skyline of Downtown San José has grown with several high-rise residential buildings in recent years. View is northward toward the Bay with the San José Mineta International Airport in the background.

PERFORMANCE ANALYSIS

Figure 1.
Planning Division
Community Meetings

Fiscal Year	Meetings	Total Attendees
18-19	63	1,795
17-18	40	1,686
16-17	58	2,686
15-16	49	2,158
14-15	27	1,246
13-14	50	1,483
12-13	49	1,429
11-12	31	442
Total	367	12,925

MAJOR STRATEGY #1 – COMMUNITY BASED PLANNING

The City is committed to open government and community participation in its governance activities. The General Plan includes five goals, 23 policies, and two action items related to community outreach, going far beyond State requirements for providing public outreach and community engagement in land use planning activities.

The City's Public Outreach Policy, Policy 6-30, establishes a protocol for distribution of information related to development activity and encourages early and frequent communication between Staff, applicants, and the public on specific development applications. In early 2019, the Office of City Auditor performed an audit of the Planning Division's current development noticing practices and provided recommendations in March 2019. Recommendations include:

- Update Council Policy 6-30 to reflect realistic goals for on-site notices;
- Create an updated contact list and map of neighborhood associations to involve neighborhood leaders early in the development review process;
- Provide notices in the predominant language of the neighborhoods;
- Clarify guidance on noticing radii for various permit types in Council Policy 6-30; and
- Create a mechanism for community feedback on noticing and hearing processes for periodic updates and improvements.

In response to the recommendations, Staff identified target completion dates within the next two years depending on staffing and resources. Staff developed feedback surveys (including online surveys) for the public to comment on the existing process and to provide suggestion on how to improvement community meetings, development noticing, and public hearings. Implementation of these surveys began in September 2019.

The Planning Division tracks its community outreach meetings on development proposals, ordinance and zoning code updates, and the development of Urban Village plans. As shown in Figure 1, between FY2011-12 and FY2018-19, the Planning Division held 367 community meetings, an average of 46 meetings per year. The number of meetings and attendees in FY2018-19 was approximately 20 meetings more than community meeting average from FY2011-12 to FY2017-18, as large development proposal applications continue to be submitted to the Planning Division.



An interactive charrette is a tool used to engage community members in thinking about the placement and intensity of development.

MAJOR STRATEGY #2 – FORM-BASED PLAN

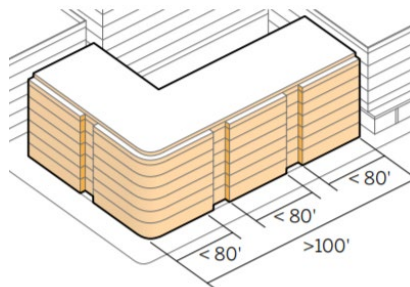
Land use designations that address the form and character of the built environment, as well as appropriate uses and densities, enable the General Plan to clearly articulate a vision for San José's future urban form.

The General Plan subscribes to form-based planning. Form-based planning principles address the form, character, land uses and densities for future development. Additionally, the principles provide for flexibility for economic activity, address neighborhood concerns about compatibility of new development, and promote ongoing development of complete, cohesive neighborhoods.

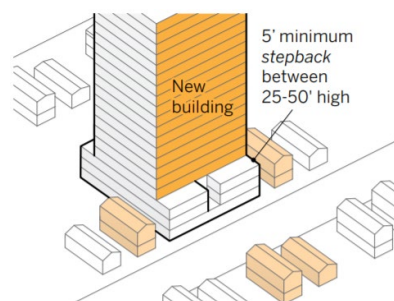
View the Downtown Design Guidelines and Standards at <http://www.sanjoseca.gov/index.aspx?NID=1734>

The Planning Division applies form-based principles during the review of development proposals and in the preparation of Urban Village plans. Additionally, development applications within the Downtown are evaluated according to the Downtown Design Guidelines and Standards (DDGS), which provide direction for the design of new development in the Downtown area. The DDGS was adopted by City Council on April 23, 2019. Currently, Staff is working to create Citywide Design Guidelines with a target completion date of June 2020.

Below are example diagrams of form-based planning from the DDGS, including architectural articulations and height transitions.



DDGS – Massing and architectural articulation standards for new developments with over 100 feet in width.



DDGS – Height Transition standards for new 100-foot tall developments adjacent to or across the street from residential or historic buildings with a maximum height of 45 feet.

MAJOR STRATEGY #3 – FOCUSED GROWTH

San José is the tenth largest city in the country and the third largest city in the state of California. Since the adoption of the General Plan, San José has had an overall increase in population and remains the largest city in Santa Clara County with more than half of the county's total population.

- **Population Growth.** As of January 2019, San José had an estimated population of 1,043,058 people, an almost unmeasurable 0% increase from 2018 and an 8% increase from 2011 (see Figure 2). This stands as approximately 53% of the total population of Santa Clara County (State of California, Department of Finance). Common factors relating to San José and Bay Area residents leaving the area include rising housing and living costs while, newcomers from overseas and other states are coming for employment opportunities.
- **Job Growth.** As of December 2018, San José has a total of 447,317 jobs, of which approximately 76,000 of these jobs were created since the adoption of the General Plan, which represents a 21% increase from December 2011 (California Employment Development Department, Census ACS 2010-2017). On average, this is approximately 11,000 new jobs per year, even though the job growth over the last year has been the slowest since 2011. The General Plan includes a planned job capacity of 382,000 new jobs until the year 2040, equating to approximately 13,000 new jobs per year.

Figure 2. Population and Growth in San José

Year	# Residents
2011	970,011
2019	1,043,058

The Focused Growth Major Strategy directs both population and job growth to identified Growth Areas through the intensification and redevelopment of existing properties. Residential developments located outside of Growth Areas are limited to neighborhood infill to preserve and enhance the quality of established neighborhoods and reduce environmental and fiscal impacts.

New Development in Growth Areas

The Planning Division tracks building permits for new residential units and non-residential square footage in a Geographic Information Systems (GIS) database for a range of purposes. The database can be queried to determine the location of building permits relative to Growth Areas.

- Since adoption of the General Plan, approximately of 85% of residential development, 57% of commercial development, and 86% of industrial development have occurred within Growth Areas (these numbers reflect issued building permits from November 2011 to June 2019).
- For FY2018-19, 97% of residential development, 77% of commercial development, and 74% of industrial/office development occurred within Growth Areas. Figures 3 to 5 map the spatial distribution of new development in FY2018-19 by residential units per square mile and square feet of new industrial/office and commercial space per square mile.

Figure 3. FY2018-19 Building Permits Issued per Square Mile for New Residential Units

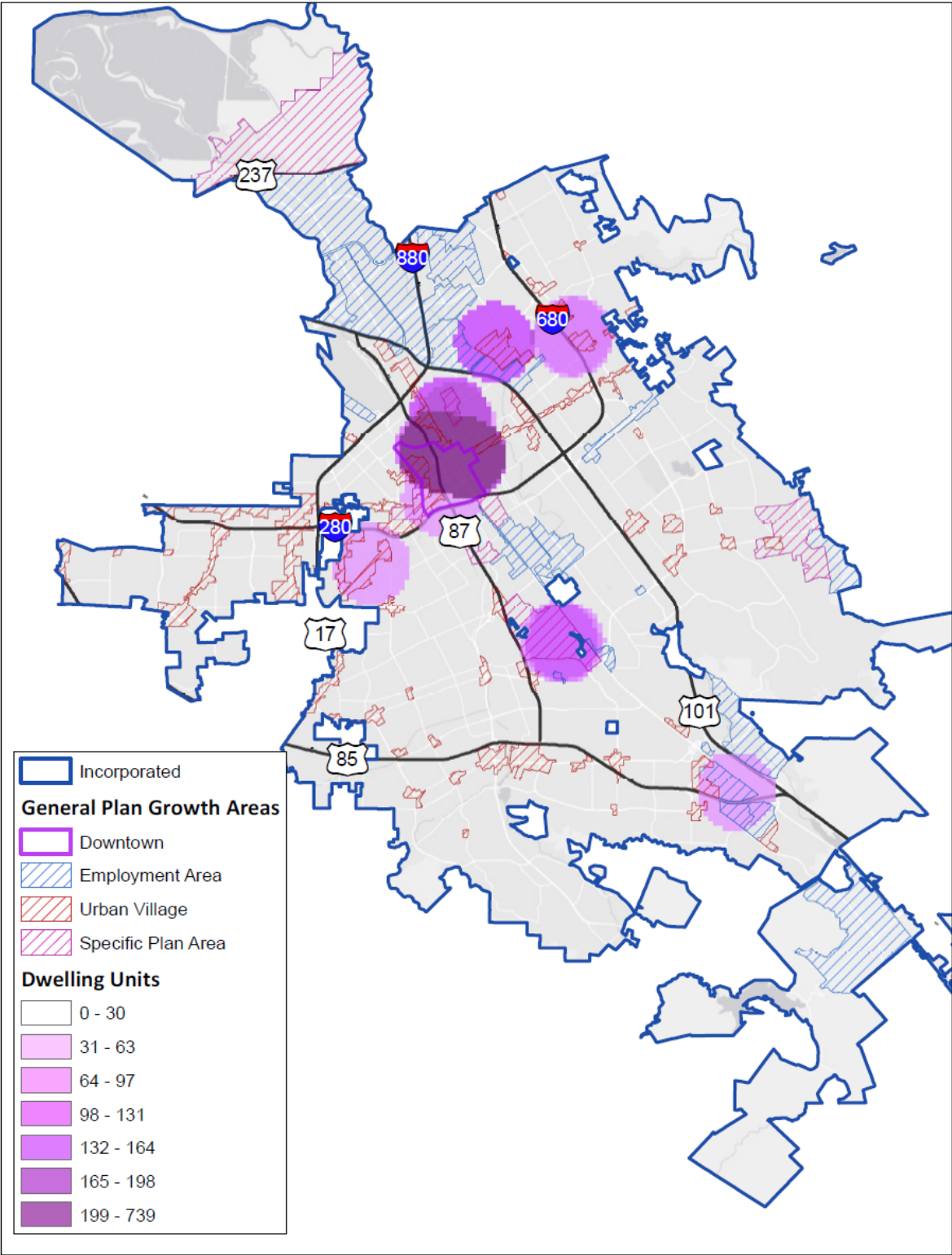


Figure 4. FY2018-19 Building Permits Issued (square feet) per Square Mile for New Commercial Space

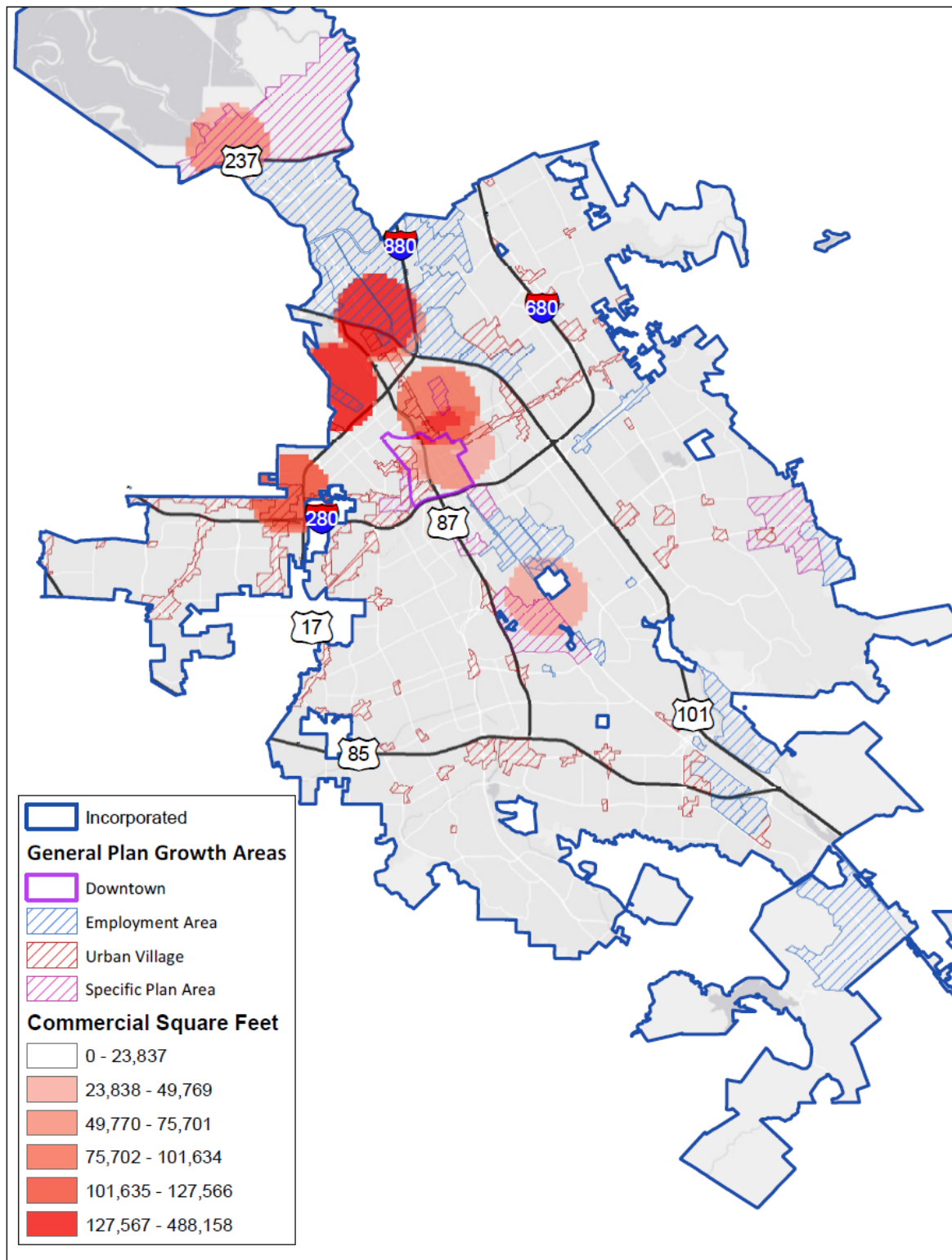
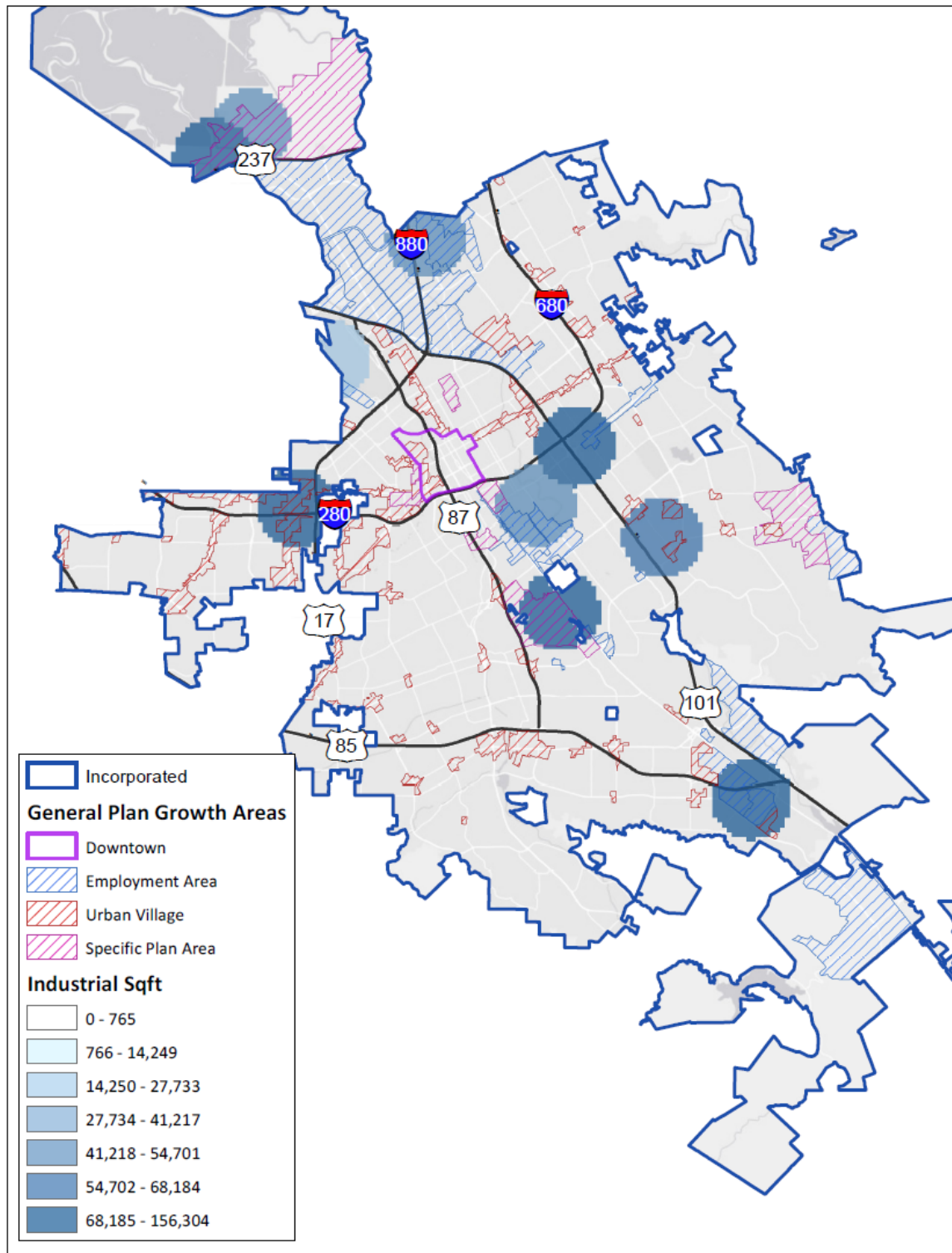


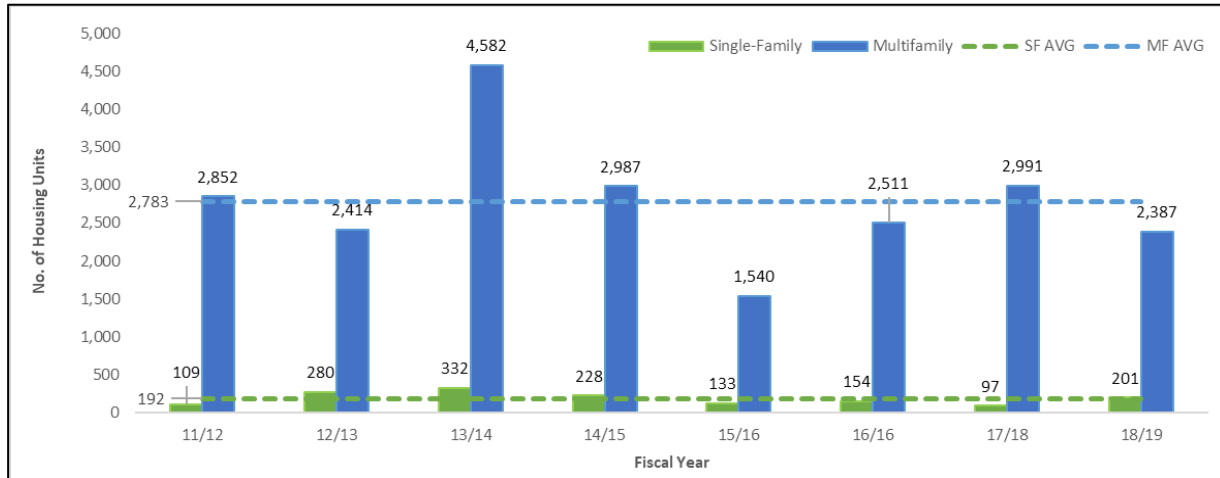
Figure 5. FY2018-19 Building Permits Issued (square feet) per Square Mile for New Industrial/Office Space



From November 2011 through FY2018-19, the Department of Planning, Building and Code Enforcement (PBCE) has issued building permits for new construction citywide totaling over:

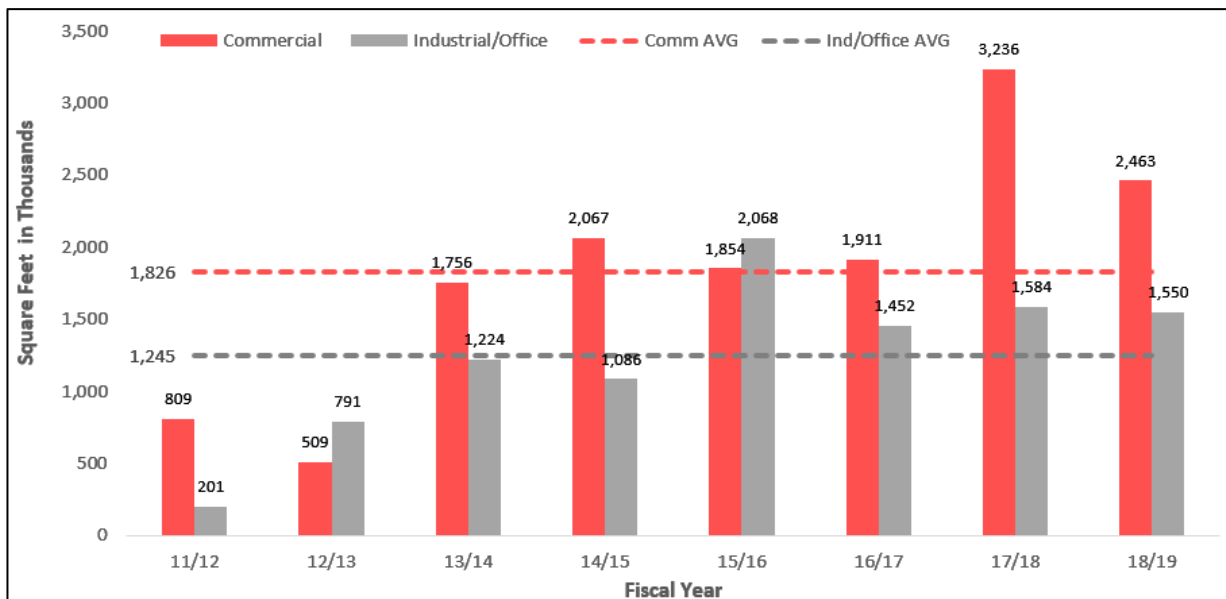
- 23,800 housing units
- 14.6 million square feet of commercial development
- 10 million square feet of industrial/office development

**Figure 6. Building Permits Issued for New Residential Units
FY2011-12 to FY2018-19**



Source: Fee and Tax Activity Report, Fiscal Year, PBCE

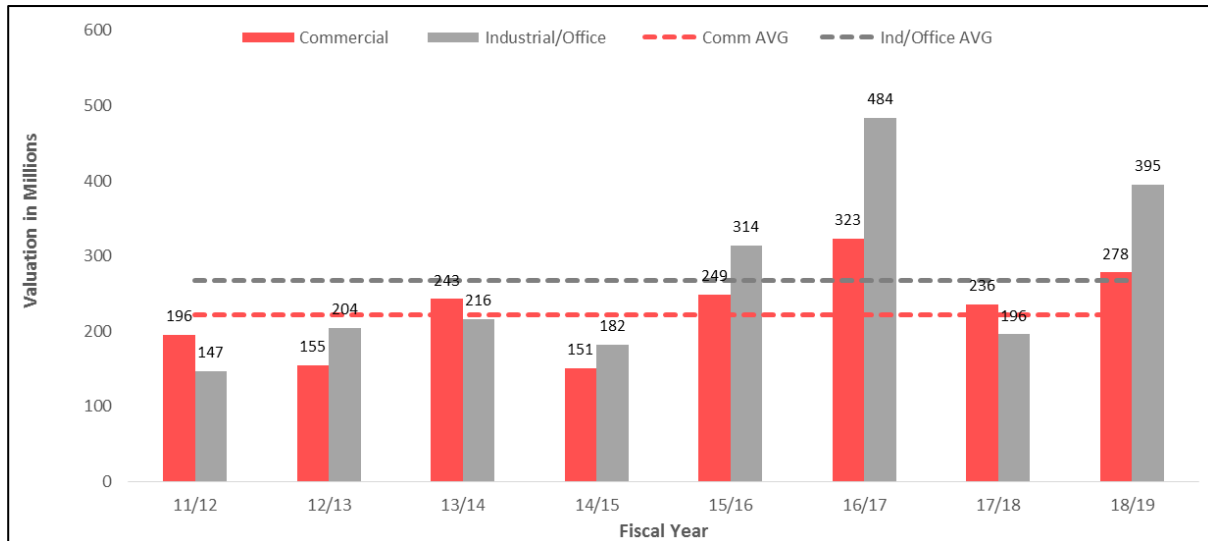
**Figure 7. Building Permits Issued for New Commercial and Industrial/Office (square feet)
FY2011-12 to FY2018-19**



Source: Fee and Tax Activity Report, Fiscal Year, PBCE

The City of San José also measures the valuation of permit activity for new construction and alterations. Valuation of alterations, or improvements, indicate the level of investment in renovations to existing buildings. Valuations of commercial and industrial/office were higher than FY2017-18. Notably, industrial/office alteration valuation was nearly double the previous year which may be attributed to the high costs of industrial/office development or large office purchases in Downtown.

**Figure 8. Valuation of Commercial and Industrial/Office Alterations
FY2011-12 to FY2018-19 (in Millions)**



Source: Fee and Tax Activity Report, Fiscal Year, PBCE (Valuation figures adjusted to 2017 dollars (per SJ-SF-OAK CPI))

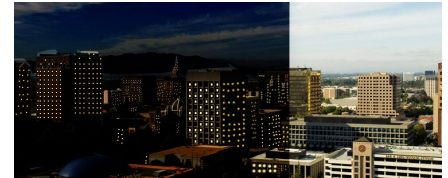
In addition to evaluating building permits, Planning staff analyzed planning permits to understand development trends. Planning permits include planned development rezoning and site development permit applications. Since 2011, the majority of residential entitlements from planning permits have been approved within Downtown, the Jackson-Taylor Specific Plan area, the Midtown Specific Plan area, North San José, and the Tamien Station Specific Plan area. Within non-Urban Village growth areas, 3,066 residential units and 2,085,891 square feet of commercial, office, and industrial space have been entitled in FY2018-19. Notably for FY2018-19, San José has entitled 8 hotels, approving approximately 1,057 rooms and 671,381 square feet. Approximately 9,600 residential units and approximately 9.1 million square feet of non-residential uses are pending approval/under review citywide as of September 2019, which does not include a monumental submittal from Google consisting of approximately 8.9 million square feet of non-residential uses expected late fall 2019. San José has also seen an increase in investment in Downtown, with a substantial increase in pending applications for residential and non-residential entitled, which is discussed further in Major Strategy #9. In FY2018-19, residential entitlements within San José were approved at an average of 100 dwelling units per acre. Nearly all residential entitlements were for projects at a density of 45 dwelling units per acre or greater, which can be fiscally positive to the City.

MAJOR STRATEGY #4 – INNOVATION/REGIONAL EMPLOYMENT CENTER

San José, the Bay Area's largest city and the nation's tenth largest city, continues to play a vital role in local, regional, state, and national economies. The Innovation/Regional Employment Center Major Strategy emphasizes economic development to support San José's growth as a center of innovation and regional employment. The General Plan advances the strategy by:

- Planning for 382,000 new jobs and a jobs-to-employed-resident (J/ER) ratio of 1.1/1;
- Supporting job growth within existing job centers;
- Adding new employment lands; and
- Designating job centers at regional transit stations.

To achieve the General Plan's goal of becoming a regional employment center, San José needs to generate and attract approximately 13,000 new jobs per year. Since 2011, San José has attained roughly 76,000 new jobs, but also added approximately 85,000 employed residents (12,000 annually), showing that the city's number of employed residents is outpacing the growth in the number of jobs. This disparity is further emphasized by the J/ER ratio discussed below.



Of the nation's 20 largest cities, only San José has more nighttime residents than daytime workers, reflecting that it has less than a 1:1 jobs-to-employed-resident ratio.

Jobs-to-Employed-Resident (J/ER) Ratio

Despite its growth and vibrancy, San José is the only large city (having a population greater than 500,000) in the United States that is largely a bedroom community, meaning more residents leave San José for employment in other communities than workers from other communities commute into San José. This imbalance has led to significant negative fiscal, environmental and quality of life impacts for San José. The J/ER ratio is an indicator of a city's fiscal strength; In general, employment-based development generates city revenue while residential-based development necessitates the provision of city services, the cost of which outweighs the revenue collected. The City monitors its J/ER ratio using a combination of data from the U.S. Census Bureau's American Community Survey (ACS) and payroll data from the California Employment Development Department (CEDD). According to the most recent data, the City's J/ER ratio is 0.82, meaning there are 0.82 jobs per every employed resident in San José. San José has not shown a significant improvement in the J/ER ratio since 2011, because of the significant increase in San José's employed residents (see Figure 9).

San José only compares to Santa Clara and Sunnyvale with low to no growth in J/ER since 2010. As shown in Figure 9, San José remains the city with the lowest J/ER ratio, even when compared to similar cities such as Fremont.

Figure 9. Jobs per Employed Resident for Select Local Cities, 2010-2018

City	2010	2011	2012	2013	2014	2015	2016	2017	2018
San José	0.83	0.80	0.81	0.83	0.82	0.82	0.82	0.85	0.82
Cupertino	1.12	1.23	1.20	1.33	1.47	1.64	1.75	1.85	2.00
Fremont	0.84	0.85	0.86	0.86	0.90	0.96	0.96	0.98	0.98
Milpitas	0.99	1.17	1.17	1.19	1.18	1.18	1.17	1.26	1.25
Mountain View	1.60	1.77	1.83	2.59	1.84	1.92	1.67	1.74	1.77
Palo Alto	3.00	3.14	3.27	3.20	3.13	3.36	3.33	3.36	3.40
San Francisco	1.02	1.16	1.17	1.24	1.26	1.29	1.30	1.29	1.29
Santa Clara	1.75	1.95	2.02	2.02	1.77	1.79	1.70	1.69	1.77
Sunnyvale	1.18	1.18	1.16	1.13	1.06	1.06	1.04	1.08	1.04

Source: U.S. Census Bureau, American Community Survey, 5-Year Estimates (employed residents and self-employed jobs); California Employment Development Department (jobs)

The CEDD also provides data on a monthly basis for the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), which is comprised of the combined areas of Santa Clara and San Benito counties. The CEDD data, issued on September 20, 2019, estimated that total wage and salary employment in the MSA is 1,036,600 jobs, slightly increasing at a rate of 1.9% year-over-year, over the past twelve months (August 2017 to August 2018).

The data reinforces the importance of the General Plan’s “jobs first” approach and the need to maintain employment land for future job growth. Although the J/ER ratio has remained relatively unchanged since adoption of the General Plan, the City has approved projects that are improving employment opportunities within San José.

In FY2018-19, entitlement of major commercial and industrial/office projects included:

- Stevens Creek Promenade was approved for a 6-story approximately 233,000-square-foot office building, an 8-story mixed use building containing approximately 10,000 square feet of ground floor commercial and up to 289 residential units, and an 8-story residential building containing approximately 205 market rate residential units and approximately 88 affordable residential units (total of up to 293 residential units) within the Stevens Creek Boulevard Urban Village. (File No. PD17-014)
- AvalonBay West Valley was approved for 17,800 square feet of retail/commercial space and up to 302 residential units, within the Saratoga Avenue Urban Village. (File No. PD17-027)
- Adobe at 333 W. San Fernando was approved for an 18-story tower with approximately 690,328 square feet of research and development office space, and up to 8,132 square feet of retail space. (File No. H18-037)
- Construction of an approximately 1.3 million square feet office tower was approved at 200 Park Avenue in Downtown. (H18-045)

View an interactive map of Key Economic Development Projects at: <https://csj.maps.arcgis.com/apps/Shortlist/index.html?appid=b6ab6d3f16c34736914cb0b523ef1a93>



Adobe at West San Fernando.

MAJOR STRATEGY #5 – URBAN VILLAGES

The General Plan promotes the development of Urban Villages to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth. Urban Villages are intended to be attractive to an innovative workforce, enhance established neighborhoods, and are consistent with the Plan's environmental goals.

The General Plan establishes an Urban Village planning process that includes ongoing community involvement and public workshops that enables land use and urban design issues to be addressed at a finer level of detail. Planning Division staff facilitate these community meetings and coordinate the participation of staff from the Department of Transportation; Parks, Recreation, and Neighborhood Services; Housing; Public Works; the Office of Economic Development; and the Office of Cultural Affairs. These departments are integral to the Urban Village planning process.

Urban Village Plans and Horizons

City Council has approved 12 Urban Village plans since adoption of *Envision San José 2040 General Plan*. Within the last year, the East Santa Clara Street Urban Village plan was approved and the Five Wounds, Little Portugal, Roosevelt Park, and 24th and Williams Urban Village Plans were updated. These plans incorporate a form-based planning approach and provide detailed information related to allowable uses, density, and floor area ratio (FAR) that are permitted within each Urban Village. Visit the City's website: <http://www.sanjoseca.gov/index.aspx?NID=4032> to find descriptions of approved and proposed Urban Village plans.

Figure 10. Urban Village Plans Currently Under Development

Urban Village Plan	Status	Anticipated Completion
<i>Horizon I</i>		
Berryessa BART	In Progress	Summer 2020
N. 1 st St	In Progress	Fall 2020
Southwest Expressway	To be Initiated	Spring 2021
Race Street Light Rail	To be Initiated	Spring 2021
Eastside Alum Rock/Alum Rock Ave. (E. of 680)	To be Initiated	Fall 2022

Figure 10 outlines five Urban Village plans that are in various stages of development. Horizon I Urban Villages collectively are a key growth area for new housing, providing near-term housing opportunities in Villages with City Council-approved Urban Village Plans. The Urban Villages under development are identified as location of either regional or local transit that are existing or planned in the near future.

Development Activity in Urban Villages

Since the 2011 adoption of the General Plan, planning development permits have been approved for approximately 9,526 housing units and 3.5 million square feet of non-residential uses (commercial and industrial) within Urban Villages. In FY2018-19, approximately 1,851 residential units and 727,745 square feet of non-residential uses were approved.

Residential development is currently limited to Urban Villages that are in the current planning horizon, or Horizon 1. However, there are two tools that allow residential development to occur within later Horizons: Signature Projects and the Residential Pool Policy.

Signature Projects. The General Plan establishes a Signature Project policy to allow residential, mixed-use projects to proceed ahead of preparation of an Urban Village plan if the projects meet an established set of requirements related to density, design, and the provision of employment space and parks (Policy IP-5.10).

To date, City Council has approved six Signature Projects, two of which are under construction. The Signature Projects are described below:

1. **File No. PDC15-049/PDI5-044 (Sparta Student Housing):** Demolition of approximately 6,400 square feet of existing commercial buildings and construction of 86 multifamily residential units and 11,530 square feet of commercial space in a 7-story building (E. Santa Clara Street Urban Village; Horizon 1). Sparta Student Housing began construction in summer 2019.
2. **File No. PDC15-065/PDI5-059 (Volar):** Planned development permit to allow up to 307 residential units and up to 52,167 square feet of commercial and office uses in a 18 story building on a 0.89 gross acre site (350 S. Winchester Boulevard; Valley Fair/Santana Row Urban Village; Horizon 3 at the time of project approval). As of September 2019, Volar has not broken ground.
3. **File No. PDC16-002/PDI6-025 (The Orchard or North Capitol):** Planned development permit to allow up to 188 residential units, 108,000 square feet of commercial space, and a one-acre park on a 10.6 gross acre site (641 N. Capitol Avenue; N. Capitol Ave/McKee Rd Urban Village; Horizon 2). The Orchard began construction in 2018.
4. **File No. PDC16-036/PDI7-014 (Stevens Creek Promenade or FortBay):** Planned Development Permit to allow construction of a 6-story approximately 233,000-square-foot office building, a 6-story parking garage, an 8-story mixed use building containing approximately 10,000 square feet of ground floor commercial and up to 289 residential units, and an 8-story residential building containing approximately 205 market rate residential units and approximately 88 affordable residential units (total of up to 293 residential units) on an approximately 10-gross acre site (4300-4600 Stevens Creek Boulevard; Stevens Creek Boulevard Urban Village; Horizon 1). The project is currently under review for an amendment to increase office square footage.



Rendering of the Sparta Student Housing Signature Project approved in 2016

5. **File No. PDC17-056/PD17-027 (AvalonBay West Valley):** Planned Development Permit to allow the construction of up to 300 residential units, 17,800 square feet of retail/commercial space, residential amenities including two pools, and 1,110 new parking spaces within the existing multi-family residential development on an approximately 20-gross acre site (700 Saratoga Avenue; Saratoga Avenue Urban Village; Horizon 3). As of September 2019, AvalonBay West Valley has not broken ground.



Rendering of the AvalonBay West Valley Signature Project approved in 2019

6. **File No. PDC17-047/PD18-015 (Bascom Gateway Station or Dick's Center):** Planned Development Permit to allow the construction of 590 multifamily residential units, 200,000 square feet of office space, and 76,894 square feet of commercial space on an approximately 7-gross acre site (1330 S. Bascom Avenue; S. Bascom North Urban Village; Horizon 1). As of September 2019, the project has not broken ground.

As of September 1, 2019, there is one Signature Project application on file that staff is evaluating for consistency with Policy IP-5.10 and other applicable guidelines and regulations:

- **File No. PDC17-040 (Cambrian Park Plaza):** Planned Development Zoning to allow the construction of up to 280 multifamily residential units, 70 townhomes, 150,000 square feet of office, 115,000 square feet of retail/commercial space, 110,000 square feet of convalescent hospital, 238 hotel rooms, and 1.6 acres of public open space on an approximately 18-gross acre site.

Residential Pool Policy. General Plan Policy IP-2.11 establishes a Residential Pool which allocates 5,000 housing units to be used within Urban Villages that have approved plans, but are not within the current Horizon or are identified as Signature Projects. Projects using the Pool policy must conform to the corresponding Urban Village Plan, the site's General Plan land use designation, and may not exceed the planned housing yield of the corresponding Urban Village Plan. If depleted, the 5,000 units may be replenished as part of the General Plan Four-Year Review per City Council direction. The projects listed in Figure 11 below have utilized the Pool capacity.

Figure 11. Residential Pool Policy Capacity

<i>Project (File No.)</i>	<i>Units</i>
Sparta Student Housing (PD15-044)	86
Volar (File No. PD15-059)	307
The Orchard (File No. PD16-025)	188
Stevens Creek Promenade (PD17-014)	582
AvalonBay West Valley (PD17-027)	300
Bascom Gateway Station (PD18-015)	590
William and 22 nd St Townhomes (PDA07-013-01)	67
SUBTOTAL	2,120
REMAINING CAPACITY	2,880

As part of the General Plan Four-Year Review, the Task Force will make a recommendation to City Council as whether to replenish the pool in Fall 2020.

MAJOR STRATEGY #6 – STREETSCAPES FOR PEOPLE

The General Plan includes goals and policies that emphasize street design for people, not just cars, and that support a diverse range of urban activities and functions. To further support the Streetscapes for People strategy, the General Plan established Grand Boulevard and Main Street roadway designations, which are intended to meet the needs of all users while fostering a positive identity of a community.

Grand Boulevards serve as major transportation corridors that connect City neighborhoods, such as N. 1st Street, Capitol Avenue, and E. Santa Clara Street. Main Streets are roadways that support retail and service activities that serve the local neighborhood residents, such as Blossom Hill Road, Story Road, and S. Bascom Avenue.

As part of the Urban Village planning process and consistent with Policy IP-5.1, Urban Village Plans should include streetscape and urban design guidelines, recommended streetscape improvements, and pedestrian circulation plans. All of the Urban Village Plans approved thus far contain goals and policies and identified improvements to enhance pedestrian circulation and the streetscape and public right of way.

Complete Streets Design Standards and Guidelines. Consistent with the General Plan, specifically Action Item CD-4.14, the City Council approved the City of San José's Complete Streets Design Standards and Guidelines on May 1, 2018. The Complete Streets Design Standards and Guidelines, developed by the Department of Transportation, establish design principles that are focused on developing streets that are people-oriented, connected, and resilient. Significant content from the National Association of City Transportation Officials' (NACTO) design guides was adapted and incorporated into San José's Complete Streets Design Standards and Guidelines. NACTO design guidance primarily recognizes that cities are places for people and shifts the parameters of designing urban streets from only considering automobile movement to emphasizing access, safety and mobility for all roadway users. The Complete Streets Design Standards and Guidelines will be applied to capital projects and public roadway improvements associated with private development projects.

Better Bike Plan 2025. The Department of Transportation (DOT) is developing the *Better Bike Plan 2025*, an update to the *Better Bike plan 2020*. The *Better Bike Plan 2025* strives to eliminate roadway fatalities and major injuries for people walking, bicycling, and driving; create a bicycle network that enriches the lives of everyone who lives, works, or plays in San José; and increase at least 15 % of trips made by bike by 2040. Currently, DOT is gathering input from the community to help draft recommendations for new projects and programs that support bicycling. A draft plan is expected in late Fall 2019.

Better Bikeways SJ. During summer and fall 2018, the Department of Transportation worked with the Knight Foundation and the National Association of City Transportation Officials (NACTO) to develop a two-year plan to increase bicycling in central San José. With about half of San José's residents and jobs located within a 4-mile distance (less than a 30-minute bike trip) of City Hall, and with a strong network of public transit, central San José is an ideal setting for bicycling infrastructure as a transportation investment. This plan is known as "Better Bikeways SJ." The Department of Transportation will build the network of bikeways in this

For more information on the Better Bike Plan 2025, check out <https://www.bikesanjose.com>

plan over the next two years, using a toolkit already available for streets: separating bikes and traffic using inexpensive, traffic-tested materials, switching the position of parking lanes and bike lanes during paving projects to let parked cars do the work of protecting the bikeway. By coordinating with planned pavement maintenance work, the City has the potential to build more than a dozen miles of protected bike lanes, extended by a network of low-stress neighborhood streets, in less time than a typical capital project for one street would take. This network will extend from the downtown area through and beyond the ring of freeways bordering it (Highways 280, 101, 87, and 880).

For more information on the Better Bikeways SJ, check out <http://www.sanjoseca.gov/index.aspx?NID=4421>



Bicyclists using a buffered bike lane along West San Fernando Street.
Source: www.Bikesanjose.com

MAJOR STRATEGY #7 – MEASURABLE SUSTAINABILITY/ENVIRONMENTAL STEWARDSHIP

In October 2007, the City Council adopted the Green Vision, a 15-year plan with ten bold goals for economic growth, environmental sustainability, and an enhanced quality of life for San José's residents and businesses. The General Plan incorporates many of the Green Vision goals and extends the City's measurement of its environmental sustainability through 2040. Appendix A includes an update on the City's achievement of these goals.

In April 2015, the City Council directed staff to reprioritize and focus on two overarching goals of the Green Vision: 1) ensuring a more sustainable water supply and 2) reducing greenhouse gas emissions. The City Council memo stated that the Green Vision would no longer be reported annually in a standalone report, but that the remaining goals of the Green Vision should remain within their respective department's work plans and be reported through the performance-based budget process. Due to the absence of a standalone report the General Plan Annual Review, will no longer track progress of the Green Vision goals. Instead the Annual Performance Review will summarize progress on implementation of the Climate Smart San José Plan, which has replaced the Green Vision as described below.

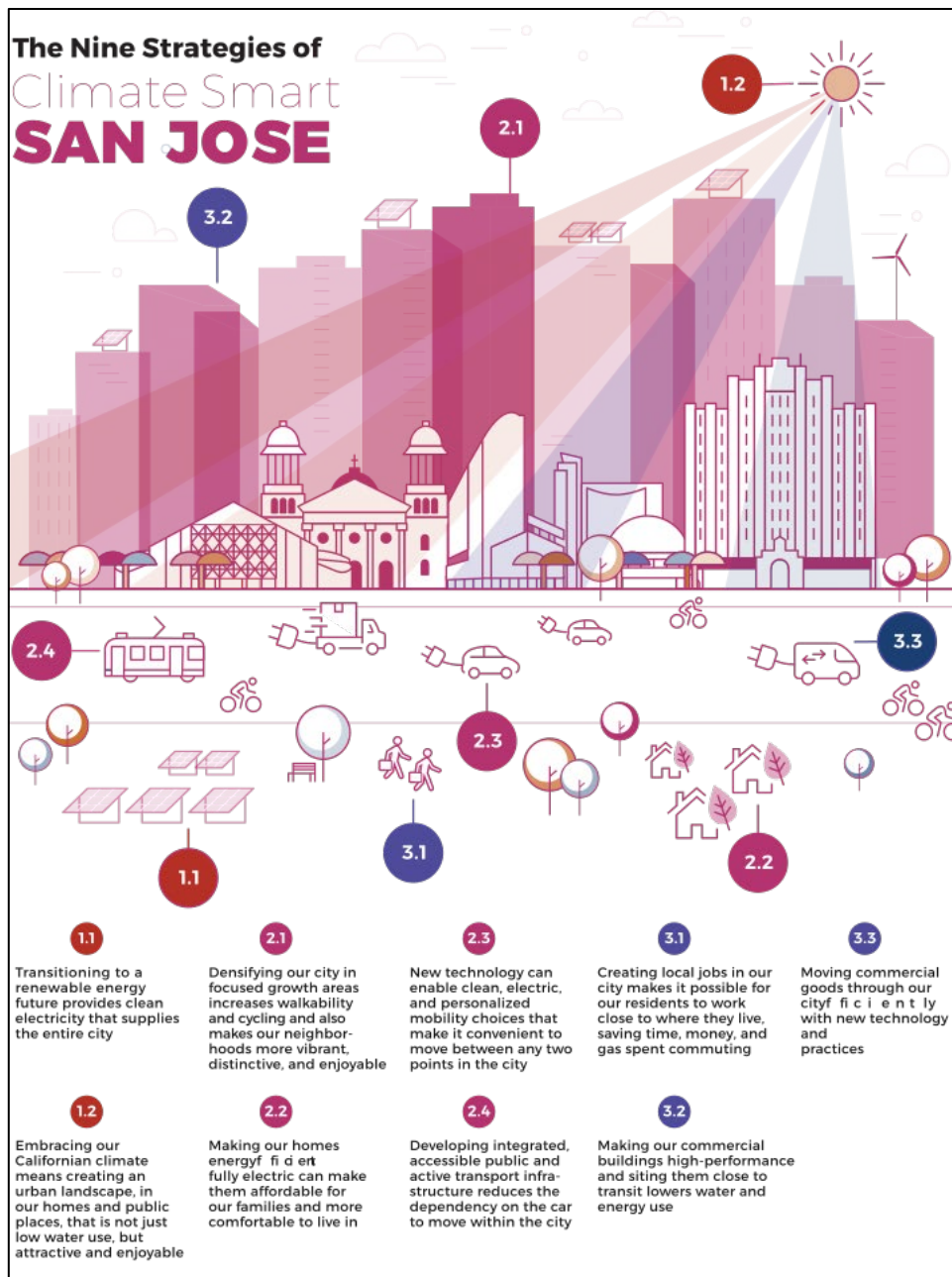
Climate Smart San José Plan (Bloomberg American Cities Climate Challenge)

Action Item IP-17.3 of the General Plan calls for the City to participate in the development of a Sustainable Community Strategy that is consistent with San José's goals for Environmental Leadership as well as the economic, fiscal and other goals and policies contained within the *Envision 2040 General Plan*. In 2017, led by Environmental Services Department staff, the City began drafting the Green Vision's replacement, Climate Smart San José. Approved by the City Council in February 2018, Climate Smart San José builds on the Envision San José 2040 General Plan by highlighting and interpreting goals related to the community's profile of carbon emissions and then providing additional analysis and recommendations. Climate Smart San José uses the General Plan as a foundation and goes further by creating a pathway for San José to reach the State's target of 80% reduction below 1990 levels of Greenhouse Gas emissions by 2050 as well as further achievement of the Paris Climate Agreement goals. The Paris Climate Agreement sets a goal for the reduction in carbon emissions required by 2050 to keep the rise in average global temperature to below two degrees Celsius.

Following extensive community engagement, technical input, consultant analysis, and City department input, the resulting Climate Smart San José plan is framed around four core principles: people-centered, data-driven, inclusive, and implementation-ready. It sets out nine strategies, each associated with quantitative milestones to ensure clear, timely progress tracking. To enable and facilitate implementation, it also includes a City Action Plan and Playbooks for various audiences, including residents and developers. Environmental Services staff have created a Citywide Climate Smart San José Steering Committee and Technical Advisory Group to align City departments and facilitate implementation of the plan. Environmental Services staff will also provide semi-annual updates to the City Council on progress implementing the Climate Smart San José plan.

For more information about the Climate Smart San José, visit:
<http://www.sanjoseca.gov/ClimateSmartSanJose>

Figure 12. Climate Smart San Jose's Strategy to Meet the Paris Climate Agreement



American Cities Climate Challenge. The American Cities Climate Challenge from Bloomberg Philanthropies selects 25 cities that will receive assistance to accelerate their efforts to tackle climate change and promote a sustainable future for their residents. In October 2018, the City of San Jose was named as a winner in the Bloomberg American Cities Climate Challenge, providing resources and support valued up to \$2.5 million to support the implementation of Climate Smart San José. Specifically, San Jose will work with Bloomberg and partners to: comprehensively evaluate and update parking requirements for new development to enable no- and low-parking development, particularly in the downtown and other areas around transit; develop and implement a shared electric-vehicle strategy, including education

and incentives; implement high-priority segments for the City's walking and bicycling network and the inclusion of new mobility options such as bike- and scooter-sharing systems; develop a roadmap to eliminate natural gas use in residential housing; and requiring solar and EV-readiness in new construction.

As part of its American Cities Climate Challenge (ACCC) commitment, the City agreed to pursue adoption of a "reach code" for new residential and commercial construction, aligned with Climate Smart goals. "Reach Codes" require development projects to exceed the minimum Building Energy Efficiency requirements. In September 2019, City Council adopted a reach code for new residential and non-residential construction in San Jose. It incentivizes all-electric construction and will require increased energy efficiency and electrification-readiness for developers choosing to maintain the presence of natural gas, a fossil fuel and powerful GHG. It also will require that non-residential construction include solar readiness, and requires additional Electric Vehicle charging readiness and/or electric vehicle service equipment (EVSE) installation for all development types. The City's reach code will be effective January 1, 2020.

Santa Clara Valley Agricultural Plan

To protect southern Santa Clara County's important farmland and reduce future effects of climate change, in January 2018, the County of Santa Clara (County) Board of Supervisors and the Santa Clara Valley Open Space Authority (OSA) Board of Directors adopted the Santa Clara Valley Agricultural Plan; a regional effort led the County and OSA, in partnership with the cities of San José, Morgan Hill, and Gilroy. The Agricultural Plan will help avoid future greenhouse gas emissions by reducing conversion of working agricultural lands to urban uses and instead focusing development in existing urban areas. By linking State and regional efforts with those of the County, cities, special districts and the agricultural community, the Valley Agricultural Plan will help to reach California's climate goals while providing for a more sustainable agricultural future for the County.

For more information about the Santa Clara Valley Agricultural Plan, visit:
<https://www.sccgov.org/sites/dpd/PlansOrdinances/Studies/Pages/CAPP.aspx>

MAJOR STRATEGY #8 – FISCALLY STRONG CITY

The General Plan establishes a land use planning framework that promotes fiscal balance of revenue and costs to allow the City to deliver high-quality municipal services. The Fiscally Strong City Major Strategy was created in part to counteract the negative fiscal consequences of past land use patterns.

Land Use and Fiscal Health

Past land use patterns have resulted in a predominance of low-density, single-family residential uses (43% of the City's land area) compared to only approximately 15% of job-generating employment land. The remaining land is higher density residential, public, or other uses.

Low-density sprawl results in a disproportionate cost to the City due to high capital investments and ongoing operations and maintenance for infrastructure, serving less people and businesses than the City otherwise could in a higher-density built environment. High concentrations of jobs and housing contribute to place-making and economic development, boosting demand for retail and services, and facilitating transportation alternatives such as walking, bicycling, and public transit.

As the City begins to achieve its goals for a more urban, transit-connected community, it is anticipated that its service and infrastructure cost structure will become more efficient with lower marginal costs and higher marginal benefits per resident.

Budget Overview

Key measures for determining the City's fiscal strength are the Capital and Operating Budgets, including the Capital Improvement Program (CIP). The CIP relies on special funds, construction taxes, and development impact fees. Development impacts fees can only be used to mitigate the impact of new development and cannot contribute to City services or deferred infrastructure maintenance because the fees are limited to the extent or degree to which new development generates a demand for various public facilities.

In total, the City's 2018-2019 Adopted Capital Budget and 2019-2023 Adopted CIP reflect a 34.5% increase and a 14% increase, respectively over the previous fiscal year, due in large part to San José residents passing the Measure T – Disaster Preparedness, Public Safety, and Infrastructure Bond. Approved in November 2018, the measure authorized the City to issue up to \$650 million in general obligation bonds for investment in city infrastructure, including upgrades to emergency and disaster response facilities, road construction, flood protection, water quality protection, and improvements to other critical infrastructure. Even with the infusion of bond funding, the City continues to lack the resources required to fully maintain and fund its infrastructure portfolio.

The City's General Fund is the primary operating fund used to account for all revenues and expenditures of the City, which are not related to special or capital funds that were created for a specific purpose. As per the "2019-2020 Proposed Operating Budget Message" (<http://www.sanjoseca.gov/DocumentCenter/View/84138>), a General Fund revised surplus of \$5.1 million was projected for 2019-2020. Small shortfalls ranging from 1.7

million to 13.7 million and one surplus of 11.4 million in 2022-2023 are projected for the remaining four years of the Forecast. With minimal project shortfall and surplus figures, the City's budget is in stable position. However, there is limited capacity to expand much needed services and address the significant backlog of deferred infrastructure and maintenance needs.

The General Fund position is forecasted for better performance with smaller shortfalls when compared to the projection in the 2019-2023 Forecast issued in March 2018. In the previous Forecast, shortfalls ranging from -\$8.9 million to -\$15.5 million were projected in each year of the Forecast. The change from the previous forecast reflects the improvement in revenues as well as lower growth in projected costs, particularly retirement costs.

In the 2019-2020 Proposed Budget, the total net funding is \$4.3 billion for all City funds (General, Special, and Capital). The City's highest budget priorities this year include homelessness and housing; public safety; environment; confronting the high cost of housing and living, education and our youth, combatting blight; saving and fiscal sustainability.

These priorities, among other items, are addressed in the Capital and Operating Budgets available on the Budget Office website: <http://www.sanjoseca.gov/budget>.

MAJOR STRATEGY #9 – DESTINATION DOWNTOWN

The General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley, providing employment, entertainment, and cultural activities more intensely than any other area in the City. The General Plan also supports a significant amount of job and housing growth within the downtown: specifically, 58,659 new jobs and 15,160 new dwelling units by 2040. San José continues to work towards these goals by attracting high-density, mixed-use development and by hosting cultural and recreational activities, entertainment, and sporting events.

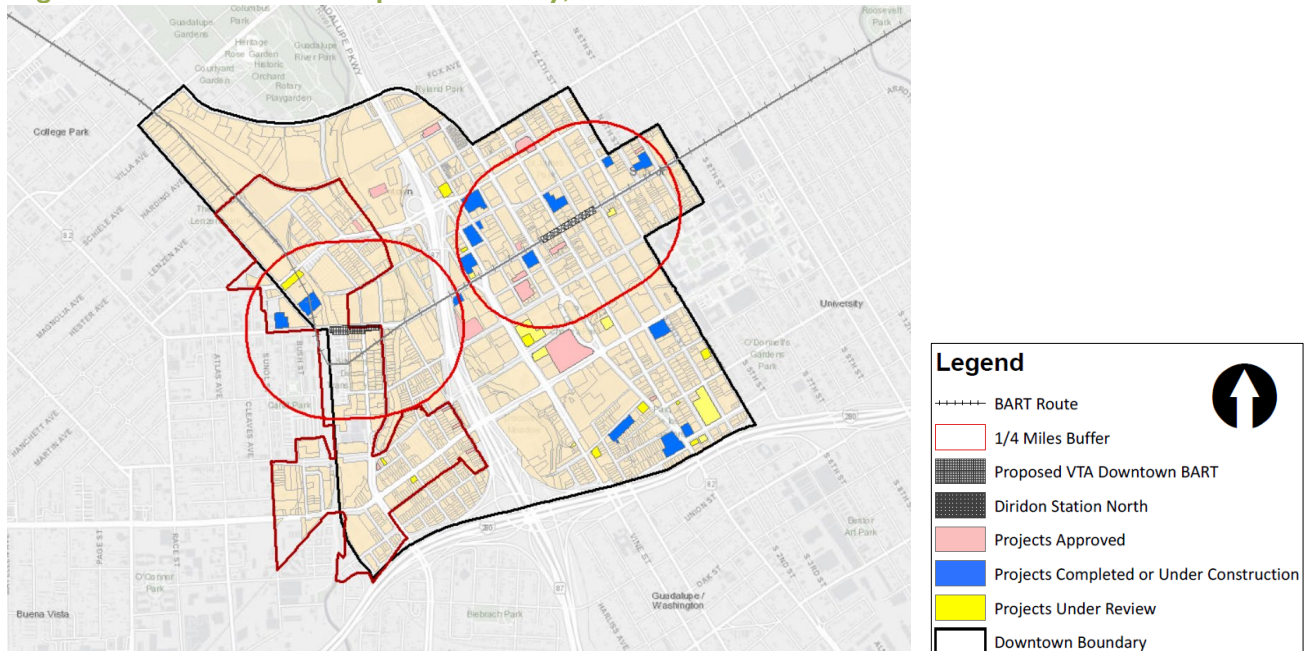
Downtown Development Activity and Vacancy Rates

Residential activity has been flourishing within the downtown since the end of the recession. Within FY2018-19, planning development permits were approved for approximately 1,200 new residential units. There has also been interest in development of new commercial and office space in various downtown locations, with entitlements approved for approximately 1.1 million square feet of commercial and office space. Major projects included 27 West (374 residential units and 35,712 square feet of commercial space) and Balbach Housing (87 residential units).

Since adoption of the General Plan, the City has approved development permits for approximately 6,900 residential units and approximately 3.81 million square feet of commercial/office space in the downtown. Of those approvals, over 3,700 units and 1.32 million square feet were within a quarter-mile of planned Bay Area Rapid Transit (BART) stations (see Figure 13).

For more information about the Downtown Development Activity; see the Office of Economic Developments Key Economic Development Project list: http://sjeconomy.com/wp-content/uploads/Public-Partners_Tracked-Project-List-3.0-8.5.19.pdf

Figure 13. Downtown Development Activity, FY2011-12 to FY2018-19

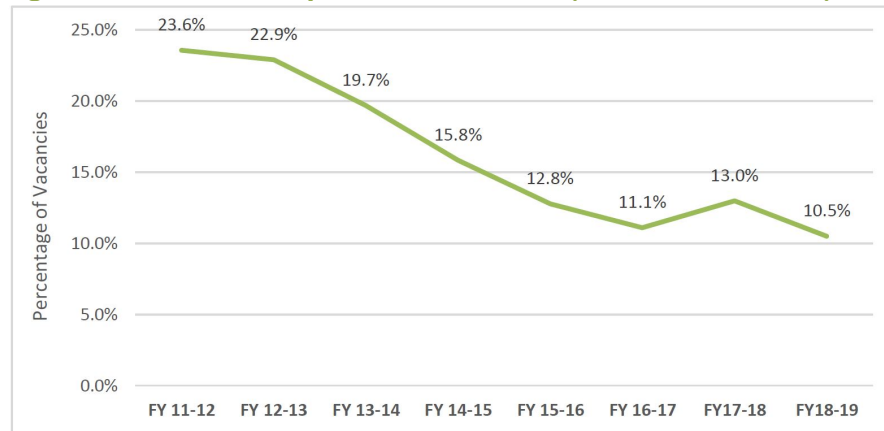


Retail and office space activity. Downtown San José has less than 9 million square feet of office space. For the first time in more than a decade, Downtown San José has seen significant market interest in new commercial developments with 7.6 million square feet in pending commercial entitlements. Most recently, it was the site for a

new commercial tower building as Adobe, Inc. broke ground on a 1.3 million-square-foot tower. This is, in part, a result of the limited availability and high cost of land elsewhere in Silicon Valley combined with the desire of many companies and their employees to be located on major transit lines in urban locations. Additionally, Google has acquired and secured rights to more than 55 acres in the area around Diridon station and SAP Center and recently unveiled their vision for 6.5 to 7.3 million square feet of new office space (which is not included in the current 7.6 million pending commercial entitlements) in the Diridon Station Area Plan project area; 15 acres of parks, plazas and green space; 500,000 square feet of retail, arts, education, and other active uses; 300 hotel rooms; 800 rooms for limited-term corporate accommodations; and approximately 3,000 to 5,000 new units of housing.

The large interest in Downtown are reflected in the commercial and office vacancies. The percentage of office vacancies has declined since General Plan adoption in 2011, when the office vacancy rate in the Downtown was 23.6%. In FY2018-19, the vacancy rate was 10.5%, a 2.5% decrease from FY2017-18. (see Figure 14). Overall, there is about 900 thousand square feet of available office space Downtown as of the second quarter of 2019.

Figure 14. Office Vacancy Rate in Downtown (FY11-12 to FY18-19)



Source: CBRE, Inc., *Marketview Snapshot, San Jose CBD*

BART Silicon Valley Phase II

In April 2018, the Valley Transportation Authority and BART boards of directors both approved the Final Subsequent Environmental Impact Report (SEIR) for Phase II of the BART extension to Silicon Valley, including two new BART stations in the Downtown (the Downtown San José Station and Diridon Station). The single bore construction method for BART under Santa Clara Street through Downtown was selected, which will limit excavation within the street right-of-way and significantly reduce the construction impacts of the project. Project construction is anticipated to begin in 2021, with passenger service starting in 2026. Recently, the US Department of Transportation has allocated \$125 million under the Federal Transit Administration's Expedited Project Delivery Pilot Program. VTA is required to raise a minimum of 75% of the total project cost through non-federal contributions. In turn, the FTA will expedite the review and evaluation of application materials under the streamlined process.

Cultural, Entertainment and Visitor Activity

Downtown San José includes the largest concentration of San José’s civic and cultural amenities, including City Hall, the Martin Luther King Jr. Library, the convention center, the San José Arena/SAP Center, multiple museums, numerous theaters, public art, and outdoor gathering venues. The South First Area (SoFA) cultural district is also within the Downtown, home to multidisciplinary art organizations of all sizes and commercial arts-based businesses.

Many cultural events and festivals continue adding to the vibrancy of the downtown, such as Christmas in the Park, the San José Jazz Summerfest, and the annual Silicon Valley Turkey Trot. Additionally, Downtown San José was under the national spotlight twice during 2019 as it hosted the preliminary festivities to the 2019 College Football Playoff National Championship and the 2019 National Hockey League All-Star Game. According to the Office of Cultural Affairs’ 2019 Event Calendar, San José hosted over 100 outdoor events in the downtown attracting an total estimated 749,500 people, similar to previous years.

Team San José 2018 Annual Report. Team San José is an agency seeking to promote San José as a destination to stimulate economic development, particularly at the City’s hotels, restaurants, and arts venues. Team San José releases an annual report discussing performance measures set by the City. The Team San José 2018 Annual Report is summarized in Figure 15.

Figure 15. Team San José 2018 Annual Report

<i>Performance Measure</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
San José Convention and Cultural Facilities generated revenue (<i>millions</i>)	\$28.5	\$39.1	\$47.5	\$52.7	\$61.7
San José Convention and Cultural Facilities gross operating profit (<i>millions</i>)	\$6.5	\$9.9	\$13.7	\$15.6	\$16.8
# of attendees that visited San José Convention and Cultural Facilities (<i>millions</i>)	1.2	1.49	1.48	1.34	1.43
Total local taxes generated from attendees (<i>millions</i>)	\$12	\$11.2	\$11.8	\$10	\$289
Total spent by attendees at San José hotels, restaurants, and attractions (<i>millions</i>)	\$91.1	\$134.9	\$158	\$111	\$130
Direct spending returned for every tax dollar invested into San José Convention and Cultural Facilities	\$2.45	\$2.89	\$2.38	\$1.99	\$3.28
Total performances booked by Team San José’s theater and events team	355	611	436	622	544

Downtown San José is Vibrant with Numerous Museums, Performance Venues, and Events

Tech Museum of Innovation
 Children’s Discovery Museum
 San José Museum of Art
 Symphony Silicon Valley
 Opera San José
 Silicon Valley Ballet
 San José Stage Company
 City Lights Theatre
 Children’s Musical Theatre
 Theatre on San Pedro Square
 SoFA cultural district
 San José Jazz Festival
 South First Fridays/SubZERO
 Christmas in the Park
 Downtown Farmer’s Market
 Silicon Valley Turkey Trot
 San José Convention Center
 Summer in St. James Park
 Viva CalleSJ
 Fountain Blues Festival
 Music in the Park
 SoFA Street Festival



Install at San José City Hall, XO stands 12 feet tall and is made of aluminum. A love letter to the community, by Laura Kimpton and Jeff Shomber (Source: www.sanjoseculture.org)

MAJOR STRATEGY #10 – LIFE AMIDST ABUNDANT NATURAL RESOURCES

The General Plan promotes access to the natural environment by, among other things, building a world-class trail network and adding parks and other recreational amenities. Service level objectives for parks and recreational facilities were updated in the 2020-2024 Adopted Capital Improvement Program (CIP), and are summarized in Figure 16.

Figure 16. Parks and Recreation Facilities Service Level Objectives

<i>Service Level Objectives</i>	<i>Actual Service Level as of 06/30/18</i>	<i>Estimated Service Level 2019-20*</i>	<i>Estimated Service Level 2020-2024*</i>
3.5 acres of neighborhood and community recreational lands per 1,000 population	2.9	2.7	2.7 (Acres)
7.5 acres of regional/city parklands per 1,000 population (valley floor)	14.9	13.9	13.8 (Acres)
500 square feet of community center floor area per 1,000 population	536.3	501.8	495.5 (sq. ft.)

*For footnotes please see following link: <http://sanjoseca.gov/DocumentCenter/View/83908>

The 2019-2020 level of service estimate for neighborhood and community recreational lands and regional/city-wide parklands are expected to decrease marginally compared to the 6/30/2018 actuals due to an anticipated increase in population. As San José's population continues to grow, it will become increasingly difficult to maintain current service levels with limited property available for recreational development. To achieve the objective of 3.5 acres per 1,000 residents by 2021, the Parks, Recreation, and Neighborhood Services Department would need to develop approximately 104 acres of neighborhood and community serving recreational lands annually.

Figure 17. Parks and Community Facilities Infrastructure

<i>Infrastructure</i>	<i>Sites/Acreage</i>
Park Sites	206
Park Acreage	3,533
<i>Developed Acreage</i>	2,094
<i>Open Space</i>	1,069
<i>Undeveloped Land</i>	372
Trail Mileage	61
City Operated Community Centers	11
Partner Operated Re-Use Sites	39

The City's trail network includes 40 trail systems under development along river, creek, and overland alignments, with 61 miles of trails open to the public. To meet the City's goal to expand the City's trail network to 100 miles by the year 2022, PRNS will need to build eight miles of trails per year. Given the pace of trail development over the past 10 years, it is not anticipated that the City will achieve this goal.

The overall size of the Parks and Community Facilities Development CIP has decreased by \$10.5 million from \$342.1 million in the 2019-2023 Adopted CIP, to \$331.6 million in the 2020-2024 Adopted CIP. The total CIP budget for FY2019-20 includes funding of \$12.4 million focused on addressing infrastructure backlog needs.

MAJOR STRATEGY #11 – DESIGN FOR A HEALTHFUL COMMUNITY

The General Plan supports the physical health of community members by promoting walking and bicycling as travel options, encouraging access to healthful foods, and supporting the provision of health care and safety services. Specifically, the Land Use and Transportation Chapter includes a set of balanced, long-range, multi-modal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. One such policy includes reducing the automobile commute mode share to no more than 40% by 2040, with goals to increase various other modes accordingly (see Figure 18).

Figure 18. Commute Mode Split Targets for 2040

COMMUTE TRIPS TO AND FROM SAN JOSE		
MODE	2017	2040 GOAL
Drive Alone	75.4%	No More than 40%
Carpool	11.9%	At least 10%
Transit	5.0%	At least 20%
Bicycle	0.8%	At least 15%
Walk	1.4%	At least 15%
Other means (including work at home)	5.5%	See Note 1
Source: U.S. Census Bureau, 2017 American Community Survey 1-Year Estimates		
Note 1: Working at home is not included in the transportation model, so the 2040 Goal shows percentages for only those modes currently included in the model.		

In order to measure the proportion of commute travel using modes other than the single-occupant vehicle, data was collected from the ACS for the most recent available data (2013 through 2017) for San José. As shown in Figure 18, there has not been a meaningful change in commute mode shares. Out of the five targets set for commute modes, only the Carpool Target has been met. It should also be noted that 11.7% of San José residents work outside of Santa Clara County.

Figure 19. San José Commute Modes, Workers 16+ Years, 2011-2017

Mode	Year						
	2007-11	2008-12	2009-13	2010-14	2011-15	2012-16	2013-17
Drove alone	78.0%	77.8%	77.5%	77.7%	77.1%	76.3%	75.9%
Carpooled	10.6%	10.8%	11.3%	11.1%	11.3%	11.6%	11.7%
Public transit (excluding taxicab)	3.4%	3.5%	3.5%	3.7%	3.9%	4.1%	4.5%
Walked	2.0%	1.8%	1.7%	1.6%	1.6%	1.6%	1.7%
Bicycle	0.9%	0.9%	0.9%	0.9%	1.0%	0.9%	0.9%
Other means	1.4%	1.3%	1.3%	1.2%	1.2%	0.8%	1.2%
Worked at home	3.7%	4.0%	3.9%	3.9%	3.9%	4%	4.1%
Work outside Santa Clara County	11.2%	11.2%	11.1%	11.1%	11.3%	11.3%	11.7%

Source: United States Census Bureau, American Community Survey, 5-year Estimates, Table S0801

Reflective of development patterns and access to public transit, residents living in Downtown San José use a higher percentage of alternative transportation modes compared to citywide statistics, as shown by the table below.

Figure 20. Commute Modes for Downtown Block Groups, Workers 16+ Years, 2013 - 2016

Means of Transportation	2009-2013	2010-2014	2011-2015	2012-2016	2013-2017
Drove alone	61.7%	60.6%	63.3%	63.1%	63.7%
Carpooled	5.4%	5.7%	3.9%	5.1%	5.8%
Public transportation (excluding taxicab)	15.7%	13.4%	14.8%	15.8%	18.0%
Walked	7.5%	9.2%	7.3%	8%	6.7%
Bicycle	2.1%	2.7%	2.9%	1.9%	1.4%
Taxicab	0.5%	0.5%	0.7%	0.4%	0.3%
Worked at home	4.6%	4.8%	5.0%	4.3%	5.3%
Other means	2.2%	3.2%	2.0%	0.8%	0.3%

Source: American Community Survey, 5-Year Estimates, B08301



Other measures of determining whether San José is achieving a balanced transportation network include WalkScore, BikeScore, and TransitScore. These annual online assessments measure a geographical area's walkability,

bikeability, and access to public transit. According to this year's analysis, San José has a WalkScore of 51 out of 100 (somewhat walkable), a BikeScore of 59 out of 100 (bikeable – some bike infrastructure), and a TransitScore of 41 out of 100 (some transit). The City's WalkScore, TransitScore, and Bike Score stayed the same from the previous year.

The Santa Clara Valley Transportation Authority's (VTA) Next Network project is a redesign of the transit network and is one component of VTA's Transit Ridership Improvement Program. The Transit Ridership Improvement Program is an effort to make public transit faster, more frequent and more useful for Santa Clara County travelers. The Next Network project concerns VTA's transit operations and seeks to 1) better connect VTA transit with the Milpitas and Berryessa BART stations; 2) increase overall system ridership; improve VTA's farebox recovery rate. VTA's implementation of the Next Network project will support the commute mode split targets of the General Plan. The Next Network aims to align with the commencement of BART operations in the South Bay.

Bay Area Bike Share. In 2013, Bay Area Bike Share was introduced as a pilot program for the region. In December 2015, City Council unanimously approved plans to expand San José's bike share program to 1,000 bicycles with 100 parking stations over the next two years. In 2017, Motivate, the bike share operator, reinvented their bike share system with FordGo Bike and replaced existing equipment with new stations and bicycles. In 2017, the City hosted 45 bike share stations. During 2018, the City planned to add 38 more stations to its system for a total of 83 stations. As of August 2019, the City has 72 stations. Complete build-out of the 83 stations is expected in the next 3-6 months. During summer 2018, in

partnership with the City, Ford GoBike started to pilot a 200 bike “dockless” bike share system in North San José. However, Motivate was purchased by Lyft in 2019 and discontinued the dockless pilot. Lyft also rebranded Ford GoBike to Bay Wheels.

State law provides only basic guidance on regulating bike share systems and e-bikes/e-scooters. DOT has created a new regulatory framework and permit system, coordinated with the City Attorney's Office, and adopted by Council in December 2018. This framework applies to "micro-mobility" devices, such as e-scooters. DOT has issued three permits to e-scooter companies, allowing for a total of up to 4,400 scooters. Currently, Lyft (owner of Bay Wheels) have the exclusive right to operate bike share in San Jose, as granted by the City Council in 2015. Thus, the City cannot issue permits to bike share operators for the time-being.

Vision Zero San José. A key to transportation mode shift is ensuring that streets are safe for all users: children, elderly, bicyclists, and pedestrians, among others. To improve traffic safety, the City launched Vision Zero San José in April 2015. Vision Zero San José seeks to create a community culture that prioritizes traffic safety and ensures that incidents on the City's roadways do not result in severe injury or death. Vision Zero San José also identifies Safety Priority Streets, or street segments that have the greatest need for roadway safety improvements, as they have the highest frequency of fatal and severe injuries. In 2017, the DOT expanded the scope of this program from the original 14 Safety Priority Streets; two of the original corridors were extended and three new corridors were added to the program based on the extensive collision and conditions data analysis. This fiscal year, an updated Two-Year Action Plan will be ready in Fall 2019 to expand action to improve safety for active transportation through physical changes, as well as through community education, enforcement, technology, and supporting policies.



Transportation Safety. DOT and the Police Department are actively involved in improving the safety and mobility of the City's residents. These departments have oversight over a variety of programs, many of which are funded through grants. Over the past five years, DOT has received approximately \$30 million through various grants, including over \$25 million from the One Bay Area Grant (OBAG), to implement projects and programs that focus on improving traffic safety and enhancing pedestrian and bicyclist mobility. The following programs focus on improving safety and mobility in San José (*Annual Transportation System Safety Report, 2019*):

View the Annual Transportation System Safety Report at:
http://sanjose.granicus.com/MetaViewer.php?meta_id=630640

- **Priority Safety Corridor Audits:** DOT conducted field safety assessments along the 17 Priority Safety Corridors that comprise 73 miles of roadway.
- **Walk 'n Roll San José:** The City is currently working with 55 elementary and middle schools to encourage walking and bicycling – increasing the number of children who walk or bike to school by an average of 29%.
- **Traffic Safety Education:** This school year, an estimated 37,000 school children will have received traffic safety education via assemblies, special events, and bike rodeos. Additionally an estimated 8,000 adults will receive traffic safety education, which includes 3,000 seniors and 1,000 homeless members of the community. The Traffic Enforcement Unit also participates in school safety programs at schools, including *Every 15 Minutes* where high school students learn about the serious impacts of driving under the influence of alcohol or drugs.
- **Adult School Crossing Guards:** The Police Department employs 241 part-time crossing guards that staff 121 intersections in San José.

- Efforts related to traffic calming, crosswalk enhancements, traffic signal installations/modifications, and radar speed display signs.
- LED “Smart” Streetlights: to date, approximately over 26,000 of San José’s streetlights have been retrofitted with a “smart” LED streetlight monitoring and control system.

Viva CalleSJ. The City hosted the fourth Viva CalleSJ event on Sunday, September 23, 2018. Six miles of city streets were opened exclusively for cyclists, skaters and walkers of all ages and abilities. An estimated 130,000 people left their cars behind and explored the route from SoFA Market to Martial Cottle Park. The route went south on Monterey Road and passing by the Santa Clara County Fairground. Additionally, during the same fiscal year another Viva CalleSJ event was held on Sunday, May 19, 2019. The fifth Viva CalleSJ event hosted an estimated 35,000 participants. Although it rained during the event, people enjoyed the route from St. James Park downtown, via Market Street to Willow Street, then eastbound on Story Road to Emma Prusch Park at King Road. Viva CalleSJ was coordinated in partnership with other city departments including Department of Transportation, Police, Fire, and Environmental Services, as well as multiple community partners.

Viva Parks. With the fourth year of the ¡Viva Parks! free summer series, engaged residents had a little extra fun added to summer evening in their neighborhood parks. Every Monday through Thursday from June to August, the 13 week series featured a variety of events, including healthy food demonstrations, resources tables, cultural dance performances, bounce houses, group games and classes, free movie nights, and special activities like a climbing wall, skate competitions and hay rides.

MAJOR STRATEGY #12 – PLAN HORIZONS AND PERIODIC MAJOR REVIEW

The General Plan contains Plan Horizons to phase implementation of housing development over time and to allow the City Council to evaluate the timing of additional housing growth relative to the City's overall economic and fiscal health.

The City Council determines when to begin the next Plan Horizon based on analysis from the General Plan's Four-Year Review process. The Four-Year Review process requires the reassembly of a community stakeholder task force in order to evaluate changes in the planning context and achievement of goals, as well as provide recommendations to City Council. The City's first Four-Year Review process began in November 2015 and concluded in December 2016. The second Four-Year Review will begin in fall 2019. The task force will be considering policy changes related to the following topics as approved by the City Council:

- Redistribution of jobs from Coyote Valley.
- Allowing single-family parcels to redevelop to 2-4 units with certain parameters.
- Residential uses in underutilized business corridors.
- Urban Village implementation and affordable housing goals.
- Commercial space requirements for affordable development projects.
- Reallocation of planned residential capacity to Downtown
- Vehicle Miles Traveled Tier II Policies.
- Evergreen-East Hills Development Policy.

View information on the General Plan Four-Year Review process at: <http://www.sanjoseca.gov/index.aspx?nid=4803>

2019 General Plan Land Use/Transportation Diagram Amendments

Five privately-initiated General Plan Land Use/Transportation Diagram Amendment requests are included in the 2019 General Plan Annual Review hearing cycle. The following are the proposed General Plan land use designation changes:

1. **GP18-010** (0 Diamond Heights Drive): Rural Residential to Residential Neighborhood
2. **GP18-013/CI8-039/SPI8-060** (623 Stockton Avenue): Residential Neighborhood to Neighborhood Community Commercial
3. **GP18-014/PDC18-037** (555 Winchester Boulevard): Residential Neighborhood to Urban Residential
4. **GP18-015/PDC18-038/PDI9-020** (1250 Campbell Avenue): Light Industrial to Transit Residential
5. **GP19-001** (4070 Williams Road): Residential Neighborhood to Urban Residential
6. **GP19-004** (N. Capitol/ Alum Rock): Neighborhood Community/Commercial to Mixed Use Neighborhood

There are also five proposed City-initiated General Plan Amendments in this year's Annual Review cycle:

1. **GPI9-005** (625 Hillsdale Avenue): Urban Residential to Mobile Home Park
2. **GPI9-006** (500 Nicholson Lane): Urban Residential to Mobile Home Park
3. **GPTI9-003**: Text Amendment to make minor revisions related to the mobile home park preservation and to establish a Mobile Home Park land use designation.
4. **GPTI9-004**: Text Amendment to make minor modifications to the Santana Row/Valley Fair Urban Village Plan to remove references to Winchester Mobile Home Park, update the Building Height Diagram and update the transition areas.
5. **GPTI9-005/GPI9-009**: Text Amendment to make minor modifications to the General Plan.

Consistent with Policy IP-3.6, which requires all General Plan Amendment proposals to analyze their projects effects on transportation, each General Plan Amendment request has completed an environmental analysis through the California Environmental Quality Act (CEQA). More information on the General Plan Amendment requests is available in the project staff reports and CEQA documents.

Policy IP-3.4 requires the City to maintain the total planned housing growth capacity as a cumulative result of any Amendments approved during a single Annual Review. The City's total job and housing capacity will not change as a result of the proposed General Plan Land Use/Transportation Diagram amendments.

HOUSING

While not a Major Strategy, housing plays an integral role in the General Plan through the Housing Element, as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The following section provides a brief summary of progress over the last year in achieving the General Plan's housing goals.

Housing Goals and Regional Housing Allocation

Statewide housing needs are calculated by the California Department of Housing and Community Development (HCD) and the California Department of Finance (DOF) based upon regional population forecasts. The Association of Bay Area Governments (ABAG) assigns the region's housing allocation to each jurisdiction, known as the Regional Housing Needs Allocation (RHNA). San José's RHNA for the current eight-year cycle is outlined in Figure 21:

Figure 21. Regional Housing Needs Allocation for San José

	2014-2023 RHNA
New housing units goal	35,080
% affordable goal	60%
% market rate goal	40%
Actual number of built units	14,638 (through 2018)
Percentage built as affordable	19% (through 2018)
Percentage built as market rate	81% (through 2018)

As shown above, the vast majority of new residential development has been market rate projects. In calendar year 2018, San José issued building permits for a total of 2,973 multifamily units, of which 1,446 (approximately 48%) were affordable units. Challenges continue in the financing and provision of affordable housing. While most of San José's housing production has been market rate, there is a significant need for affordable homes for residents in lower-wage jobs in the service and support economy.

To advance affordable housing goals, the Housing Element of the General Plan includes a work plan that outlines actions to promote new construction, rehabilitation, and preservation of affordable housing units, as well as activities to end homelessness, promote equitable development, and create healthy and sustainable communities and neighborhoods.

Housing Crisis Workplan

In September 2017, the Mayor issued a memorandum entitled "Responding to the Housing Crisis." The memo set a citywide goal of 25,000 homes, at least 10,000 of those affordable, to be constructed or approved by 2022. The memo also identified a large number of items to address the housing crisis. In June 2018, City Council approved a Housing Crisis Workplan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy

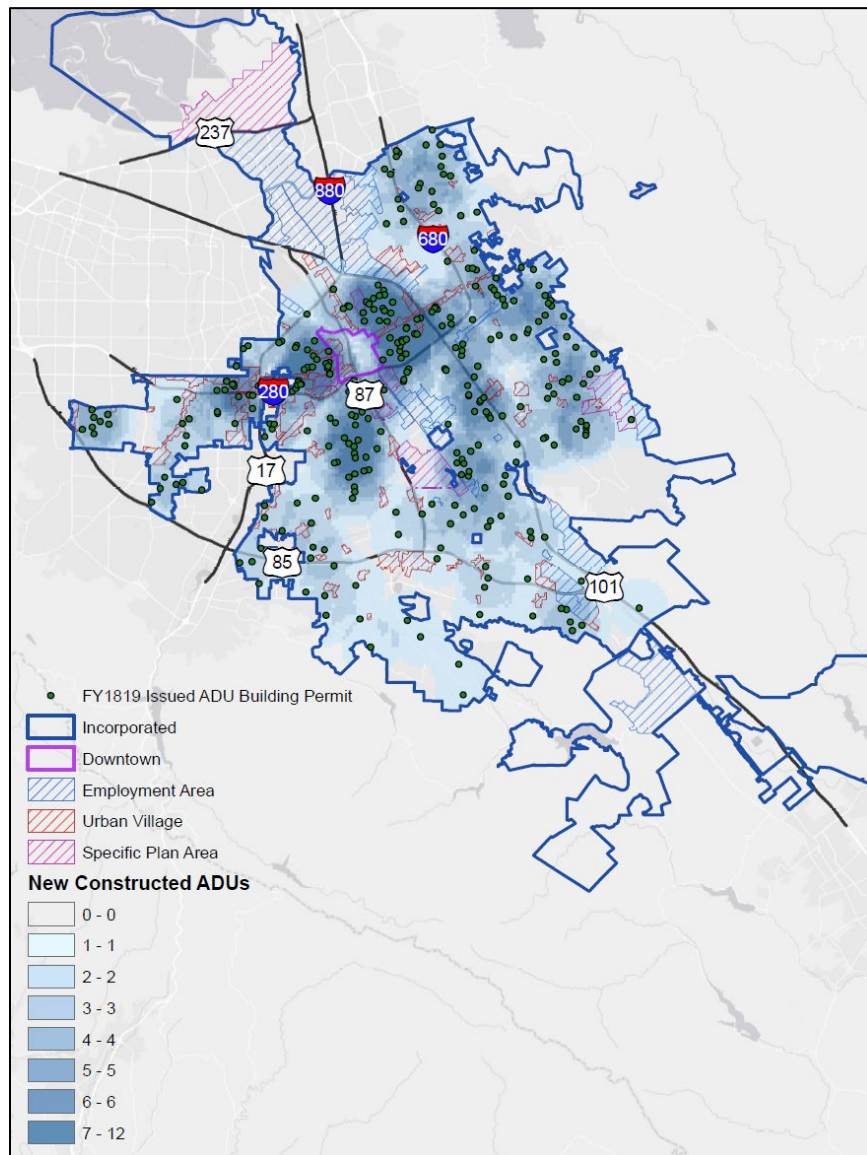
View the Housing Element webpage and access the full report at:
<http://www.sanjoseca.gov/index.aspx?nid=1275>

actions to facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022. As of June 2019, 30% of the City's 25,000-unit goal is already entitled, under construction, or complete.

Other Actions to Facilitate Housing

Accessory Dwelling Units. Accessory dwelling units (ADU) are number nine on the City Council Priority List and item number three on the Housing Crisis Workplan. In 2018, the City further relaxed Zoning Code regulations to encourage development of secondary dwelling units. As Zoning Code regulations have been relaxed for secondary units, building permit issuance for ADUs has more than doubled from FY2017-18 (154 units) to FY2018-19 (314 units).

Figure 22. FY18-19 Building Permit Issuance for Accessory Dwelling Units



Mobile Home Park Protection. The City of San José has 59 mobile home parks with approximately 10,836 mobile/manufactured homes housing, roughly 35,000 residents, which is the largest number of mobile homes and households in any city in California. Since 2015, the City Council approved Title 20 (Zoning Code) changes to

the Municipal Code, General Plan text amendments, and adopted a new City Council Policy 6-33 “Conversion of Mobilehome Parks to Other Uses” to preserve San José’s mobile home parks and to protect their residents. In March 2018, City Council gave further direction to Planning staff to begin work in spring 2019 to create a new Mobile Home Park General Plan land use designation, and apply that designation to the two mobile home parks in the City with high density residential land use designations that are most at risk of redevelopment. Staff anticipates bringing forward this policy work for consideration by the Planning Commission and City Council in winter 2020.

CONCLUSION

The City of San José has made notable progress towards achieving the Major Strategies of the Envision San José 2040 General Plan. This progress is evidenced by:

- new dense, mixed-use development experienced in the General Plan's Growth Areas;
- decrease in office vacancies in the Downtown;
- adoption of Urban Village Plans;
- implementation of multi-modal Capital Improvement projects; and
- implementation of sustainability goals and policies.

While the City has advanced many of the General Plan's goals, some performance measures remain relatively inconclusive or unchanged at this time. This is to be expected as many of the goals set forth in the General Plan are long term. Some of the primary General Plan implementation challenges include raising the City's jobs to employed residents ratio, meeting desired service-level standards for City services, increasing the percentage of affordable housing, and improving the distribution of commute mode shares.

Appendix A

Measurable Sustainability and Climate Smart Bold Goals Status Table

Policy IP-3.8: Consistent with Climate Smart San Jose, evaluate achievement of the following goals for environmental sustainability as part of each General Plan annual review process. Further progress and reporting metrics can be found at climate smart's webpage here: <https://data.prospectsv.org/>

As stated in the Measurable Sustainability/Environmental Stewardship section of this report, the General Plan Annual Review will no longer track progress of the Green Vision goals following this year's report. Instead, the Annual Performance Review will summarize progress on implementation of the Climate Smart San José Plan, which has replaced the Green Vision.

	<i>Goal</i>	<i>Status</i>
1	By 2021, San José Clean Energy (SJCE) will offer 100 percent greenhouse gas-free power as a base product	San José Clean Energy (SJCE) launched service to 308,000 residential and commercial customers in February 2019 sourced with 45 percent renewable energy from solar, wind, and geothermal.
2	By 2040, San José will be the world first one gigawatt (GW) solar city	Total solar capacity installed is 168 MW.
3	By 2030, 60 percent of all passenger vehicles in the city will be electric, making us the electric car capital of the U.S.	The City of San José is exploring the development of reach codes to electrify buildings and transportation vehicles. New Buildings Institute is guiding the City's reach code evaluation and stakeholder engagement process.
4	From 2020, 100 percent of new homes will be Zero Net Energy (ZNE) and, by 2030, 25 percent of all existing homes will be energy efficient and all-electric	The City of San José is exploring the development of reach codes to electrify buildings and transportation vehicles. New Buildings Institute is guiding the City's reach code evaluation and stakeholder engagement process.
5	By 2030, San José will create an additional 22 million square feet of commercial workspace located within a half mile of transit	For FY18-19 the City has issued 2.35 million square feet of commercial/office/retail within a half mile of transit.
6	By 2030, San José will have developed 40,000 dwelling units in its urban villages and focused growth areas	Since the adoption of the General Plan in 2011, the City has issued approximately 9,586 units within its urban village and focused growth areas.
7	By 2040, only four out of ten commute trips in San Jose will be taken in single-occupancy vehicles	An estimated 4% of commutes journeys are by walking and cycling.
8	By 2030, San José will reduce its per capita residential water consumption by 30 percent compared to 2009 levels	In 2018, Residential water consumption was 48.69 gallons per capita per day a reduction of 19 percent compared to 2009 levels of residential water consumption of 60 gallons per day.

	Goal	Status
12	Quantitatively track the City's education program on the public use of water. Adjust the program as needed to meet Envision General Plan goals. (Responsible Management of Water Supply MS-17.6)	With the Governor's Executive Order to "Make Conservation a Way of Life" and the considerable effort that was put in to educating the public about water supply and efficient water use, the City remains committed to conservation programs and messaging. Staff continued to participate in public outreach events such as attending a San José Earthquakes game, conducting messaging at Christmas in the park, and hosting three workshops in the City service area. Additional outreach was conducted through print and social media such as radio ads, magazine advertisements, LED signage, web ads and through the ESD website. Outreach was conducted providing water-savings tips in multiple languages and reached an audience of approximately 200,000. San José residents continue to receive bi-monthly reports comparing their water use to similarly-sized households and receive customized tips on how to continue to increase their water savings.
<i>The following are goals associated with the Green Vision and not all data is officially tracked for the General Plan Annual Review.</i>		
	Reduce per capita energy consumption by at least 50% compared to 2008 levels by 2022, and maintain or reduce net aggregate energy consumption levels equivalent to the 2022 (Green Vision) level through 2040. (Reduce Consumption and Increase Efficiency Goal MS-14)	Since the City's Green Vision was adopted in 2007, per capita energy use has reduced 11% (10,796 kWh in 2007 to 9,640 kWh in 2015).
	Replace 100% of the City's traffic signals and streetlights with smart, zero emission lighting by 2022. (Reduce Consumption and Increase Efficiency Action MS-14.6)	As of 2018, the City has retrofitted over 27,000 smart LED streetlights since the adoption of the City's Green Vision (41% of total goal).
	Measure annually the shares of the City's total Carbon Footprint resulting from energy use in the built environment, transportation, and waste management. (Reduce Consumption and Increase Efficiency Action MS-14.7)	San José's 2017 community inventory totals 5.7 million metric tons of carbon dioxide equivalent (MT CO ₂ e). More than half of the emissions come from vehicle use and another one-third come from community-wide energy use. For more information, please see the 2017 Inventory of Community Greenhouse Gas Emissions Report (http://www.sanjoseca.gov/DocumentCenter/View/84566).
	Receive 100% of electrical power from clean renewable sources (e.g., solar, wind, hydropower) by 2022 and to the greatest degree feasible increase generation of clean, renewable energy within the City to meet its energy consumption needs. (Renewable Energy Goal MS-15)	In 2018, the City received approximately 45% of electrical power from clean renewable sources, an increase of 33% from 2007 levels.
	Facilitate the installation of at least 100,000 solar roofs in San José by 2022 and at least 200,000 solar roofs by 2040. (Renewable Energy Policy MS-15.3)	The City's solar energy capacity has increased from 5 MW in 2007, when the City's Green Vision was adopted, to 164 MW in 2018.
	Document green building new construction and retrofits as a means to show progress towards the Green Vision Goal of 50 million square feet of green buildings in San José by 2022 and 100 million square feet by 2040. (Green Building Policy Leadership Action MS-1.8)	As of 2015, total certified green building space in San José totals 9.3 million square feet, meeting 18.6% of the City's Green Vision Goal for 2022

	Goal	Status
	Divert 100% of waste from landfills by 2022 and maintain 100% diversion through 2040. (Waste Diversion Goal MS-5)	An estimated 64% of trash was diverted from landfills in 2018.
	Work with stakeholders to establish additional landfill gas-to-energy systems and waste heat recovery by 2012 and prepare an ordinance requiring such action by 2022 for Council consideration. (Environmental Leadership and Innovation Action MS-7.12)	In 2016, SB1383 passed with the intent of reducing short-lived climate pollutants from landfills (resulting in less landfill gas) and will be implemented by 2022. Staff currently supports aspects of this effort by diverting and processing organics from commercial businesses through the Zero Waste Energy Development (ZWED) facility. The ZWED facility captures what would be landfill gas and converts it into electricity. Staff is currently participating in the SB1383 rulemaking process so that the City will be prepared to implement this legislation and to ensure consistency with City goals.
	Develop a schedule to discontinue the use of disposable, toxic or nonrenewable products as outlined in the United Nations Urban Environmental Accords. City use of at least one such item shall be discontinued each year throughout the planning period. In the near-term, staff will monitor the regulation of single-use carryout bags to ensure that their use in the City is reduced by at least 50%, or shall propose enhanced regulation or an alternate product. In the mid-term, staff will evaluate all such products for regulation or for use in energy recovery processes and shall recommend such regulations as are necessary to eliminate landfilling such products in the long-term (2022-2040). (Environmental Leadership and Innovation Action MS-7.13)	In June 2007, the City began prohibiting the use of City funds for the purchase of single-serving water bottles. In May 2010, the City began prohibiting the use of EPS food service ware at events held on City property, including large events such as the Annual San José Jazz Festival. In January 2012, the City adopted the Bring Your Own Bag Ordinance expanding beyond City operations to prohibit retailers within the City from distributing single-use plastic bags and require a fee be charged for alternative paper bags. In April 2012, the City began prohibiting the use of City funds for the purchase of EPS food service ware. In September 2013, the City adopted the Foam Food Container Ordinance. The initial phase of the EPS ordinance took effect on January 1, 2014 for all multi-state restaurants in San José, and the final phase of the ordinance took effect on January 1, 2015 for all other restaurants, including mobile and street vendors. All food establishments in San José, including small businesses, street vendors, and food trucks are prohibited from using expanded polystyrene foam food containers.
	Prepare for City Council consideration by 2012 an ordinance that would enact regional landfill bans during the near- and mid-terms for organic material such as food waste and yard trimmings that contribute to methane generation in landfills. (Environmental Stewardship Action MS-8.8)	<p>Complete.</p> <p>As of April 1, 2016, all local jurisdictions are required to comply with Mandatory Commercial Organics Recycling (AB 1826). Each jurisdiction is required to implement an organics recycling program to divert organics from the businesses subject to this act, thereby imposing a state-mandated local program. Staff is assessing the implementation of AB 1826 to ensure any future ordinance to enact regional landfill bans for organic material is consistent with state legislation. All applicable City customers are in compliance with AB 1826 due to the structure of the City's waste management systems.</p> <p>In 2017, SB 1383 was passed to reduce short lived climate pollutants (such as methane) through organic</p>

	Goal	Status
		waste diversion and food waste recovery. The State is in the process of developing a guide to implement SB 1383 and City staff are monitoring its progress.
	Quantitatively track the City's education program on the public use of water. Adjust the program as needed to meet Envision General Plan goals. (Responsible Management of Water Supply MS-17.6)	With the Governor's Executive Order to "Make Conservation a Way of Life" and the considerable effort that was put in to educating the public about water supply and efficient water use, the City remains committed to conservation programs and messaging. Staff continued to participate in public outreach events such as attending a San José Earthquakes game, conducting messaging at Christmas in the park, and hosting three workshops in the City service area. Additional outreach was conducted through print and social media such as radio ads, magazine advertisements, LED signage, web ads and through the ESD website. Outreach was conducted providing water-savings tips in multiple languages and reached an audience of approximately 200,000. San José residents continue to receive bi-monthly reports comparing their water use to similarly-sized households and receive customized tips on how to continue to increase their water savings.
	Continuously improve water conservation efforts in order to achieve best in class performance. Double the City's annual water conservation savings by 2040 and achieve half of the Water District's goal for Santa Clara County on an annual basis. (Water Conservation Goal MS-18)	The City, along with such partners as the Santa Clara Valley Water District (District), continues to identify, pilot, and implement new conservation strategies and technologies. For instance, the City conducted a full-service landscape replacement pilot for economically disadvantaged residents, which was later rolled-out Countywide by the District. San José retailers now provide water use reports to residents that encourage more conserving behaviors, a strategy with estimated savings potential of approximately four percent. To reduce demand for potable water, efforts continue to identify ways to utilize non-potable water sources such as graywater and stormwater for landscape and other non-potable needs. Preparations have also been made to start an Automated Meter Infrastructure (AMI) pilot which would allow San José residents to see their usage in real time, receive leak alerts immediately and receive more customized recommendations on how to efficiently manage their water use.
	Reduce residential per capita water consumption by 25% by 2040. (Water Conservation Policy MS-18.4)	Comparing data from 2015 to baseline data, the City has met this goal.
	Achieve by 2040, 50 Million gallons per day of water conservation savings in San José, by reducing water use and increasing water efficiency. (Water Conservation Policy MS-18.6) Use the 2008 Water Conservation Plan as the data source to determine the City's baseline water conservation savings level. (Water Conservation Policy MS-18.7)	The City of San José is currently on track to achieve this water conservation target. San José is estimated to make up 54% of the County's population and, as of 2016 is saving approximately 32 million gallons per day.

	<i>Goal</i>	<i>Status</i>
	Recycle or beneficially reuse 100% of the City's wastewater supply, including the indirect use of recycled water as part of the potable water supply. (Water Recycling Goal MS-19)	For calendar year 2018, the City of San José recycled 10.6% of incoming wastewater, which was an average daily use of 11.2 million gallons per day of recycled water. This is a 9.8% increase from 2007 and a slight increase from 2017's level of 9.7 million gallons per day.
	Develop performance measures for tree planting and canopy coverage which measure the City's success in achieving the Community Forest goals. These performance measures should inform tree planting goals for the years between 2022 (the horizon year for the Green Vision) and 2040. (Community Forest Action MS-21.16)	The City's Green Vision states that the City shall plant 100,000 new trees throughout San José by 2022. At present, 12,630 new trees have been planted on public property (12.9% of the City's Green Vision Goal).
	Track progress towards achieving at least 25,000 new Clean Technology jobs by 2022. Track progress towards achieving at least 70,000 new clean tech jobs by the year 2040 or achieving 10% of the City's total jobs in Clean Technology by the year 2040. (Clean Technology Action IE-7.9)	As of 2018, there are 20,161 new Clean Technology jobs within the City of San José. This is a 235% increase from the number of Clean Technology jobs in 2007.
	Develop a trail network that extends a minimum of 100 miles. (Trail Network Measure TN-2.12)	The City of San José currently has 61 miles of trails, a 50% increase from the number of trail miles in 2007 (39.1 miles).
	Provide all residents with access to trails within 3 miles of their homes. (Trail Network Measure TN-2.13)	Complete.