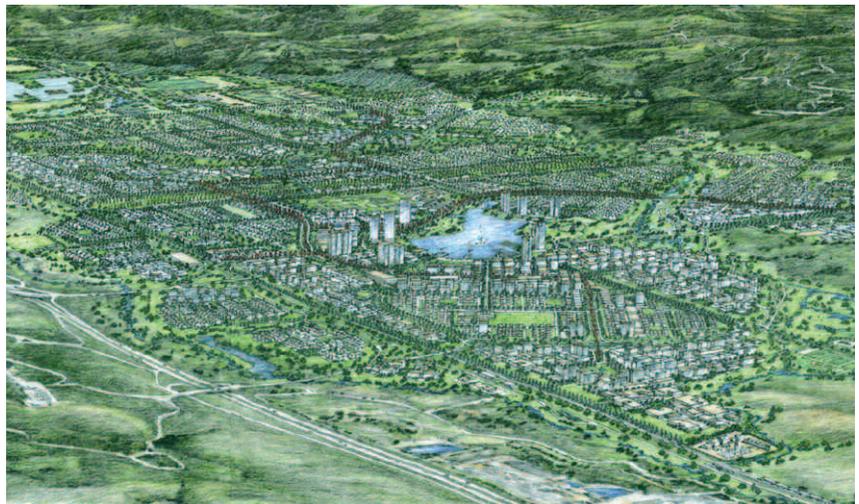




SECTION 1
PLAN OVERVIEW



BACKGROUND The Coyote Valley Plan (CVP) area consists of 7,000 acres of mostly undeveloped land in the southern reaches of the City of San José. It is generally bounded by Tulare Hill to the north, Highway 101 to the east, the City of Morgan Hill to the south and the foothills to the west. The CVP area is divided into three sub-areas, each with a different land use designation in the San José 2020 General Plan (see Attachment 1): the North Coyote Valley Campus Industrial Area (1,400 acres), the Mid-Coyote Valley Urban Reserve Area (2,000 acres), and the South Coyote Valley Greenbelt Area to the south (3,600 acres).

Over two decades ago the City of San José made wise land use decisions for Coyote Valley that would provide balanced development in San José and benefit the overall region. The North and Mid-Coyote Valley areas have been considered for urban development since the decade of the 1980s. In 1983, the Council approved General Plan changes to allow Campus Industrial uses in North Coyote Valley. The Mid-Coyote Valley Urban Reserve and the South Coyote Valley Greenbelt areas were established in 1984 with the adoption of the Horizon 2000 General Plan, and later affirmed in 1994 when the City Council adopted the 2020 General Plan.

The City’s San José 2020 General Plan designates North Coyote Valley area for campus industrial development (i.e. high tech office parks) to ensure a stable economic base and new jobs; Mid-Coyote Valley Urban Reserve for future growth when certain conditions are met; and South Coyote Valley for a greenbelt to ensure a non-urban buffer between San José and Morgan Hill. The Greenbelt is an overlay designation that allows a variety of base land uses including Agriculture, Private Recreation, Public Park/Open Space and Public/Quasi Public).

The General Plan has “triggers,” or prerequisite conditions that must be satisfied before development can occur in the Mid-Coyote Urban Reserve. In addition, a specific plan covering both

North and Mid-Coyote Valley is required before any residential uses could be built in the Valley. The prerequisite conditions include (as stated in the San José 2020 General Plan):

1. Five thousand (5,000) new jobs are added as evidenced by the issuance of building permits sufficient to accommodate such growth, to the existing 2,000 existing jobs (1990) in the North Coyote Valley Campus Industrial Area as part of a continuing demonstrated interest in North Coyote Valley as a location for industrial development.
2. The City’s fiscal condition is stable, predictable and adequate in the long term. This determination should be based on:
 - a) A five-year economic forecast for the City which projects a balanced budget surplus for each of the forecast years.
 - b) City services must be at least at the same level as they were in 1993, throughout the City. At least the following quantifiable services should be considered in this assessment: police response time, police personnel per capita, fire response time, fire personnel per capita, library books per capita, library floor space per capita, hours open at Main and branch libraries, and community center floor space per capita.

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c) Reasonable certainty that the City's basic fiscal relationship with the state or other levels of government will not be significantly altered during the period of the five-year economic forecast.

These prerequisite conditions should only be modified during a comprehensive update of the General Plan involving a community task force similar to the San José 2020 General Plan update process.

Development in Mid-Coyote Valley is beyond the scope of the San José 2020 General Plan. However, the General Plan provides a vision and broad parameters for the form and nature of any future planning efforts in this area. In 2001, as Santa Clara Valley faced a downturn in the economy, accompanied by reduced development pressure, the City Council revised the General Plan to allow earlier planning in Coyote Valley.

Specifically, on November 20, 2001, the Council adopted a text amendment to the General Plan (GP01-T-33), which allowed for the preparation of a Specific Plan for North and Mid-Coyote Valley prior to the satisfaction of all of the triggers. None of the triggers themselves were altered in any way. A Specific Plan is required to be prepared prior to any development in the Coyote Valley Urban Reserve. The City believed this was the right time to begin the planning effort in Coyote Valley, so that when development triggers are met in the future, the City would be prepared to move forward with a Specific Plan in place to guide the creation of a new Coyote Valley community.

Consistent with the General Plan, on August 20, 2002, the City initiated the Coyote Valley Specific Plan process by appointing a 20-member Task Force. The Task Force, originally under the leadership of co-chairs Mayor Ron Gonzales and Councilmember Forrest Williams, was directed to guide the preparation of a comprehensive and practical plan for the future of Coyote Valley. The Task Force held its first meeting on September 10, 2002. Later on in the process Councilmember Nancy Pyle replaced Mayor Ron Gonzales as co-chair.

Of the three sub-areas of the Coyote Valley, all of North Coyote and about 16% of Mid-Coyote have been previously annexed into San José. The remainder of the land is under the jurisdiction of Santa Clara County. About 20% of the Greenbelt is under the jurisdiction of the City of San José, and about 80% is under the County's. While annexation and the expansion of the Urban Service Area would be required prior to development in Mid-Coyote, the City does not intend to annex additional property outside the USA. Therefore, all existing Greenbelt properties not previously annexed into the City would remain under County jurisdiction.

In an effort to create a Plan consistent with the Council's Vision and Expected Outcomes, the Task Force embarked on a comprehensive planning process, hosting more than 60 meetings and reaching out to thousands of stakeholders in the process. The guiding principles, objectives and policies of the Plan were formulated, and an integrated land use, transportation

and various community infrastructure system was developed around environmental sustainability. The Plan also includes a phasing program and strategies to ensure the appropriate implementation and financing of its various elements.

In March 2007, a Draft Environmental Impact Report (DEIR), was circulated for public review. Not unexpected for a project of this magnitude, many issues were raised in the comments received. For this, and for reasons of legal defensibility, the Director of Planning decided to revise and recirculate the DEIR.

The revision of the DEIR and refinements to the land use plan occasioned, in part, by the DEIR comments caused unforeseen increases in the project timeline and cost. Given the decline in the housing market, the lax economy, and certainly the additional time and cost involved in the project, the Coyote Housing Group (hitherto financiers of the project) decided to terminate its funding agreement with the City for the Plan.

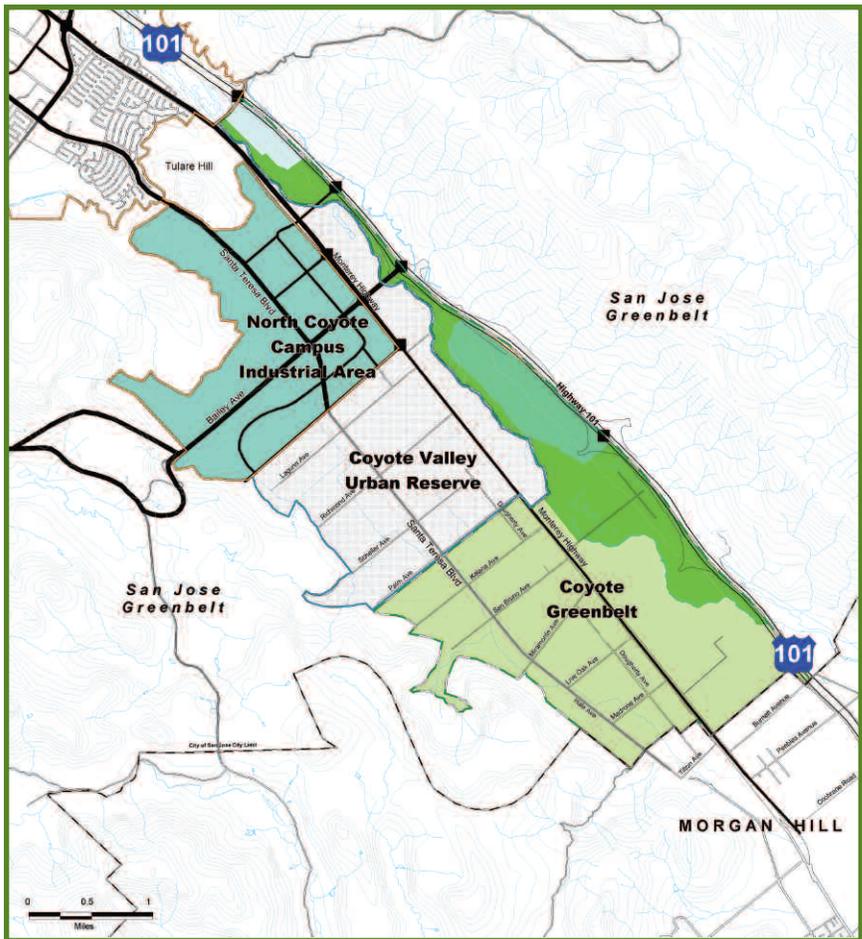
Because of this untimely termination, and the incomplete environmental analysis, the City Council is not able to adopt the project as a specific plan. However, the body of work developed to date is of sufficient quality and detail that it is being refashioned as a Vision Plan.

SCOPE OF THE PLAN The Coyote Valley Plan identifies the location, intensity and character of land uses, the circulation pattern and necessary infrastructure improvements to support development, the location and configuration of parks and community facilities within the area, and the implementation actions required to realize the plan’s objectives. As such, the Plan provides concepts that elaborate upon the San José 2020 General Plan which is the principle tool that guides growth and development within the City.

Relationship to the South Coyote Valley Greenbelt

The Plan includes a strategy to maintain the South Coyote Valley Greenbelt area as a non-urban buffer between the City of San José and Morgan Hill. The Greenbelt area will remain under County jurisdiction as the City has no plans to annex any more properties in the area. The Greenbelt Strategy proposed in the Plan recommends the formation of a non-profit organization working collaboratively with the County, Morgan Hill, San José, and interested stakeholders to implement the Greenbelt Strategy.

FIGURE 1: COYOTE VALLEY LOCATION MAP



PLANNING APPROACH AND PROCESS

To guide the preparation of the Coyote Valley Plan, the City Council appointed a 20-member task force. This appointment was made in conjunction with the initiation of the Plan on August 20, 2002, consistent with the planning process set forth in the San José 2020 General Plan for the Coyote Valley Urban Reserve. The Task Force was directed to guide the preparation of a comprehensive and practical plan for the future of Coyote Valley, and held its first meeting on September 10, 2002. Staff from the Department of Planning, Building and Code Enforcement, and a team of professional consultants, have assisted the Task Force in this planning effort. Other City Departments, outside agencies, and non-profits have also participated actively in this process.

As an advisory body to the City Council, the Task Force's primary role is to make specific land use, environmental protection, public facilities, infrastructure, financing and other recommendations for the Plan. The composition of the Task Force includes a wide range of perspectives and interests associated with this area and San José. It consists of elected officials from several public agencies; volunteer commissioners; landowners; and environmental, labor, and business advocates. Together they worked hard to ensure that the Plan accurately reflects the City Council's roadmap for the Coyote community and the principles of the 2020 General Plan.

Given the scale, complexity, civic and regional significance of the Plan, the Task Force developed an extensive

multi-disciplinary and interactive community participation plan for use throughout the planning process. The degree of public outreach and participation in the Plan was unprecedented for any previous planning effort in San José. In keeping with the outreach plan, the Task Force identified a variety of forums and outreach mechanisms to engage all interested persons in the community in the development of the Plan. In addition to Task Force meetings, the outreach plan included Technical Advisory Committee (TAC) meetings, community meetings, property owner meetings, focus groups, Environmental Impact Report (EIR) Scoping meetings, as well as extensive newspaper, television and radio coverage and a current website. Community newsletters were periodically published to explain critical stages of the Plan.

These colorful brochures featured maps, drawings, meeting information, photos, highlights of the planning process and business reply cards with Plan questions and comments.

With the direction of the Task Force, the Plan was drafted to balance and incorporate the input obtained from these various meetings. The development of the Plan has been an iterative process of listening to the community, creating concepts, evaluating and refining and subsequently developing preferred plan concepts. From the start, the Coyote Valley Plan has been a product of close collaboration and reflection of ideas from public input, resulting in general consensus amongst the Task Force.

BLUEPRINT FOR COYOTE VALLEY: COUNCIL'S VISION AND EXPECTED OUTCOMES

The City's Overall Vision for Coyote recognizes that Coyote Valley is somewhat isolated from the rest of San José and future development would need to be in the form of a new community, comprehensively planned with jobs, housing, commercial and community facilities, schools, parks, residential services, infrastructure and public transit. The new community should be a very urban, pedestrian and transit-oriented mixed use community with a minimum of 25,000 new housing units and 50,000 industry-driving new jobs exclusive of retail service and government jobs. Land uses are to be connected through a rich network of open spaces, trails, bicycle paths, roads and transit.

Based on these overarching principles, the City Council adopted Vision and Expected Outcomes, for the development of the Coyote Valley Specific Plan (CVSP):

1. The Plan would include Central and North Coyote for land planning and would include South Coyote in the infrastructure financing mechanism only. South Coyote (Greenbelt) is included only to determine financing and other mechanisms to secure this as a permanent Greenbelt.

2. The line (Greenline) between Central and South shall not be moved.

3. The line between North and Central could be erased to allow for mixed-use throughout as long as 25,000 housing units in Central and 50,000 jobs in North remain as a base. Then, jobs can be added in Central Coyote and housing in North Coyote to achieve mixed-use or develop a property owner agreement to "trade" jobs and housing counts to achieve mixed-use goal.

4. The overall development character of North and Central Coyote Valley should be very urban, pedestrian and transit-oriented community with a mixture of housing densities, supportive businesses and services and campus industrial uses.

5. The Plan should plan for the extension of light rail and heavy rail into Central Coyote and use these facilities to orient development.

6. We shall maximize efficient land usage; i.e., the 25,000 units and 50,000 jobs are both minimums. In North and Central Coyote combined, the total development potential is at least 50,000 jobs and at least 25,000 housing units. Through the Plan process we shall determine the distribution of that potential across north and mid, including mixed-use concepts.

7. It will be important to distinguish that the 50,000 jobs referenced are primarily industrial/office jobs, not the additional retail support or public/quasi-public jobs (e.g., City workers) that must also be accommodated in the Plan area for a vibrant, mixed-used, urban community.

8. Identify locations for public facilities (libraries, parks, schools, etc.) in the land use plan as well as include these facilities in the financing plan.

9. North and Mid-Coyote should contain a rich system of parks, trails, and recreation areas.

10. The identification of financing measures for the needed capital improvements to support the planned levels of development.

11. The plan must be financially feasible for private development.

12. The plan must develop trigger mechanisms to ensure that increments of housing may not move forward until the appropriate number of jobs are constructed in a parallel timeline to maintain a jobs/housing balance in Coyote Valley.

13. The Task Force should review the potential to utilize "sub-regions" of the valley that will incorporate jobs and housing that can move forward when the subregion has ability to finance the appropriate infrastructure. Residential projects will be issued building permits in parallel with the development of jobs when either the projects are purely mixed-use in their construction or the jobs and housing are constructed simultaneously.

14. The plan should seek mechanisms to facilitate the permanent acquisition of fee title or conservation easements in South Coyote.

15. The plan should allow for the current General Plan budget triggers to be changed to triggers based upon the Valley or its sub-regions jobs and housing revenues covering the General Fund cost of services.

16. The plan shall include a requirement that will mandate 20 percent of all units be "deed-restricted, below-market-rate units."