

Legislation Text

File #: 19-1166, **Version:** 1

Status Report Council Policy Priority #8 - North San José Area Development Policy Update.

- (a) Accept staff's status report on the proposed amendments to the North San José Area Development Policy;
- (b) Direct staff to proceed with the proposed approach to the North San José Area Development Policy including the preparation of the appropriate environmental review under the California Environmental Quality Act (CEQA) to facilitate near term development; and
- (c) Return to Council shortly after the New Year with specific recommendations on the implementation of recent state legislation advancing residential development that takes effect on January 1, 2020.

CEQA: Not a Project, PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. Council Districts 3 and 4. (Economic Development/Planning, Building and Code Enforcement/Transportation)



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kim Walesh
Rosalynn Hughey
John Ristow

**SUBJECT: STATUS REPORT ON
AMENDMENTS TO
NORTH SAN JOSE AREA
DEVELOPMENT POLICY**

DATE: November 25, 2019

Approved

Date

11/27/19

COUNCIL DISTRICT: 3 & 4

RECOMMENDATION

- (a) Accept staff's status report on the proposed amendments to the North San José Area Development Policy;
- (b) Direct staff to proceed with the proposed approach to the North San José Area Development Policy including the preparation of the appropriate environmental review under the California Environmental Quality Act (CEQA) to facilitate near term development; and
- (c) Return to Council shortly after the New Year with specific recommendations on the implementation of recent state legislation advancing residential development that takes effect on January 1, 2020.

OUTCOME

This report is intended to provide the City Council with an understanding of necessary changes to the approach to amending the North San José Area Development Policy to advance housing opportunities in North San Jose including the impact of new State legislation on residential development.

BACKGROUND

On June 12, 2018, Council directed staff to implement a Housing Crisis Workplan that prioritizes implementation and policy actions that facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2022 citywide. Item #4 on the workplan is the review and update of the North San José Area Development Policy (the Policy) to complete analysis and

proposed policy amendments necessary to advance 8,000 housing units from Phase 2 into Phase 1. At the City Council's priority setting session on March 5, 2019, the North San José Area Development Policy work item was moved up from priority number 11 on the Council's Priority List to number 8.

On May 14, 2019, staff provided an update on the proposed approach to this work. Staff's report proposed to amend the Policy by consolidating the current four development phases into two, without making changes to the total development capacity or land use plan. Staff also recommended that the timing of required transportation improvements be changed to authorize the construction of improvements needed to serve where development has actually occurred. In addition to accepting the report, Council directed staff to also:

1. *Explore options that would more readily enable housing development in North San Jose, and return to Council in early August with a workload and feasibility assessment of various options that forward the goal of advancing housing with an enhanced amount and incentives for affordable housing, including but not limited to the following options:*
 - a. *Allowing individual projects to move forward on a case-by-case basis that have conducted their own environmental analysis.*
 - b. *Commencing a new programmatic environmental impact study on North San Jose, utilizing statewide adoption of VMT to guide creation of a new development policy.*
2. *Priority for entitlement would be provided to projects producing onsite and/or an enhanced quantity of affordable housing, providing new retail and amenities, and having geographical or functional (i.e., a permanent shuttle) proximity to transit.*
3. *Return with recommendations to incorporate the Daniel Rose Fellowship's proposal¹ into the North San José Neighborhood Plan.*

ANALYSIS

Recent Work to Date

Over the past six months, staff has continued to pursue the proposed approach to amend the Policy's phasing plan. This section of the memorandum describes efforts to date but does not include the impact of new legislation on development in North San Jose which will be discussed later in the following section of this memo. In exploring the appropriate path to achieve the

¹ In 2017, the City was asked by the Urban Land Institute (ULI) and the National League of Cities (NLC) to participate in the Rose Fellowship which focuses on a particular opportunity in participating cities. The Rose Fellowship collects outstanding leaders in city building to assist participating cities reach positive solutions. San José's selected land use opportunity is to develop a strategy to infuse amenities into North San José that will further the City's goals in this key employment area.

City's goals of producing more market-rate and affordable housing in North San Jose, staff has focused on two primary tasks: a) negotiate with the County of Santa Clara and the City of Santa Clara on amendments to the 2006 Settlement Agreements to address the City's proposed rephrasing, and b) engage an environmental planning consultant to initiate draft analyses of the required environmental review under CEQA for the proposed amendments to the Policy. Staff has prioritized these two items which are generally needed to make substantial changes to the Policy, such as the advancement of housing capacity or some of the potential changes to the land use policy. The amendments that were outlined in Council's prior direction require negotiation of amendments to the 2006 Settlement Agreements and appropriate CEQA clearance prior to Council consideration of the proposed Policy amendments.

The work to address the Policy-level CEQA review and the Settlement Agreements has been significant, and progress has slowed as staff has come to understand its implications. Additional analysis must be completed to satisfy the requirements of CEQA to provide updated project level clearance for the industrial, commercial, and residential development contemplated by the Policy, as well as amendments to the Policy. In addition, staff is closely monitoring the State's requirement of transition from Level of Service (LOS) to Vehicle Miles Travelled (VMT) and its impact on North San Jose policies.

Staff has continued to coordinate with the County of Santa Clara and the City of Santa Clara to understand its concerns about modifications to the Policy. Staff from the City of Santa Clara have indicated that the proposed approach of combining Phase 1 and 2 raises concerns that the City will not deliver the improvements required by the settlement agreement or the NSJADP EIR because of the advancement of residential development. San Jose staff has provided details of transportation improvements completed to date, and details of additional funding for near term projects in North San Jose; however, the negotiations with the City of Santa Clara have not yielded a clear path to amendment of the 2006 Settlement Agreement to facilitate housing production. Staff has received no significant comments regarding the rephrasing proposal from County of Santa Clara staff.

The previously proposed approach represented a risk of delay in the process to advance housing in North San Jose because it involves negotiations with other public agencies over amendments to settlement agreements that cannot be condensed into a specified timeframe. Based upon new state law housing mandates that will be discussed in more detail below, staff advises that the proposed approach to collapse the first two phases into a single phase is no longer necessary.

If Council approves staff's recommendation, residential development may occur in North San Jose regardless of the limitations on residential development in each Policy phase in accordance with state law effective January 1, 2020, so long as each development obtains appropriate CEQA environmental clearance for its project. Moreover, state law encouraging affordable housing development that meets specified criteria is exempt from CEQA and may also move forward.

Recent Housing Legislation

In response to the statewide housing crisis, the State has passed new housing and housing-related land use legislation in a manner that changes the City's planning regulations and the processing of residential development. Much of this legislation builds upon changes to State law over the past two years, with a number of changes effective January 1, 2020. Staff is currently evaluating the full range of implications on City policies and land use regulations. With respect to North San Jose, staff believes the following past and present bills have the most significant ramifications, particularly SB 330:

- **SB 35** (effective January 1, 2018) requires that local agencies provide a ministerial and streamlined process to approve multifamily housing projects that meet defined standards including deed-restricted affordability requirements and the payment of prevailing wage/compliance with workforce standards. Among other criteria, SB 35 requires that local agencies apply only objective zoning and design standards to qualifying projects, but general plan maximum densities apply. In San Jose, 50% of a SB 35 project's housing must be affordable to 80% of area median income and below. Because SB 35 projects are ministerial – meaning that there is no discretionary project approval required – such projects are exempt from CEQA so they do not require CEQA clearance.
- **AB 1485 (Wicks)** made clarifications to SB 35 to broaden the eligibility to qualify for a streamlined, ministerial CEQA-exempt approval process for Bay Area projects that provide 20 percent of their units for moderate-income households (less than 120 percent of area median income), under certain conditions.
- **AB 3194** (effective January 1, 2019) amended the Housing Accountability Act which limits local governments' ability to reject or restrict housing development projects that comply with the applicable objective general plan, zoning, and subdivision standards. As revised by AB3194, if the site's zoning is inconsistent with the general plan, the project cannot be deemed inconsistent with zoning standards and cannot be required to seek a rezoning so long as the project complies with the jurisdiction's objective general plan standards. Additionally, zoning standards and criteria must be applied to facilitate and accommodate development at the density allowed by the general plan designation.
- **SB 2162** (effective January 1, 2019) requires supportive housing to be considered a use "by right" in zones where multifamily and mixed uses are permitted, including non-residential zones permitting multifamily uses, if the housing meets specified criteria. Supportive housing is housing linked to an onsite or offsite service that assists the resident in retaining the housing, improving his or her health status, and ability to live and work in the community. Qualifying criteria related to affordability, long-term deed restrictions, non-residential floor space providing supportive services and other design requirements. Because such uses are allowed "by right," and are ministerial approvals if the projects meet the requirements of SB 2162, such projects are not subject to CEQA.

- **SB 330** (effective January 1, 2020) includes several new procedural changes and limitations that will impact cities' planning and land use approval processes. Most relevant to the North San Jose Area Development Policy – particularly the restriction on residential development entitlements in each phase of the Policy --is SB 330's prohibition on housing unit caps, population limitations or limitations on approvals of permits for housing. Moratoria and similar restrictions may also not be imposed, with certain exceptions, on housing or mixed-use development. As a result, it appears that residential development with appropriate CEQA clearance may proceed despite the limits and phasing of residential development in the Policy.

The North San Jose Area Development Policy allows residential development to occur in three primary areas: areas with existing residential land use designations (which include Transit Residential, Urban Residential, and Urban Village), areas with the Transit/Employment Residential Overlay, and a limited amount in the Industrial Core – which has been replaced in the General Plan by the Transit Employment Center designation (a primarily employment designation). Staff continues to evaluate how these designations will interact and function with new state law and will suggest changes in the near future to support both housing and employment uses.

Apple Proposal

On November 4, 2019, Apple Inc. announced its intention to commit \$2.5 billion to combat the housing crisis in California. Included in Apple's proposal is the objective to make available land the company owns in San Jose worth approximately \$300 million for the development of new affordable housing. Apple controls approximately 86 acres inside the North San Jose Industrial Core which currently has approximately 4.3 million square feet of entitlements for Office/R&D development. On January 26, 2016 the City Council approved a Development Agreement which vested these entitlements for 15 years. While this opportunity supports the City's Housing Crisis Workplan goals, staff is evaluating the proposal for consistency with the North San Jose Area Development Policy. The North San Jose Policy envisions Core areas being developed with a mix of employment and residential uses, but with significant emphasis on the creation of jobs. Staff has initiated conversations with Apple regarding the use of their lands in North San Jose and, depending upon what Apple proposes for development, the Policy may require amendment or may take advantage of expedited or abbreviated consideration pursuant to state law depending on the specifics of the proposed project.

Preferred Path to City Goals

In assessing potential paths forward, staff is attempting to balance a number of competing objectives that include:

- A comprehensive and consistent approach to land use and transportation planning in North San Jose.
- An appropriately prepared, thorough, and legally defensible programmatic environmental review under CEQA for changes to the North San Jose Policy and discretionary consideration of subsequent projects.

- The acceleration residential development in the near-term in North San Jose. Such development requires appropriate project-level CEQA clearance unless exempt from CEQA. To the extent that SB 330 has changed the understandings and expectations of the parties to the 2006 Settlement Agreements among the City of San Jose, the City of Santa Clara, and the County of Santa Clara, amendments to those agreements should continue to be negotiated in response to the elimination of housing caps by SB 330 that will take effect on January 1.
- Preservation of the opportunity to develop employment uses consistent with the existing Policy.
- The ability to leverage unique mixed-use development opportunities like those presented by Apple.
- Compliance with new state law regarding residential development (including mixed-use) and suggesting changes to general plan, zoning and other local requirements made necessary or advisable by the new state laws.

Staff has been working to understand how each of these policy priorities can be achieved both individually and collectively. Based on the work completed to date, staff believes that a targeted Policy amendment solution to advance housing capacity in North San Jose will result in continued delays as staff attempts to address and resolve outstanding concerns presented by the City of Santa Clara, but that the advancement of housing can occur effective January 1, 2020 because of the elimination of housing caps by SB 330. Residential projects will need to comply with CEQA, unless the project falls under one of the laws that exempts it from CEQA. Staff recommends the following approach:

1. Stop work on amending the Policy's phasing requirements.
2. Continue to implement transportation projects included in North San Jose Plan and Settlement Agreement.
3. Return to Council in early- to mid-2020 with the first initial group of specific changes to city land use laws, particularly with regard to general plan, policy, and zoning in North San Jose, to respond to the new state legislation.
4. Expand upon draft environmental work to provide adequate analysis to support to the NSJADP EIR to allow industrial and commercial projects consistent with the existing Policy to move forward within an appropriate timeframe, if feasible.
5. Negotiate amendments to the 2006 Settlement Agreement with the City of Santa Clara and the County of Santa Clara to translate the current obligations which are tied to the North San Jose ADP phasing into obligations that are not tied to the phasing that will be invalid on January 1.
6. Develop a longer term work plan to initiate a major Policy revision that appropriately updates the Policy's land use and transportation expectations, and facilitates more development within the area.

7. Allow individual projects to move forward on a case-by-case basis that have conducted their own environmental analysis.

Workload and Resource Assessment

On May 14, 2019 the City Council directed staff to return with a workload and feasibility assessment on the various items included (listed on page 2 of this Memo). Items 1.a. and 2. relate to the processing of residential development projects through the City's existing development review process. This work would fall under the regular work of development review staff and wouldn't require additional staffing or budget resources. However, the changes in state law requiring City land use laws and policies to changes, including but not limited to the elimination of the North San Jose unit caps and the mandate to move residential projects forward, require addition staff and budget resources. Actions to amend the City's land use regulations will require appropriate CEQA clearance prior to Council consideration of any recommended changes and may require additional staff and budget resources at mid-year.

Items 1.b. and 3 of Council's May 14, 2019 direction speak to the need for a more comprehensive approach to updating the Policy. This process is not part of staff's current workplan. These items will be considered as part of staffs work to develop a longer term work plan to initiate a major Policy revision. Through this process, staff would be able to understand and address the necessary workload, staffing, and funding required to initiate a comprehensive new policy for North San Jose.

CONCLUSION

Advancement of housing capacity in North San José is one of the most impactful work items that will move the City towards its goal of having 25,000 housing units built, under construction, or entitled by the year 2022, but the complexity and changing nature of the regulatory environment continues to change and cause revisions to City's work. The elimination of housing caps by SB 330 means that residential development may move forward without changes in the Policy (with compliance with CEQA where required), but at the same time the 2006 Settlement agreements require modification to reflect the elimination of the phases of development in North San Jose. Staff recommends that the proposed approach creates an appropriate balance that can address all of the pressing concerns, and will continue to coordinate with partners and stakeholders to keep them informed of our progress.

EVALUATION AND FOLLOW-UP

This work is anticipated to be completed through early- to mid-2020 with Council consideration of Development Policy amendments and appropriate CEQA clearance.

CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

The memorandum will be posted on the City's website for the December 10, 2019 City Council agenda.

COORDINATION

The memorandum has been coordinated with the Department of Planning Building & Code Enforcement, the Office of Economic Development, Department of Public Works, the Department of Transportation, the Housing Department, and the City Attorney's Office.

COMMISSION RECOMMENDATION/INPUT

This item has not been brought before a City Commission for recommendation at this point.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/
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Deputy City Manager
Director of Economic Development

/s/
ROSALYNN HUGHEY
Director, Department of Planning
Building & Code Enforcement

/s/
JOHN RISTOW
Director, Department of Transportation

For questions on items related to the following Departments, please contact:
Economic Development: Chris Burton, Deputy Director, at (408) 535-8114,
Planning, Building and Code Enforcement: Jared Hart, Division Manager, at (408) 535-7896,
Transportation: Ramses Madou, Division Manager, at (408) 975-3283,
Housing: Kristen Clements, Division Manager, at (408) 535-8236.

Status Report: North San Jose

December 10, 2019
City Council

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| BACKGROUND

Phase I Development Capacity

	Development Capacity	Development Capacity Allocated*	Vehicle Trip Capacity	Vehicle Trip Capacity Allocated*
Industrial (SF)	7,000,000	3,800,000	6,510	3,534
Residential (Units)	8,000	7,929	4,000	3,965
Hotel (Rooms)	1,000	464	-	140
Large Format Commercial (SF)	1,000,000	206,652	-	271
Demolished Industrial (SF)	-	(2,200,000)	-	(2,046)
Total			10,510	5,864 (56%)

* "Allocated" means the capacity has been used, and the related TIF has been paid.

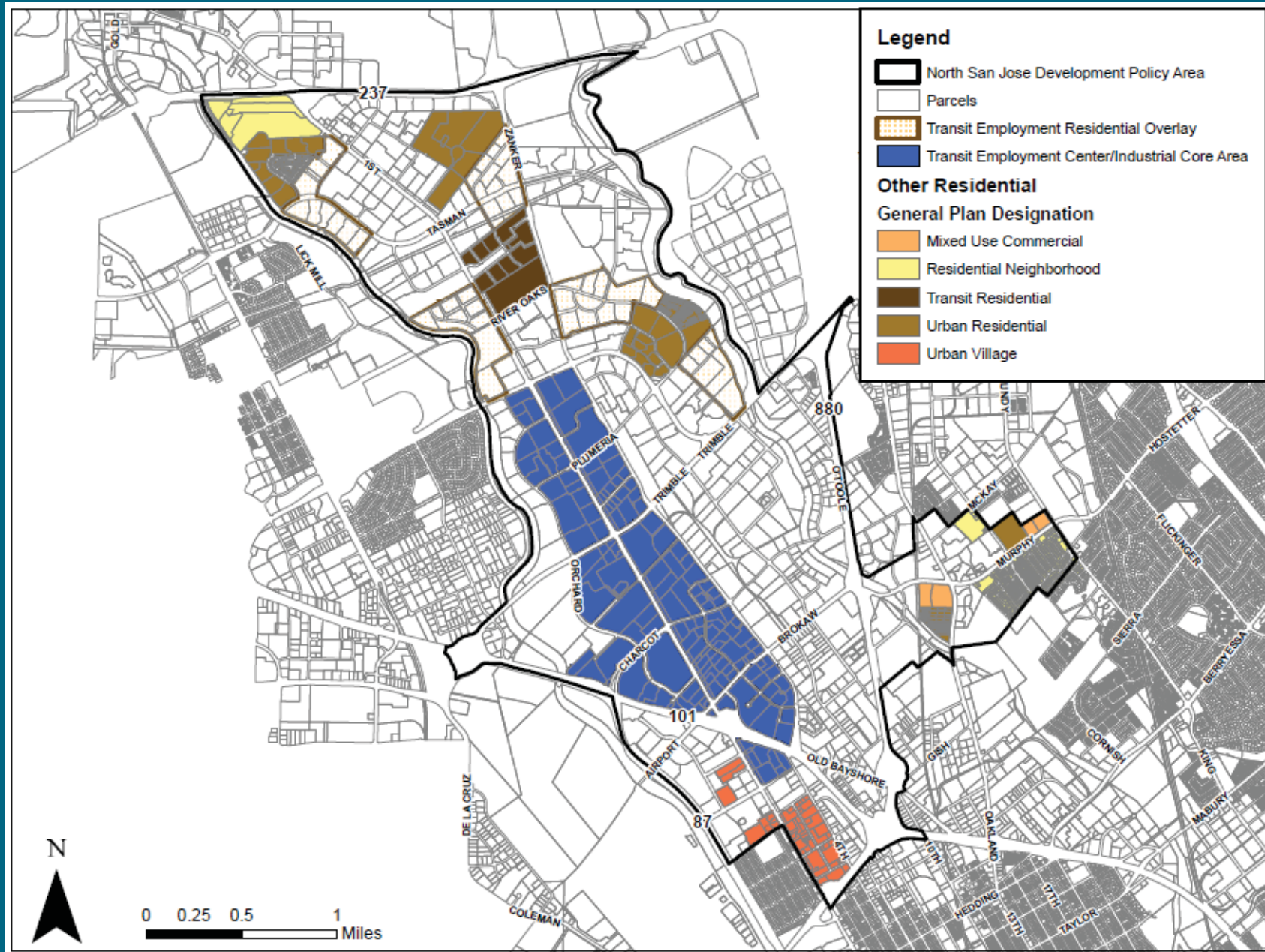
| PRIOR APPROACH

- Consolidation of Phase 1 and Phase 2 to increase availability of residential units
 - Requires additional CEQA analysis
 - Requires amendments to the 2006 Settlement Agreements
 - Requires negotiations with other public agencies that cannot be condensed into a specified timeframe.

| CHANGES IN STATE LAW:

- **SB 35** – ministerial and streamlined process/CEQA exemption for residential projects
- **AB 1485** – Broadens SB 35 eligibility for Bay Area projects
- **AB 3194** – City cannot require a rezoning
- **SB 2162** – Supportive housing ministerial approval and CEQA exempt
- **SB 330** – Prohibition on housing unit caps, population limitations or limitations on approvals of permits for housing.

RESIDENTIAL LAND USES:



| PROPOSED APPROACH

1. Stop work on amending the Policy's phasing requirements.
2. Continue to implement transportation projects included in North San Jose Plan and Settlement Agreement.
3. Return to Council in early- to mid-2020 with the first initial group of specific changes to city land use laws, particularly with regard to general plan, policy, and zoning in North San Jose, to respond to the new state legislation.
4. Expand upon draft environmental work to provide adequate analysis to support to the NSJADP EIR to allow industrial and commercial projects consistent with the existing Policy to move forward within an appropriate timeframe, if feasible.

| PROPOSED APPROACH

5. Negotiate amendments to the 2006 Settlement Agreement with the City of Santa Clara and the County of Santa Clara to translate the current obligations which are tied to the North San Jose ADP phasing into obligations that are not tied to the phasing that will be invalid on January 1.
6. Develop a longer term work plan to initiate a major Policy revision that appropriately updates the Policy's land use and transportation expectations, and facilitates more development within the area.
7. Allow individual projects to move forward on a case-by-case basis that have conducted their own environmental analysis.

Questions?

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Memorandum

TO: THE HONORABLE MAYOR &
CITY COUNCIL

FROM: Councilmember Lan Diep

SUBJECT: STATUS REPORT ON
AMENDMENTS TO NORTH
SAN JOSÉ DEVELOPMENT
POLICY

DATE: December 9, 2019

Approved

Date

12/9/19

RECOMMENDATION

Accept staff recommendation with the following direction:

1. Refine the definition of the Transit Employment Center land use designation in our city's General Plan, as defined in Chapter 5, to clarify the condition under which "limited residential uses" are allowed, as well as to prevent future uses that do not meet the desired density on land with TEC designation;
2. Provide the Council with an analysis of the additional staffing and funding required to:
 - a. Commence a new programmatic environmental impact study on North San José, utilizing statewide adoption of VMT to guide creation of a new development policy (Council direction 1.b from May 14, 2019);
 - b. Incorporate the Daniel Rose Fellowship's proposal into the North San José Neighborhood Plan (Council direction 3 from May 14, 2019); and
 - c. Develop a longer term work plan to initiate a major policy revision that appropriately updates the NSJ Development Policy's land use and transportation expectations, and facilitates more development within the area (Staff recommendation #6 in November 25, 2019 memo regarding item 4.3 on December 9, 2019 memo); and
3. Identify potential budget actions that Council may take to fund the work identified above.

BACKGROUND

The General Plan identifies North San José as a site for up to 97,000 new jobs and 32,000 new housing units. The North San José Area Development Policy was implemented to facilitate this growth over four phases. This approach has proven problematic, as it has made much-needed housing development contingent on adequate levels of retail, office, commercial, and industrial development. The 8,000 housing units envisioned in Phase 1 of the NSJADP have already been built. This Council has set an ambitious goal to build 15,000 market-rate housing units and 10,000 affordable housing units by 2025. Allowing more housing to be built in NSJ is integral to achieving this goal. Yet, the 8,000 additional housing units allowed in Phase 2 cannot be accessed until other development goals are met.

To address this problem, Staff has proposed combing the four phases of the NSJADP into two, in effect doubling the caps in each development phase. This has presented its own problems, as the City of Santa Clara has asserted that such a move would violate the terms of a settlement agreement between Santa Clara and San José, dating back to the formation of the NSJADP.

To complicate matters even further, the State of California has recently approved laws that make it easier to build housing by taking away local discretion to constrict housing development. The State has however, left cities with discretion over their general plans. Our own general plan designates the light rail corridor in NSJ as a Transit Employment Center due to anticipated job growth and necessary access to transit. Transit Employment Center designations are allowed the same uses as Industrial Park designations, as well as supportive commercial uses. Additionally, the General Plan allows the Transit Employment Center limited residential uses, but does not clarify the extent of residential allowances in the corridor.

ARGUMENT

The State's action to address our statewide housing shortage has curtailed the power of local jurisdictions on how much housing can be built within their jurisdictions. However, cities may still rely on their general plans to have some input on where housing will be sited. North San José has long been deemed a growth area for our city. But that growth is anticipated on many fronts, not just housing. While we need more housing to be built Uptown to create a sense of community and alleviate traffic coming into the area, NSJ must remain the economic engine for the city.

While we welcome additional housing in NSJ, it must not come at the expense of the employment lands that generate revenue for our General Fund. Presently, approximately 13% of our city's land is reserved for employment uses, in contrast to other cities that reserve 20-25% for employment. The Transit Employment Center land-use designation contemplates residential uses to allow for flexibility and mixed-use communities. But residential development must complete developments rich in transit and employment uses; residential uses cannot be the main use of land designated as Transit Employment Center.

It is vitally important to the future of NSJ – and our city as a whole – that the definition of Transit Employment Center be clearly stated in the General Plan as to leave no room for misinterpretation. Additionally, given the actions by the State to intervene in local affairs regarding housing, we must have a strong vision for NSJ. This work is urgent and must be funded if we are to be masters of our own destiny in shaping the growth that awaits.

CONCLUSION

North San José is designated as a critical growth area because of its potential for both job and housing developments. We must utilize North San José to its full capacity, and focus resources to guarantee a major revision of the NSJADP. Clarifying General Plan language on will allow a more comprehensive and goal-oriented plan for the area.

TRANSMITTED VIA EMAIL

December 9, 2019

Honorable Mayor Sam Liccardo and Members of the City Council
 City of San Jose
 200 East Santa Clara Street, 18th Floor
 San Jose, CA 95113

Dear Mayor Liccardo, Vice Mayor Jones, and Councilmembers Arenas, Carrasco, Davis, Diep, Carrasco, Esparza, Foley, Jimenez, Khamis, and Peralez.

Re: 4.3 Status Report on Amendments to North San Jose Area Development Policy

We write today to urge you to take all necessary actions to open up North San Jose for residential development. Due to the triggers included in the NSJ Area Development Policy, no new homes have been built in the area for many years.

The current confluence of new State legislation that requires the lifting of housing development capacity limits, and Apple's interest in seeing its North San Jose land holdings used to prioritize affordable housing has provided an opportunity to change this reality.

As staff describes in its memo, this will require council direction to:

- **Rezone Apple's land holdings to allow for housing,**
- **Support other residential developments in the pipeline that may require rezoning,**
- **Support timely updates to relevant CEQA clearances for future residential projects.**

In addition, because 100% affordable projects can move now-- without environmental review-- we believe that there is a real opportunity to expand the affordability goals for the area and ask that **Council increase these goals from a required 20% to a full 25% in line with the targets for Urban Villages and the Diridon Station Area.**

When the Council included opening up the 8,000 new homes in Phase II of the NSJ Area Development Policy in the Housing Crisis Work Plan last year, it acknowledged that enabling housing development in North San Jose was important to meeting the City's housing goals. The challenge and the opportunity of North San Jose has long been its legacy requirement that 20% of the future four-phase total of 32,000 housing units, or 8,000 homes, be developed as affordable.

In Phase I that requirement wasn't met. Of the initial 8,000 units developed, only 7% - 560 - were affordable. This left an unmet obligation of 1,040 affordable homes that needed to be made up in future phases, on top of the 20% affordable requirement for all new development. Rather than write off the shortfall, Council directed staff to

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Kelly Snider Consulting

Jennifer Van Every
The Van Every Group

Staff

Leslye Corsiglia
Executive Director

Honorable Mayor Sam Liccardo and Members of the City Council

December 9, 2019

Re: 4.3 Status Report on Amendments to North San Jose Area Development Policy

Page 2 of 2

develop policies to ensure that the missing affordable units were built as part of the next round of development and not “pushed out to a later phase,” and that would tie the distribution of market rate allowances to the production of these affordable units. It was clear that realizing these goals would require both on-site inclusionary requirements and proactive efforts to enable 100% affordable projects.

When the first update of the Housing Crisis Workplan came to council this past summer, these policies had not been developed, and the situation was further complicated by the ongoing negotiations with neighboring jurisdictions. But, as the staff memo lays out, these barriers have largely been removed by SB 330, additional refinement of SB35, and Apple’s desire to build affordable homes on its land. In fact there are a number of market-rate and additional affordable housing developments already proposed for the area.

Clear direction should be given to staff to fast track rezoning discussions with Apple, identify and support all existing affordable housing opportunities, and to prioritize environmental clearances for other residential projects in the area willing to commit to building inclusionary units on site. North San Jose offers the potential for tens of thousands of new jobs and thousands of new homes. We believe that together these steps will open the door for new housing and hit the goal of 25% affordability. San Jose must be vigilant in ensuring that areas of opportunity are made available to residents and workers of all incomes. The time is now to take action.

Thank you for your consideration.

Sincerely,

Leslye Corsiglia
Executive Director