



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Mayor Mahan
Councilmember Campos
Councilmember Mulcahy

SUBJECT: SEE BELOW

DATE: September 26, 2025

Approved:

Matt Mahan *R* *Michael Mulcahy*

Date: September 26, 2025

SUBJECT: GP25-002: Early Consideration for a Privately Initiated General Plan Amendment for Certain Real Property Located at the Northeasterly Corner of Emory Street and The Alameda.

RECOMMENDATION:

1. Approve Staff Recommendation (b) to: direct Planning staff to continue processing the application to amend the Envision San José 2040 General Plan Land Use/Transportation Diagram designation from Neighborhood/Community Commercial to Mixed Use Neighborhood on an approximately 0.99-gross-acre site located at the northeasterly corner of Emory Street and The Alameda, consider input from the City Council, complete the CEQA analysis, and return to the City Council with a completed development application for consideration. Evaluate the subject site in the context of evaluating the surrounding sites, as an area that would allow for residential or mixed-use development in the future, as part of the General Plan 4-Year Review.

BACKGROUND:

The property at the northeast corner of Emory Street and The Alameda has remained vacant for more than sixty years. During that time, it has been considered for a range of uses, including commercial, office, assisted living, and mixed-use development; however, none of these proposals ever advanced. Market realities, financing challenges, and neighborhood compatibility concerns consistently prevented progress, leaving the site undeveloped and contributing to ongoing issues of blight, illegal dumping, and community frustration. While the staff's goal to preserve the General Plan, especially ahead of the upcoming four-year review cycle, is understood, the current designation instead hinders the City's broader objectives of reducing blight and producing housing.

On August 27, 2025, the Planning Commission held a public hearing to consider the applicant's request for early review of a General Plan Amendment to change the site's designation from Neighborhood/Community Commercial to Mixed Use Neighborhood. After reviewing the planning staff's analysis, hearing testimony from the applicant, and hearing significant community input, the Commission voted unanimously to recommend that the City Council allow the application to continue processing. The community's feedback was overwhelmingly positive, reflecting both the applicant's

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strong engagement efforts and broad support for more housing and investment in the area. The Commission's recommendation reflects a recognition that the existing designation has not produced viable development after decades, and that residential use is a more achievable and appropriate direction for the broader community.

This site is identified in the City's Sites Inventory as appropriate for 95 low-income units under the adopted and certified Housing Element; however, higher-density development here is financially challenging due to a combination of market and financing constraints. For example, the census tract that this site is located in is not designated by the Department of Housing and Urban Development (HUD) as a 'Difficult to Develop' area, which reduces its competitiveness for tax credits and other gap financing. As a result, the likelihood of constructing the full 95 low-income units during the 6th Housing Element cycle is very low. State law requires these units to be accommodated elsewhere if not built here, but that is a small price to pay for housing that can actually be delivered on this site.

Given current market challenges around high-density housing, rejecting lower-density projects in certain areas risks losing valuable opportunities, time, and resources that could help meet our housing needs. Townhomes, in this instance at this site, represent a practical and achievable option: they are affordable for builders to construct, attainable for buyers, and in high demand. This approach is specific to this location and does not imply that townhomes are appropriate citywide, where other types of development remain a priority. Rather, it illustrates how flexibility can support feasible housing production where market realities make higher-intensity development unlikely. At the same time, the city's 18% buffer in residential capacity, combined with the ongoing work of the Housing Department and Planning, Building, and Code Enforcement (PBCE), ensures room to accommodate a range of housing types across different contexts while maintaining the integrity of the General Plan and fulfilling Housing Element obligations.

This change also aligns with the goals of The Alameda Community Benefit Improvement District (CBID), which was recently established by property owners who will contribute via property assessments to generate revenue to improve the business corridor through maintenance, activation, and investment. Residential development at this prominent corner would support those efforts by bringing new households to the area, generating additional tax revenue, and providing consistent patronage for nearby businesses.

Together, the Commission's unanimous recommendation, the persistent lack of feasible commercial development, the city's urgent housing needs, and the synergies with The Alameda CBID provide a strong basis for allowing the General Plan Amendment application to move forward. Continuing the review process will give the City an opportunity to address a long-standing vacant site, advance housing goals, and strengthen The Alameda as a vibrant and sustainable corridor. As next steps, there is a strong interest in having staff work with the developer on their development permit to ensure project feasibility, particularly in addressing initial comments related to potential setback requirements.

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.