



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Kim Walesh

**SUBJECT:** SEE BELOW

**DATE:** November 12, 2020

Approved

Date

11/12/20

**SUBJECT: STUDY SESSION ON DIRIDON STATION AREA PLANNING/  
GOOGLE DOWNTOWN WEST MIXED-USE DEVELOPMENT**

## **PURPOSE OF STUDY SESSION**

To provide an update on the progress of three inter-related work efforts shaping future development of the Diridon Station Area: Planning for the Diridon Station Area, including amending the 2014 Diridon Station Area Plan and developing other area-wide plans; conducting development review of the proposed Google “Downtown West” mixed-use project; and negotiating a Development Agreement with Google, including community benefits.

## **OUTCOME OF STUDY SESSION**

The Mayor and Councilmembers will understand the progress to-date as well as remaining work, of various staff analyses, consultant studies, and community input in anticipation of the Planning Commission and City Council consideration of recommendations in Spring 2021.

## **AGENDA**

The Study Session agenda will include four staff presentations, followed by Council discussion and public comment.

- **Planning Process: Looking Back, Looking Forward:** City staff will provide a high-level overview of the various project elements, milestones to date, milestones upcoming this year, and community outreach completed and planned.
- **Planning for the Diridon Station Area:** City staff will review the reasons for amending the 2014 Diridon Station Area Planning (DSAP), present the changes to the plan under

consideration and the environmental analysis, describe area-wide plans underway (e.g., affordable housing, transportation, incentive zoning), and preview additional work anticipated. The Draft Amended DSAP and Draft Diridon Affordable Housing Implementation Plan are currently available for public review.

- **Conducting Development Review of the Proposed Google Project:** Staff will provide an overview of Google’s Downtown West mixed-use project, including the Draft Design Standards and Guidelines document and Draft Environmental Impact Report (DEIR). Both documents are available for public review, along with the other application materials. Staff will also share the recommended Building Design Review and Approval Process.
- **Negotiating the Development Agreement, including Community Benefits:** Staff will review prior Council direction, a public benefits framework, a summary of community preference input to date, key elements of the community benefits under discussion, and insights about development feasibility and community benefits.

## **REFERENCE MATERIALS FOR STUDY SESSION**

To prepare for the Study Session, staff recommends a review of these public resources:

- Presentation for Study Session
- Executive summary, including the list of Desired Outcomes for the six topic areas: [Diridon Station Area Civic Engagement Report \(2018\)](#)<sup>1</sup>
- Executive Summary of the [Draft Amended Diridon Station Area Plan](#)<sup>2</sup>
- Executive Summary of the [Draft Diridon Affordable Housing Implementation Plan](#)<sup>3</sup>
- [Incentive Zoning Analysis Technical Memo by HR&A](#)<sup>4</sup>
- [Video](#)<sup>5</sup> (timestamp: 7:30 to 53:30): recorded presentation from the Downtown West Community Meeting on October 19, 2020
- [Fall 2020 community engagement info](#)<sup>6</sup>

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<sup>1</sup><https://www.diridonsj.org/s/FINAL-DiridonStationAreaCivEngagementReport10312018.pdf>

<sup>2</sup>[https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5f9783e6506bd2232c50f52e/1603765259907/2021026\\_DSAP\\_Report\\_web.pdf](https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5f9783e6506bd2232c50f52e/1603765259907/2021026_DSAP_Report_web.pdf)

<sup>3</sup><https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5fa9c16b09511e6a4e5a07b4/1604960644280/Draft+Diridon+Affordable+Housing+Implementation+Plan.pdf>

<sup>4</sup>[https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5fad8e111cc5cc66224058bc/1605209617837/HRA+Diridon+Incentive+Zoning+Analysis\\_11.6.2020.pdf](https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5fad8e111cc5cc66224058bc/1605209617837/HRA+Diridon+Incentive+Zoning+Analysis_11.6.2020.pdf)

<sup>5</sup><https://www.youtube.com/watch?v=ddmcFntNG7A&feature=youtu.be>

<sup>6</sup><https://www.diridonsj.org/fall2020>

With additional time, here are additional links to reference resources:

- [Draft Amended Diridon Station Area Plan, with an online feedback form](#)<sup>7</sup>
- [Technical memo on CEQA approach for the DSAP Amendment](#)<sup>8</sup>
- [Draft Diridon Affordable Housing Implementation Plan, with an online feedback form](#)<sup>9</sup>
- [Citywide Residential Anti-Displacement Strategy](#)<sup>10</sup>
- [Information about Google’s updated submittal for the Downtown West project, including background presentations by the City \(process\) and Google \(Design Standards and Guidelines\), and an online feedback form](#)<sup>11</sup>
- [All application documents and additional information on the development and environmental review processes for the Downtown West project](#)<sup>12</sup>
- [Draft Environmental Impact Report \(DEIR\) for the Downtown West project](#)<sup>13</sup>
- [Downtown West Community Meeting \(October 19\) materials](#)<sup>14</sup>
- [Station Area Advisory Group \(SAAG\) webpage](#)<sup>15</sup> with past meeting materials
- [Summary of the City’s 2018 community engagement process](#)<sup>16</sup>
- [Additional background information and summary of 2019-20 engagement process](#)<sup>17</sup>
- [Background plans, FAQs, Info Memos, and other resources](#)<sup>18</sup>
- [Google’s project webpage](#),<sup>19</sup> including a digital engagement exercise.

## **BACKGROUND**

On December 4, 2018, City Council approved a [Memorandum of Understanding \(MOU\) with Google](#)<sup>20</sup> to guide collaboration on a mixed-use development project moving forward. The MOU outlined guiding principles and shared goals for a mixed-use, transit-oriented development to be proposed by Google. The MOU also affirmed the intent to negotiate a Development Agreement and the process for negotiating a Community Benefits Plan as part of the

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<sup>7</sup> <https://www.diridonsj.org/fall2020-dsap>

<sup>8</sup> [https://www.diridonsj.org/s/CEQAFindingsfortheDiridon\\_web.pdf](https://www.diridonsj.org/s/CEQAFindingsfortheDiridon_web.pdf)

<sup>9</sup> <https://www.diridonsj.org/fall2020-housing>

<sup>10</sup> <https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-policy-plans-and-reports/citywide-anti-displacement-strategy#:~:text=By%20focusing%20attention%20on%20Production,greatest%20asset%20%2D%20its%20existing%20residents>

<sup>11</sup> <https://www.diridonsj.org/fall2020-google>

<sup>12</sup> [www.sanjoseca.gov/GoogleProject](http://www.sanjoseca.gov/GoogleProject)

<sup>13</sup> <https://www.bit.ly/GoogleProjectEIR>

<sup>14</sup> <https://www.diridonsj.org/general-events/community-meeting-downtown-west-fall2020>

<sup>15</sup> <http://www.diridonsj.org/saag>

<sup>16</sup> <https://www.diridonsj.org/archive>

<sup>17</sup> <http://www.diridonsj.org/diridon-station-area-plan-google-project>

<sup>18</sup> <https://www.diridonsj.org/resources>

<sup>19</sup> <https://realestate.withgoogle.com/sanjose/>

<sup>20</sup> <https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5c9114de652dea9c2028888a/1553011936239/Final+MOU.pdf>

Development Agreement. At the same meeting, City Council approved Purchase and Sales Agreements with Google for properties formerly owned by the Successor Agency to the Redevelopment Agency and for the City-owned Fire Training property, and an Option/Negotiation Rights Agreement for the property next to SAP Center known as Lots A/B/C. The December 2018 Council action completed staff's work efforts from "Phase I: Concept Development and Land Sale" and launched "Phase II: Project Design and Review".

### *Reviewing Google's Downtown West Project Proposal*

On October 10, 2019, Google submitted its application for a mixed-use development project (Downtown West Mixed-Use Plan) to the City's Planning Division. The project site is approximately 80 acres, largely within the [Diridon Station Area Plan \(DSAP\)](#)<sup>21</sup> boundary of 250 acres. The Google proposal includes a General Plan amendment (including amending the DSAP), a Planned Development Rezoning, a Planned Development Permit, and other related permits and approvals.

On December 31, 2019, the State of California approved Google's application to participate in the AB 900 program (Jobs and Economic Improvement Through Environmental Leadership Act). The program encourages large development projects that create jobs and meet a high standard of public benefits by streamlining the judicial review process under the California Environmental Quality Act (see [Info Memo dated August 19, 2019](#)<sup>22</sup>).

The City's review process involves staff from multiple departments reviewing the proposal for consistency with City policies, objectives, and regulations and preparation of an EIR to analyze the potential impacts of the project. The MOU approved by City Council on December 4, 2018, provides a foundation for this review process. The full application and associated information about the project are available at [www.sanjoseca.gov/GoogleProject](http://www.sanjoseca.gov/GoogleProject).

### *Negotiating a Development Agreement, including Community Benefits*

As part of the entitlement process, the City and Google will negotiate a Development Agreement which, as directed by Council, will include a Community Benefits Plan. A Development Agreement will provide Google with vested rights to develop its project over a specific period of time, in exchange for the provision of community benefits above baseline City requirements. The MOU approved by City Council on December 4, 2018, provides a foundation for negotiating the Development Agreement, including guidance on community benefits priorities and approach. The Council action provided direction on the top priorities for the Community Benefits Plan, among other needs: affordable housing, anti-displacement, educational opportunity, and job training.

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<sup>21</sup><https://www.sanjoseca.gov/your-government/departments/planning-building-code-enforcement/planning-division/citywide-planning/area-plans/diridon-station-area-plan>

<sup>22</sup><https://static1.squarespace.com/static/5c38bcfdcc8fedd5ba4ecc1d/t/5d5c5e61e1d5150001a6fdf2/1566334563522/DSA+Update+-+Info+Memo+-+081919.pdf>

### *Amending the Diridon Station Area Plan*

Concurrent with reviewing Google's proposal, staff initiated a process to amend the DSAP, adopted by Council in 2014. The purpose is to adapt the DSAP to current circumstances, align it with other adopted and ongoing plans, including the Diridon Integrated Station Concept Plan, as well as support DSAP implementation (private development and public investments). In the Draft Amended DSAP, the overarching vision remains the same; however, the guiding principles were updated to reflect recent community input. The chapters in the Draft Amended DSAP include: Station Area Development (land use, building height, urban design), Mobility (transportation and parking), and Open Space and Public Life (parks, trail links, green space). In addition, the City is preparing an Affordable Housing Implementation Plan and will complete subsequent studies on shared infrastructure. The Draft Diridon Affordable Housing Implementation Plan addresses City Council's direction from December 4, 2018, to achieve 25% affordability of all housing built in the Diridon Station Area.

### *Ongoing Community Engagement*

Central to all this work, staff is considering previous and ongoing community input. This includes input documented in the [Diridon Station Area Civic Engagement Report](#) (October 2018). Staff also completed additional public outreach and community engagement before and since Google submitted its development application and the City initiated the DSAP amendment process. The main objectives of outreach and engagement during Phase II have been to increase understanding of the planning and development review processes and secure feedback on initial and draft concepts under consideration.

While the advent of the COVID-19 pandemic curtailed in-person outreach, staff updated and enhanced the content on [www.diridonsj.org](http://www.diridonsj.org) (including adding videos), implemented an online survey, and completed grant agreements with seven community-based organizations to conduct unique outreach to under-represented populations. These organizations are: African American Community Services Agency, Catalyze SV, Friends of Caltrain, Latino Business Foundation, San Jose Jazz, SOMOS Mayfair, and Trinity Episcopal Cathedral. Staff has also continued to convene the Station Area Advisory Group (SAAG) virtually. The SAAG was established in early 2018 to advise the City on issues affecting the Diridon Station Area, including the Google project.

This fall, staff is gathering feedback on the draft documents out for public review using online feedback forms and a series of City-hosted and community partner-led virtual events. The final round of outreach will occur next year, leading up to Planning Commission and City Council consideration of the recommendation package in 2021. The website [www.diridonsj.org](http://www.diridonsj.org) includes the upcoming engagement opportunities, project updates, background information, and the ability to sign up for email updates and submit comments.

Community engagement has been ongoing through many mechanisms and channels for nearly three years. Since February 2018, the City has hosted 18 SAAG meetings, 14 SAAG small group

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discussions, 19 community meetings and partner events, 3 online surveys (2,260 responses), 9 pop-ups at community events, 5 virtual office hours, and 75,000 web page views and 36,000+ visitors on diridonsj.org.

Staff continues to coordinate with the Diridon Integrated Station Concept Plan (a partnership between the City, Caltrain, VTA, and High Speed Rail), the Downtown Transportation Plan, and other separate but related projects.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the November 16, 2020 City Council Study Session.

### **COORDINATION**

This memorandum was coordinated with the Office of Economic Development, the Department of Planning, Building and Code Enforcement and the City Attorney's Office.

/s/

KIM WALESH

Deputy City Manager

For questions please contact Kim Welsh, Deputy City Manager, at (408) 535-8177.