



COUNCIL AGENDA: 3/26/24
FILE: 24-74759
ITEM: 2.15

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Chris Burton

SUBJECT: SEE BELOW

DATE: March 7, 2024

Approved 

Date
3/14/24

**SUBJECT: ENVISION SAN JOSÉ 2040 GENERAL PLAN 2023 ANNUAL
PERFORMANCE REVIEW REPORT**

RECOMMENDATION

Accept the Envision San José 2040 General Plan 2023 Annual Performance Review report.

SUMMARY AND OUTCOME

The Envision San José 2040 General Plan 2023 Annual Performance Review report (Annual Report) provides the City Council with updated information on the status, conditions, and outcomes related to the 12 major strategies in the Envision San José 2040 General Plan (General Plan) based on Fiscal Year 2022-2023 data to evaluate the City's progress toward implementing the General Plan. While the City has advanced many of the General Plan's goals, some performance measures remain relatively inconclusive or unchanged at this time and need continued work. This is to be expected, as many of the goals set forth in the General Plan are long-term.

Acceptance of this recommendation will result in acceptance of the Annual Report.

BACKGROUND

On November 1, 2011, the City Council adopted the General Plan. California state law requires an annual performance review report to be submitted to the City Council, and the state analyzes and tracks progress on strategies and implementation actions. The **attached** Annual Report fulfills this evaluation requirement.

ANALYSIS

The General Plan added a stronger framework for the longstanding policies of growth management to create great places throughout San José and enhance job growth. The General Plan sets forth goals and policies relating to growth management, fiscal and job growth, infrastructure and service levels, environmental sustainability, housing affordability and availability of housing supply, and healthful community living. The Annual Review expands on the City's progress in implementing the General Plan.

The Annual Report is organized by the General Plan's 12 Major Strategies. Collectively, these strategies build on the vision of the General Plan to directly inform the Land Use /Transportation Diagram and the Goals, Policies, and Implementation Actions formulated to guide the physical development of the City and the evolving delivery of City services. These interrelated and mutually supportive strategies are considered fundamental to the achievement of the City's vision and together promote the continuing evolution of San José into a great city. These Major Strategies are listed below.

- 1) Community-Based Planning
- 2) Form Based Plan
- 3) Focused Growth
- 4) Innovation/Regional Employment Center
- 5) Urban Villages
- 6) Streetscapes for People
- 7) Measurable Sustainability/Environmental Stewardship
- 8) Fiscally Strong City
- 9) Destination Downtown
- 10) Life Amidst Abundant Natural Resources
- 11) Design for a Healthful Community, and
- 12) Periodic Review.

The City of San José has made notable progress toward achieving the Major Strategies of the General Plan. This progress is evidenced by new dense, mixed-use development experienced in the General Plan's Growth Areas, adoption of Urban Village plans, implementation of multi-modal capital improvement projects, and implementation of sustainability goals and policies.

While the City has advanced many of the General Plan's goals, some performance measures remain relatively inconclusive or unchanged at this time, as noted above, and need continued work.

General Plan Major Review Update

The General Plan includes Goals and Policies that require the City to review the General Plan every four years. The purpose of the General Plan Four-Year Review is to evaluate significant

changes in the planning context and achievement of key General Plan goals. Since its adoption in 2011, two four-year reviews have taken place. During the first Four-Year Review process (November 2015 to December 2016), the major policy changes included adjusting the General Plan's jobs to employment goal from 1.3 to 1.1, reducing the planned job capacity from 470,000 new jobs to 382,000 new jobs, and adopting several policies to encourage affordable housing within Urban Villages and outside of existing growth areas, and prioritize planning efforts on light rail and BART Urban Villages.

During the second Four-Year Review process (November 2019 to November 2021, delayed due to the COVID-19 pandemic), the major policy changes included the removal of Coyote Valley as an employment lands Growth Area, allowing increased residential capacity in underutilized neighborhood business districts, the elimination of the residential pool policy and growth horizons for Urban Villages, developing objective criteria for the signature project policy, the removal of commercial space requirements for affordable development projects, reallocation of planned residential capacity of the General Plan to downtown, Vehicle Miles Traveled Tier II policy update, and the transition of the Evergreen-East Hills development policy to the Vehicle Miles Travelled policy. Planning, Building, and Code Enforcement Department staff continue to complete the City Council-directed work from this major review period, such as Senate Bill 9 implementation work, the Coyote Valley Corridor Study, associated zoning changes in Neighborhood Business Districts to facilitate additional residential capacity, and others.

Over the next two years, the Planning, Building, and Code Enforcement Department staff will focus on essential updates to the General Plan to comply with state law. Specific work will include the following General Plan elements:

Safety Element: This update will prioritize the safety and well-being of our community by incorporating the latest safety standards, risk assessment processes, and emergency preparedness measures.

Open Space Element: This update will focus on improving parks and open spaces and enhancing environmental sustainability consistent with the Safety and Environmental Justice element.

Environmental Justice Element: This newly required element will address public health risks and environmental justice concerns of those living in disadvantaged communities, and outline strategies to promote environmental justice and community empowerment.

By law, the Open Space and the Environmental Justice Elements are required to be completed by January 1, 2026.

Over the past four years, staff have focused on updating the Housing Element 2023, which was a major endeavor. Most of the previous four-year major review policy work had been focused on policy changes to facilitate housing production. The Housing Element and Housing Catalyst work programs now include housing policies within their scope of work.

Currently, staff has not identified additional policy items to facilitate housing that could be undertaken as part of a Four-Year Review process. Furthermore, given the [workload of the Citywide Planning team](#), staff's capacity is limited. For these reasons, staff recommends not starting the third Four-Year Major Review at this time.

EVALUATION AND FOLLOW-UP

This memorandum will not require any follow-up from staff.

COORDINATION

The information contained in the Annual Report was obtained through collaborative work with the City Manager's Office, the City Manager's Office of Economic Development and Cultural Affairs, the Department of Environmental Services, the Housing Department, the Department of Parks, Recreation, and Neighborhood Services, and the Department of Transportation.

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

PUBLIC OUTREACH

The Annual Review was posted on the Planning Commission Agenda website on March 6, 2024. This memorandum will be posted on the City's Council Agenda website for the March 26, 2024 City Council meeting. Since public posting of the Annual Report, staff has been available to answer questions from the public.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-010, City Organizational and Administrative Activities resulting in no changes to the physical environment.

HONORABLE MAYOR AND CITY COUNCIL

March 7, 2024

Subject: Envision San José 2040 General Plan 2023 Annual Performance Review Report

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Chris Burton, Director

Planning, Building, and Code Enforcement

The principal author of this memorandum is Sanhita Ghosal, Supervising Planner. For questions, please contact Michael Brilliot, Planning Deputy Director, at michael.brilliot@sanjoseca.gov or (408) 896-0136.

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Attachment - General Plan 2023 Annual Performance Review

ENVISION SAN JOSE 2040

2023 GENERAL PLAN ANNUAL PERFORMANCE REVIEW EXECUTIVE SUMMARY

This Executive Summary accompanies the 2023 General Plan Annual Performance Review. It provides an overview and dashboard of metrics pertaining to progress on the 12 General Plan Major Strategies, as measured from November 2011 when the City Council adopted the General Plan.



COMMUNITY BASED PLANNING

22/23

FISCAL
YEAR

41

PLANNING VIRTUAL
& IN-PERSON
MEETINGS

772

TOTAL
ATTENDEES

The City is committed to open government and community participation in its governance activities.

Out of 392 respondents who completed the post-meeting feedback surveys during calendar year 2023, 63% understood how to participate in the public hearing, 69% strongly agreed or agreed they had enough advance notice of the hearing date and time, and 62% strongly agreed or agreed that their input, or someone else's input was similar, expressed, and recorded. Some respondents didn't provide answers to all questions.

The Planning Division incorporates various multilingual public outreach modes for community meetings and public hearings. Notices for community meetings and public hearing includes messages in multiple languages to inform about the availability of multilingual interpretation services during meetings. Approximately 325,000 notices were distributed in 2023 calendar year. Staff coordinates with relevant City Council District office and neighborhood groups to evaluate needs for interpretation services based on the predominant language of neighborhoods. During 2023, the Coyote Valley Corridor Study workshop was held simultaneously in-person and virtually which provided interpretation in Chinese, Spanish, and Vietnamese. The Five Wounds Urban Village Plan Update in-person workshops provided interpretation in Chinese, Spanish, Vietnamese, and Portuguese.



UBAN VILLAGES

SINCE THE 2011 ADOPTION OF THE GENERAL PLAN:

16**

APPROVED URBAN
VILLAGE PLANS

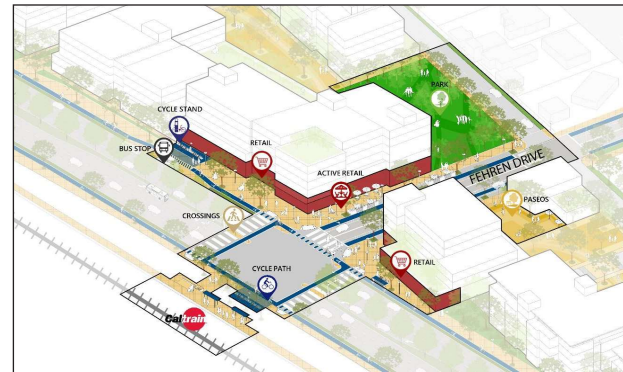
14,076*

APPROVED HOUSING UNITS IN
URBAN VILLAGES

5.9*

MILLION SQ. FT. OF APPROVED
COMMERCIAL SPACE IN URBAN
VILLAGES

The General Plan identifies Urban Villages within San José that focus on jobs and high density growth to foster vibrant, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth.



Capital Caltrain Gateway Design Concept



Approved Capital Caltrain Urban Village Plan

URBAN VILLAGE PLANS UNDER DEVELOPMENT

Urban Village Plan	Status	Anticipated Adoption
Five Wounds (Five Wounds, Little Portugal, 24th & Williams, & Roosevelt Park Urban Villages Update)	In process	Winter 2024
Alum Rock Avenue (East of 680)	Spring 2024 start	Winter 2025
Saratoga Avenue (Saratoga Ave/Paseo de Saratoga Urban Villages)	Spring 2024 start	Winter 2025

* Excludes Downtown Growth Area and Diridon Station Area Plan from the Urban Village classification.

** Excludes the Rincon South Urban Village Plan which was changed from a Specific Plan to an Urban Village Plan with the adoption of the Envision San José 2040 General Plan.

FOCUSED GROWTH & REGIONAL EMPLOYMENT CENTER

SINCE ADOPTION OF THE GENERAL PLAN IN NOVEMBER 2011,
BUILDING PERMITS HAVE BEEN ISSUED FOR OVER:

31.9

THOUSAND NEW
RESIDENTIAL UNITS

25.1

MILLION SQ. FT. OF
NEW COMMERCIAL
DEVELOPMENT

11.5

MILLION SQ. FT. OF
NEW INDUSTRIAL
DEVELOPMENT

At the end of fiscal year 2022/2023, San José had a total of 433,000 payroll jobs. San José has lost approximately 17,760 payroll jobs since its peak in 2017. San José is approximately 61,670 jobs above the levels since the adoption of the General Plan in November 2011, which represents a 17% increase from 2011 (California Employment Development Department). The General Plan includes a planned job capacity of 382,000 new jobs, equating to approximately 13,000 new jobs per year but the City has been adding only an average of approximately 5,600 jobs per year.

1.1

JOBS PER EMPLOYED
RESIDENTS GOAL (2040)

0.79

JOBS PER EMPLOYED
RESIDENTS (CURRENT)

San José largely remains a bedroom community, having more employed residents than jobs within the City. The jobs-to-employed-resident (J/ER) ratio is an indicator of a city's fiscal strength; jobs-based development generates city revenue while residential-based development necessitates greater demand for the provision of services. The General Plan sets a J/ER ratio goal of 1.1 by 2040. According to the most recent data, the City's J/ER ratio is 0.79, meaning there are 0.79 jobs per employed resident in San José.



New growth is directed and encouraged within the City's Growth Areas to preserve and enhance the quality of established neighborhoods, and reduce environmental and fiscal impacts.

81%

RESIDENTIAL
DEVELOPMENT BUILT*
within growth areas

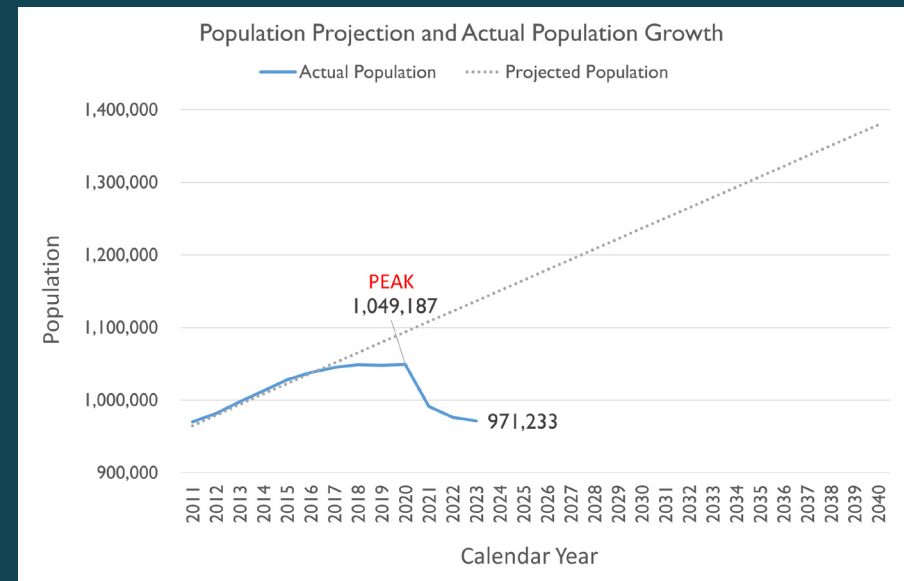
86%

COMMERCIAL
DEVELOPMENT BUILT*
within growth areas

82%

INDUSTRIAL
DEVELOPMENT BUILT*
within growth areas

As of January 2023, San José had an estimated population of 971,233 people, representing a 7.4% decrease from the peak population in 2020 and an 0.1% increase from 2011. San José's population growth is declining likely due to low birth rates, an increase of out-migration and a decrease of in-migration to the city due to high costs of living and remote work options. The population of San José stands as approximately 51.5% of the total population of Santa Clara County (State of California, Department of Finance).



* Based on building permits issued since Fiscal Year 2011/2012

MEASURABLE SUSTAINABILITY / ENVIRONMENTAL STEWARDSHIP

Approved by the City Council in February 2018, Climate Smart San José uses the General Plan as a foundation and creates a pathway for San José to reach the State's target of 80% reduction below 1990 levels of Greenhouse Gas emissions by 2050. Significant achievements since the adoption of Climate Smart San José include:

CLIMATE SMART SAN JOSE

A People-Centered Plan for a Low-Carbon City



- The establishment of San José Clean Energy, a Community Choice Aggregator that, as of 2023 expects to serve 97% of electricity customers in San José with 95% carbon-free power as a base product.
- The City Council approval of a reach code in 2020 (updated in 2023) and Natural Gas Infrastructure Prohibition Ordinance in 2021 that, together, require all new construction in San José to be all-electric and meet higher requirements for electric vehicle (EV) infrastructure than required by the state building code.
- Formation of the Climate Advisory Commission (CAC), effective January 1, 2024, and Council approval of 11 CAC Commissioners in January 2024.
- The Zero Emissions Neighborhood (ZEN) pilot program implements multiple climate smart improvements to the Santee neighborhood in East San José, such as urban greening and zero-emissions urban freight.

LIFE AMIDST ABUNDANT NATURAL RESOURCES

The General Plan promotes access to the natural environment by building a world-class trail network and adding parks and other recreational amenities.

100

MILES OF OFF-STREET TRAILS OPEN TO THE PUBLIC (GOAL)

64.9

MILES OFF-STREET TRAILS OPEN TO THE PUBLIC (2023)

STREETSCAPES FOR PEOPLE

477

MILES OF BIKE WAYS

San José is becoming a place where biking is a regular and common activity for people for all ages and abilities. Better Bike Plan 2025 updated San José Bike Plan 2020 to create a bicycle network that is:



Safe. We want to eliminate roadway fatalities and major injuries for all – people walking, bicycling, and driving – as soon as possible. This bike plan supports our Vision Zero San José initiative.



Comfortable. We want to create a bicycle network that enriches the lives of everyone who lives, works, or plays in San José.

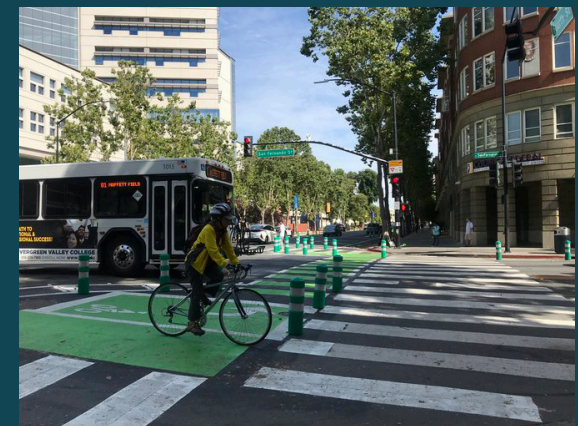


Convenient. We want more people biking! This plan will help us toward the goal of at least 15% of trips made by bike by 2040.

DESIGN FOR A HEALTHFUL COMMUNITY

The General Plan supports the physical health of community members by promoting walking and bicycling as travel options, encouraging access to healthful foods, and supporting the provision of health care and safety services. Specifically, the Land Use and Transportation Chapter includes a set of balanced, long-range, multi-modal transportation goals and policies that provide for a transportation network that is safe, efficient, and sustainable. One such policy includes reducing the automobile commute mode share to no more than 40% by 2040, with goals to increase various other modes accordingly.

Mode	2040 Goal	San Jose (2023)
Drive Alone	No more than 40%	79%
Carpool	At least 10%	15%
Transit	At least 20%	3%
Walk	At least 15%	2%
Bicycle	At Least 15%	1%



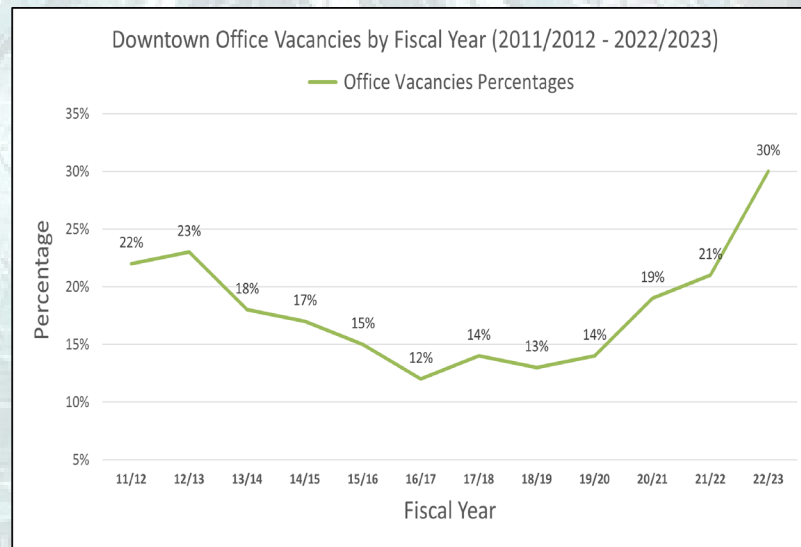
DESTINATION DOWNTOWN

Residential activity has been flourishing within the Downtown since the end of the recession; however, the COVID-19 pandemic has slowed residential activity but there has been increased activity in the last fiscal year. In fiscal year 2022/2023, planning entitlements were approved for approximately 2,983 new residential units. There has also been interest in development of new commercial and office space in various Downtown locations, with entitlements approved for approximately 3.4 million square feet of commercial and office space in fiscal year 2022/2023.

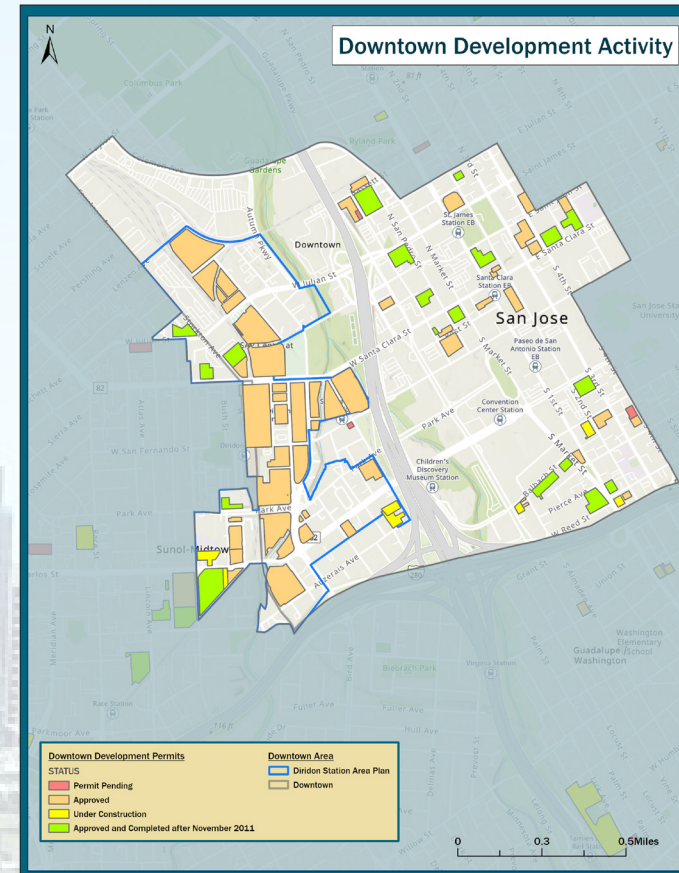
Since the adoption of the General Plan, the City has approved entitlements for approximately 11,967 residential units and approximately 22.2 million square feet of commercial/office space in the Downtown/Diridon Station area. Downtown West (Google) Planning entitlements make up a majority of the activity with 5,900 residential units and 7.8 million square feet of commercial space.

The percentage of office vacancies declined since the General Plan adoption in 2011 until fiscal year 2016/2017, when the office vacancy rate in the Downtown hit a low of 12%. The vacancy rate rose slightly year over year until the COVID-19 pandemic started in fiscal year 2019/2020 and changed work patterns, with more hybrid and remote work. This new work pattern has continuing even as Covid-19 restrictions have lifted and infection rates remain low. In fiscal year 2022/2023, the vacancy rate jumped to 30%, mostly because of the 200 Park Avenue office tower being completed with no tenant. Hybrid work models may continue to dampen the demand for Class A office space as many companies continue to right-size their office space to adjust to hybrid work models.

Office Vacancies in Downtown San José



Downtown Development Activity



The General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley.



HOUSING

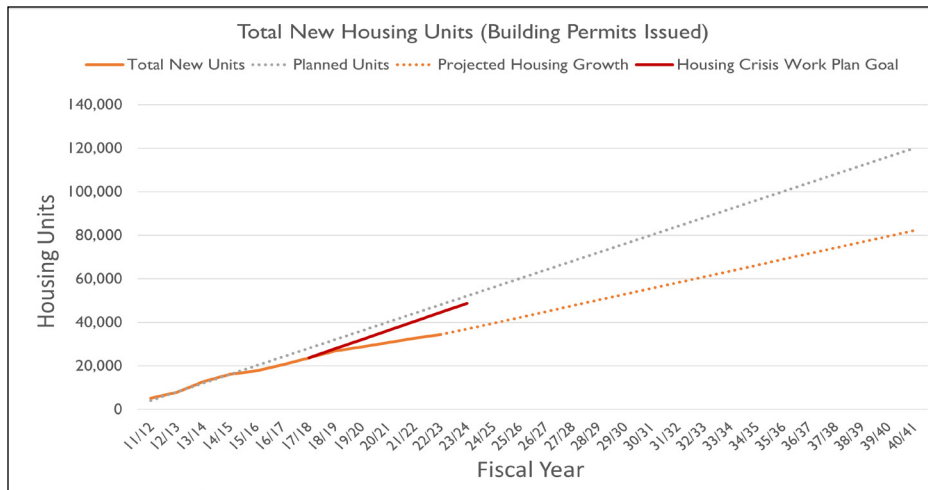
The Association of Bay Area Governments (ABAG) assigns the City of San José's Regional Housing Needs Allocation (RHNA)

While not a Major Strategy by itself, housing plays an integral role in the General Plan through the Housing Element, and as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The General Plan plans for 120,000 new residential units over the time-frame of the Plan.

Housing Crisis Work Plan

In June 2018, City Council approved a Housing Crisis Work Plan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy actions to facilitate the development of 15,000 market-rate and 10,000

affordable residential units by 2023. Since its adoption, the Housing Crisis Work Plan has resulted in the completion of over 20 individual work items intended to help facilitate affordable and market-rate housing production in the City. The goal of 10,000 affordable units approved, under construction, or completed by 2023 was not met. However, given the successes of the Housing Crisis Work Plan, the work plan has been transitioned to a new Housing Catalyst Team Work Plan. This workplan is composed of the programs and strategies identified in the Housing Element.



40%

AFFORDABLE GOAL

35%

MARKET-RATE GOAL

GENERAL PLAN PERIODIC MAJOR REVIEW

For the 2023 General Plan Amendment Hearing Cycles, one privately-initiated General Plan Amendment and one General Plan Text Amendment was approved on December 12, 2023. The following are all of the approved changes:

1. GP22-004: A privately-initiated General Plan Amendment to change the Envision San José 2040 General Plan LandUse/Transportation diagram from Public/Quasi-Public to Light Industrial on a 1.1-gross-acre site.
2. GPT23-001: A privately-initiated General Plan Text Amendment to (1) amend the Santana Row/Valley Fair Urban Village Plan Figure 5-2 "Building Height Diagram" to change the allowed maximum height from 65 feet to 85 feet, (2) amend the Santana Row/Valley Fair Urban Village Plan Figure 5-3 to revise the required daylight plane from 45-degrees to 55-degrees, (3) amend The Santana Row/Valley Fair Urban Village Plan Figure 5-3 to reduce the side/rear setback when adjacent to residential neighborhood land use designation from 40' to 20' (4) amend The Santana Row/Valley Fair Urban Village Plan Figure 5-3 to no setback and no stepback required for new commercial development adjacent to sites with a Residential land use designation and an existing legally established commercial use.

RHNA	2023-2031 RHNA
New housing units goal	62,200
Permitted units (building permits issued)	3,104 (through 2023)
Units permitted as affordable	1,830 (through 2023)
Units permitted as market-rate	1,274 (through 2023)

FISCALLY STRONG CITY

In total, the City's 2023-2024 Proposed Capital Budget reflect a 1.8% increase over the previous fiscal year, and primarily attributable to a net increase to overall position counts throughout the organization, increasing community safety, reducing unsheltered homelessness, cleaning up our neighborhoods, and attracting investments in jobs and housing – and also addressed select areas of urgent, important, and continuing work within other community services, strategic support services, and deferred infrastructure.



2023 GENERAL PLAN ANNUAL PERFORMANCE REVIEW

FOR FISCAL YEAR 2022-2023

MARCH 2024

Planning, Building and Code Enforcement

Planning Division



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REPORT PREPARED BY

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INTRODUCTION

On November 1, 2011, the City Council adopted the Envision San José 2040 General Plan (General Plan or Plan). This plan outlines a strong framework for the longstanding policies of growth management to create great places throughout San José and enhance job growth. The plan sets goals and policies for growth management, fiscal and job growth, infrastructure and service levels, environmental sustainability, housing affordability and housing supply, and healthful community living.



California state law requires an annual performance review report to be prepared and submitted to the City Council and the State, which analyzes and tracks progress on strategies and implementation actions. The General Plan also provides for an annual performance review process to enable evaluation of progress on the General Plan's strategies and implementation actions.

This 2023 Annual Performance Review report (Report) fulfills this evaluation requirement. The Report expands on the City's progress in implementing the General Plan during the 2022-2023 fiscal year. The Report describes the status, conditions, and progress pertinent to the 12 Major Strategies and related actions contained in the General Plan. Collectively, these strategies build on the vision of the Plan to directly inform the Land Use /Transportation Diagram and the Goals, Policies and Implementation Actions formulated to guide the physical development of the City and the evolving delivery of City services.



View of Downtown San José from Dr. Martin Luther King Jr. Library. Photo: flickr.com, Darshan Karia

The 12 interrelated and mutually supportive Major Strategies are considered fundamental to the achievement of the City's Vision and together promote the continuing evolution of San José into a great city. These Major Strategies are listed below.

- 1) Community Based Planning;
- 2) Form Based Plan;
- 3) Focused Growth;
- 4) Innovation/Regional Employment Center;
- 5) Urban Villages;
- 6) Streetscapes for People;
- 7) Measurable Sustainability/Environmental Stewardship;
- 8) Fiscally Strong City;
- 9) Destination Downtown;
- 10) Life Amidst Abundant Natural Resources;
- 11) Design for a Healthful Community; and
- 12) Periodic Review.

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MAJOR STRATEGY #I – COMMUNITY-BASED PLANNING

Community Engagement and Participation

The City of San José is committed to continuously improving community engagement and participation processes, particularly in planning and development for San José. The Envision San José 2040 General Plan Goals, Policies, and Actions guide the City's Planning Division in enhancing these processes (refer to Table I). Additionally, the City's Public

Outreach Policy, Council Policy 6-30, establishes a process that encourages early and frequent communication between the Planning Division, applicants, and the community on specific development application proposals. The Planning Division tracks community outreach meetings on development proposals, General Plan amendments, ordinance updates, the development of Urban Villages, and other area plans.

[Envision San José 2040
General Plan](#)

Table I Planning Division Community Meetings

Fiscal Year	Meetings	Total Attendees
22/23	41	772
21/22	71	2,172
20/21	115	3,581
19/20	26	702
18/19	63	1,795
17/18	40	1,686
16/17	58	2,686
15/16	49	2,158
14/15	27	1,246
13/14	50	1,483
12/13	49	1,429
11/12	31	442
Total	647	20,152

As shown in Table I, in fiscal year 2022/2023, the Planning Division held approximately 41 community meetings with almost 772 participants. Between fiscal year 2011/12 and fiscal year 2022/23, the Planning Division held 647 community meetings.

Out of 392 respondents who completed the post-meeting feedback surveys during calendar year 2023, 63% understood how to participate in the public hearing, 69% strongly agreed or agreed they had enough advance notice of the hearing date and time, and 62% strongly agreed or agreed that their input, or someone else's input was similar, expressed, and recorded. Some respondents didn't provide answers to all questions.

Highlights of some of the largest meetings held during the last fiscal year are given below.

Community Meeting Highlights

Five Wounds Urban Village Workshop #2

On April 20, 2023, the Planning Division held a virtual community meeting for the Five Wounds Urban

Village workshop #2. The purpose of this community meeting was for the Planning Division to provide an overview of what was heard from community members during the first workshop in December 2022, and to share anti-displacement strategies to protect existing residents and small businesses. The meeting was held virtually with presentations in English, Spanish, Vietnamese, Portuguese, Chinese, and Tagalog. The workshop was attended by more than 120 community members.

Capitol Caltrain Station Workshop #2

On June 22, 2023, the Planning Division held its second and final workshop at Captain Jason M. Dahl Elementary School to gather community input on the draft plan for the Capitol Caltrain Station Area. The purpose of this community meeting was for the Planning Division to present the Draft Plan and seek final comments. The workshop was attended by 12 individuals.

Housing Element Community Meeting

The Planning Division conducted a virtual community meeting on July 27, 2022, to gather feedback on the Draft 2023-2031 Housing Element Update. The meeting attracted nearly 40 attendees. Simultaneous interpretation in Spanish and Vietnamese was available at this meeting.

Housing Element Open House

The Planning Division held an in-person open house on August 8, 2022, to collect community input on the Draft 2023-2031 Housing Element. Around 35 community members attended the drop-in style event where stations for each chapter of the draft Housing Element were set up for attendees to visit at their own pace. City staff and consultants answered attendees' questions and recorded their input. Spanish and Vietnamese interpreters were available to assist those who needed language assistance, and food and on-site childcare were provided.



Five Wounds Urban Village Plan Community Workshop

MAJOR STRATEGY #2 – FORM-BASED PLAN

The goal of Major Strategy #2 is to use the General Plan Land Use/Transportation Diagram designations and Plan Goals and Policies to address the form and character for future development within San José. A *form-based approach* means clearly articulating a vision for San José's urban form, providing greater flexibility for economic activity, addressing neighborhood concerns about the compatibility of new development, and promoting the ongoing development of complete and cohesive neighborhoods. Therefore, the Major Strategy #2 is not a measurable goal, but rather put in place to ensure that development throughout the city addressed the form and character of the built environment.

In prior years, the General Plan Annual Performance Review Report has reported on examples of development standards from specific plans such as the Citywide Design Standard and Guidelines (CDSG), adopted in 2021. The CDSG and other design guidelines continue to guide the City's Planning staff when determining whether new development, uses, and densities are appropriate in the project's proposed area. When the City's Planning Division receives project proposals, each project must be reviewed with the criteria set in all the policies, standards, and area plans.

[San José Citywide Design Standards and Guidelines](#)

[San José Downtown Design Guidelines and Standards](#)

An office tower (File no. H2I-052, at 250 Stockton Avenue), proposing approximately 1 million square feet of office space, received entitlement in early 2023. This project is an example of the application of the



Stockton Office Tower at 250 Stockton Ave

Downtown Design Guidelines (DDG). The project proposes a ground floor wall within 10 feet of Stockton Avenue with active space along the frontage, which meets the minimum 70% ground façade building placement requirement and the active space requirement pursuant to DDG Standard 3.2.2. The northeast side of the site is an *Image-Defining Frontage* identified in the DDG. The building facade on this side is proposed to be transparent on the street level and at the future elevated railroad level, in accordance with DDG Standard 4.2.1. The building design incorporates major massing articulations, such as a central courtyard, roof gardens, terraces, and amenity balconies. Transparent facades on the northeast side of the building provides visibility from the inside

onto the future greenway under/along the future elevated rail track.



Northeast View Along Elevated Tracks



Northeast View Nighttime

Because this Major Strategy is not a measurable goal, there are no further progress updates.

MAJOR STRATEGY #3 – FOCUSED GROWTH

The Focused Growth Major Strategy directs both population and job growth to Growth Areas identified in the General Plan through the intensification and redevelopment of existing properties. Residential developments located outside of Growth Areas are limited to neighborhood infill to preserve and enhance the quality of established neighborhoods and to reduce environmental and fiscal impacts.

To monitor progress in achieving this strategy, the Planning Division uses approved entitlement and issued building permit data that is tracked through the City's permit management software and in a Geographic Information Systems (GIS) database. Analysis of this data demonstrates where new residential, commercial, and industrial development is occurring in the city. This information is an indicator of the extent to which jobs and population growth is concentrated into Growth Areas, consistent with the Focused Growth Major Strategy.

New Construction in Growth Areas

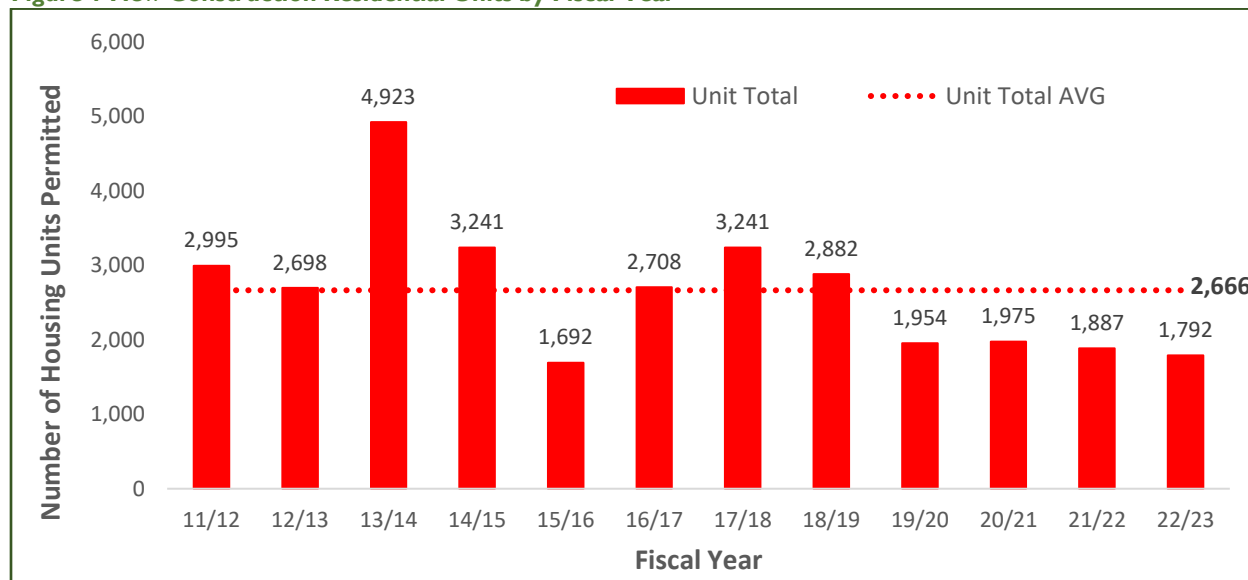
Since the adoption of the Envision San José 2040 General Plan in 2011, building permits have been issued within Growth Areas for approximately 81% of residential development, 86% of commercial development, and 82% of industrial development within Growth Areas. In fiscal year 2022/2023, building permits have been issued within Growth Areas for approximately 46% of residential development, 81% of commercial development, and 99% of industrial development.

New Construction Citywide

Between fiscal year 2011/2012 and 2022/2023, the City has issued building permits citywide for approximately 32,000 residential units, 25.1 million square feet of commercial development, and 11.6 million square feet of industrial development.

Residential Units

Figure 1 New Construction Residential Units by Fiscal Year



In fiscal year 2022/2023, the total number of residential units permitted (including single-family/duplex, multifamily and accessory dwelling units) has slightly decreased to 1,792 units compared to 1,887 units in the previous fiscal year. This marks a decrease of 5% from the prior year and is 33% below the historical

average (since fiscal year 2011/2012) of 2,666 units. The total number of permitted residential units significantly dropped at the start of the Covid-19 pandemic in fiscal year 2019/2020 but it has remained stable at this level since then.

The number of building permits issued, and permit data trends compared to the previous fiscal year varies depending on the type of housing.

Figure 2 New Construction Single-Family/Duplex Units by Fiscal Year

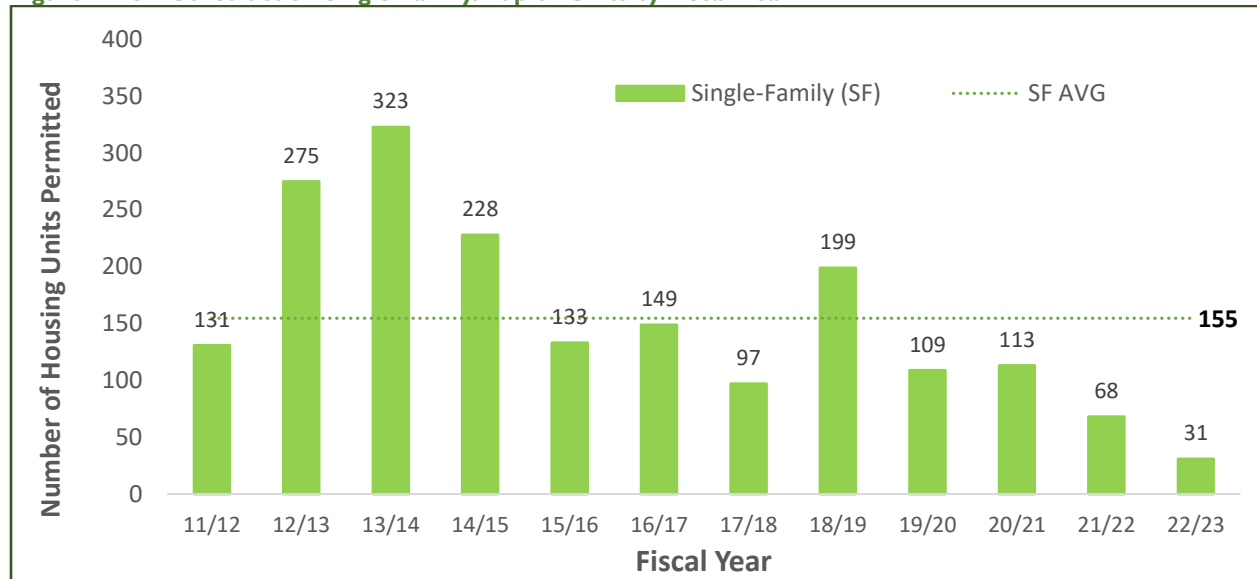


Figure 3 New Construction Accessory Dwelling Units by Fiscal Year

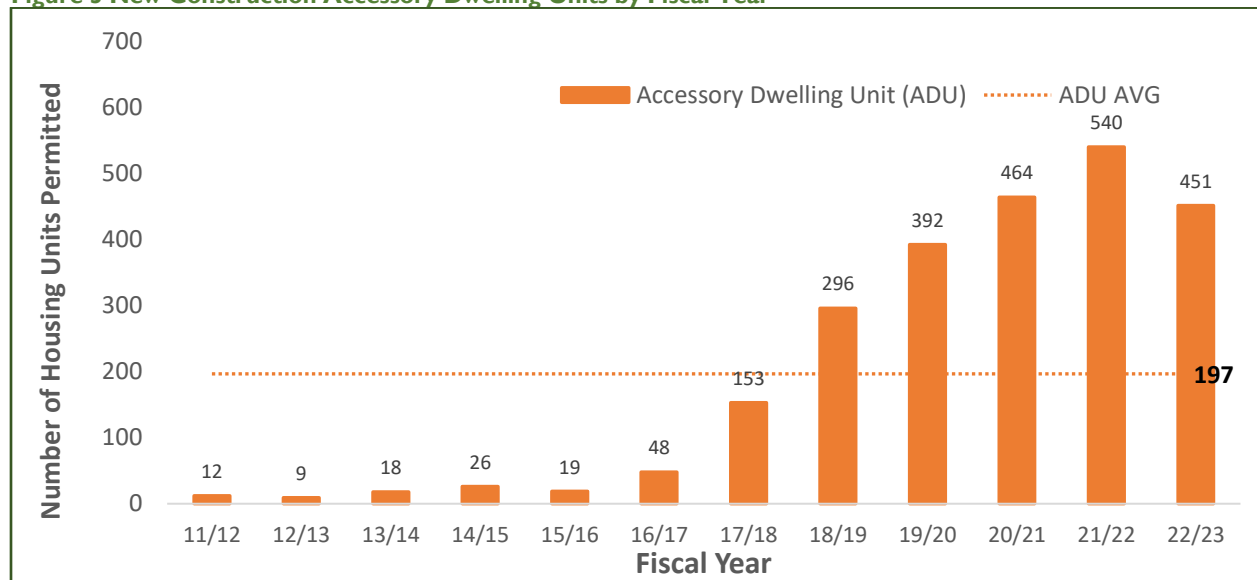
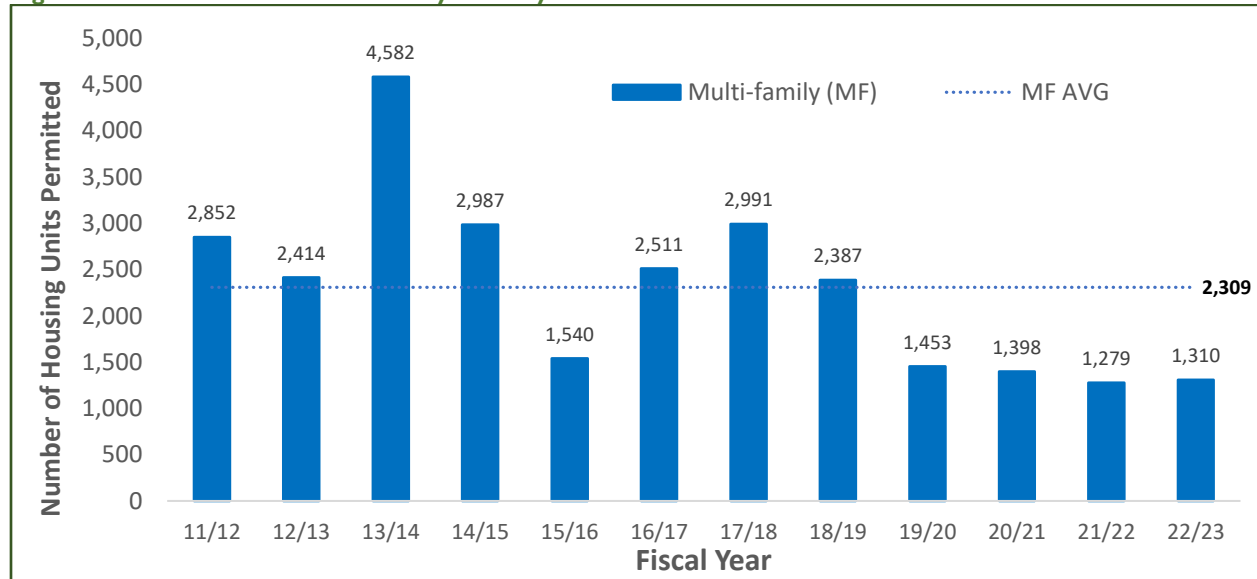


Figure 4 New Construction Multifamily Units by Fiscal Year

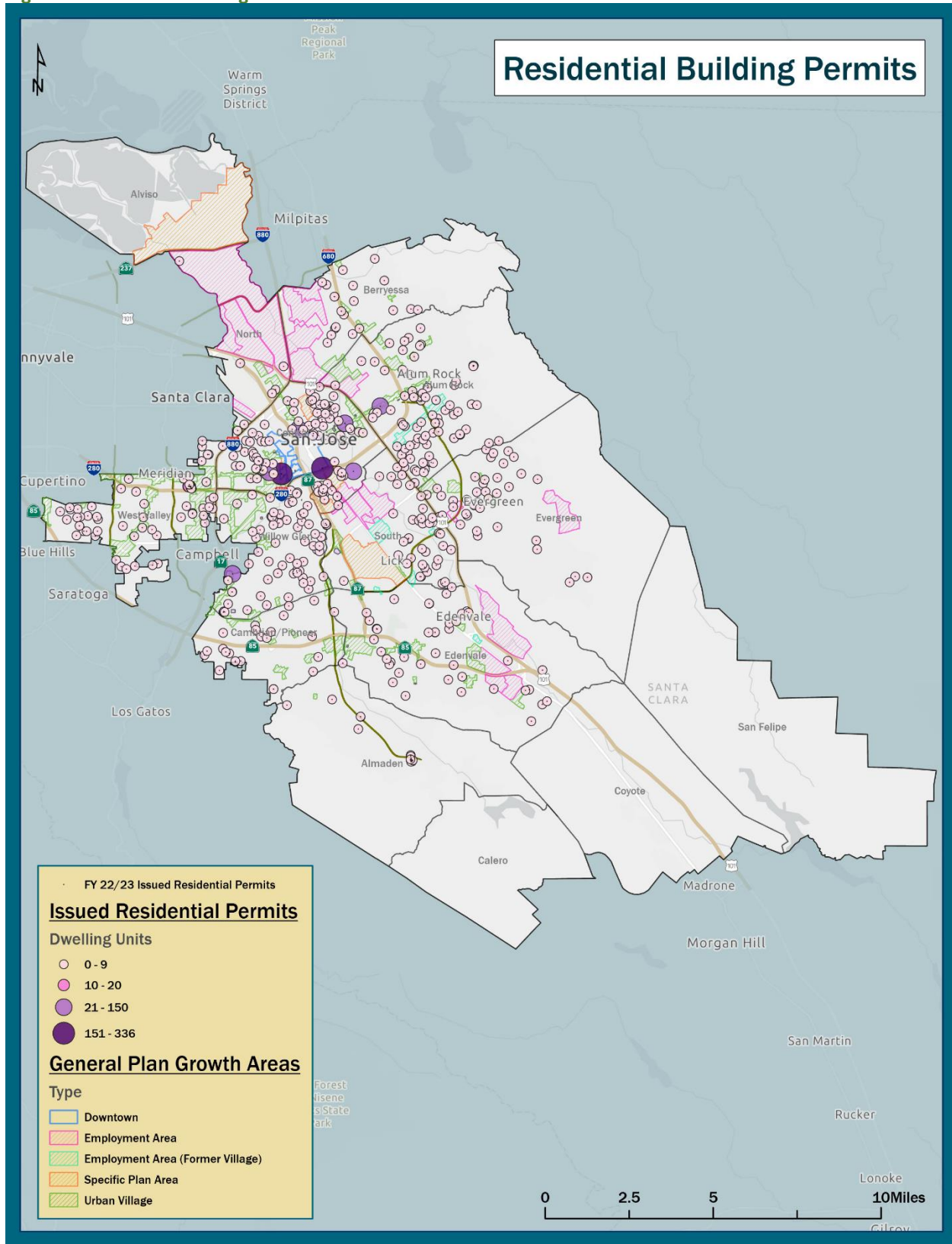


In fiscal year 2022/2023, the number of single-family/duplex units permitted decreased significantly to 31 units, compared to 68 units in the previous fiscal year. This represents a 54% decrease from the previous fiscal year and is 80% below the historical average (since fiscal year 2011/2012) of 155 single-family/duplex units.

In fiscal year 2022/2023, the number of accessory dwelling units (ADUs) permitted decreased to 451 units compared to 540 in the previous fiscal year. This represents a decrease of 16.5% from the previous fiscal year and is the first decrease in ADUs permits issued since FY15/16 but it is 129% above the historical average (since fiscal year 2011/2012) of 197 ADU units.

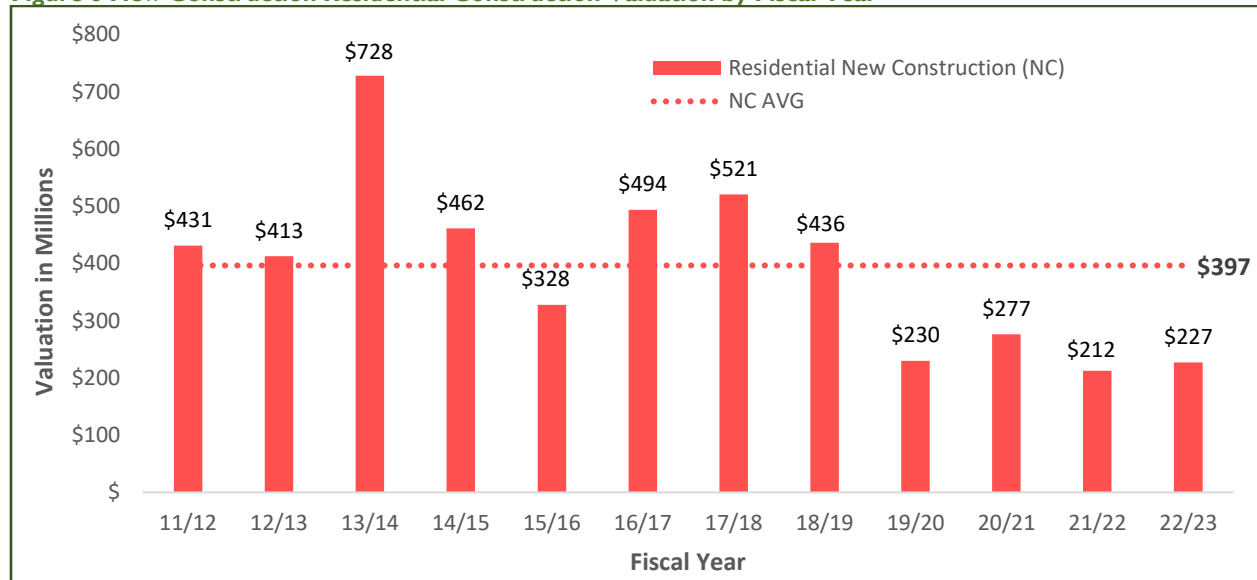
In fiscal year 2022/2023, the number of multifamily units permitted showed a slight increase to 1,310 units, compared to 1,279 units issued in the previous fiscal year. This represents an increase of 2.5% from the prior fiscal year, and the first increase in the number of multifamily units since FY17/18 but is 43% below the historical average (since fiscal year 2011/2012) of 2,309 multifamily units.

Figure 5 Residential Building Permits Issued Fiscal Year 2022/2023



Residential Construction Valuation

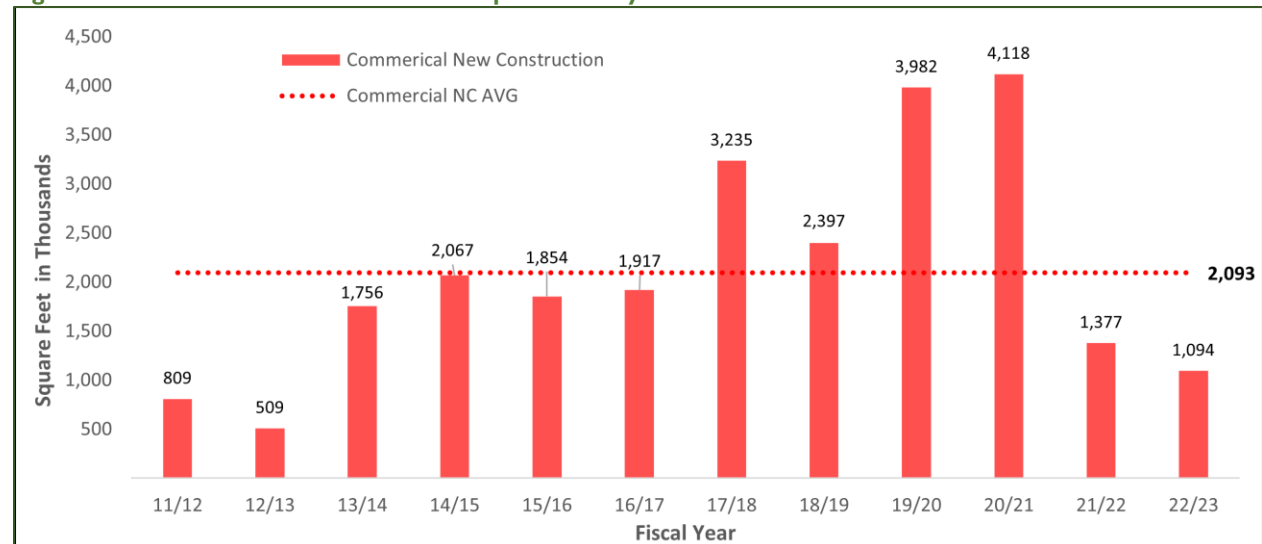
Figure 6 New Construction Residential Construction Valuation by Fiscal Year



Construction valuation is another indicator of new development activity. During fiscal year 2022/2023, the total construction valuation for all residential building permits for new construction slightly increased to \$227 million, compared to \$218 million in the previous fiscal year. This represents a 7% increase from the previous year but is still 43% below the historical average (since fiscal year 2011/2012) of \$397 million.

Commercial Square Footage

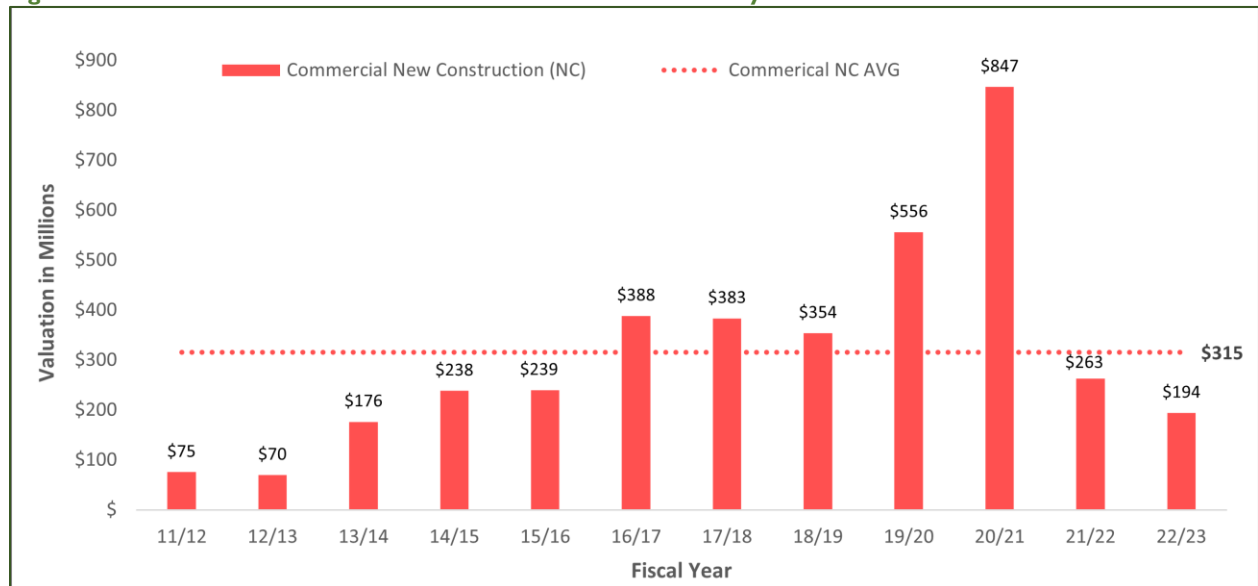
Figure 7 New Construction Commercial Square Feet by Fiscal Year



During fiscal year 2022/2023, building permits issued for commercial new construction yielded 1.09 million square feet of commercial development compared to 1.37 million square feet yielded in the previous year. This is a decrease of 20.5% from the previous year and is 48% below the historical average (since fiscal year 2011/2012) of 2.09 million square feet.

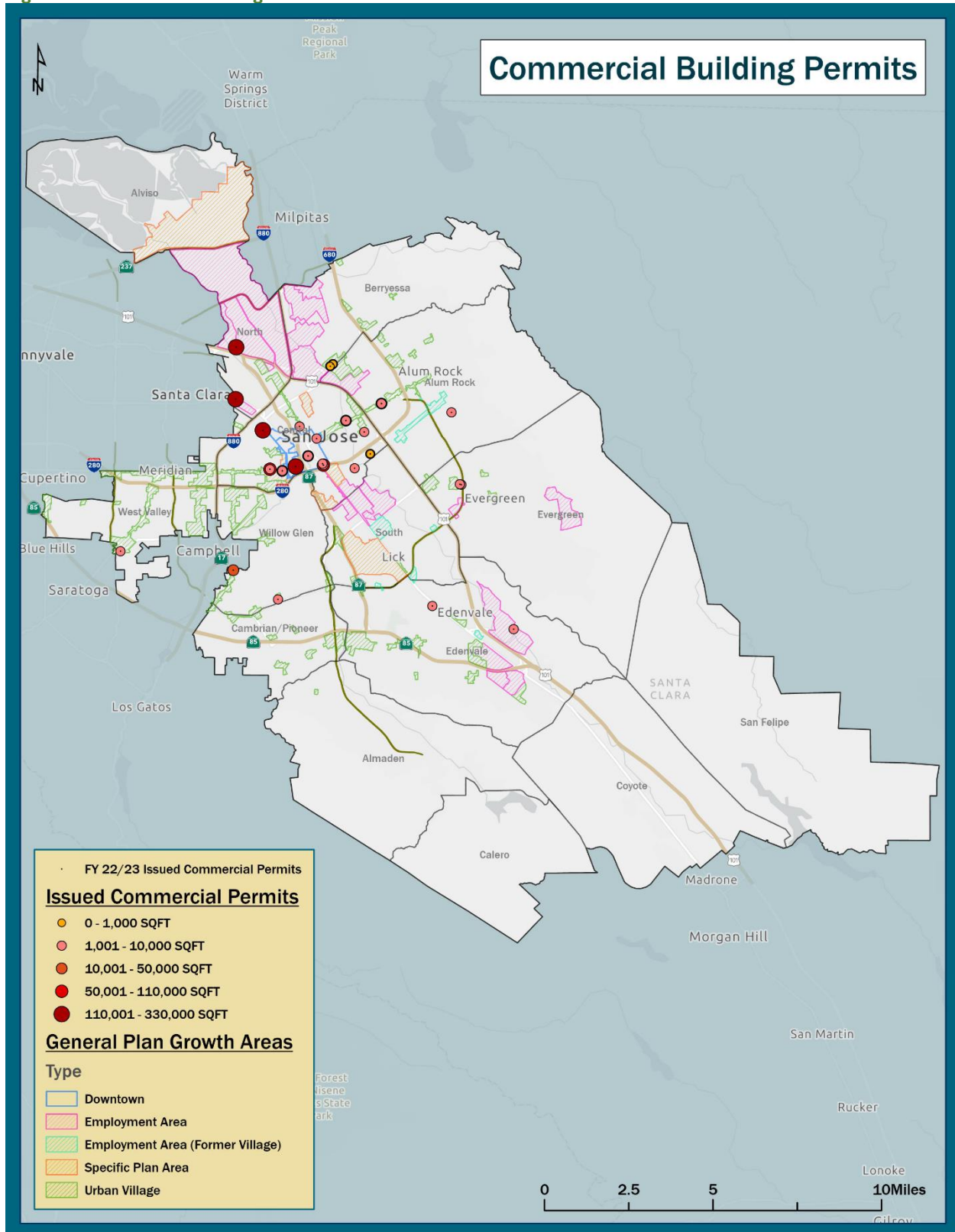
Commercial Construction Valuation

Figure 8 New Construction Commercial Construction Valuation by Fiscal Year



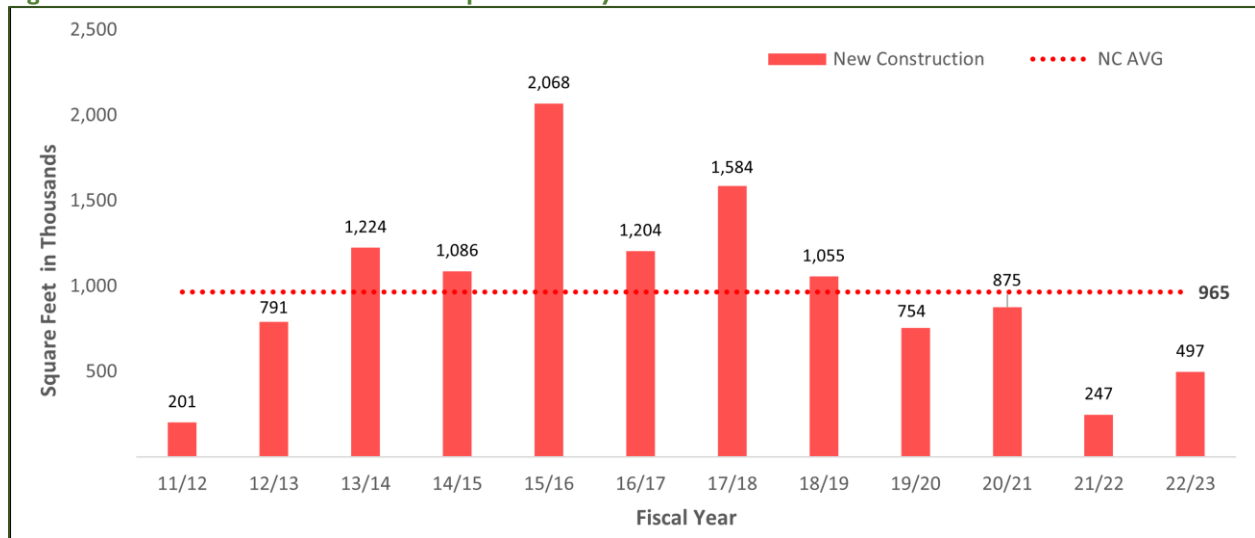
The total valuation of all building permits issued for new construction of commercial projects decreased in fiscal year 2022/2023 to \$194 million compared to the previous fiscal year's total of \$263 million. This is a decrease of 28% from the previous year and is 38% below the historical average (since fiscal year 2011/2012) of \$315 million.

Figure 9 Commercial Building Permits Issued Fiscal Year 2022/2023



Industrial Square Footage

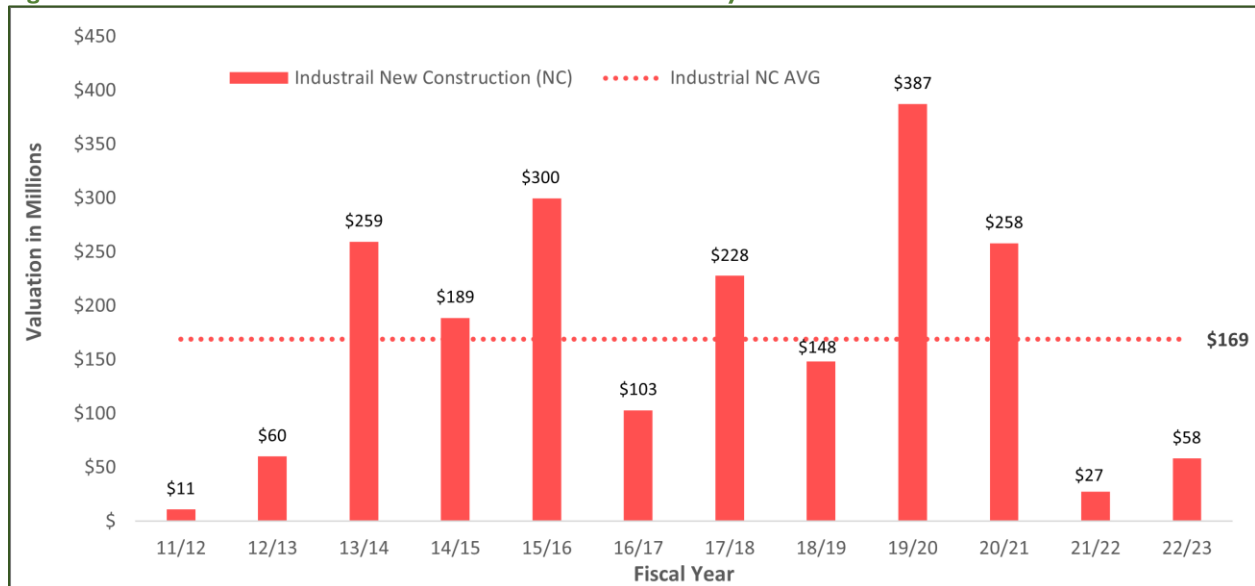
Figure 10 New Construction Industrial Square Feet by Fiscal Year



During fiscal year 2022/2023, building permits issued for new construction industrial projects resulted in 496,000 square feet of industrial buildings compared to 247,000 square feet yielded in the previous fiscal year. This is a significant increase of 101% from the previous year, however, this value is still 48% below than the historical average (since fiscal year 2011/2012) of 965,000 square feet.

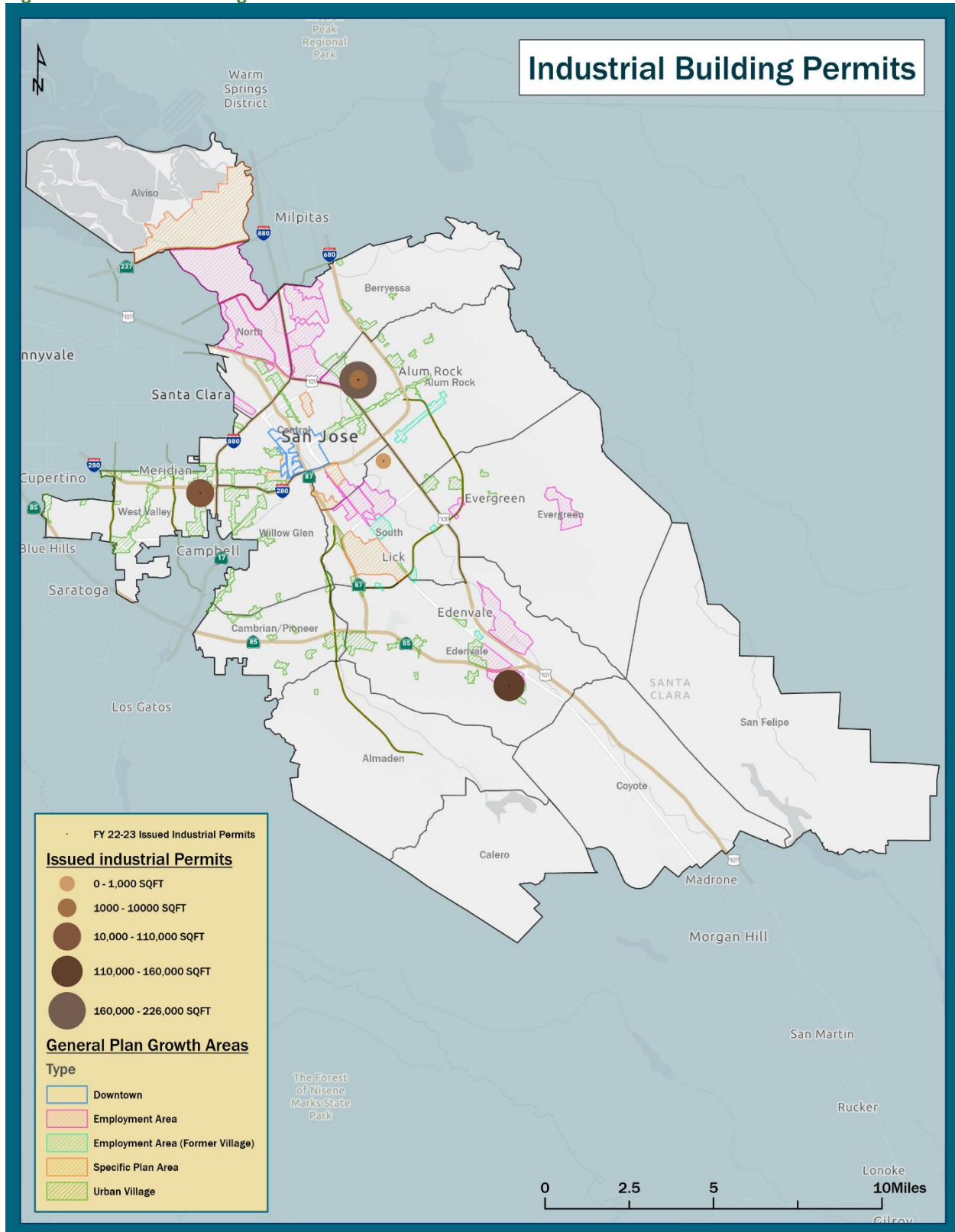
Industrial Construction Valuation

Figure 11 New Construction Industrial Construction Valuation by Fiscal Year



The total construction valuation of building permits issued for new construction of industrial projects showed a significant increase in fiscal year 2022/2023 reaching \$58 million compared to \$27 million in the previous fiscal year. This represents a 107% increase from the previous fiscal year but is still 66% below the historical average (since fiscal year 2011/2012) of \$167 million.

Figure 12 Industrial Building Permits Issued Fiscal Year 2022/2023



Planning Entitlements Citywide

In addition to evaluating building permits, planning staff analyzed planning entitlements to understand development trends.

During fiscal year 2022/2023, Planning entitlements were approved for 7,092 residential units, which is an increase of 405% compared to the 1,748 residential units approved in the previous fiscal year. As of end of December 2023, approximately 7,981 residential units are in the planning review process.

During fiscal year 2022/2023, Planning entitlements were approved for 5.91 million square feet of commercial development, which is a decrease of 22% compared to the 7.66 million square feet approved in the previous fiscal year. As of December 2023, approximately 3.08 million square feet of commercial development is in the Planning review process.

During fiscal year 2022/2023, Planning entitlements were approved for 2.32 million square feet of industrial development, which is an increase of 404% compared to the 573,000 square feet approved in the prior fiscal year. As of December 2023, approximately 1.65 million square feet of industrial development is in the Planning review process.

Detailed data about Planning entitlements within Urban Village growth areas are further discussed in Major Strategy #5 Urban Villages and entitlements within Downtown are further discussed in Major Strategy #9 Destination Downtown.

MAJOR STRATEGY #4 – INNOVATION/REGIONAL EMPLOYMENT CENTER

San José, the Bay Area's largest city and the nation's twelfth-largest city, continues to play a vital role in local, regional, state, and national economies. The Innovation/Regional Employment Center Major Strategy emphasizes economic development to support San José's growth as a center of innovation and regional employment. The General Plan advances the strategy by:

- Planning for 382,000 new jobs and a jobs-to-employed-resident (J/ER) ratio of 1.1/1;
- Supporting job growth within existing job centers;
- Adding new employment lands; and
- Designating job centers at regional transit stations.

To achieve the General Plan's goal of becoming a regional employment center, San José needs to generate approximately 13,000 new jobs annually. Between 2012 to 2022, San José has added approximately 46,500 new jobs (or 4,500 jobs annually) and added approximately 67,600 employed residents. In 2019, there was a decrease in number of jobs (2% decrease), but the J/ER remained relatively stable due to a decrease in the number of employed residents (0.3% decrease). In 2020, the decrease in jobs accelerated, with a loss of approximately 40,686 jobs (9.7% decrease) and 46,200 employed residents (8.4% decrease), likely reflecting the impact of COVID-19 pandemic. In 2021, the J/ER ratio returned to the 2019 level, but the number of jobs and employed residents remained lower than before. San José had approximately 428,000 jobs in 2021 and needed an additional 11,100 jobs to recover from the 2.6% job loss between 2019 and 2021. However, in 2022, despite an increase of 4,900 jobs (1.14% increase) to a total of nearly 433,000 jobs, the J/ER ratio decreased below the 2021 level due to the inclusion of 14,900 employed residents. Sustained improvements in J/ER requires addition of new employment lands as envisioned in the General Plan 2040.

Both COVID-19 impacts and J/ER are further discussed below.

Post-COVID-19 Employment Dynamics

City-level employment data is provided by the California Employment Development Department (CEDD) which is typically released with a one-year lag. Although not on a city-level, the CEDD also provides data on a monthly basis for the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), which is comprised of the combined areas of Santa Clara and San Benito counties. This data reflects the direct and indirect loss of jobs due to the COVID-19 pandemic and shelter-in-place restrictions and the recovery since then. The CEDD data, issued in December 2023, estimated that total wage and salary employment in the MSA is 1,203,000 jobs, an increase of 0.9% year-over-year, from December 2022 to December 2023. Overall, the greatest job losses occurred between March 2020 and April 2020 with 145,000 jobs lost (12.5%) in the MSA. As of December 2023, recovery is complete, though not in all industries, and San José-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA) has 39,400 more jobs in comparison to the peak levels in February 2020. Recovery was driven by job gains in Healthcare and Social Assistance (17,100 jobs), Manufacturing (11,500 jobs) and Professional and Business Services (11,300 jobs) industries. The hardest hit sectors, such as Retail Trade (-3,900 jobs) and Wholesale Trade (-2,100 jobs) are still recovering and not back to February 2020 (pre-COVID) employment levels. The Leisure and Hospitality sector, another severely affected industry, has witnessed recovery (+4,400 jobs) with substantial gains (+8,500 jobs) in the past year, primarily propelled by notable increases in Food Services and Drinking Places (+9,100 jobs).

However, accommodation continues to face challenges, falling short by 1,700 jobs compared to February 2020. CEDD also provides labor market information, such as unemployment and civilian labor

force data for the MSA. In February 2020, the unemployment rate was only 2.6%, but it skyrocketed to 10.8% in June 2020 due to the pandemic. Subsequently, it decreased to 7.6% in August 2020. By December 2022, the unemployment rate had further decreased to 2.4%. However, in December 2023, the unemployment rate rose to 4.0% due to job losses in technology and technology-influenced industries. Notable declines were observed in manufacturing (-3,600 jobs), information (-3,500 jobs), financial activities (-2,400 jobs), and construction (-2,400 jobs) over the past year. The unemployment rate, or the number of people suffering with financial hardships, is likely higher than reported because it may not capture those without jobs that are not and perhaps cannot actively look for employment.

It may take years to assess the full impact of COVID-19 on the local economy as there are lingering impacts and paradigm shifts in employment. Many large tech companies have delayed their return-to-work timelines and are considering hybrid work models moving forward. As of January 17th, 2024, office occupancy is around 42% in San José metro area. This shift in employment may impact future demand for retail, commercial and office as well as how employment uses are designed and function in the future.

Jobs-to-Employed-Resident (J/ER) Ratio

Table 2 Population Growth and Jobs in San José

Year	Population	Jobs
2011	970,011	371,330
2012	981,678	386,524
2013	997,781	405,032
2014	1,012,694	414,663
2015	1,028,040	423,961
2016	1,037,952	432,208
2017	1,045,047	450,760
2018	1,048,875	447,831
2019	1,049,187	439,004
2020	1,049,187	398,136
2021	991,144	427,894
2022	976,482	433,000
2023	971,233	Not Available

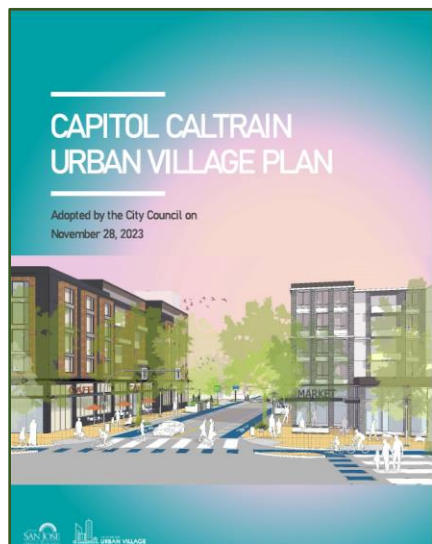
Despite its growth and vibrancy, San José is the only large city (having a population greater than 500,000) in the United States that is largely a bedroom community, meaning more residents leave San José for employment in other communities than workers from other community's commute into San José. This imbalance has led to significant negative fiscal, environmental, and quality of life impacts for San José. The J/ER ratio is an indicator of a city's fiscal strength. In general, employment-based development generates city revenue while residential-based development necessitates the provision of city services, the cost of which outweighs the revenue collected. The City monitors its J/ER ratio using a combination of data from the U.S. Census Bureau's American Community Survey (ACS) and payroll data from the CEDD. According to the most recent data, the City's J/ER ratio is 0.79, meaning there are 0.79 jobs per every employed resident in San José. San José has not shown a significant improvement in the J/ER ratio since 2012, in part because of the significant increase in San José's employed residents in 2022. The J/ER

ratios show a recovery trend across the region, with some fluctuations in smaller cities. As shown in Table 3, San José remains the city with the lowest J/ER ratio from surrounding cities, and the only city under a 1.0. The data reinforces the importance of the General Plan's jobs focus and the need to maintain employment land for future job growth. Table 3 on the next page show the J/ER ratio for San José and other nearby cities since 2011.

Table 3 Jobs-to-Employed-Resident Ratio by Year (2012 - 2022)

City	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
San José	0.81	0.83	0.82	0.82	0.82	0.85	0.82	0.81	0.80	0.81	0.79
Cupertino	1.20	1.33	1.47	1.64	1.75	1.85	1.99	1.99	2.15	2.2	2.26
Fremont	0.86	0.86	0.90	0.96	0.96	0.98	0.98	0.98	1.06	1.12	1.09
Milpitas	1.17	1.19	1.18	1.18	1.17	1.26	1.25	1.20	1.10	1.18	1.13
Mountain View	1.83	2.59	1.84	1.92	1.67	1.74	1.77	1.70	1.89	1.84	1.6 5

MAJOR STRATEGY #5 – URBAN VILLAGES



Major Strategy #5 of the General Plan promotes the development of Urban Villages to provide active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth. Urban Villages are intended to be attractive to an innovative workforce, enhance established neighborhoods, and further General Plan’s environmental goals.

The General Plan establishes an Urban Village concept to create a policy framework to direct most of San José’s new job and housing growth to occur within walkable and bike-friendly Urban Villages with good access to transit and other existing infrastructure and facilities. The preparation of a written document or Urban Village Plan for each Urban Village area provides for ongoing community involvement and public workshops in the implementation of the General Plan and for land use and urban design issues to be addressed at a finer level of detail. Planning staff facilitate community engagement and coordinate the participation of staff

from multiple City Departments. Concentrating new development in Urban Villages helps the City meet its environmental, fiscal, economic, and transportation goals, and provides the public with detailed information related to allowable uses, density, and heights that are permitted within each Urban Village.

Approved Urban Village Plans

Since the adoption of the Envision San José 2040 General Plan in 2011, the City Council has approved 16 Urban Village plans out of 61 Urban Village Growth Areas that are identified in the General Plan. The most recent approval was for the Capitol Caltrain Station Area Plan in November 2023. Descriptions of the approved Urban Village plans are available on the Urban Villages website.

[Urban Villages Website](#)

Table 4 Approved Urban Village Plans

Urban Village Plans	Date Approved
Downtown	
Diridon Station Area Plan	May 25, 2021
Regional Transit Urban Village Plans	
The Alameda	December 16, 2016
Berryessa BART Station Area Plan	June 21, 2021
Five Wounds	November 19, 2013
Capitol Caltrain Station Area Plan	November 28, 2023
Local Transit Urban Village Plans	
Alum Rock	October 22, 2013
East Santa Clara Street	October 23, 2018
Little Portugal	November 19, 2013
North 1 st Street	March 22, 2022
Roosevelt Park	November 19, 2013
Stevens Creek Boulevard	August 8, 2017
West San Carlos Avenue	May 8, 2018
Commercial Corridor Urban Village Plans	

Santana Row/Valley Fair	August 8, 2017
South Bascom Avenue (North)	May 8, 2018
Winchester Boulevard	August 8, 2017
Neighborhood Urban Village Plans	
24th Street/Williams Street	November 19, 2013

Urban Village Plans in Process

The new consolidated Five Wounds Urban Village Plan (combining Five Wounds, Little Portugal, 24th & Williams, and Roosevelt Park) is anticipated to be scheduled for the City Council hearing for adoption in Winter of 2024

The planning process for the Alum Rock Avenue Urban Village Plan and the Saratoga Avenue Urban Village Plan (combining the Saratoga and Paseo de Saratoga Urban Village areas) is anticipated to begin in Spring of 2024.



Five Wounds Community Workshop #3

Table 5 Urban Village Plans in Process

Urban Village Plans	Status	Anticipated Adoption
Five Wounds (Little Portugal, Five Wounds, 24th & Williams, & Roosevelt Park Urban Villages Update)	In Progress	Winter 2024
Alum Rock Ave. (E. of 680)	Spring 2024 start	Winter 2025
Saratoga Avenue (Saratoga Ave/Paseo de Saratoga Urban Villages)	Spring 2024 start	Winter 2025

Development Activity in Urban Village Plan Areas

Since the adoption of the General Plan in 2011, the Planning Department has entitled approximately 14,076 residential units and 5.9 million square feet of non-residential development (commercial and industrial) within Urban Villages. In fiscal year 2022/2023, the Planning Department entitled approximately 2,182 residential units and 199,000 square feet of non-residential development (commercial and industrial) within Urban Villages.

Signature Projects in Urban Villages



Sparta Student Housing (Construction Complete in 2022)

For residential development to move forward in Urban Villages that do not yet have an approved Urban Village plan and the property does not already have a General Plan land use designation that allows residential development, the General Plan includes Policy IP-5.10, the “Signature Project” Policy, which allows residential mixed-use development to proceed ahead of an approved Urban Village plan if the project meets an established set of requirements related to density, design, and the provision of employment space and parkland space.

Since 2011, nine signature projects have been granted Planning entitlements, out of which one project has

fully completed construction (Sparta Student Housing) and one project has partially completed construction, one project is under construction, and seven projects have either partially or fully received entitlements, but no construction has commenced. There is currently one signature project in the planning review process. Just to note, some projects are in multiple stages because they have amendments to their original entitlements. See Table 6 for more details on the complete list of Signature Projects.

[Signature Projects Website](#)

Affordable Housing in Urban Villages



Rendering of Affirmed Affordable Housing (Construction Complete in 2022)

For affordable housing to move forward in Urban Village areas that do not yet have an approved Urban Village Plan and the property does not have a General Plan land use designation that allows residential development, the General Plan also includes Policy IP-5.12, which allows affordable housing development or a mixed-used affordable housing development to proceed ahead of an approved Urban Village plan if the residential portion of the project is 100% deed-restricted for no less than 55 years to low-income residents (earning 80% or less of the Area Median Income). See Table 7 for more details on the complete list of Affordable Housing projects using policy IP-5.12.



Rendering of Signature Project 1350 South Bascom Avenue (Under Construction)



Affordable Housing 397 Blossom Hill Road (Under Construction)



Rendering of Signature Project Cambrian Park Plaza (Entitled)



Rendering of Affordable Housing 2880 Alum Rock Avenue (Entitled)

Table 6 Signature Project List

Project Name	File Numbers	Status	Planning Approved Date	Address	Description	Urban Village
Sparta Student Housing	PD15-044	Construction Completed	9/20/2016	505 E. Santa Clara Street	Planned Development Permit for the construction of 86 student residential units and 11,530 square feet of commercial space in a 7-story building.	East Santa Clara Street
Volar	PD15-059	Entitled	6/13/2017	350 Winchester Boulevard	Planned development permit to allow the construction of 307 residential units and 52,167 square feet of commercial and office uses in an 18-story building.	Valley Fair/ Santana Row Urban Village
The Orchard	PD16-025	Construction Completed	1/10/2017	641 N. Capital Avenue	Planned Development Permit for the construction of 188 residential units, 10,000 square feet of total 108,000 square feet of commercial space, and a one-acre park.	North Capitol Avenue/ McKee Road
	PDA16-025-03	Entitled	8/10/2022	525 N. Capital Avenue	Planned Development Amendment permit to increase the mini storage building square footage from 76,000 square feet to 111,000 square feet.	
	MP21-011	Entitled	9/1/2023	0 Fruit Ranch Loop	SB 35 Ministerial Permit to add 160 affordable housing units and decrease the commercial square footage from 28,000 square feet to 2,900 square feet.	
FortBay	PD17-014	Entitled	2/26/2017	4300 Stevens Creek Boulevard	Planned Development Permit to allow construction of a 6-story approximately 233,000-square-foot office building, a 6-story parking garage, an 8-story mixed use building containing approximately 10,000 square feet of ground floor commercial and up to 289 residential units, and an 8-story residential building containing approximately 205 market rate residential units and approximately 88 affordable residential units.	Stevens Creek Boulevard
AvalonBay	PD17-027	Entitled	6/11/2019	700 Saratoga Avenue	Planned Development Permit to allow the construction of up to 302 residential units, 17,800 square feet of retail/commercial space, and 1,110 new parking spaces within the existing multi-family residential development.	Saratoga Avenue Urban Village
Bascom Gateway Station	PD18-015	Under Construction	9/10/2019	1350/1410 South Bascom Avenue	Planned Development Permit to allow the construction of 590 multifamily residential units and 200,000 square feet of office space.	South Bascom (North) Urban Village

Blossom Hill Signature Project	SP20-012	Entitled	8/9/2022	605 Blossom Hill Road	Special Use Permit to allow the construction of one six-story mixed use building with 13,590 square feet of commercial space and 239 market-rate multi-family residential units and one five-story multifamily residential building with 89 affordable housing units.	Blossom Hill Road/Calahan Avenue
Cambrian Park Plaza	PD20-007	Entitled	11/2/2022	14200 Union Avenue	Planned Development Zoning to allow the construction of up to 305 multifamily residential units, 25 townhomes, 48 single-family residential homes, and 27 accessory dwelling units, 181,340 square feet of retail and residential care use, 229 room hotel, and 4 acres of public open space.	Camden Avenue/Hillsdale Avenue
El Paseo Mixed Use Village	PDA20-006-02	Entitled	11/29/2023	1312 El Paseo de Saratoga	Planned Development Amendment Permit to reduce the commercial square footage from 66,838 sq ft to 58,370 sq ft and to remove all 267 residential units from Building 3 of the original approved Planned Development Permit.	Paseo de Saratoga
	PDA20-006-03	Pending Planning Approval	n/a	1312 El Paseo de Saratoga	Planned Development Amendment Permit to increase the residential unit from 267 to 376 and reduce the commercial sq ft from 64,176 sq ft to 13,500 sq ft on Building 1, to increase the residential units from 273 to 371 and reduce the commercial sq ft from 29,699 sq ft to 15,500 sq ft on Building 2, to increase the commercial sq ft from 5,236 sq ft to a 116,004 sq ft, 120-unit residential care facility on Building 4a, and 248 units to be modified in a future permit amendment for Building 4b.	

Table 7 Affordable Housing List

Project Name	File Numbers	Status	Planning Approved Date	Address	Description	Urban Village
Blossom Hill Senior Affordable Housing	CP18-022	Under Construction	12/11/2019	397 Blossom Hill Road	Conditional Use Permit to construct a 147-unit senior affordable housing building with approximately 16,066 square feet of commercial uses.	Blossom Hill Road/Snell Avenue
Affirmed Housing	H20-013	Construction Complete	2/28/2021	3090 South Bascom Avenue	AB 2162 Ministerial Permit to construct a 5-story, 79-unit supportive housing development, with 29 units reserved for permanent supportive housing, and 619 square feet of commercial space.	South Bascom Avenue (South)
Pacific West Communities, Inc.	CP20-025	Entitled	10/7/2021	2880 Alum Rock Avenue	Conditional Use Permit to construct one mixed-use six-story building (Building A) with 7,000 square feet of commercial space and 119 residential units (100% affordable) and one multifamily residential six-story building (Building B) with 45 units (100% affordable) with associated podium garage parking.	Alum Rock Avenue (East of 680)
Casa de Novo	H20-046	Pending Planning Approval	n/a	2188 The Alameda	Site Development Permit to construct a new 6-story, 118-unit supportive housing development including 2 managers units of which a minimum of 50% are permanent supportive units and 21,170 sq. ft. of non-residential support spaces with 39 parking spaces.	The Alameda (West)
Maracor Development, Inc.	H21-004	Under Construction	2/4/2022	2350 South Bascom Avenue	SB 35 Ministerial Permit to construct a 6-story mixed-use, multifamily project consisting of 123 affordable units and 1,437 square feet of ground floor commercial space.	South Bascom Avenue (South)
JEMCOR Development Partners	H21-020	Under Construction	8/3/2022	1007 Blossom Hill Road	Site Development Permit to construct a seven-story building, with five-stories of multi-family 100% affordable residential housing units (271 units) over a two-story parking garage.	Oakridge Mall (Edenvale)
Dry Creek Crossing	MP22-006	Under Construction	1/27/2023	2388 South Bascom Avenue	SB35 Ministerial Permit to construct a six-story 100% affordable residential project with 64 housing units, with 63 income-restricted units and one on-site manager unit.	South Bascom Avenue (South)

Charities Housing	MP22-009	Entitled	4/21/2023	5885 Santa Teresa Boulevard	SB 35 Ministerial Permit to construct three new building with 49 affordable units. (Santa Teresa Boulevard/Snell Avenue Urban Village).	Santa Teresa Boulevard/ Snell Avenue
Community Development Partners	MP22-011	Entitled	9/1/2023	525 North Capitol Avenue	SB 35 Ministerial Permit to construct a 5-story mixed-use affordable housing project consisting of 160 affordable housing rental units and 2,600 sf of community serving flex space.	North Capitol Ave/McKee Road
Affirmed Housing Group	MP22-014	Entitled	8/24/2023	1371 Kooser Road	SB 35 Ministerial Permit to construct a 7-story, 100% affordable housing apartment consisting of 191 residential units, of which 8 are set aside as Rapid Rehousing Units and 2 are for managers, with a 2-level parking garage with 130 parking spaces.	Kooser Road/Meridian Ave

MAJOR STRATEGY #6 – STREETSCAPES FOR PEOPLE

Major Strategy #6 focuses on designing streets to prioritize people over cars and to accommodate a diverse range of urban activities and functions in them. The city's transportation network promotes walking, bicycling, and public transit use to support this strategy. General Plan policies advocate for the development of "Complete Streets" that cater to all users and support various activities such as pedestrian movement, cycling, utilities, outdoor gatherings, and vehicle traffic. Complete Streets ensure safe, comfortable, and convenient travel for people of all ages, abilities, and preferences. Close alignment between the City's Capital Improvement Program and the General Plan policies enables strategic planning and allocation of resources to develop infrastructure that supports the Plan's objectives.

The Department of Transportation (DOT) led efforts in the past few years for the approval of several transportation plans which move forward Complete Streets principles. These include:

- The Vision Zero Action Plan (2020)
- Better Bike Plan 2025 (2020)
- *En Movimiento* or East San José Multimodal Transportation Improvement Plan (2021)
- Downtown Transportation Plan (2022)
- Transit First Policy (2022)

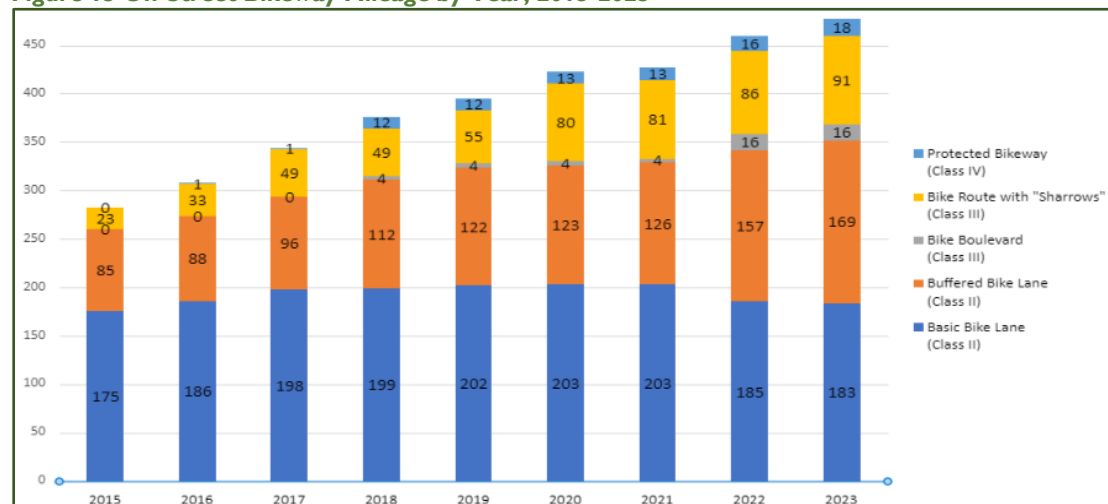
DOT staff's current project delivery activity is guided by these plans. Additionally, several planning efforts are currently being pursued by DOT staff that include: the North San José Multimodal Transportation Plan (MTIP) and transit-priority complete streets plans for the Stevens Creek-San Carlos corridor, Santa Clara Street, King Road, and Monterey Road. Notable highlights about these planning and project delivery efforts are described in detail below.

Better Bike Plan 2025

The Better Bike Plan 2025 continues the build-out of its network in all ten City Council Districts. These new bikeways and enhancements to existing bikeways projects leverage DOT's Pavement Maintenance Program. Bikeways are any street or path that is designed to accommodate people on bikes, which includes a bike boulevard, a street with a bike lane, a protected bike lane, or a multi-use path, also called a trail. Figure 13 displays total mileage of bikeways in San José constructed since 2015.

[Better Bike Plan 2025 Website](#)

Figure 13 On-Street Bikeway Mileage by Year, 2015-2023

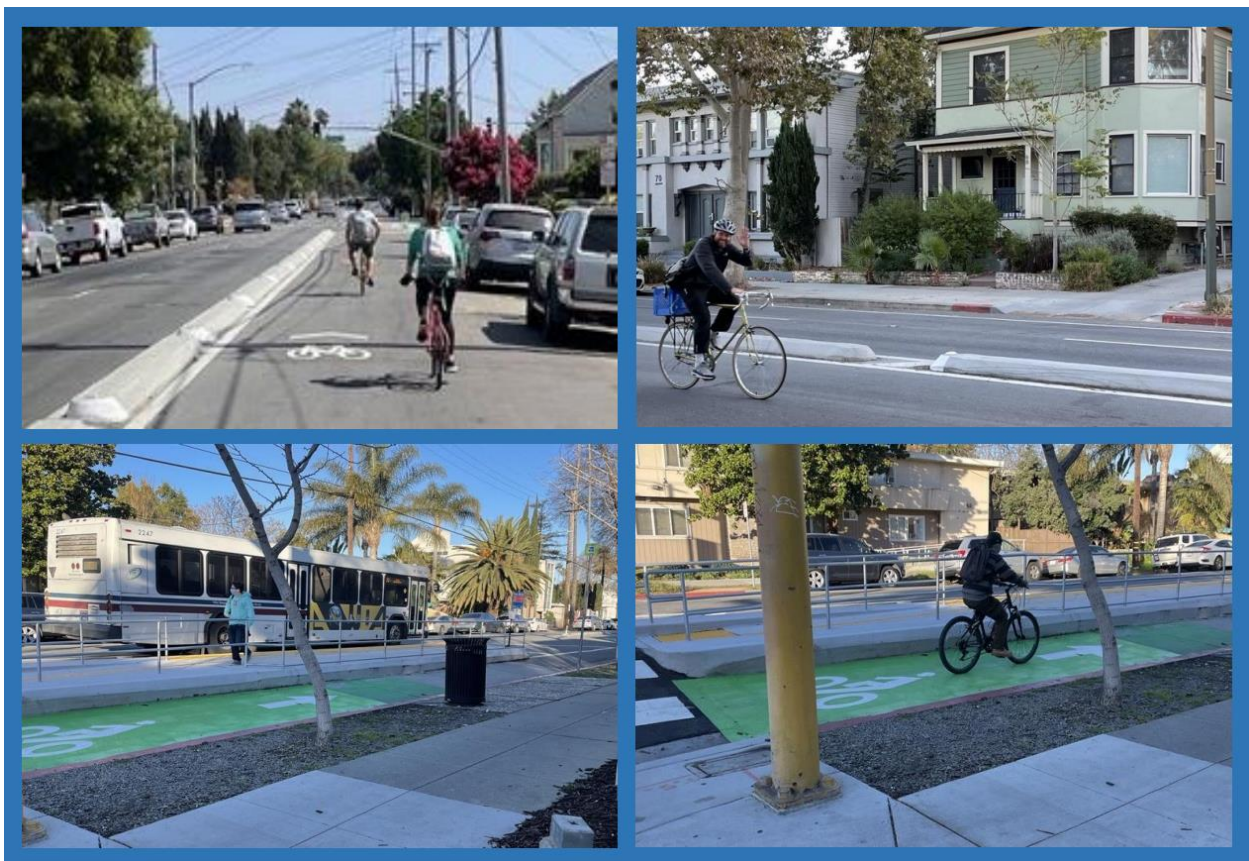


New Bikeways 2023 (portions of the below streets)

- Alum Rock Avenue
- Fruitdale Ave
- N. Winchester Boulevard
- Gold Street

Enhanced Bikeways 2023

- Completion of the 10th and 11th Street frontage lane bikeways with the addition of concrete islands at intersections and transit stops in Council District 3.
- Completion of protected bikeways on Quimby Road (between White Road and Ruby Avenue) in Council District 8 and Pearl Avenue (between Chynoweth Avenue and Hillsdale Avenue) in Council District 9.
- Skyway Drive in Council District 2.
- Funding secured for the *Story Road-Keyes Street Complete Streets project* to construct protected bikeways, pedestrian safety improvements, transit enhancements, and other safety enhancements along the Story-Keyes corridor from Third Street to King Road in Council Districts 3, 5, and 7.



Tenth and Eleventh Streets Frontage Lane Bikeways

Transit-First Policy

The Transit-First Policy directs the City to put transit riders' best interest first in the design of Grand Boulevards (i.e., the city's major transit corridors) and streets serving frequent transit routes by prioritizing transit

[Transit First Policy Website](#)

vehicle operations and riders' access to transit stops. Some notable accomplishments in 2023 for implementing this policy include:

- Conceptual designs completed for the Monterey Road Quick-build Transit Project (Grant Funded) in Council Districts 2, 3, and 7. Highlights include bus-only lanes, boarding islands, protected bike lanes, and improved crosswalks.
- Funding secured for constructing bus-only lanes on Third Street to King Road in Council Districts 3, 5, and 7.
- Funding secured for deploying a centralized transit signal priority (TSP) system at more than 260 intersections on the VTA's Frequent Transit Network for five years. TSP is a technique to reduce the transit delay by allowing buses to get priority at an intersection.
- Funding secured for developing the Monterey Road Reconnecting Communities Plan, a long-term complete street plan for Monterey Road (Keyes Street to Metcalf Road) in Council Districts 2, 3, 7, and 10. Highlights include a community-based transportation plan (CBTP) to address communities needs in developing a new Grand Boulevard.

Downtown Transportation Plan

The Downtown Transportation Plan is a community-based, long-range multimodal transportation improvement plan for Downtown San José in Council District 3. The plan prioritizes a list of 56 projects, programs, and policies to be implemented in 20 years. In 2023, funding was secured for various projects, among which some noteworthy accomplishments were for the following projects:

[The San José Downtown Transportation Plan](#)

- Story Road-Keyes Street Complete Streets project
- On-street mobility hubs on San Fernando Street to support the first last-mile connections with multiple travel options.
- Developing a digital curb management tool to collect and display the inventory and usage of the curb on Downtown streets.
- Converting the one-way couplets on Julian Street and Saint James Street (Market Street to Fourth Street) to two-way streets, making more livable streets with safety and streetscape improvements.

Eastridge to BART Regional Connector

The Eastridge to BART Regional Connector will extend light rail approximately 2.4 miles along Capitol Expressway from the Alum Rock Station to the Eastridge Transit Center. Highlights of this project include grade separations at Capitol Avenue, Story Road, Ocala Avenue, Cunningham Avenue, and Tully Road, elevated light rail stations at Story Road and at-grade stations at Eastridge Transit Center. The project relocated utilities in 2023 and construction is anticipated to begin in early 2024. The passenger service is expected to start by the end of 2028.



Ribbon-Cutting Celebration for the US-101/Blossom Hill Road Interchange Improvements Project

Regional Highway Projects

The City has made significant efforts towards modernizing major infrastructures in compliance with the Complete Streets Design Standards and Guidelines. These projects aim to interconnect trails and major pedestrian and bike corridors while ensuring full separation of vehicles from pedestrians and cyclists wherever possible. Some of the noteworthy accomplishments in the year 2023 include:

- Substantial completion of the US-101/Blossom Hill Road Interchange Improvement Project
- Includes a bike/pedestrian trail through the interchange connecting Xander's Crossing and Coyote Creek Trail

[Freeways Website](#)

[Complete Streets Design Standards and Guidelines.](#)

Also see Major Strategy #11 – Design for a Healthful Community for additional transportation-related projects which also contribute towards Major Strategy #6.

MAJOR STRATEGY #7 – MEASURABLE SUSTAINABILITY/ENVIRONMENTAL STEWARDSHIP

Major Strategy #7 of the Envision San José 2040 General Plan aims to achieve ambitious environmental leadership goals by advancing its Climate Smart San José plan through 2040. The General Plan also contains multiple policies to support the implementation of environmental best practices, aligned with the city's goals of managing resources for present and future generations, efficiently using natural resources, and minimizing waste.

To measure progress towards these goals, staff in the Environmental Services Department (ESD) collect data annually on key environmental indicators for energy use, transportation, housing, and water use.

Climate Smart San José

Climate Smart San José (2018) provides a roadmap for achieving significant reductions in greenhouse gas emissions. It aims to meet the state's target of an 80% reduction below 1990 levels by 2050, in line with the Paris Climate Agreement goals. While Climate Smart already set ambitious climate goals, the City recognized the urgency of climate change and, in November 2021, approved the *Pathway to Carbon Neutrality by 2030*. Progress on the nine strategies of Climate Smart San José is available on the public Climate Smart Dashboard and highlights are provided at the end of this section.

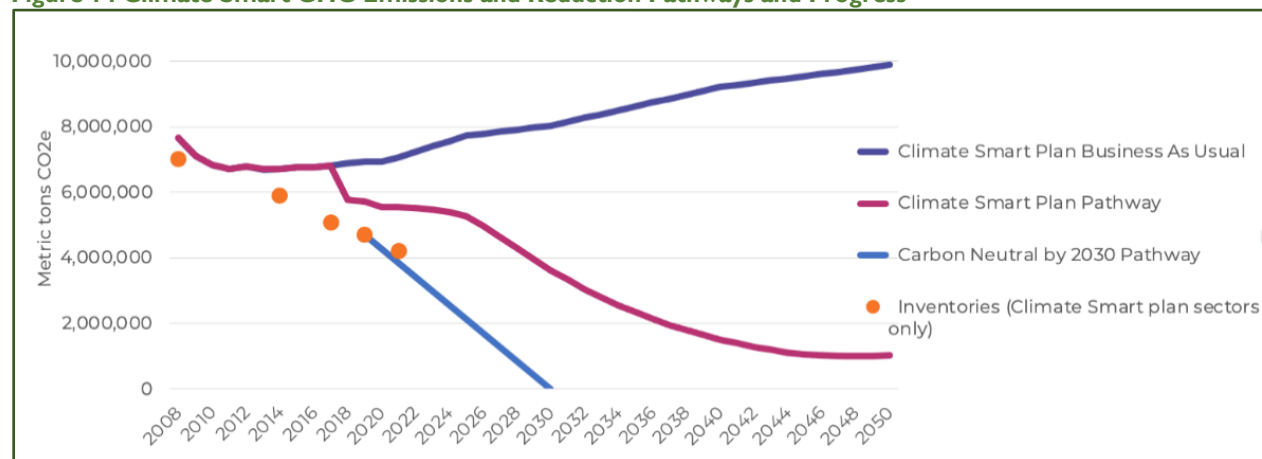
[Climate Smart San José Website](#)

Communitywide Greenhouse Gas (GHG) Inventory

In June 2023, the 2021 Inventory of Communitywide GHG Emissions (Inventory) was published on the Climate Smart Dashboard. The net communitywide GHG emissions in 2021 were an estimated 4.9 million metric tons of carbon dioxide equivalent, a 10 percent reduction from 2019 Inventory. As in previous years, the majority of communitywide GHG emissions came from transportation (49%) and energy use in buildings (33%). Based on the data in the 2021 Inventory, San José is on track to meet its Climate Smart GHG emissions reduction goals by 2050. However, these emissions are slightly higher than those required to achieve carbon neutrality by 2030. Figure 13 provides a comparison between the Climate Smart Plan's GHG emissions reduction pathway, the Pathway to Carbon Neutrality by 2030, and San José's GHG emissions reduction progress so far.

[GHG Emissions Website](#)

Figure 14 Climate Smart GHG Emissions and Reduction Pathways and Progress



Climate Advisory Commission

In May 2023, the City Council established the Climate Advisory Commission (CAC), which merged with the existing Clean Energy Community Advisory Commission (CECAC). The new commission is effective starting January 1, 2024. On January 30, 2024, City Council approved the appointments of the eleven CAC Commissioners. The departments of Environmental Services, Transportation, Community Energy, and Planning, Building, and Code Enforcement will co-lead the commission. The Environmental Services Department will serve as the primary commission facilitator.

[Climate Advisory Commission \(CAC\) Website](#)

Climate Smart Plan Administrative Update

Environmental Services Department staff is currently working on an administrative update for the Climate Smart plan. The update will align the plan with the Envision San José 2040 General Plan four-year update; update the Climate Smart data model; incorporate the carbon neutrality goal; and incorporate new Climate Smart elements. Staff anticipate presenting the update to City Council in mid-2024.

Reach Code Updates

In September 2023, Council adopted City's 2019 reach code ordinance update. The updated reach code includes the following components for all building types:

[Reach Code Webpage](#)

- Efficiency requirements for mixed fuel buildings
- Solar-ready requirements where not already covered by 2022 building code
- Electrification-ready requirements where not already covered by 2022 building code

ESD staff also conducted research and community engagement to draft an update to the City's electric vehicle charging infrastructure reach code ordinance to include requirements for new multi-family housing developments with parking. The update will also incorporate any changes made to the State Energy Code via the Intervening Code Cycle, which will go into effect July 2024. The recommended reach code updates will go to the Council in January 2024.

Major Initiatives

Current areas of work that are driving progress on Climate Smart San José goals include:

- **The Zero Emissions Neighborhood (ZEN) pilot program**, which implements multiple climate smart improvements to the Santee neighborhood in East San José, starting with urban greening and zero-emissions urban freight. In 2023, ESD staff worked with program partners to host a workshop on sustainable gardening and heard concerns and priorities from residents through multiple community meetings. The urban freight pilot also established a working group with five community members to help design the program.
- **The Electric Homes San José Program**, which will support completing 250 electrification measures to energy-efficient, all-electric technologies and support green workforce development. Throughout 2023, ESD staff collaborated with BlocPower to develop program

[Zero Net Carbon Buildings](#)

logistics and increase stakeholder engagement by establishing the program's Community Advisory Board (CAB).

- **The Induction Cooktop Checkout program**, which offers San José residents the chance to try out clean, healthy, all-electric cooking with an induction cooktop at no cost. The program re-launched to the public in January of 2023 after being on hiatus for three years. By the end of the year, 33 San José residents participated in the checkout program.
- **The Climate Smart Challenge and GoGreen Teams program**, which provides residents with information on how to contribute to Climate Smart San José goals and connect with other interested residents. Staff sponsored 2 community-based organization and one university – Guadalupe River Park Conservancy, Valley Verde and San José State University – to run a GoGreen Teams campaign with community members. City staff also created a GoGreen team and participated in the campaign, engaging City employees from other departments such as Police. Overall, the campaign engaged 123 San José residents and students, and by the end of the program participants avoided 87,300 lbs. of CO₂e emissions and saved nearly 117,300 gallons of water.

Measurable Sustainability and Climate Smart Goals

Highlights of specific measurable goals of the *Climate Smart San José* Plan are given below. More detailed progress and reporting metrics can be found at the Climate Smart webpage.

[Climate Smart Data Dashboard](#)

Figure 15 Amount of Renewable Energy Capacity Installed in San José

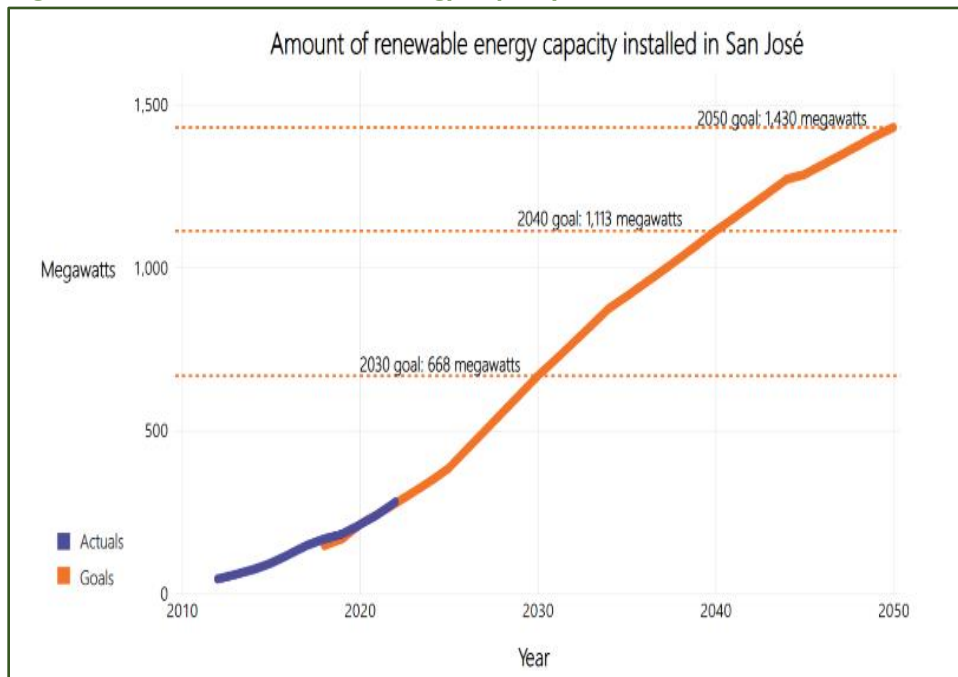


Figure 16 Share of Renewable Energy in San José Clean Energy Power Mix

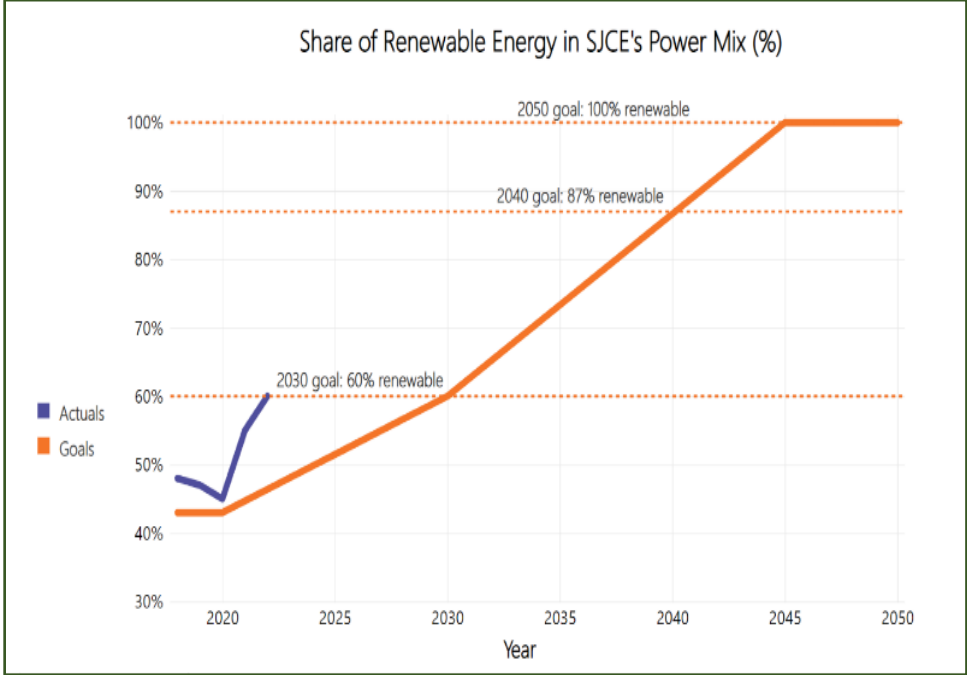


Figure 17 Percentage of Electric Vehicles Registered in San José

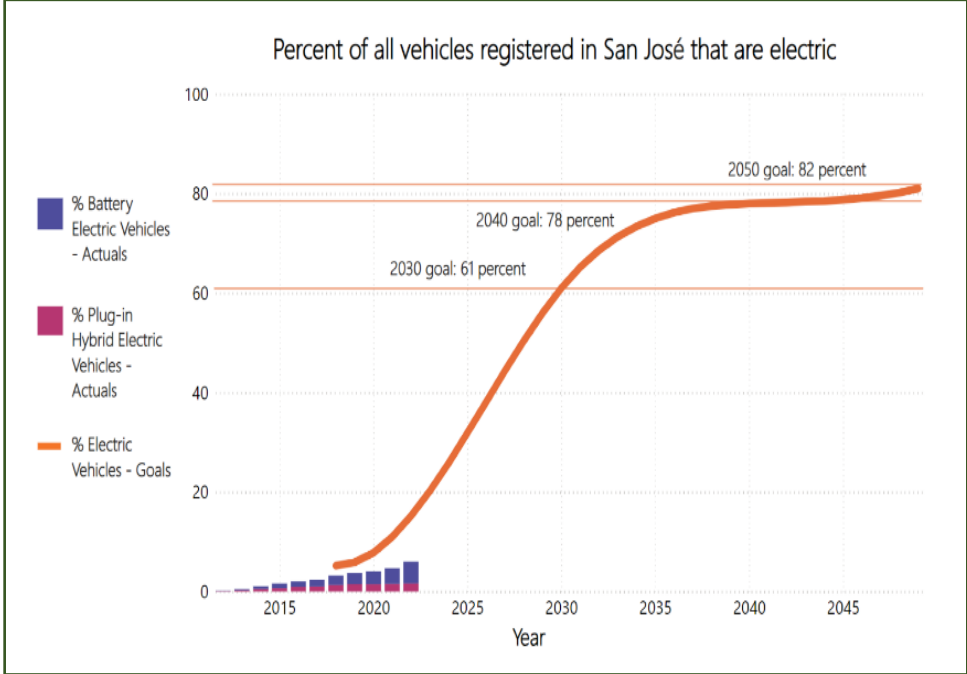


Figure 18 Percent of Commutes in Single-Occupancy Vehicles

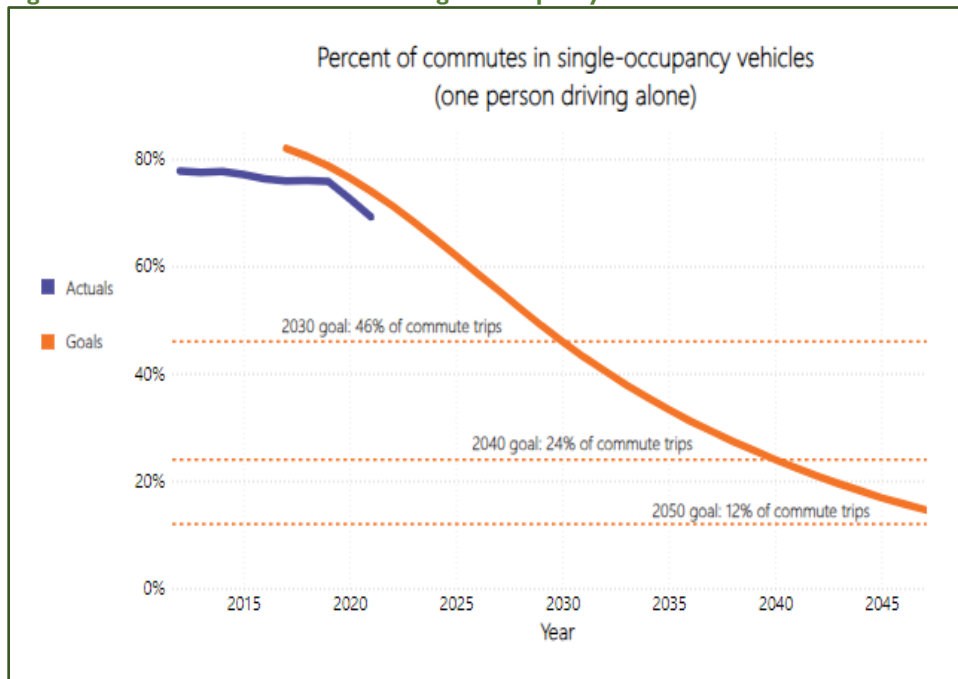


Figure 19 Commercial Space within 1/2 mile of a High-Quality Transit Stop

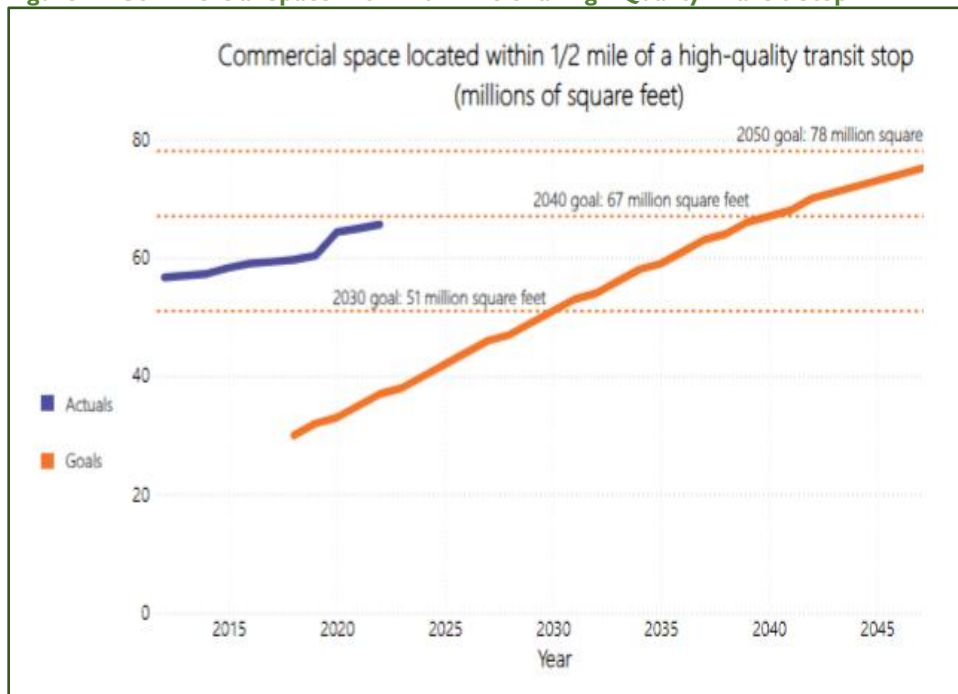


Figure 20 Population Density in General Plan Growth

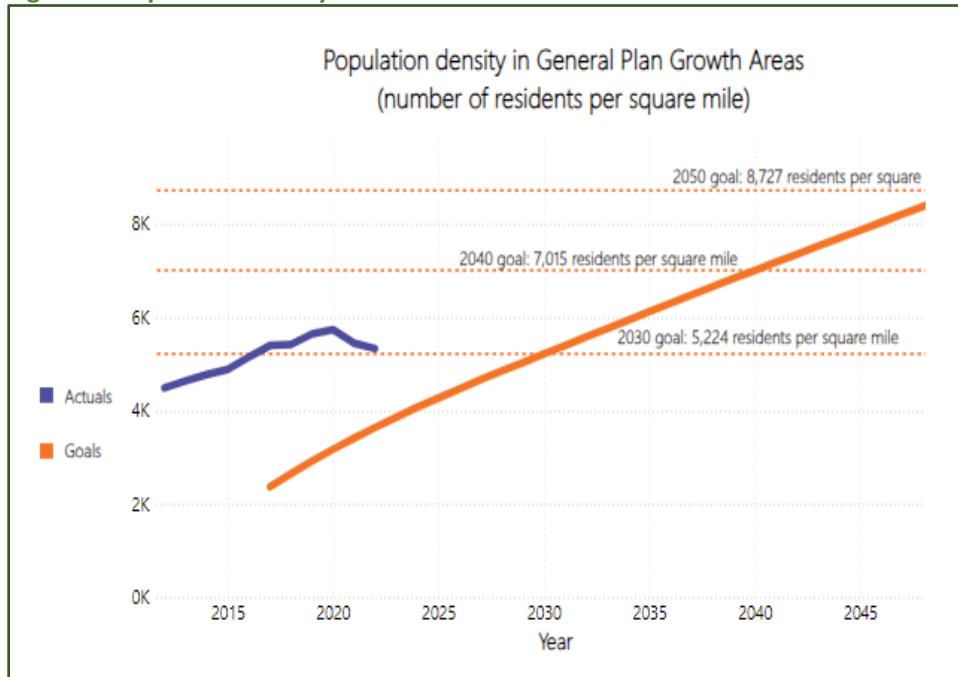
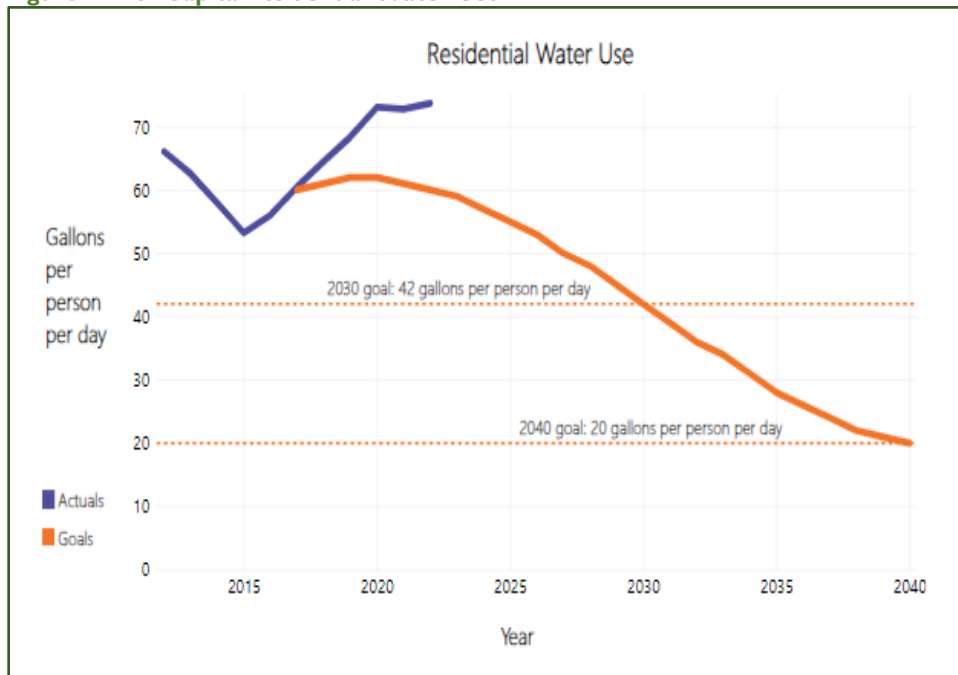


Figure 21 Per Capita Residential Water Use



MAJOR STRATEGY #8 – FISCALLY STRONG CITY

Major Strategy #8 of the General Plan establishes a land use planning framework that promotes fiscal balance of revenue and costs to allow the City to deliver high-quality municipal services. This Major Strategy was created in part to counteract the negative fiscal consequences of past land use patterns.

Land Use and Fiscal Health

Past land use patterns have resulted in a predominance of low-density, single-family residential uses. These areas make up 43% of the City's total land area and 94% of land designated for residential purposes. In comparison, only around 13.5% of land is designated for job-generating uses. The remaining land is reserved for higher-density residential, public, or other uses. This low-density sprawl has resulted in a disproportionate cost to the city due to high capital investments and ongoing operations and maintenance required for infrastructure. This serves fewer people and businesses than the City otherwise could in a higher-density built environment. On the other hand, high concentrations of jobs and housing contribute to better sense of place-making and to economic development, boosting demand for retail and services, and facilitating alternative transportation options such as walking, bicycling, and public transit. As the City aims to become a more urban, transit-connected community, it is anticipated that its service and infrastructure cost structure will become more efficient. This will lead to lower marginal costs and higher marginal benefits per resident. Refer to Major Strategies #3 and #5 for discussion on the land use components of this strategy, and Major Strategy #4 for details of economic development patterns in the City.

Budget Overview¹

Table 8 Adopted Budgets

Adopted Budgets – All Funds			
	2022/2023	2023/2024	% Change
General Fund	\$ 1,916,689,476	\$ 2,092,480,477	9.2%
Special Fund	\$ 3,012,492,461	\$ 3,362,611,337	11.6%
<Less: Operating Transfers>	(\$ 872,639,407)	(\$ 940,383,884)	7.7%
Net Operating Funds	\$ 4,056,542,530	\$ 4,514,707,930	11.3%
Capital Funds	\$ 1,947,900,683	\$ 1,588,248,927	(18.5%)
<Less: Capital Transfers>	(\$ 13,065,000)	(\$ 4,030,000)	(69.2%)
Net Capital Funds	\$ 1,934,835,683	\$ 1,584,218,927	(18.1%)
Total	\$ 5,991,378,213	\$ 6,098,926,857	1.8%

Key measures for determining the City's fiscal strength are the Capital and Operating Budgets, including the Capital Improvement Program (CIP). The 2023-2024 Adopted Budget totals \$6.1 billion for all City funds, which is 1.8% more than the 2022-2023 Adopted Budget and is primarily attributable to a net increase to overall position counts throughout the organization, increasing community safety, reducing unsheltered homelessness, cleaning up our neighborhoods, and attracting investments in jobs and

¹ [City of San José, City Manager's Budget Message, October 31, 2023.](#)

housing – and also addressed select areas of urgent, important, and continuing work within other community services, strategic support services, and deferred infrastructure.

Capital Improvement Program (CIP)

The City's Capital Improvement Program (CIP) includes 14 programs within each of the six City Service Areas, focusing on infrastructure renovation, renewal, and expansion. This includes roads, sewer systems, parks, fire and police facilities, and airport facilities. Funding for the CIP comes from special funds, construction taxes, and development impact fees, which can only be used to mitigate the impact of new development and cannot contribute to City services or deferred infrastructure maintenance.

[2023/2024 Budget Documents Webpage](#)

The 2023-2024 Adopted Capital Budget shows a significant decrease of 18.5%, amounting to \$1.6 billion compared to the previous year's budget. Similarly, the 2024-2028 Adopted Capital Improvement Program (CIP) reflects a 3.4% decrease, totaling \$3.6 billion, compared to the 2023-2027 period. The budget continues to be impacted by stagnant and declining local revenues, increasing operational and rehabilitation needs. Despite efforts to secure external funding from state and federal sources, the city's reliance on local revenues for the CIP has encountered challenges.

Specific revenue incomes coming into the City are Construction and Conveyance (C&C) Tax revenues – primarily generated by private property sales – which are estimated at \$40.0 million in 2023-2024, or 38% below the prior year collection of \$64.5 million, and are only forecasted to rise slightly to \$45.0 million beginning in 2025-2026. This reduction has strained funding for crucial capital infrastructure programs such as Parks and Community Facilities Development (P&CFD), Library, Service Yards, Fire, Communications, and Park Yards Capital Program.

General Fund

The City's General Fund is the primary operating fund used to account for all revenues and expenditures of the City, which are not related to special or capital funds that were created for a specific purpose. As City Hall emerged from the pandemic a limited number of strategic areas were identified for meaningful progress. The General Fund 2024-2028 Five-Year forecast predicted a revised surplus of \$35.3 million for the year 2023-2024, followed by a shortfall of \$18.8 million in 2024-2025, with only small surpluses expected in the years following.

The approved Mayor's March Budget Message for Fiscal Year 2023-2024 acknowledges that crime, blight, homelessness, and the high cost of living are the primary focuses of strategic improvement. This year's Adopted Budget prioritized critical community services while saving for the future with funding these strategies to improve the daily lives of San José residents. The budget maintained existing service levels, improved service delivery in specific areas, and invested in infrastructure and technology.

Management of 2022-2023 Budget²

The City managed 141 budgeted funds in 2022-2023, taking actions throughout the year to ensure that revenues and expenditures remained in alignment with actual performance. Despite challenges posed by the pandemic, the approval of the 2022-2023 Adopted Budget occurred within a context of improved budgetary conditions. The City leveraged external funding sources to continue existing and initiate new community and economic recovery workstreams. The City faced a shortfall in service levels due to the reliance on one-time funding for essential programs, often supported by diminishing resources from the American Rescue Plan Fund. However, due to careful forecasting, monitoring, and management across

² [City of San José, Annual Report Memorandum, September 29, 2023](#)

all City funds, the overall revenue and expenditures for 2022-2023 ended remarkably close to budgeted expectations. Specifically, for the General Fund, the Ending Fund Balance stood at \$629.6 million, surpassing the estimate assumed during the development of the 2023-2024 Adopted Budget by \$9.7 million. After the required clean-up and rebudgeting of prior-year funding, this surplus amounted to \$18.6 million.

MAJOR STRATEGY #9 – DESTINATION DOWNTOWN

The Envision San José 2040 General Plan envisions downtown San José as the cultural heart of the city and the urban center for all of Silicon Valley, providing employment, entertainment, and cultural activities more intensely than any other area in the City. The General Plan also supports a significant amount of job and housing growth within the downtown, specifically, 105,809 new jobs and 27,779 new dwelling units by 2040. San José continues to work towards these goals by attracting high-density, mixed-use development and by hosting cultural and recreational activities, entertainment, and sporting events.

Development Activity in Downtown

Since the adoption of the General Plan in 2011, the City has approved planning entitlements for approximately 11,967 residential units and approximately 22.2 million square feet of commercial/office space in downtown. The Downtown West (Google) entitlements, approved in 2021, make up a majority of all entitlements with 5,900 residential units and 7.8 million square feet of commercial entitled. In fiscal year 2022/2023, planning entitlements were approved for approximately 2,983 residential housing units and approximately 3.4 million square feet of commercial/office space in Downtown.

Residential Development Activity in Downtown

Residential development activity accelerated within the Downtown/Diridon area after the Great Recession.

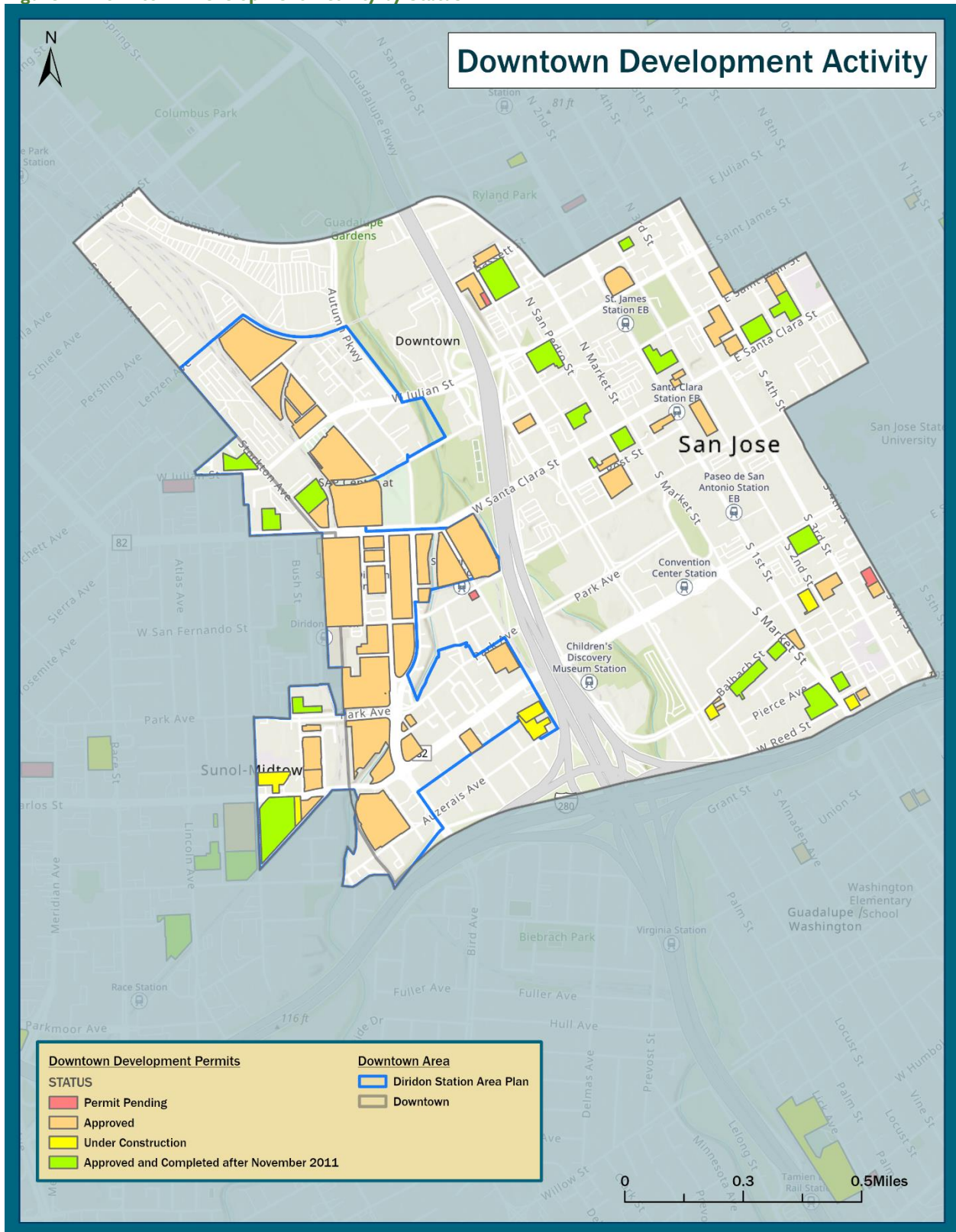
Unsurprisingly, the economic uncertainty since the start of the Covid-19 pandemic in 2020 slowed additional residential development but approval of planning entitlements significantly increased in the last fiscal year. In fiscal year 2022/2023, there were 2,983 residential units entitled in Downtown compared to 259 residential units entitled in the prior fiscal year, which is a 1,150% increase over the previous fiscal year.

As of December 2023, no new major residential developments were completed in Downtown compared to the previous year, but there are 787 residential units under construction among projects larger than 50 units. This includes 451 affordable housing units across four developments and 336 market-rate units at a residential tower at 10 E. Reed Street. As of December 2023, 861 residential units proposed for projects located in the Downtown area are in the Planning entitlement review process.



10 East Reed Street Residential Development Under Construction

Figure 22 Downtown Development Activity by Status

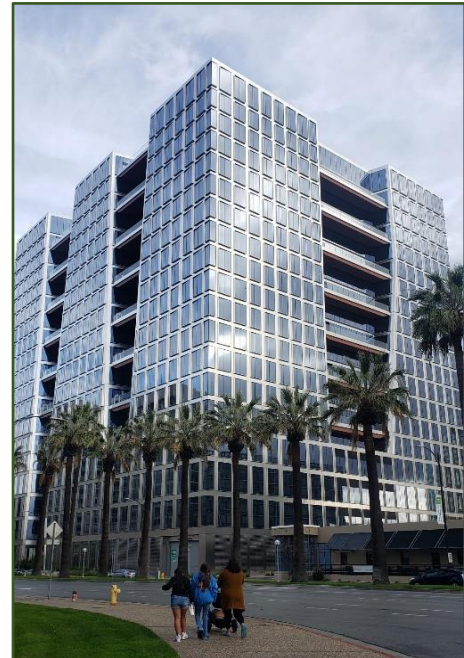


Commercial Development Activity in Downtown

Commercial development activity also accelerated within the Downtown/Diridon area after the Great Recession but has slowed considerably following the Covid-19 pandemic as hybrid and work-from-home models continue to persist and as high-interest rates have delayed many projects. In fiscal year 2022/2023, planning entitlements were approved for 3,404,366 square feet of commercial development in Downtown compared to 5,493,575 square feet in the previous fiscal year, which is a 61% decrease.

In fiscal year 2022/2023, Jay Paul Company's one million square foot office tower at 200 Park Avenue completed construction. The 144,000 square foot Marriot Hotel at 495 W. San Carlos Avenue is currently under construction but the Platform 16 office development at 440 W. Julian Avenue has paused construction.

While the list of entitlements is robust, it remains unclear how many projects will move to construction in the near term, particularly on the office side of the ledger. Many tech companies are re-assessing office needs in light of hybrid work schedules and general belt-tightening amid an uncertain economy. This includes Google, which announced in early 2023 that it was "re-assessing" the timeline for its project in Diridon. Still, Downtown's largest private employer, Adobe, continues bring people back to the office at its fourth office tower at 333 W. San Fernando St., bringing on an additional 700,000 square feet of office space, suggesting there is still demand of office space among major tenants. Downtown's advantages – transit access, arts and cultural activities, entertainment, and central location – still make it a good submarket for office, housing, and retail.



Office Development at 200 Park Ave

Office Vacancy in Downtown

Figure 23 Downtown Office Vacancy Percentage (Source: Cushman and Wakefield)



*Data for each fiscal year is based on Quarter 2 (April- June) data for end year of the fiscal year.

Since the Envision San José 2040 General Plan was adopted in 2011, the downtown office vacancy rate declined from a high of 23% in fiscal year 2012/2013 to a low of 12% in fiscal year 2016/2017, before ticking back up into the 20% range with the onset of the COVID-19 pandemic as more tenants chose to shrink their space due to hybrid work policies. In fiscal year 2022/2023, the vacancy rate reached an all-time high of roughly 30%; however, much of this increase from the prior fiscal year was due to the 200 Park Avenue office tower completing construction and coming to the market unleased.

BART Silicon Valley Phase II Extension

The VTA's BART Silicon Valley Phase II Extension Project is one of the largest and most transformational transit projects underway in California. It will extend BART regional rail service six miles from the Berryessa/North San José Station into downtown San José and terminate in the City of Santa Clara. It will include three below-ground stations in San José--28th St/Little Portugal, Downtown, and Diridon Station--and one at-grade station in the City of Santa Clara adjacent to the Santa Clara Caltrain Station. Most of the alignment in San José will be underground in a single-bore tunnel containing side-by-side tracks.

In 2023, VTA has made progress with the project design, updated its cost and schedules estimates, and secured local, regional, and state funding. VTA announced an updated project cost estimate of \$12.2 billion and a revised passenger service date of 2036. This increase in cost is primarily due to factors such as the current market conditions (escalation, interest rates, supply chain challenges), extended project schedule, design advancement (allowing for more detailed estimates), higher construction prices, and increased contingencies. These factors are typical for other mega-projects nationwide and are not unique to the project. The schedule extension is due to delayed procurement and contract award dates, longer construction durations, and the inclusion of schedule contingencies. The project is expected to begin early works construction in Spring 2024, and heavy construction is anticipated to begin in 2026.

Caltrain Electrification

Caltrain is on schedule to provide all-electric train service between San José Diridon and San Francisco stations in Fall 2024. All foundations, poles, and wires have been installed along the 51-mile corridor and crews are currently testing the infrastructure and trains. Six of the eventual 23 trainsets are currently on Caltrain property, three of which have completed a thousand miles of testing³ along the Caltrain corridor. The entirety of the new fleet must meet all safety and quality standards prior to the launch of electrified service in Fall 2024.

In 2023, Caltrain unveiled its new plan for electrified service⁴, which includes faster transit times, more frequent service including during weekends, increased amenities like on-board Wi-Fi and electrical outlets at every seat. The service improvements are possible because Caltrain is replacing all the aging diesel trains between San Francisco and San José with world class electric trains⁵ that provide better service performance and quality than the diesel ones. The new service schedule is slated to begin with the completion of the Electrification Project in Fall 2024.

³ Caltrain. January 5, 2024. "Three of Caltrain's Electric Trains Have Completed Testing." <https://www.caltrain.com/news/three-caltrains-electric-trains-have-completed-testing>

⁴ Caltrain. December 7, 2023. "Caltrain Announces Exciting New Electrification Service Schedule and Amenities for Riders." <https://www.caltrain.com/news/caltrain-announces-exciting-new-electrification-service-schedule-and-amenities-riders>

⁵ <https://www.caltrain.com/projects/electrification/electric-trains>

Cultural, Entertainment, and Visitor Activity

Downtown San José is the hub of San José's civic and cultural attractions, including City Hall, the Dr. Martin Luther King Jr. Library, the Convention Center, the San José Arena/SAP Center, multiple museums, numerous theaters, public art pieces, and outdoor gathering venues. The South First Area (SoFA) cultural district is also located within the downtown area, which is home to multidisciplinary art organizations of all sizes and commercial arts-based businesses.

Many cultural events and festivals add to the vibrancy of the downtown. There has been a return of events in downtown though still below pre-Covid levels. According to the Office of Cultural Affairs' 2022 and 2023 Events Calendar, San José hosted about 97 outdoor events in the downtown attracting a total estimated 1,143,500 people in Fiscal Year 2022/2023. This is a significant increase over attendance from Fiscal Year 2021/2022 which had 58 events with attracting a total estimated 468,000 people. This is also just below the number of events in 2019, which had over 100 events and significantly more in attendance in 2019, which attracted a total estimated 749,000 people. It seems that activity in Downtown has finally returned to pre-pandemic levels after four years.

Some notable events in this last fiscal year were San José Fireworks Show, Viva Calle, Winter Wonderland, Christmas in the Park, Music in the Park, Pumpkins in the Park, SubZERO Festival, SJ Jazz Summerfest, Blues and Brew Festival, Oban Festival, SoFa Street Fair, Pride Parade, Veterans Day Parade, the Levitt Pavilion concert series, and numerous run/walk events.



Viva Calle San José Photo: The Mercury News, Sal Pizarro

MAJOR STRATEGY #10 – LIFE AMIDST ABUNDANT NATURAL RESOURCES

Major Strategy #10 emphasizes the crucial role of preserving and nurturing one of San José's most notable attributes: easy access to the outdoors. The strategy identifies goals for promoting an active lifestyle and prioritizing the residents' quality of life by supporting and enhancing the equitable distribution, development, and accessibility of an exceptional park system, trails, and community centers.

San José's commitment to enhancing the quality of life for its residents is exemplified through the Parks, Recreation, and Neighborhood Services Department (PRNS) and Department of Transportation (DOT). The discussion below elaborates on how the General Plan's goals related to the Major Strategy #10 are being implemented by PRNS. In addition, refer to Major Strategy #11, which includes highlights of trails.

The details of these Goals and Policies can be found in the Envision San José 2040 General Plan.

Goal PR-1 High-Quality Facilities and Programs

San José recognizes that great cities should have great parks and that the City should have standards for the provision of minimum parkland acreages. The amount of parkland acreage per resident increased in the fiscal year 2022-2023 due to the declining citywide population but is expected to lower as the population continues to grow.

Table 9 Parkland Acreage per Resident

General Plan Park Acreage Policy Objectives	Actual Service Level as of 06/30/23	Estimated Service Level 2023-24*	Estimated Service Level 2023-2027*
3.5 acres of neighborhood and community recreational lands per 1,000 population	3.2	3.1	3.1 (Acres)
7.5 acres of regional/city parklands per 1,000 population (valley floor)	17.8	17.5	17.3 (Acres)
500 square feet of community center floor area per 1,000 population	562.8	554.7	546.8 (sq. ft.)

*Note: This estimate was based on population counts calculated by using a standard growth rate of 14,300 per year, as per the 2011 General Plan. However, moving forward, the population counts and estimates will be based on city-reported totals or estimates using updated ACS and Esri Demographics information to provide a more accurate assessment of actual service levels.

Goal PR-2 Contribute to a Healthful Community

PRNS provides services that promote community safety, cleaning and restoring neighborhoods, elderly health, youth engagement, and food initiatives that contribute to a Healthful Community.

With more than 212 neighborhood parks, 10 regional parks, and 64.9 miles of trails, PRNS oversees our essential outdoor spaces, through the dedicated work of our park's maintenance staff. During the fiscal year 2022-2023, PRNS added approximately five acres of new parkland and over three miles of trails.

- Recreation:** Summer camps and classes organized by PRNS were attended by 12,563 participants during the fiscal year 2022-2023. Therapeutic Recreation Services hosted six camps this summer. Therapeutic Recreation Services provides recreation, education, and community services to enrich the quality of life for individuals with disabilities. Therapeutic Recreation Services focuses on abilities, rather than disabilities. Therapeutic events such as wheelchair basketball, Fun with Arts, Power Soccer and others served 1,047 participants during this fiscal year. The Senior Nutrition Program distributed approximately 1,475 meals at 14 sites daily, or a total of 538,375 meals, significantly more than 354,015 meals served in 2021-2022. The City's community centers act as cooling centers for residents during excessive heat. This year, there was a total of 11 days of cooling center activation, serving over 480 residents.
- Community Services:** Youth Intervention Services operates seven programs in partnership with community organizations powered by PRNS. Over 5,000 youth were served during the fiscal year. These programs effectively utilize various community resources to promote positive behavior to counter the negative influences gangs have on youth. Additionally, Project Hope is an innovative neighborhood engagement and empowerment program that aims to improve the quality of life in the City of San José by promoting the creation of neighborhood associations in underserved areas stressed by crime, blight, and violence. Project Hope's Neighborhood Academy trains and supports neighborhood associations in seven San José council districts to lead monthly meetings, advocate for resources and services, host events, and actively engage with City departments and partners to address issues in their neighborhoods.
- Neighborhood Improvement:** The Beautify SJ initiative aims to encourage neighborhood clean-up efforts, beautification projects, and neighborhood engagement opportunities. Beautify SJ provided bi-weekly garbage pick-up service and ensured cooperation with cleanliness standards at over 250 active areas of houseless encampment areas. In fiscal year 2021-2022, there were 289 volunteer events, with participation from more than 7,000 volunteers, and over 11,000 bags of trash were collected.
- Capital Projects:** PRNS had several celebrations for groundbreaking and the opening of new parks and amenities including, but not limited to the following parks: Tamien, Heinlenville, Pellier, Solari, Lincoln Glen All-Inclusive, Delano Manongs, and the Vietnamese Heritage Gardens and a segment of the Coyote Creek Trail.



Koi Pond at Japanese Friendship Garden in Kelley Park

Goal PR-3 Provide an Equitable Park System

The ActivateSJ Strategic Plan, adopted in year 2020 is the guiding document for PRNS to maintain, improve, and expand the facilities, programs, and services. The Plan includes the equity guiding principle “we embrace people of all ages, cultures and abilities” and has a goal of achieving a 10-minute walk to a quality park for all San Joséans. Per the Trust for Public Land, 80% of San José residents live within a 10-minute walk of a park.

[ActivateSJ Strategic Plan](#)

[Trust for Public Land](#)

Goal PR-4 Community Identity

PRNS contributed to **Community Identity** by activating neighborhood parks by hosting over 57 Viva Parks events and hosting four Viva Calle public events that converted roads into the City's largest park). Viva Parks is a series of free events that promote health and wellness resources, physical activity, and community involvement by uniting neighbors, visually transforming the park with positive programming, increasing usage, and providing neighborhood resources. Viva CalleSJ is the City's premier open streets program that temporarily closes miles of San José streets to bring communities together to walk, bike, skate, play, and explore the city like never before.

[Healthy Places Index](#)

Goal PR-5 Grand Parks

PRNS staff partnered with the San José Conservation Corps' Resilience Corps between 2022 - 2023, to work on natural resource management projects and perform critical clean-ups to restore the Guadalupe River Park and Trail and Coyote Creek Trail. Additionally, an expansion to the all-inclusive Rotary PlayGarden opened in June of 2023 which now offers new, play features for children of all ages and abilities. An all-inclusive playground is one that brings children of all abilities to one space and allows them to play together and adds picnic areas, planting, irrigation, and other site furnishings to the park.



Rotary Garden Park

Goal PR-6 Sustainable Parks and Recreation

A new section of the Bay Trail is being constructed in the Alviso neighborhood. This paved trail will provide a public access point for people to visit and enjoy the Alviso Slough as it flows into the Bay. Phase II of the Communications Hill trail system is nearing completion. Additionally, improvements to the "23rd Street Gap", (which was a broken trail segment within the Five Wounds Trail), were completed. All of these projects improve trail connectivity and fulfill the goal of trails as alternative means of transportation.

Goal PR-7 Interconnected Parks System

Four trail systems within San José's growing Trail Network are designated as part of the National Recreational Trail System. These include the Lower Guadalupe River Trail, Coyote Creek Trail, Highway 237 Bikeway, and Penitencia Creek Trail in Alum Rock Park.

Goal PR-8 Fiscal Management of Parks and Recreation Resources

For the 2021-2022 fiscal year, the Parks and Community Facilities Development (P&CFD) Capital Improvement Program (CIP) budget allocated \$208 million to maintain and improve existing parks, recreational facilities, and trails. The overall size of the P&CFD CIP increased by \$40.1 million; from \$315.2 million in the 2021-2025 Adopted CIP budget to \$355.3 million in the 2022-2026 Adopted CIP budget. This increase is due to higher Construction and Conveyance (C&C) tax revenues and new and/or expanded projects in the 2022-2026 Adopted CIP.⁶

⁶ Projects with the most significant changes between the 2021-2025 Adopted CIP and the 2022-2026 Adopted CIP are summarized in the City's [2021-2022 Adopted Capital Budget](#), Capital Programs by City Service Area Parks and Community Facilities Development.

The Capital Improvement Program for PRNS continues to emphasize the need to repair and replace facility infrastructure. The most recent report of the Deferred Maintenance and Infrastructure Backlog (DMIB) was released in April 2022. The next report is anticipated to be released in April 2024. The estimated value of the deferred maintenance and unfunded infrastructure backlog totals approximately \$464.4 million for regional park facilities, community buildings, regional facilities, trails, and park restrooms. While the CIP allocates project funding for infrastructure backlog needs, the PRNS-related infrastructure backlog continues to grow at a rate that exceeds available resources within the P&CFD CIP.

Goal TN-1 National Model for Trail Development and Use

San José has one of the nation's largest urban trail networks measuring over 61 miles of trails composed of Core and Edge trail systems. Linkages to Rural trails within San José's regional parks and open spaces contribute further to the recreational amenities available in the region. Several of these trail systems are recognized as part of regional, state, and national systems.

Goal TN-2 Trails as Transportation

ActivateSJ, Trail Program Strategic Plan, Envision San José General Plan, and Bike Plan 2020 all support further development of trails with the goal of an interconnected 100-mile urban trail network and 30 miles of hiking trails. See Major Strategy #11 for more details of the Trails program.

Goal TN-3 Accessible, Safe, and Well-Functioning Trails

Development of the Trail Network continued in 2022-2023 with the completion of the Five Wounds Trail Feasibility Study between Story Road and Whitton Avenue, the construction of Odette Morrow Spur between Coyote Road and Odette Morrow, and the realignment of the Penitencia Creek Trail near King Road. In addition, construction work on the Thompson Creek Trail between Quimby Road and Aborn Court was initiated in January 2023.

MAJOR STRATEGY #11 – DESIGN FOR A HEALTHFUL COMMUNITY

Major Strategy #11 covers a wide range of topics aimed at creating a healthy community. It incorporates various strategies to establish a policy framework that promotes and supports an active lifestyle through walking and biking, promotes access to a large and diverse variety of parks, trails and recreations facilities, facilitates access to healthy foods, and provides healthcare and safety services.

The discussion below elaborates on how the General Plan's goals related to the Major Strategy #11 are being implemented by Department of Transportation (DOT) programs. In addition, refer to Major Strategy #6 for other transportation plans and projects that contribute towards building a healthful community by encouraging biking and walking as modes of transportation, and refer to Major Strategy #10 for plans and projects related to providing and maintaining parks, trails and community/recreation programs to promote active lifestyle being implemented by the Department of Parks, Recreation, and Neighborhood Services Department (PRNS).

The Land Use and Transportations chapter of the Envision San José 2040 General Plan includes long range goals and policies that provide for a safe, efficient, and sustainable transportation network. General Plan Policy TR-1.3 calls for reducing the drive-alone mode share to no more than 45% by 2030 and no more than 25% by 2040, with goals to increase various other modes accordingly.

Table 10 Mode Split Goals for 2030 and 2040⁷

Mode	All Trips Starting and/or ending in San José	
	2030 Goal	2040 Goal
Drive Alone	No Mode than 45%	No more than 25%
Carpool/ Shared Mobility	At least 25%	At least 25%
Transit	At least 10%	At least 20%
Bicycle/ Micro-mobility	At least 10%	At least 15%
Walk	At least 10%	At least 15%

Table 11 San José Mode Split in 2019, 2022, and 2023

Mode	All Trips Starting and/or Ending in San José		
	2019 ⁸	2022 ⁹	2023 ¹⁰
Drive Alone	80%	75%	79%
Carpool/ Shared Mobility	12%	11%	15%
Transit	5%	<2%	3%
Bicycle/ Micro-mobility	<2%	<2%	1%
Walk	<2%	10%	2%

⁷ The most recent data was collected from location-based big data (2019 and 2022). For 2023 the mode split is derived from the U.S. Census Bureau's American Community Survey data.

⁸ Citywide mode split in FY19 was obtained from the City's travel demand forecasting model that was calibrated with the U.S. Census Bureau's 2013-2017 American Community Survey commute-to-work data and other data sources.

⁹ Citywide mode split in FY22 was obtained from location-based big data

¹⁰ Citywide mode split in FY23 was derived from the U.S. Census Bureau's 2022 American Community Survey commute-to-work data.

Vision Zero

Vision Zero is a nationwide program adopted by cities and is the City's transportation initiative adopted in 2015. The goal of Vision Zero is to reduce and eventually eliminate traffic deaths and severe injuries. General Plan Action TR-9.23 calls for implementing Vision Zero strategies to eliminate all traffic fatalities and severe injuries, significantly reduce injury crashes, and create safe and comfortable walk and bike environments.

[Vision Zero Webpage](#)

In San José, traffic fatalities have doubled in the last 10 years, as shown in Table 12. The uptick in traffic fatalities in San José mirrors other cities across the US. Out of all modes of transportation, walking has the highest fatalities. Pedestrians continue to be the most vulnerable users of San José's roadways. In the year 2022, a record number of people (32) were killed while walking.

Table 12 San José Traffic Fatalities and Injuries by Calendar Year

Injury Type	2018	2019	2020	2021	2022
Fatalities	52	60	49	60	65
Severe Injuries	195	212	207	236	189
All Injuries	3,204	3,420	2,355	3,085	2,912

Action Plan

The Vision Zero Action Plan (2020) includes a \$25M investment strategy towards eliminating fatalities and reducing severe injuries while providing safe mobility on our roadways. As of 2023, a total of \$13M has been programmed. Some notable 2023 accomplishments include:

[Vision Zero Action Plan](#)

- Expansion of the City's Priority Safety Corridors, which are streets where most fatal and severe injuries cluster, quick-build safety improvement projects, from 17 to 30 streets, increasing the Priority Safety Corridor network from 3% to 6% of the city's roadways.
- Completion of 9.2 miles of quick-build safety improvement projects in Council Districts 2, 5, 6, 7, 8, and 9, along segments of Branham Lane, Curtner Avenue, Hillsdale Avenue, and White Road.



The "Slow Down" Speeding Reduction Campaign. May 2023.

- Launch of a "Slow Down" speeding reduction campaign for raising awareness about the danger of speeding above the posted speed limit. Communication media included a wide range of communication from billboards to digital displays.

- Launch of a “Distracted Driving Awareness” month campaign. Changeable message signs were deployed on corridors having a concentration of injury crashes caused by distracted driving behavior.
- Funding secured for capital safety improvement projects on six Priority Safety Corridors: Senter Road, Story Road-Keyes Street, White Road, Jackson Avenue, and Ocala Avenue, including signal modifications at high crash locations.
- Engagement with people experiencing homelessness. Traffic fatalities involving unhoused people have tripled since 2019.



The “Distracted Driving Awareness” month campaign. The “Distracted Driving Awareness” Month Campaign. April 2023.

Emerging Mobility Action Plan

The Emerging Mobility Action Plan (2022) is a racial equity-focused action plan to guide emerging mobility in San José. Emerging mobility includes ride-hailing, on-demand shuttles, carshare, bikeshare, and e-scooters. It also includes services on the horizon, such as automated vehicle car-sharing and automated ride-hailing services, ground-based and aerial delivery drones, and aerial drones transporting humans.

[Emerging Mobility
Action Plan](#)

In 2023, City worked closely with residents and community-based organizations in East San José, such as the *Si Se Puede Collective*, to co-develop and expand e-mobility programs and services. The City, its partners, and communities have secured and will continue to seek grant money to implement these programs and build the capacity of environmentally focused community-based organizations in East San José.

[Micro Mobility
Municipal Code](#)

Shared Micro-mobility

The Shared Micro-Mobility Ordinance (2019) establishes the City’s requirements for operators to develop and deploy technology capacity of preventing sidewalk riding in areas of high pedestrian activities or other designated areas. Only operators complying with the sidewalk riding prevention requirements will be allowed to operate devices in the areas.

Highlights from the Year 2023:

- Micro-mobility permits were issued to Bay Wheels, Lime, Bird, and Veo so far.
- Funding secured for installing on-street mobility hubs on San Fernando Street. Built near transit stops, mobility hubs are places that support first and last mile connections through access to multiple travel options while also strengthening urban vitality and connections between people and the community.
- Funding secured to help Lyft/Bay Wheels extend bike and e-bike share to the Mayfair neighborhood, working with local community-based organizations to encourage its use, and subsidize the cost of rides to and from the community.



City Council Members Prepared to Ride New e-bikes that were added to the City’s bike-sharing program. November 2023. [Silicon Valley Business Journal]

- Funding secured for Lyft/Bay Wheels to deploy 650 e-bikes in San José, in addition to the approximately 100 currently available.

Trail Network

The City has a goal to provide 100 miles of off-street trails designated for use by pedestrians, cyclists, and other non-motor vehicles, out of which 64.9 miles were open to the public as of 2023. Paved trails account for 85% of the network. The remaining 15% currently have a gravel surface and may be subject to future pavement per related master plans. The urban Trail Network is composed of Core Trails (major routes) and Edge Trails (most often these are neighborhood connector trails). An additional 13 miles of trails are Hiking Trails, found currently at Alum Rock Park and Guadalupe Oak Grove Park. Among more than 30 trail projects in various stages of development, some notable accomplishments in 2023 include:

[Trail Network Webpage](#)

- Completion of the Three Creeks Trail, a 0.15-mile extension of the multi-use path for bikes and pedestrians.
- Completion of the Thompson Creek Trail, a 1.06-mile multi-use path with decorative gateways and pavement.
- Design phase completed for the Coyote Creek Trail, which includes:
 - The new trail will cross Coyote Creek via a new pedestrian bridge
 - The new trail will pass under US-101 using a new undercrossing
 - Provides access between the Berryessa/North San José BART Station and Downtown's Northside neighborhood.
- Feasibility study completed for the Five Wounds Trail which is a future 1.15-mile multi-use path along the City-owned railroad alignment.

Community Forest Management Plan



Arbor Day Celebration Planting, April 2023

San José's community forest is a vital City asset and part of our nature-based infrastructure with a complex maintenance and management structure. The Community Forest Management Plan (CFMP) studies how we currently manage those trees and lays out a roadmap for restoring our San José community forest.

The Community Forest Management Plan (2022) includes a new tree database, the planting of 200 trees in disadvantaged communities, and an analysis of the condition of the community forest, forestry management roles and responsibilities, and a strategic work plan.

[Community Forest Management Plan Webpage](#)

Accomplishments in the year 2023 include:

- Planting of over 2,000 trees, compared with approximately 1,400 trees in 2022.
- Completed a tree inventory for City parks including updated information on the health and safety conditions of park trees.
- Funding secured for planting 1,000 street trees annually, pruning all existing street trees on a 12-year cycle, and planting and maintaining trees in parks.
- A Community Forest Advisory Committee established for overseeing the implementation of the Community Forest Management Plan and identifying work plan priorities.

MAJOR STRATEGY #12 – PERIODIC MAJOR REVIEW

The Envision San José 2040 General plan provides a comprehensive road map that guides the City's growth through the year 2040. Major Strategy #12 lays out a periodic major review process to ensure that the current community context and values are reflected in the General Plan and that the achievement of key goals is closely monitored and adapted as needed. The Major Strategy requires the City to review the Plan every four years to evaluate significant changes in the planning context and the achievement of key General Plan goals. The Four-Year Review process requires the reassembly of a community stakeholder Task Force to evaluate changes in the planning context and achievement of goals, as well as provide recommendations to staff.

Four-Year Review

Since its adoption in 2011, two four-year reviews have taken place. The first Four-Year Review process (November 2015 to December 2016) was led by a 43-member Task Force. The major policy changes included adjusting the General Plan's Jobs to Employment (J/ER) goal from 1.3 to 1.1, reducing the planned job capacity from 470,000 new jobs to 382,000 new jobs and adopting several policies to encourage affordable housing within Urban Villages and outside of existing growth Areas, and prioritize planning efforts on Light Rail and BART Urban Villages.

The second Four-Year Review process (November 2019 to November 2021) was led by a 42-member Task Force. The major policy changes included the removal of Coyote Valley as an Employment Lands Growth Area, allowing residential uses in underutilized business corridors, the elimination of the Residential Pool Policy and Growth Horizons for Urban Villages, developing objective criteria for the Signature Project policy, the removal of commercial space requirements for affordable development projects, reallocation of planned residential capacity of the General Plan to Downtown, Vehicle Miles Traveled (VMT) Tier II Policy update and the transition of the Evergreen-East Hills Development Policy to the VMT Policy. Planning staff continues to complete the Council-directed work from this Major Review period, such as SB9 implementation, housing in neighborhood business districts, and the Monterey Corridor Study.

Over the next two years, Planning staff will focus on essential updates to the Envision San José 2040 General Plan to comply with state law. Specific work will include the following General Plan Elements:

- **Safety Element:** This update will prioritize the safety and well-being of our community by incorporating the latest safety standards, risk assessment processes, and emergency preparedness measures.
- **Open Space Element:** This update will focus on improving parks and open spaces and enhancing environmental sustainability consistent with the Safety and Environmental Justice element.
- **Environmental Justice Element:** This newly required element will address public health risks and environmental justice concerns of those living in disadvantaged communities, and outline strategies to promote environmental justice and community empowerment.

By law, the Open Space and the Environmental Justice Elements are required to be completed by January 1, 2026.

2023 General Plan Land Use/Transportation Diagram Amendments

Per General Plan policy, privately initiated General Plan Amendments are heard only during the Annual Review hearing to facilitate a comprehensive review of the cumulative implications of proposed amendments. One privately-initiated General Plan Amendment and one General Plan Text Amendment

was included in the 2023 General Plan Annual Review hearing cycle. These projects were approved by the City Council on December 12, 2023. The projects' details are given below:

File No. GP22-004 (Doyle Road & Lawrence Expressway): General Plan Amendment to change the Envision San José 2040 General Plan land use designation from Public/Quasi-Public to Light Industrial on an approximately 1.10-gross-acre site.

File No. GPT23-001(425 S. Winchester Boulevard): General Plan Text Amendment to (1) amend the Santana Row/Valley Fair Urban Village Plan Figure 5-2 "Building Height Diagram" to change the allowed maximum height from 65 feet to 85 feet, (2) amend the Santana Row/Valley Fair Urban Village Plan to Figure 5-3 to revise the required daylight plane from 45-degrees to 55-degrees. (3) amend The Santana Row/Valley Fair Urban Village Plan Figure 5-3 to reduce the side/rear setback when adjacent to residential neighborhood land use designation from 40' to 20' (4) amend The Santana Row/Valley Fair Urban Village Plan Figure 5-3 to no setback and no stepback required for new commercial development adjacent to sites with a Residential land use designation and an existing legally established commercial use.

HOUSING

While not a Major Strategy, housing plays an integral role in the General Plan through the Housing Element, as a component of multiple Major Strategies, and through General Plan goals and policies to provide housing throughout the City to address the needs of an economically, demographically, and culturally diverse population. The following section provides a summary of progress over the last year in achieving the General Plan’s housing goals.

Housing Goals and Regional Housing Allocation

In June 2023 the City Council adopted the 2023-2031 Housing Element (6th Cycle). This Housing Element covers the planning period of January 31, 2023 – January 31, 2031. Every eight years, every city, town, and county must update its Housing Element and have it certified by the California Department of Housing and Community Development (HCD). At its core, a Housing Element is an opportunity for a community conversation about how to address local housing challenges and find solutions. While the Housing Element addresses a range of housing issues such as affordability, design, housing types, density, and location, it also establishes goals, policies, and programs to address existing and projected housing needs.

[Housing Element Webpage](#)

Statewide housing needs are calculated by the HCD and the California Department of Finance (DOF) based upon regional population forecasts. The Association of Bay Area Governments (ABAG) assigns the region’s housing allocation to each jurisdiction, known as the Regional Housing Needs Allocation (RHNA). San José’s RHNA for the current eight-year cycle is outlined in Table 13.

Table 13 Regional Housing Needs Allocation for San José 2023 - 2031

Very Low Income (<50% of Area Median Income)	Low Income (50%- 80% of Area Median Income)	Moderate Income (80%-120% of Area Median Income)	Above Moderate Income (120% of Area Median Income)	TOTAL
15,088	8,687	10,711	27,714	62,200

In 2023, the Planning Division approved planning entitlements for 5,290 housing units, of which 2,963 were market-rate and 2,327 were affordable. As compared to 2022, this is a 29% decrease of 2,141 housing units entitled (when 5,636 were market-rate and 1,795 were affordable). Of all units entitled in 2023, 2,198 (45%) were in Urban Villages. This proportion is from the same amount as in 2022 when 45% of entitled units were in Urban Villages.

Table 14 Planning Entitlements for Residential Units

Project Type	CY¹¹ 2023 Units	CY 2023 %
Market-rate	2,963	56%
Affordable	2,327	44%
TOTAL	5,290	100%

¹¹ Calendar Year

San José issued building permits for 3,104 new residential units. This was an 82% increase over 2022. Of the building permits issued, 1,274 units were market rate, while 1,830 were affordable. The City was able to meet 35% of its annual market-rate permit goals and 40% of its affordable housing permit goals in 2023. Affordable units are those offering rents affordable to Extremely Low-Income (ELI), Very Low-Income (VLI), Low-Income (LI), and moderate-income households. Normally, the City can count some market-rate units as affordable to moderate-income households based upon current market conditions. Based on this year's analysis, the market provided 768 new naturally affordable units for moderate-income households any new, naturally affordable units for moderate-income households, perhaps due to post-Covid market rent rebounds.

Table 15 Building Permits Approved, Residential Units

Project Type	CY 2023 Units	CY 2023 %
Market-rate	1,274	41%
Affordable	1,830	59%
TOTAL	3,104	100%

The 2023-2031 Housing Element includes goals and policies that provide direction to help the City meet its housing goals. The Housing Element includes a work plan that outlines the objectives, policies, and implementation programs that support the City in its quest to meet its residents' housing needs and promote fair housing (See Chapter 3 of the Housing Element).

Housing Catalyst Team Work Plan

In June 2018, City Council approved a Housing Crisis Work Plan developed by Office of Economic Development, Planning, and Housing staff that prioritized implementation of policy actions to facilitate the development of 15,000 market-rate and 10,000 affordable residential units by 2023. Since its adoption, the Housing Crisis Work Plan has resulted in the completion of over 20 individual work items intended to help facilitate affordable and market-rate housing production in the City. The goal of 10,000 affordable units approved, under construction, or completed by 2023 was not met. However, given the successes of the Housing Crisis Work Plan, the work plan has been transitioned to a new Housing Catalyst Team Work Plan; the first iteration was accepted by Council in August 2023. This workplan is composed of the programs and strategies identified in the Housing Element. The items included are ones that staff has initiated work on already or intends to initiate work in the next two years. The incomplete work items from the previous Housing Crisis Work Plan were incorporated into the development of the programs and strategies in the Housing Element.

Downtown High-Rise Incentive Program

Increasing the number of residents in the Downtown has long been viewed as critical to support transit, retail, and the generation of more jobs in the City's core. Since 2007, the City has had programs to support the development of residential high-rise development in the downtown through reductions in various fees and taxes. In November 2022, the City Council approved an extension to the



Affordable Housing Project at Balbach & Almaden Blvd

Downtown High-Rise Residential Program. The current iteration of the program provides a reduction to \$0 the Inclusionary Housing Ordinance (IHO) In-Lieu Fee for high-rise development¹² located in the Downtown Planned Growth Area. Additionally, the program allows for a 50% reduction in the two of the City's construction taxes and deferral of payment of these taxes until Certificate of Occupancy. In order to qualify projects must obtain a building permit by June 30, 2025, and obtain a Certificate of Occupancy for 80% of dwelling units by June 30, 2029.

Housing Capacity in North San José

The City Council approved actions in May 2022 to effectively retire the North San José Area Development Policy. Following retirement of the policy, additional housing strategies for North San José were included in the City's Sixth Cycle Housing Element. In December 2023 the City Council approved the creation of the Affordable Housing Overlay and Mixed-Income Housing Overlay that will help facilitate affordable housing in North San José.

Removal of Commercial Requirements from Affordable Housing Projects

In response to the Housing Crisis Workplan's strategy to address commercial requirements to facilitate the production of affordable housing, commercial requirements for 100% affordable housing were removed from Policy H-2.9 and Policy IP-5.12 of the Envision San José 2040 General Plan, respectively, as part of the General Plan 4-Year Review in 2021. Commercial requirements create financial challenges for affordable housing developers as it is difficult to get funding for the commercial portion of the project. This also leads to less housing units being built than what could have been built if there were no commercial space requirements. In December 2022, one new overarching policy was added to the General Plan to state that commercial requirements no longer apply for certain 100% affordable housing developments citywide. The ordinance effectuating that policy went into effect on January 14, 2024.

¹² Defined as ten or more floors or stories in height not including any nonresidential uses where the highest occupied floor has a floor level elevation that is at least 150 feet above street level.

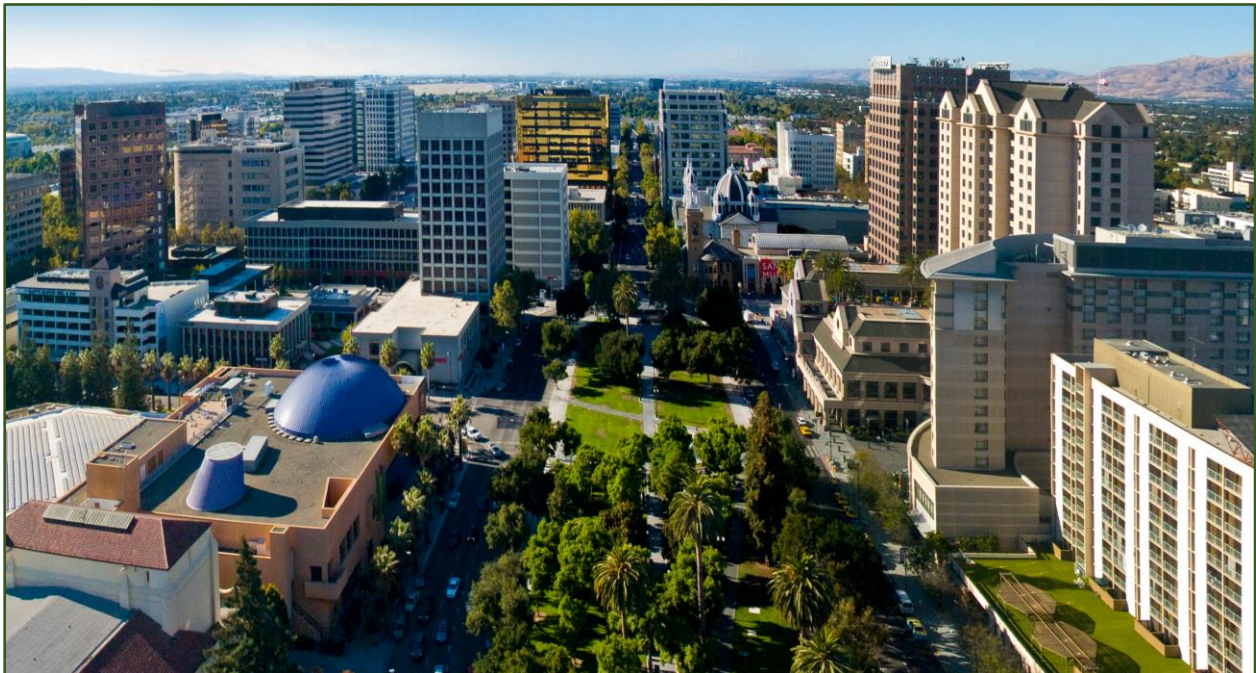
CONCLUSION

The City of San José has made significant progress in achieving the Major Strategies of the Envision San José 2040 General Plan. This progress is evident through new dense, mixed-use development in the Growth Areas, adoption of Urban Village Plans, implementation of multi-modal Capital Improvement Projects, and implementation of sustainability goals and policies.

However, there are still some challenges that the city needs to overcome to implement the General Plan effectively. These challenges include increasing the jobs-to-employed resident ratio, meeting desired service-level standards for City services, increasing the percentage of affordable housing, and improving the distribution of commute mode shares. The City will need to continue to strive to achieve these goals.

In addition, short- and long-term impacts of the COVID-19 pandemic are evident, and it may take years to see the full extent of its impact. However, the introduction of policies during the previous two Major Review cycles, as well as the adoption of the 6th Cycle Housing Element, will help to adjust the direction of the General Plan towards achieving our long-term goals.

Despite the challenges, we remain optimistic about our ability to reach these long-term goals.



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