



## Memorandum

**To: HONORABLE MAYOR AND  
CITY COUNCIL**

**From:** Mayor Sam Liccardo  
Councilmember Chappie Jones  
Councilmember Dev Davis

**Subject: SEE BELOW**

**Date:** June 23, 2017

Approved:

**SUBJECT: GENERAL PLAN AMENDMENT: STEVENS CREEK URBAN VILLAGE PLAN**

### **RECOMMENDATION**

Approve staff recommendations with the following changes to the Stevens Creek Urban Village (UV) Plans, unless otherwise noted:

1. **Urban Residential (Cypress Ave to Bundy Ave):** Change the land use designation on sites from Cypress Ave to Bundy Ave off Stevens Creek Blvd currently "Urban Residential" to "Mixed-Use Neighborhood."
2. **Future Mixed-Use Development:** Add the following action item to Chapter 3, Land Use.
  - a. "Action Item: *When the commercial allocation (4,500 new jobs) is met for the Stevens Creek Urban Village, explore an Urban Village Plan update during the nearest 4-year review, and during the update, consider allowing residential in a mixed-use format on commercial land use designations, outlined in the Plan.*
3. **Auto/ Interim Uses:**
  - a. Amend Policy LU -1.5, Chapter 3, Land Use: "*Support the continued operation of motor vehicle uses, including auto repair, automobile sales and rental lots, and auto parts sales. However, over time, as the market changes, these uses are intended to be redeveloped as different commercial uses, more pedestrian and transit supportive, or support the continued existence of auto uses in a more urban, pedestrian oriented format.*"
  - b. Add Policy LU-1.8 to Chapter 3, Land Use: "*Building and site improvements for existing interim commercial uses, including auto uses, that require discretionary approvals, shall be designed to improve the pedestrian environment by increasing landscaping adjacent to the sidewalk, installing large canopy street trees, improving the sidewalk consistent with the policies and guidelines of this Plan, providing public art, or providing a publicly accessible plaza or pocket park. Improvements should also include those that enhance the pedestrian connection or access between the sidewalk and the existing commercial use.*"

4. **Onsite Affordable Housing:** Add the following action item to Chapter 3, Land Use:
  - a. *“Action Item: The City should aggressively pursue incentives for developers to include onsite affordable housing for new projects.”*
5. **Setbacks/Transitions:** Amend the setback standard for new development:
  - a. *For new development greater than 45 feet, provide a minimum setback of 15-foot front, side, and rear setbacks for buildings next to single-family residences.*
  - b. *For new development greater than 45 feet, next to properties that are designated single-family residences, new buildings and structures shall not intercept a 45-degree daylight plane starting at the adjacent residential property line.*
6. **New Project Visualizations:** Add the following requirement to Chapter 4, Urban Design:
  - a. Require that new projects proposed within the Urban Village Plan over 55 feet in height must provide detailed visualizations of their proposed project that show what the project would look like from the street-level, from different perspectives and distances, within the context of the neighborhood including both current and proposed projects.
7. **Innovation Corridor:** Designate the Stevens Creek Blvd as an Innovation Corridor.
  - a. Add a Guiding Principle, “Principle 5: Innovation Corridor”
    - i. *“Establish the Stevens Creek Innovation Corridor by encouraging the integration and testing of technologies within the Urban Village boundaries”*
  - b. Add the following language to the “Innovation Corridor” language in the Implementation Chapter.
    - i. *“Developers can support the Stevens Creek Innovation Corridor by testing and integrating new technologies that provide both innovative place-based experiences and improvements to the public and private realm within the Urban Village. Including, but not limited to, technologies that improve traffic flow and provide on-demand traffic counting, improved access to Wi-Fi and increased data speeds, innovative placemaking artwork, use of visualization technology within the public or private realm to show how both planned developments and public realm improvements will look in 3-D from multiple perspectives.”*
8. **Implementation Chapter:**
  - a. Require that the Stevens Creek Advisory Group, in conjunction with the Winchester Advisory Group, reconvene on an as needed basis to provide feedback on the draft financing structure and the entire Implementation Chapter.
  - b. Implementation Chapter for the Stevens Creek Urban Village must allow for increased heights above the approved village heights if a project provides substantial urban village amenities.
9. **Horizon 3 Urban Village**
  - a. Keep Stevens Creek Urban Village within Horizon 3.
  - b. Add the following policies to the Urban Village Plan:
    - i. *“Residential mixed-use projects utilizing the residential pool must build the commercial and residential portions of the development concurrently.”*

- ii. *“Policy LU-2.4 Residential projects utilizing the Envision San Jose 2040 General Plan “Residential Pool” policy (Policy IP-2.11), which can allow residential mixed use projects prior to the opening of an urban village’s designated horizon, shall replace any existing commercial square footage on the development site or provide a minimum commercial FAR of 0.9, whichever is greater.”*

## **BACKGROUND**

The Stevens Creek Advisory Group (SCAG) was formed in May 2016 and began meeting monthly (occasionally, bimonthly), starting in June 2016. The group, at the start, consisted of 15 members. We were fortunate to have a diverse set of individuals interested in participating – homeowners, a renter, condominium owner, developer, property owners, and business owner. We would like to thank all the members of the advisory group for spending many evenings participating in this robust, sometimes challenging, community outreach process. We would especially like to thank the co-chairs, Bob Levy and Kirk Vartan, for facilitating the monthly meetings and spending many additional hours preparing for meetings. The City’s Planning Department surpassed the expectations of the Urban Village outreach process and we would like to thank them for their continued dedication to our community.

### **Urban Residential (Cypress Ave to Bundy Ave)**

The current proposed land use designation for the lots between Cypress Ave and Bundy Ave is “Urban Residential.” “Urban Residential” requires a density of at least 45 DU/acre and a maximum density of 95 DU/Acre. The community and some members of SCAG were concerned about the height and density of this area, due to the proximity to a single-family home neighborhood. The height was reduced to 45 feet per SCAG’s request, and we propose to reduce the density by changing the land use designation to “Mixed Use Neighborhood.” The Mixed Use Neighborhood designation allows for condos and townhomes, and smaller commercial businesses. The designation also reduces the density requirements to up to 30 DU/acre. Additionally, the lot sizes are very small and would be more conducive to lower density townhomes or condos, versus the difficult land aggregation that would be required for such tiny parcels to meet the density requirements of the “Urban Residential” land use designation.

### **Future Mixed-Use Development**

SCAG, as well as our Winchester Advisory Group (WAG), had concerns over the commercial-only land use designations in the Urban Village Plans. Both groups discussed the need for flexible policies that would allow mixed-use developments on commercial land use designations. However, the commercial-first goals of our General Plan, and the history of commercial land conversions, require the City to be wary of converting commercial land use designations to allow residential in key infill areas, such as along the Stevens Creek corridor. Preserving commercial land is two-fold; preserving the existing commercial square footage, while also protecting the additional commercial capacity that could be built. We would like to support staff’s recommendation that requires all mixed-use developments to integrate, at least, the existing onsite commercial square footage. To protect future commercial capacity, but also acknowledge the community’s concerns of integrating more mixed-use development, we ask staff and City Council, to consider allowing mixed use development on commercial land use designations, as outlined in the Stevens Creek Urban Village

Plan, once the additional assigned commercial capacity, 4500 new jobs, or approximately 1,350,000 sf of office space, for the Stevens Creek Urban Village is met.

### **Auto/ Interim Uses**

The existing auto uses and car dealerships along Stevens Creek Blvd. are an important part of Stevens Creek Blvd. and the tax base. Although, the Stevens Creek Urban Village Plan is a long-range plan and other more pedestrian, transit oriented uses are desired, we want to both respect the existing auto uses and encourage their growth, while also requiring remodels and redevelopments adhere to the goals and guidelines in our Urban Village Plan.

### **Affordable Housing**

Both SCAG and the community expressed concern over the lack of onsite affordable housing provided within proposed mixed-use market rate developments. Finding 100% affordable housing sites is difficult within District 1 and can be a laborious process. Furthermore, mixed-use market rate developments are often located next to key amenities and employment centers. To bring affordable units onsite sooner, and encourage affordable units within key areas, the City should create an easy and transparent process that incentivizes developers to include onsite affordable housing.

### **Height**

Height was the most contentious issue within SCAG and the community. There are varying opinions on the appropriate heights and there was not a clear consensus among the advisory group or the community. Despite the disagreement, staff made several modifications to the heights in response to both the community and SCAG's concerns. The height on the sites between Kiely Avenue and Palace Drive were reduced from 150 feet to 120 feet. The height of the site located on the far edge, next to Stern Avenue, was reduced from 65 to 45 feet. The height of the sites between Cypress Avenue and Bundy Avenue, off Stevens Creek, were reduced from 65 to 45 feet. We would like to thank staff for working closely with the community and trying to respond to this very divisive issue.

Although we are supporting staff's recommendations we would like to reiterate why we are supportive of the current proposed heights. Our General Plan has designated key infill areas. Stevens Creek Blvd, a major corridor, is one of the growth areas and due to its central location, has high development potential. The Stevens Creek Urban Village Plan, focuses higher heights in the "heart of the village" and the heights taper down as the Urban Village moves to the east and the west. The Plan recognizes that there are key areas with deep lots that are appropriate for higher heights within the "heart of the village" but, also recognizes smaller, narrower sites, or areas closer to residential neighborhoods should have lower heights. The higher heights within the "heart of the village" also compliment the higher heights congregated on the opposite side of Stevens Creek in Santa Clara.

### **Setbacks/Transitions**

The appropriate setbacks when new development is adjacent to residential neighborhoods was another issue that was highly discussed by SCAG and the community. We ask the setback standards are modified to only trigger when new development, greater than 45 feet, are next to single family homes. The amended setback language ensures we are protecting single-family residential

neighborhoods, but also not restricting new development when adjacent to multi-family residential, which could also be built at a higher height.

### **New Project Visualizations**

Per both SCAG and WAG's request we ask that all new development provide enhanced visualizations that provide the community with an opportunity to see the proposed development or improvements from multiple perspectives. It is difficult for members of the community to visualize the heights or mass of buildings when heights are presented in feet or stories, from a one-dimensional perspective. We believe better visualization will both enhance the community process, and encourage the community to provide substantive feedback on key issues.

### **Innovation Corridor**

The Stevens Creek and Santana Row/Valley Fair Urban Villages are in a unique position – they connect key companies in Silicon Valley to Santana Row/Valley Fair and to downtown San Jose. The corridors should reflect their position as a connecting corridor of Silicon Valley by being a testing ground for new technology. We are excited and encouraged that Stevens Creek is within the City's pilot area for autonomous vehicles. We would like to establish Stevens Creek as an innovation corridor and encourage pilot programs and developments to integrate new technologies in this key area.

### **Implementation Chapter**

We understand based on prior approved General Plan requirements that the Implementation Chapter must be presented to City Council with the other Urban Village Plan chapters for approval to be considered. We ask that staff work closely with our advisory groups as they are finalizing the financing strategy for the Implementation Chapter.

As previously mentioned, there was a great deal of debate within the community and SCAG regarding the appropriate height limits within the village. Some residents felt like the proposed highest height – 150 feet – was too low, while others thought any additional height for the Urban Village was too high. To provide some flexibility we ask that future projects providing substantial Urban Village amenities, as defined in the Implementation Chapter, be allowed to exceed the height limits defined in the plan.

### **Horizon 3 Urban Village**

The General Plan includes three incremental growth horizons, so the amount of new housing, and the City's need to provide services for those new residents increases gradually. The Stevens Creek Urban Village is in Horizon 3; we are currently in Horizon 1. We recommend keeping the Stevens Creek Urban Village in Horizon 3. There are still key next steps we must complete before the Council should consider moving into the future horizon. We need a funded plan to build transit infrastructure to support higher density. For example, staff will prepare an "Area Development Policy" that will allow the City to charge a fee for new development that will go towards transportation improvements. The CEQA/EIR process will begin after the approval of the Urban Village Plans, and finally, staff will also prepare an area-wide "Transportation Demand Management Plan" that will incentivize new development to decrease the number of added car trips.

Residential mixed-use projects can proceed, if they are within an Urban Village not in the current horizon, by utilizing the City-wide residential pool. To ensure the commercial gets built, and not just the residential portion of the mixed-use projects, we ask that projects utilizing the residential pool build the commercial and residential portions of their project concurrently and meet a minimum FAR.

The Urban Village Plan provides the community with a tool to ensure key goals and amenities, such as additional transportation infrastructure, are provided when new development is proposed. Furthermore, the Urban Village Plan provides a tool for City staff to apply for funding to implement the goals and policies included in the Urban Village Plan. We look forward to discussing innovative ideas to improve circulation in the area when the advisory groups meet again to discuss the implementation chapter. We would like to emphasize the importance of our City working closely with neighboring Cities, particularly Santa Clara, when the streetscape and circulation concepts are discussed and implemented. More specifically, there was concern regarding the bike paths along Kiely and Albany, and how bike paths would connect to other Cities. Again, we encourage staff to stay connected to our community and our neighboring Cities as the bike path concepts are refined.

The Urban Village planning process has been an opportunity for residents of San Jose and neighboring Cities, to express their concerns and perspectives on the draft plan. Although, we have had challenges and learned many ways of how to improve the community outreach process, we are fortunate to have provided interested citizens an opportunity to both learn and be a part of this year-long planning process. We look forward to continuing the advisory groups and facilitating their involvement in other key components of the planning process in West San Jose.