



SPUR

San Francisco | San Jose | Oakland

Hon. Mayor Liccardo and City Council
City of San Jose
200 E. Santa Clara Street
San Jose, CA 95114

Submitted Electronically

August 7, 2017

Re: General Plan Amendments for the Winchester and Santana Row/ Valley Fair Urban Village Plans (Item #10.4) and the Stevens Creek Urban Village Plan (Item # 10.5)

Dear Mayor Liccardo, Vice Mayor Carrasco and Councilmembers:

Today's items are an opportunity to advance the urban village process. The overarching vision of growing in walkable, mixed-use communities connected by transit is a good one. While we support the adoption of these two plans, we also believe that there are a number of changes to the planning process and organizational structure that would make the overall urban village strategy simpler and faster, making it easier for people to add the jobs and housing that San Jose needs and wants.

1. Accelerate the entitlements process for projects that conform to the intent of the urban village plan.

- a. **Not all urban villages need a plan. Instead, adopt baseline standards for urban form for some areas, but do not produce a full plan.** To be clear: most of the urban villages should have a plan, particularly those in the horizon 1 and 2 urban villages because they are in central San Jose and near transit, where there is both the unique urgency and the opportunity to shift to less auto-dependent growth.

However, some of the urban villages are strip malls on just a few parcels. These are likely to be redeveloped by one or two developers with a single project. To save the city time and money, some of these urban villages could simply have zoning districts with clear form controls that incorporate General Plan goals and policies into binding codes. These should be basic physical planning standards with a primary focus on ground floor walkability.

A similar approach could be taken as an interim step for urban villages that do require plans, but for which there isn't yet a time frame for completion—particularly light rail urban villages. The light rail urban villages are good candidates for this, since these are areas where the General Plan intends to

facilitate growth and where there is a significant amount of publicly-owned land. This would help increase the number of people who use transit.

- b. **Rezone commercial and mixed-use land on the plan-level (district level) at the time that the plan is adopted.** The current implementation framework only rezones commercial at the district level, but still requires project-by-project rezonings for mixed-use. Project-by-project rezoning creates an unnecessary barrier to housing in a place where the city is already contemplating/ planning to build housing.
- c. **Make some of the development approvals ministerial.** San Diego is also a city of urban villages; they are planning for 52 villages and have approved 9 urban village plans in the last three years. As an incentive to developers to implement the plan, the city allows all projects that conform to the plan to move forward with only the approval of the planning director. For housing in particular, any project that meets the plan's criteria for location and form and is less than 73 dwelling units per acre can move forward by-right.

A similar approach could be considered for some land use designations that San Jose. For example, projects that conform to the plan and zoning for mixed use commercial, residential neighborhood, mixed use neighborhood could be by-right, while projects that conform to the plan and zoning but are larger scale could receive discretionary review.

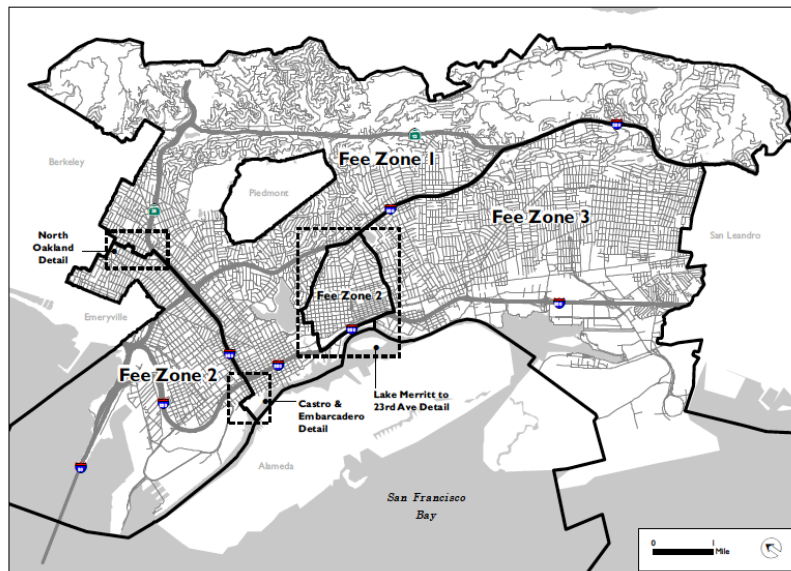
- d. **Ensure that land use designations and commercial requirements translate into commonly constructed building types.** In some urban village mixed-use designations, the amount of commercial development required is based on maintaining a ratio of jobs to housing that is too high, and not on what building types make sense or are commonly constructed. For example, the zoning designation "Mixed Use Commercial" requires more commercial square footage than is typically built in a mixed-use project, which in practice could create unusable (or un-financeable) commercial space on the second floor. Additionally, ground-floor retail may not be viable in some locations. If it is clear that ground-floor retail is unlikely to be leased over the long term, the city may instead wish to allow active commercial or residential uses that enhance the street through the creation of creative spaces, stoops, lobbies, etc.

2. Make it easier to fund public improvements.

- a. **Set fees and other community benefits based on financial feasibility, otherwise these could delay development.** The proposed system includes a base fee (currently, the affordable housing impact fee) and a surcharge –the sum

of which is based on the latest nexus study for any type of fee (affordable housing fee, parks fee, traffic impact fee, etc). But a nexus study does not determine what is feasible. The amount that development can pay is almost always different than what a nexus study sets as the cap. We recommend that the city set fees based on a financial feasibility analysis at the time of plan adoption or as a larger citywide study. The financial feasibility analysis should take into account all fees assessed on new development (i.e. the entire fee stack) and should be updated regularly.

For example, the city of Oakland took approach of conducting a citywide study and feasibility analysis. At the end, the city implemented impact fees for both residential and commercial development and created a citywide fee schedule based on geographic “zones”(see below). San Jose could consider a similar citywide approach for all urban villages, since most growth is supposed to happen in urban villages. Alternatively, San Jose could develop the fee schedule by “horizon”.



Impact Fee Zones for Residential Projects

Source: City of Oakland

- a. **Be specific about the type, amount, location (as needed) and estimated costs of amenities that are required as conditions of approval.** The draft implementation and financing plans have not clearly listed the investments that are needed and desired by the community. For instance, they include categories such as “affordable housing” but do not specify *how many units* of affordable housing are desired for the entire plan area or “streetscape improvements” but do not specify whether that means planters or new sidewalks, which vary in cost.

The proposed implementation framework continues to use one-off negotiations as a key tool for getting community benefits. However, these negotiations often do not deliver the benefits that the city wants and also take a lot of time.

A greater level of specificity will help the community get what they want in their neighborhood and help developers understand the amount of amenities that would satisfy the city (therefore minimizing the number of negotiations).

- b. **Provide more clarity about implementation by outlining tasks, responsibilities and the timeframe for completion for each implementation action.** SPUR compared San Jose’s plans and implementation plans for areas in several other cities, including Los Angeles, San Diego, Oakland and San Francisco. Compared to these cities, San Jose’s implementation plans lacked specificity. We believe this is symptomatic of the city’s over-reliance on grants to fund long-term planning. Grants tend to fund community engagement and the completion of the plans, but not the sustained work of bringing the plans to life.

Greater clarity could take the form of a simple table that outlines the objective, policy number, implementation action, timeline and lead agency responsible for completing that implementation action. The table is a vehicle to identify what types of actions the city needs to take to realize the vision in the plan. For example, what would it really take to create a safe and comfortable transportation network in the Santana Row/ Valley Fair Area? What would the city need to do to help Stevens Creek become an innovation corridor? This approach provides clarity for residents and developers, as well as a roadmap for capital and program budgets over the lifetime of the plan.

Objective	Policy Number	Implementation Action	Timeline	Lead Agency
Create a transportation network of safe, comfortable, convenient and attractive routes for people who walk, bike, take transit and drive.	6-1 to 6-120	Develop a multimodal transportation and streetscape plan.	2017-2019	Department of Transportation in partnership with VTA and with support from the Department of Public Works
	6-18	Complete the bicycle network.	2017-2025	Department of Transportation

- c. **Consider combining urban villages at the corridor scale, for both assessment and planning purposes.** One of the financing tools under consideration is an assessment district. However, some of the urban villages are too small in scale to generate a meaningful sum of money for public improvements. By combining some urban villages into larger corridor-wide planning geographies, the city can generate more revenue to fund public

improvements. Additionally, the some public improvements are best planned and implemented on a corridor scale, such as protected bikeways. This would take the city's direction with planning for the "tri-village area" (Santana Row/ Valley Fair, Stevens Creek, Winchester) a step further. For instance, the Midtown plan, W. San Carlos St. (East and West) could all be considered as one planning corridor and/or assessment district.

3. Invest in a more robust organizational structure.

- a. **Increase general fund support for long-term planning and implementation work that takes place in PBCE, DOT, Public Works and OED.** As mentioned above, delivering the types of great places envisioned in urban village plans requires sustained commitment from the city. Yet there is not enough staff to complete the planning, community engagement, and implementation work that the city needs. This results in delays and means that some of the most important implementation work does not get done. Consequently, San Jose misses out on some of the benefits of new growth. Increasing the budget would allow for greater capacity to do the sustained work of city-building.

Thank you for the opportunity to provide comments on the urban village planning process and implementation framework. Please do not hesitate to reach out to us at 408-638-0083 or talvarado@spur.org with any questions or concerns.

Sincerely,



Teresa Alvarado
San Jose Director