

**SPUR**

San Francisco | San Jose | Oakland

December 8, 2016  
*Submitted Electronically*

Hon. Mayor Liccardo and City Council  
City of San Jose  
200 E. Santa Clara Street  
San Jose, CA 95113

**Re: General Plan Four-Year Review Recommendations (December 13th Session)**

Dear Mayor Liccardo and Councilmembers,

We believe that *Envision San Jose 2040* is deeply important to the future of San Jose, laying out an urban vision for the Bay Area's largest city. Thank you for the opportunity to participate in the first four-year update to the Envision 2040 General Plan. We applaud the city for taking on an update in such a thoughtful manner.

At the same time that the General Plan Review was underway, SPUR led three policy research efforts that are closely tied to the successful implementation of the general plan. These efforts:

- Recommend code changes that will help implement San Jose's vision for downtown and urban villages (*Cracking the Code*);
- Recommend ways that San Jose can become a fiscally strong city (*Back in the Black*);
- Identify ways San Jose can produce more housing for all income levels (*forthcoming housing policy report*).

Through these analyses, SPUR developed a greater understanding of the challenges with implementing the vision set out in the Envision 2040 General Plan. While SPUR strongly supports the vision of the general plan, we are concerned that the city relies on the general plan too heavily as a tool to correct the city's fiscal imbalance.

The ideas in this letter are intended to strengthen policies that are moving San Jose closer to a more urban future and retool those that are not. In this letter we offer the following:

- Recommendations regarding this four-year review; and
- Recommendations to guide the long-term evolution of San Jose's General Plan and Urban Village planning process.

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## **I. Near term recommendations for this four-year update**

- 1. We support creating a goal for affordable housing production in urban villages, but think that it should be a specific number of units (rather than a percentage).** The number of units should be ambitious yet achievable. SPUR supports increasing the supply of housing for all income levels, including affordable housing. However, we are concerned that establishing the goal without assessing what is feasible and in the absence of the financial resources needed to attain the goal could be detrimental and may have a chilling effect on housing production. Instead, we recommend identifying the number of units that is both ambitious but achievable and identifying the resources to achieve that goal.
- 2. We support the Task Force's recommendation to reduce the jobs-to-employed residents ratio to 1.1.** We do not support the staff recommendation to increase the jobs target from 363,000 to 382,000. The jobs goal is a benchmark that is used to manage the production of housing. The concern lies in whether the market will support the required level of jobs production to attain the 1.1 ratio. The analysis presented during the four-year review showed that 1.1 (363,000 jobs) was a very ambitious goal. Setting a higher jobs number may overly restrict the production of needed housing.
- 3. Additional resources are needed to achieve the physical and economic transformation of the city.** While we are sensitive to the city's strained fiscal condition, we believe that good planning is an investment in the city's future that pays for itself in the long-run. City agencies need more staff and resources. SPUR was a strong supporter of Measure G and proposed a framework to devote new revenues to important investments in the city's long-term success.<sup>1</sup>

## **II. Recommendations to guide the next annual- and four-year review of the General Plan, and Urban Village planning and implementation**

- 1. Mixed-use development that conforms to urban village plans should be allowed to move forward once an urban village plan has been approved and adopted, regardless of horizons.** The general plan promotes commercial development over residential development. New housing (outside of the signature project process) cannot be built in an urban village until the city completes and adopts an urban village plan and implementation plan, and that urban village is located in an active horizon. Such timing constraints should be lifted.
- 2. Likewise, once an urban village plan, and accompanying implementation plan, have been adopted housing should be allowed to move forward so long as the proposed development conforms to the plan.**

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<sup>1</sup> See SPUR's proposed spending framework for Measure G: <http://www.spur.org/publications/policy-letter/2016-10-27/spur-proposes-spending-framework-san-jose-business-tax>

San Jose is currently considering two urban village implementation plans: The Alameda and Roosevelt Park/ Brookwood Terrace. These are the first of their kind and will set a model for all urban villages to follow. Both require the full construction of 75% of the planned commercial capacity for the plan area before any residential mixed-use projects may be considered or approved by the city. We recommend that this requirement be eliminated from all urban village implementation plans.

This puts commercial development first, when in fact the more typical pattern is the opposite. The creation of mixed-use neighborhoods is an increasingly important part of a city's economic development strategy and we'd like to see growing interest in mixed-use (by developers and tenants alike) not be impeded by planning constraints.

3. **Prioritize growth near transit to support the city's mode shift and climate change goals.** We encourage the city to ensure that new growth is timed and shaped (through urban design standards) to support the success of major transit projects, such as BART to Silicon Valley Phase II, high-speed rail or VTA's Next Network. Transit urban villages are not in Horizon 1, which means that San Jose may lag behind transit improvements, delaying opportunities to shift residents' travel behaviors and potentially affecting the success of new transit services. We urge the city to prioritize urban villages in central San Jose and near transit and to ensure that new buildings in these urban villages support transit, walking and biking.
4. **Establish minimum densities at key growth areas.** The areas immediately surrounding transit stations are major public investments and nearby land uses should be maximized. This is particularly important in downtown, which has a small footprint, and in the North San Jose area, where the city has already converted much commercial and industrial acreage for residential uses. While the city found that 45 housing units per acre is fiscally positive, some growth areas such as downtown and transit station urban villages warrant higher densities.
5. **As new urban village and specific plans are adopted, adopt the zoning needed to implement those plans.** We encourage the city to rezone land to match existing plans instead of rezoning on a project-by-project basis. Most cities rezone areas of the city to match the vision set out in a plan and set a clear path for development. In San Jose, zoning is typically revised in response to proposals through the planned development or signature project process.

A lack of zoning also means that the city can lose out on the public benefits (oftentimes critical for community acceptance) if they are not clearly spelled out and required of the development community. Rezoning in advance of a development proposal saves time and creates certainty for developers, the city and community. We recommend that the city complete a rezoning process for the entire plan area at the same time that urban village plans are adopted.

6. **Implement your vision for downtown and urban villages by codifying minimum expectations for urban design.** New development can make streets and public spaces safe and interesting so that people want to spend time in them, instead of passing through. While the city is seeing better urban design than ever before, it is often a matter of commercial attractiveness than city policy. Many of the city's urban design guidelines are outdated. Many projects must go through multiple levels of review and negotiation, while others go unreviewed. This makes it difficult for the city to consistently get the highest-quality design and creates unpredictability in the entitlements process. The transformation envisioned in the General Plan won't happen without updating and codifying the city's ground rules for good urban design.<sup>2</sup>
7. **Develop interim zoning districts that incorporate baseline regulations for built form.** The city may wish to adopt an interim set of form-based requirements for all of its Urban Village plans while it completes its detailed Urban Village work. Variations of these districts can apply to each of several typical urban village conditions (e.g., underutilized large-parcel industrial, incremental corridor infill, arterial strip commercial). These can be applied on an interim basis prior to urban village plans and allow some development to occur prior to the adoption of an urban village plan.
8. **We encourage the city to review its existing fee requirements for parks, transit and housing and update these fees to reflect the ability of new development to pay for improvements.** The City should review its existing fee requirements for parks, transit and housing and update these fees to reflect the ability of new development to pay for improvements. Since new housing construction is largely confined to Urban Villages, updating the fee schedule citywide would effectively be the same as coming up with new standard fees for all the Urban Villages.

San Jose is at the forefront of cities built around the car aiming to retrofit to build for people. The shift toward a more urban future is not without growing pains, but it is essential for the future of the city's quality of life and environment and we commend San Jose for taking on this vision.

Please feel free to contact us with any questions or comments.

Sincerely,



Teresa Alvarado, San Jose Director

Cc: Shirley Lewis, Co-Chair, City of San Jose General Plan Review Task Force  
David Pandori, Co-Chair, City of San Jose General Plan Review Task Force

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<sup>2</sup> For specific recommendations on modifications to San Jose's code, please see Cracking the Code ([http://www.spur.org/publications\\_pdfs/SPUR\\_Cracking\\_the\\_Code.pdf](http://www.spur.org/publications_pdfs/SPUR_Cracking_the_Code.pdf))