

City of San José

Coyote Valley Specific Plan

Summary of Task Force Meeting

August 29, 2005

200 E. Santa Clara Street, Rooms W118-120

Task Force Members Present

Co-chair Mayor Ron Gonzales, Co-chair Councilmember Forrest Williams, Supervisor Don Gage, Chuck Butters, Eric Carruthers, Russ Danielson, Dan Hancock, Phaedra Ellis-Lamkins, Doreen Morgan, Ken Saso, Steve Schott Jr., Steve Speno, and Neil Struthers.

Task Force Members Absent

Helen Chapman, Pat Dando, Gladwyn D'Sousa, Craige Edgerton, Christopher Platten, and Terry Watt.

Technical Advisory Committee (TAC) Members Present

Dawn Cameron (County Roads), Mike Griffis (County Roads), Jane Mark (County Parks), David Bischoff (consultant to the City of Morgan Hill), Michele Beasley (Greenbelt Alliance), Melissa Hippard (Sierra Club), Brian Schmidt (Committee for Green Foothills), Shanna Boigon (SCCAOR), Tim Steele (Sobrato), and Kerry Williams (Coyote Housing Group).

City and Other Public Agencies Staff Present

Joe Guerra (Mayor's Office), Jennifer Malutta (Mayor's Office), Emily Moody (Mayor's Office), Jim Cogan (Council District 1), Anthony Drummond (Council District 2), Rachael Gibson (Don Gage's Office), John Mills (Council District 6), Laurel Prevetti (PBCE), Sal Yakubu (PBCE), Susan Walsh (PBCE), Sylvia Do (PBCE), Perihan Ozdemir (PBCE), Regina Mancera (PBCE), Rebecca Flores (Housing), Dave Mitchell (PRNS), and Luke Vong (DOT).

Consultants Present

Doug Dahlin (Dahlin Group), Roger Shanks (Dahlin Group), Jim Musbach (EPS), Jim Thompson (HMH Engineers), Judy Fenerty (DJP&A), and Eileen Goodwin (Apex Strategies).

Community Members Present

Jerry Amaro, Robert Benich, Peter Benson, Nicharl Bini, Roger Costa, Frank Crane, Consuelo Crosby, Jo Crosby, Gail DeSmet, Richard DeSmet, Robert Eltgroth, Dennis Figueroa, Dave Higgins, Liz Hirata, Virginia Holtz, Peter Jensen, Matt King, Jack Kuzia, Pat Kuzia, Peter Mandel, Dennis Martin, Eric Morley, Sarah Muller, Christina Monti, Wayne O'Connell, George Reilly, Alice Ringer, Peter Rothschild, Art Sanchez, Annie Saso, Salvatore Saso, Erik Schoennauer, Pete Silva, Sharon Simonson, Lowell Tan, George Thomas, Shellé Thomas, Brenda Torres, Rebecca Vandahlen, Donna Vingo, Don Weden, and Kim Weden.

1. Welcome

The meeting convened at 5:35 p.m. with Co-chair Mayor Ron Gonzales welcoming everyone to the 35th Coyote Valley Specific Plan (CVSP) Task Force meeting.

2. Acceptance of August 15, 2005 Task Force Meeting Summary

Mayor Gonzales called for a motion to accept the August 15, 2005 Task Force meeting summary. The motion passed unanimously.

3. Revision and Approval of Co-chairs' Draft Timing and Logistical Requirements

The Task Force discussed Attachment II Items 1, 3 and 4 of the co-chair's Timing and Logistical Requirements memorandum. Laurel Prevetti, Deputy Director of Planning, Building and Code Enforcement (PBCE), indicated that the Task Force previously discussed Attachment II of the co-chair's Timing and Logistical Requirements memorandum at the May 9, 2005 Task Force meeting. The purpose of today's discussion is to finalize the Task Force's recommendations to the Council regarding items 1, 3 and 4 of Attachment II.

Item #1: Prior to the issuance of any building permits in each phase, the City's Budget Director must certify that the next phase of development will not increase the burden on General Fund services for current residents and businesses.

The Task Force provided the following questions and comments regarding Item #1:

- Did not have enough time to review the meeting materials. Feels ill-prepared to discuss financial issues at this time.
- Item #1 is consistent with our goal that Coyote Valley development should not be a burden on the City. Revenues should equal or exceed expenditures for Coyote Valley.
- Item #1 is independent of the phasing alternatives discussion. Regardless of which phasing plan is implemented, this policy ensures that the outcome is a fiscal benefit to the City.
- If other issues come up later, would like to come back and look at policy again for final recommendation. *This is a policy statement. The Task Force makes recommendations to the Council. Council makes the ultimate decision.*
- Would like to hear from the public before the final vote on this item.
- What are General Fund services? *General Fund services include police, fire, parks and recreation, etc. General Fund services exclude garbage, water, sewer, airport, etc.*
- Concurs with Item #1. It is important for each phase to be viable and pay its way. This policy allows people to have confidence in the Plan.
- Is there a fallback plan? What happens if revenues deplete? *Agrees that a fallback plan is necessary. The CVSP team is analyzing available options. This information would be presented to the Task Force at a later time.*
- Is this policy based on each dwelling unit or per phase? *Although we have not defined phases yet, this policy would apply to each phase.*

The public provided the following comments:

- Brian Schmidt, with Committee for Green Foothills, asked if Item #1 would replace or be an addition to the existing General Plan triggers. If this policy replaces the triggers, the rest of the City may have to pay for Coyote Valley revenue miscalculations. It is acceptable, however, if Item #1 is added to the existing triggers.

Councilmember Williams called for a motion to accept the following revised version of Item#1, which was seconded by Task Force member Dan Hancock:

Prior to the issuance of any building permits in each "phase," the City's Budget Director must certify that the next phase of development will not increase the burden on General Fund services for current residents and businesses (revenues from the phase will equal or exceed costs for services).

The Task Force approved the motion unanimously.

Item #3: Residential development must provide for the acquisition X¹ acres of South Coyote Greenbelt in fee title or as conservation easements for every acre of residential development with less than 40 dwelling units per acre.

Laurel reviewed Task Force and public comments previously made regarding Item #3. The Santa Clara County Open Space Authority and the Silicon Valley Land Conservancy expressed interest in managing easements or fee titles in the Greenbelt. Regarding minimum parcel size, the Task Force wanted to make sure land going into program was useable and accessible. Whereas the Task Force preferred a fee-based system, property owners preferred individual negotiations with developers. The Task Force also indicated that since the Greenbelt benefits areas beyond Coyote Valley, other benefiting entities should also contribute to Greenbelt acquisition. Laurel clarified that the “X” in Item #3 represented approximately 1,500 acres of the total 3,700 acres in the South Coyote Greenbelt that could be acquired to create a coherent Greenbelt.

The Task Force provided the following questions and comments regarding Item #3:

- Policy does not specify the vehicle for Greenbelt acquisition. Indication that the City of Gilroy has a fee-based system. Prefers a fee-based system.
- Recommended against specifying the acreage required for Greenbelt acquisition at this time.
- Should not to specify how many acres to be acquired at this time.
- Concerned about the burden on individual units. Residential development with more than 40 dwelling units per acre (DU/AC) should also contribute towards Greenbelt acquisition.
- How is an “acre of residential development” defined? The mitigation programs in Davis and Gilroy state “number of acres developed.”
- The mitigation programs in Davis and Gilroy apply to “urban development,” and do not differentiate between non-residential and residential development.
- Imperative to have one single entity acquire Greenbelt land, and prioritize acreage and needs. Recommended having a fee-based system where the fees go to the entity for acquisition.
- Housing demands will change. Residential development over 40 DU/AC, and industrial and commercial development should also share the burden, but perhaps not as much of a burden as residential development under 40 DU/AC.
- Recommended having a fee-based system. Concerned about having exemptions based on current economics. Need to have as broad a base as possible. Exemptions should be allowed only on a case-by-case basis. Exemption is acceptable for affordable housing.
- Supports a fee-based system. Suggested replacing “residential development” with “development.” Need an incentive for higher density development. Prefers exemptions for public property and affordable housing.

- Need to look at conservation easements, not just fee acquisition. Need to look at regional area for funding Greenbelt acquisition. Recommended exempting economic development and higher density development.
- How much residential development is below 40 DU/AC? *Laurel indicated that of the 3,500 acres, 740 gross acres of residential development are below 40 DU/AC. Doug Dahlin, with Dahlin Group, stated that gross acreage includes streets. 740 gross acres excludes public land for parks, schools, etc.*
- Coyote Valley development should not be the only funding source for Greenbelt acquisition. Indication that there are state and federal programs available. Funding should come from a composite of public and private agencies.
- Greenbelt benefits extend beyond Coyote Valley. The County and City of Morgan Hill should also contribute towards Greenbelt acquisition.

The public provided the following comments:

- Michele Beasley, with the Greenbelt Alliance, indicated that developing over 3,400 acres of prime agricultural land is a big issue. Coyote Valley is home to endangered wildlife, and is a valuable wildlife corridor. An 80,000 population would significantly impact Coyote Ridge in the South County. Having low-density residential development paying for agricultural mitigation is not enough. For every acre of prime agricultural land lost, another acre should be permanently protected. The City of Gilroy has a 1:1 agricultural mitigation policy for open space lost to any type of development. South Livermore Valley Specific Plan requires that for every acre developed, an acre of prime farmland should be permanently protected. South Livermore also requires that each unit built should also protect an acre.
- Melissa Hippard, with the Sierra Club, stated that Coyote Valley would have an impact that is far greater than just the immediate area. She referred a letter addressed to Task Force by the Santa Clara Local Agency Formation Commission (LAFCO) on June 20, 2005. The letter indicated that Coyote Valley development would result in the conversion of thousands of acres of prime agricultural land. LAFCO policies discourage urban service area (USA) expansions that include agriculture and open space land. LAFCO strongly encourages the City to develop effective mitigation measures to address the loss of agriculture and open space lands.
- Brian Schmidt, with Committee for Green Foothills, indicated that the Task Force was working in a void. He suggested that the Task Force table this issue and ask staff to prepare a memorandum comparing the CVSP to mitigation policies in Davis, Gilroy and Livermore. Funding sources for Greenbelt acquisition should remain local since conservation easements are established to mitigate the environmental impacts of Coyote Valley development.
- Peter Jensen, Vice President of Monterey Mushrooms, indicated that agriculture is still active and profitable in Coyote Valley. Monterey Mushrooms operates in the South Coyote Greenbelt, and generates over \$35 million in annual revenue. Monterey Mushrooms has over 300 farm workers with year-round jobs, good pay, full benefits and

are represented by the United Farm Workers Union. He is concerned that traffic on Hale Avenue and Fisher Creek improvements would adversely impact the existing business. Peter is interested in working with the Council and Task Force in finding ways to protect their business. They are also interested in affordable housing for their employees, as well as other incentives.

- Richard DeSmet, a South Coyote Greenbelt property owner, indicated that Greenbelt properties are unfairly being taken by this action. Greenbelt property owners are not being represented on the Task Force. Everyone likes open space, but no one is willing to pay for it.
- Shanna Boigon, representing the Santa Clara County Association of Realtors, suggested converting Williamson Act properties into open space easements. She also suggested that the best use of the area would be to have executive homes with agriculture on the back of the property.

The Task Force provided additional questions and comments regarding Item #3:

- Supports a fee-based program. Conservation easements would not be in conflict with a fee-based program.
- Would like to make sure that we meet with Monterey Mushrooms to protect the existing business.
- If appropriate, Council could provide an incentive to defer or eliminate requirements in the future, whether it be based on density or for residential, commercial or industrial development.
- In general, development should pay into a fund, but with strategic exceptions (adaptive management).
- Funding should come from all sources, including residential fees, fees based on industrial and commercial square footage, etc.

Supervisor Don Gage called for a motion to accept the following revised version of Item #3, which was seconded by Task Force member Phaedra Ellis-Lamkins

Residential development must provide for the acquisition of South Coyote Greenbelt in fee title or as conservation easements for every net acre of development. No fee would apply to residential development over 40 per acre and commercial/industrial development would pay a square footage fee. Strategic exemptions would be considered in the future. Acquisition would be funded via a fee paid by developers to a central entity. Need to explore broader funding sources (outside CVSP).

Additional comments made by Task Force members on the proposed motion were:

- Concerned that placing a burden on residential development less than 40 DU/AC, particularly for property owners who have land uses designated on their land without permission.

- Agrees with the per acre fee, but it needs to vary by density.

The Task Force approved the motion unanimously.

Item #4: Residential development of market-rate and deed-restricted affordable units must be built concurrently at a ratio of four to one. Affordable units, which are counted against this ratio, may not receive City or Redevelopment Agency subsidy.

The Task Force provided the following questions and comments regarding Item #4:

- Prefers to have the second sentence removed. Wants very low income (VLI) and extremely low income (ELI) housing. VLI and ELI housing needs City and Redevelopment Agency subsidy. Would like staff to meet with developers to research potential funding sources.
- There are few affordable housing projects that are developed without subsidies.
- Agrees that funds should be available for VLI and ELI housing, but not for all affordable housing.
- Concerned with limiting City funds. There needs to be a variety of funds.
- Affordable housing is a critical issue for the CVSP. Need a flexible and varied approach to the issue.
- Need to interpret this policy by phase, not unit.
- Prefers wording to say "should not," rather than "may not" to provide more opportunities for the City.

Task Force member Phaedra Ellis-Lamkins called for a motion to approve the following revised version of Item #4:

Residential development of market-rate and deed-restricted affordable units must be built concurrently within each "phase" at a ratio of four to one. Affordable units, which are counted against this ratio, should not receive City or Redevelopment Agency subsidy except for Extremely Low Income (ELI) and Very Low Income (VLI) units. State and Federal funding would be acceptable for all units. (Need target goals for ELI and VLI in the plan).

Other questions and comments made by Task Force members:

- Concerned with school issues. Encouraged the Task Force to read the Status Report on Schools Issues.
- Phaedra asked when medical clinics would be on the Task Force agenda since it was deferred from the June 20, 2005 meeting. Laurel stated that staff would work with the co-chairs to put medical clinics on the agenda.

- Phaedra also asked if the October 3, 2005 Task Force meeting could be rescheduled since it falls on a Jewish holiday.

4. Public Comments

- Robert Benich, a City of Morgan Hill Planning Commissioner, indicated that the numbers in the Status Report on Schools Issues were very misleading regarding school site acreages.
- Joe Crosby, a South Coyote Greenbelt property owner, indicated that although he was encouraged to see the Task Force discuss the Greenbelt, there still is not a coherent plan for the Greenbelt. South Coyote Valley property owners do not have the ability to market, sell or develop land in the Greenbelt.
- Consuelo Crosby, a South Coyote Greenbelt property owner, stated that she would like to know the value of land in the Greenbelt. The value should be between \$250,000 and \$375,000 per acre. Property owners are not being listened to, and their rights are being violated.
- Richard DeSmet, a South Coyote Greenbelt property owner, prefers putting buyers and sellers together, rather than having their land managed by an entity. Most parcels in the Greenbelt are already heavily sub-divided.
- Brian Schmidt, with Committee for Green Foothills, asked if Item #1 was replacing the existing General Plan triggers.
- Alice Ringer, with the Sierra Club, indicated that all types of development should pay for Greenbelt acquisition. She recommended looking outside of Coyote Valley for additional funds for acquiring the Greenbelt.
- Shanna Boigon, representing Santa Clara County Association of Realtors, asked if the Greenbelt was for public enjoyment or for public use. She also asked whether affordable housing would be inclusionary zoning. .

5. Adjourn

Mayor Gonzales adjourned the meeting at approximately 7:30 p.m. The next Task Force meeting will take place on September 12, 2005 at the new City Hall in rooms W118-120.