



Department of Planning, Building and Code Enforcement

HARRY FREITAS, DIRECTOR

May 31, 2017

Ken Kirkey
Planning Director
Metropolitan Transportation Commission
375 Beale Street, Suite 800
San Francisco, CA 94105

Subject: Plan Bay Area 2040 Draft Environmental Impact Report, Comments from City of San José

Dear Mr. Kirkey:

Thank you for the opportunity to provide comments on the *Plan Bay Area 2040* Draft Environmental Impact Report. Upon review of *Plan Bay Area 2040*, the Draft EIR, and background documents, the City of San José has the following comments:

Regional Objectives: The City of San José recognizes that *Plan Bay Area 2040* is an important vision for comprehensive regional planning. The primary objective of the Plan is to implement SB 375 to integrate regional housing and transportation needs to plan the Bay Area's growth while striving to attain greenhouse gas (GHG) reduction targets. In order to do so, a visionary approach is required to balance the mix of land uses, and thereby encourage more sustainable land use patterns where the region's people can live, work, and play.

Land use investment influences transportation systems, and transportation investment influences land use markets. San José understands that MTC/ABAG does not have land use authority; however, MTC can provide transportation funds to public agencies that could be leveraged to encourage land use decisions that can spur balanced and equitable growth for the region.

Land Use Imbalance: *Plan Bay Area 2040* is not entirely consistent with the *Envision San José 2040 General Plan*, particularly regarding employment growth. As proposed, *Plan Bay Area 2040* reduces the percent of County-wide employment growth allocated to San José in the current RTP (Plan Bay Area 2013) from 49% to 44%. The *Envision San José 2040 General Plan* strives to achieve a balanced community in the City by improving the City's jobs-to-employed resident ratio (J/ER) to 1.1 while accommodating its Regional Housing Needs Allocation (RHNA) fair share. The City's General Plan, therefore, establishes a target of 750,450 jobs by 2040. Robust job growth is critical to the long-term fiscal health of the City.

The proposed *Plan Bay Area 2040* assumes 196,550 fewer jobs in 2040 and no change in San José's percentage of jobs overall within Santa Clara County between 2010 and 2040 (43%). Under this

scenario, the imbalance of jobs to housing within the region would persist, and this imbalance would continue to hamper the achievement of regional goals around equity, congestion, and the environment.

Employment Assumptions: San José continues to be concerned with the long-term assumptions for land use and jobs used in the Draft EIR. Although there has been some acknowledgement of the incongruity between the *Envision San José 2040 General Plan* and *Plan Bay Area 2040* pertaining to the Draft Preferred Scenario and Final Scenario, there is still a gap between the City's planned job growth and the planned job growth used in *Plan Bay Area 2040*. We recommend that the EIR analyze an alternative that would assume greater employment growth allocated to San José in order to better achieve Plan Bay Area 2040 objectives including Climate Protection, Equitable Access, and Transportation System Effectiveness.

As we have stated previously, adding more jobs in San José, specifically in Downtown, North San José, Urban Villages and other urban and transit-served areas, will provide significant gains in managing congestion, reducing Vehicle Miles Traveled (VMT), improving air quality, and improving quality of life throughout the region. We note that the Land Use and Physical Development chapter of the Draft EIR mentions a mismatch between growth in jobs and housing in the region but does not address the mismatch in the *distribution* of jobs and housing. San José has a disproportionate amount of housing in relation to jobs, and this inadequate proportion of jobs-to-employed residents has a negative effect on the long-term fiscal health of the City. We suggest that the Draft EIR include more robust analysis of how the *distribution* of jobs and housing across the region affects both VMT and GHG emissions.

A higher employment allocation for San José, specifically in Downtown, North San José, Urban Villages and other urban and transit-served areas, would not only achieve our mutual goals around equity, congestion and the environment, but also support the significant transportation investments the State and region are making in San José including the Silicon Valley BART extension, Capitol Expressway Light Rail, High Speed Rail, and the Diridon Intermodal Station. Although MTC projections imply that San José will become less of an employment center in the future, real estate trends in San José suggest the opposite is true. We are seeing increasing interest in the construction of new commercial and industrial space due to high rents/low land availability on the peninsula, as well as the political backlash in some jobs-rich communities to accommodate more commercial/industrial space. Examples of major office projects exemplifying this trend include Samsung's completed campus in North San José (640,000 sq.ft.), Apple's proposed campus in North San José (up to 4.15 million sq.ft.), Federal Realty's Santana West (1 million sq.ft.), and Trammell Crow's "Destination Diridon" project in Downtown San José (1 million sq.ft.).

Alternatives: The Draft EIR and associated technical studies provide demographic forecasts broken out at each county level only. San José would like to see the forecasted demographic, economic, and housing data at the city level. Finer grained city-level data for jobs and households for each alternative is needed to fully evaluate how each of the alternatives would impact San José.

San José recommends exploring a modified Big Cities Alternative that allocates higher job growth to San José and more household units in other Silicon Valley/Peninsula cities along transit lines. Such a hybrid modified Big Cities Alternative is very likely to result in further reductions to VMT and, therefore, GHG

emissions. As an example, Cupertino has a hard cap on office development and Palo Alto does not have adequate housing, being more jobs rich. These imbalances are fueling the growing intraregional disparities in housing and job growth leading to lopsided computing patterns. San José has untapped industrial and commercial developmental capacity in the City's priority development areas and transit priority areas.

Again, thank you for the opportunity to comment on the *Plan Bay Area 2040* Draft EIR. The City looks forward to continuing the partnership with MTC/ABAG to support this endeavor. Should you have any questions, please contact Meenaxi Panakkal, Supervising Planner, Environmental Review Team at meenaxi.panakkal@sanjoseca.gov.

Sincerely,



Rosalynn Hughey
Assistant Director

c: City Manager
City Attorney
Mayor's Office