City of Gilroy
General Plan
Alternatives Report

Public Review Draft
April 2018
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The Gilroy General Plan process gives the community an opportunity to refine the City’s “constitution” for future growth and development. This is an opportunity to reaffirm the existing attitudes and direction for growth or chart a new course. One of the biggest decisions the City will make about growth in the General Plan process is the type and location of new land uses. The Alternatives process guides the community toward the selection of a preferred land use alternative.

The City originally conducted an alternatives process in 2015, resulting in the City Council selection of a Preferred Land Use Alternative. However, soon after in 2016, Gilroy voters approved a new Urban Growth Boundary (UGB), reducing the footprint of future development (see discussion on page 5). The City Council directed staff to initiate a new alternatives process to allow the community and decision makers to consider land use alternatives for the area within the new UGB.

This report describes a range of land use concepts for five Focus Areas within Gilroy’s urban growth boundary. The report then provides a detailed comparison of three citywide alternatives, one of which reflects the Preferred Land Use Alternative selected by the City Council in 2015, amended to remove lands outside the UGB (referred to as the 2015 Preferred Land Use Alternative).

About the General Plan
The General Plan is a foundational City document that sets the course for Gilroy’s land use decisions. The process to develop the General Plan w: Integrate input from hundreds of Gilroyans and address an extensive array of issues (including growth, traffic, sustainability, health, and fiscal stability).
The General Plan Process

After the passage of the UGB initiative, the City Council weighed several options for moving forward with the General Plan process, and ultimately directed City staff to work with the General Plan Advisory Committee (GPAC) and the community to develop a new set of land use alternatives that reflect the new UGB. As part of the revised General Plan, City staff and the consultants prepared new projections and holding capacity that consider the new urban growth boundary. The community's preference for a growth alternative may be different based on the new projections and holding capacity information.

Project Initiation: Oct. 2013
Background Report: Apr. 2014
Vision and Guiding Principles: June 2014

Land Use Alternatives: June 2014 to May 2015
City Council Selection of Preferred Alternative: May 2015
Draft General Plan: Dec. 2015
Voters Approve Urban Growth Boundary: Nov. 2016

We are here: Re-evaluation of Land Use Alternatives

Review and Revise General Plan
Prepare Environmental Impact Report
Adoption

Aug. 2017 to Summer 2018 ➔ Summer to Winter 2018 ➔ Summer 2018 to Summer 2019 ➔ Fall to Winter 2019
Measure H and the Urban Growth Boundary

In November 2016, Gilroy voters approved an Urban Growth Boundary (UGB) by initiative, with a goal of protecting Gilroy’s agriculture and open space while encouraging more compact future development. The UGB is a line beyond which urban development is not allowed through the year 2040. The UGB complements General Plan policies encouraging infill development and supporting a thriving downtown. The UGB has an impact on the General Plan, particularly since the 2015 Preferred Land Use Alternative designated land for development outside of the UGB. The City is revisiting the land use alternatives, which are now constrained by the new UGB.

FIGURE 1: 2018 URBAN GROWTH BOUNDARY
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Population and employment projections can be a useful tool for long-range planning. Projections offer a range of possible growth outcomes. Projections should not be regarded as inevitable, since external market forces and City policies can dramatically change the rate and type of growth that occurs. The decisions made as part of the General Plan process will be a critical determinant of Gilroy’s future job and housing growth. These projections are used later in this report to compare the holding capacity of each of the citywide alternatives.

**Population**

In 2015, Gilroy’s population was 53,008. Figure 1, below, shows a range of population projections for 2040. The Association of Bay Area Governments (ABAG), which produces projections for all cities within the Bay Area, projects Gilroy to have a slower growth rate (0.8 percent), resulting in approximately 61,000 residents in 2040. However, ABAG projections are not based on a market demand projection. They reflect regional policy that directs growth to larger cities and major employment areas. The City’s economic consultant, ADE, produced a range of low-to-high scenarios based on the market demand projections. These projections estimate Gilroy’s population to fall within the range of 72,800 and 84,400 by 2040.

**FIGURE 2: POPULATION PROJECTIONS (2015-2040)**

![Population Projections Graph](image_url)
Housing

The number of housing units needed to accommodate the range of population projections is a function of the household size and the vacancy rate for housing. For purposes of this analysis, a constant household size of 3.5 persons and a standard vacancy rate of 5 percent are assumed. Based on these factors, the population projections would result in the following housing unit projections shown in Figure 3.

![Figure 3: Housing Unit Projections (2015-2040)]

Employment

When planners project employment numbers, they look at historic trends, consider the cyclical nature of the economy, and try to anticipate future trends. ADE prepared an employment projection for Gilroy that anticipates an additional 9,920 jobs by 2040 shown in Figure 4. In comparison, ABAG projected 3,170 new jobs by 2040.

![Figure 4: Employment Projections (2015-2040)]
State planning law requires general plans to establish "standards of population density and building intensity," as well as allowed uses for the various land use designations in the plan. As a part of the General Plan Update process, residents, business owners, and interested parties are given the opportunity to evaluate and weigh in on the appropriate land use types, densities, and intensities for different areas of the community, as well as on the form and design of new development.

To support the description of each alternative, this section is written as a guide for understanding the different land uses presented in the alternatives. Each land use included in Table 1 is described in terms of development standards and allowable uses.

**TABLE 1: GENERAL PLAN LAND USE DESIGNATIONS**

<table>
<thead>
<tr>
<th>Land Use Designation</th>
<th>Density Range (Dwelling Units Per Gross Acre)</th>
<th>Maximum Floor Area Ratio</th>
<th>Allowed Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Plan Designations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hillside Residential</td>
<td>1.0 - 4.0</td>
<td>N/A</td>
<td>Single-family detached</td>
</tr>
<tr>
<td>Low-Density Residential</td>
<td>3.0 - 8.0</td>
<td>N/A</td>
<td>Single-family detached</td>
</tr>
<tr>
<td>Medium-Density Residential</td>
<td>8.0 - 20.0</td>
<td>N/A</td>
<td>Duplexes, townhomes, apartments</td>
</tr>
<tr>
<td>High-Density Residential</td>
<td>0 - 20.0+</td>
<td>N/A</td>
<td>Townhomes, apartments</td>
</tr>
<tr>
<td>Neighborhood District High</td>
<td>Varies (see Page 11)</td>
<td>N/A</td>
<td>Variety of residential densities, Neighborhood commercial</td>
</tr>
<tr>
<td>Neighborhood District Low</td>
<td>Varies (see Page 11)</td>
<td>N/A</td>
<td>Variety of residential densities, Neighborhood commercial</td>
</tr>
<tr>
<td>Land Use Designation</td>
<td>Density Range (Dwelling Units Per Gross Acre)</td>
<td>Maximum Floor Area Ratio</td>
<td>Allowed Uses</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-----------------------------------------------</td>
<td>--------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>General Services Commercial</td>
<td>N/A</td>
<td>2.0</td>
<td>Retail, service, low-intensity commercial operations with light industrial nature, automobile sales</td>
</tr>
<tr>
<td>City Gateway</td>
<td>N/A</td>
<td>2.0</td>
<td>Retail, service, office, visitor-serving uses (hotels)</td>
</tr>
<tr>
<td>Mixed-Use Low</td>
<td>20.0 - 30.0</td>
<td>2.5</td>
<td>Retail, service, office, residential</td>
</tr>
<tr>
<td>Mixed-Use High</td>
<td>20.0 - 40.0</td>
<td>4.0</td>
<td>Retail, service, office, residential</td>
</tr>
<tr>
<td>General Industrial</td>
<td>N/A</td>
<td>3.0</td>
<td>Large scale manufacturing, warehousing, distribution</td>
</tr>
<tr>
<td>Employment Center</td>
<td>N/A</td>
<td>3.0</td>
<td>Office campuses, research and development, medical, high-tech, light industrial</td>
</tr>
<tr>
<td>Industrial Park</td>
<td>N/A</td>
<td>1.0</td>
<td>Light manufacturing, office, assembly plants, warehouses</td>
</tr>
<tr>
<td>Open Space</td>
<td>N/A</td>
<td>N/A</td>
<td>Open space, agricultural uses</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>N/A</td>
<td>N/A</td>
<td>Parks and golf courses</td>
</tr>
<tr>
<td>Public and Quasi-Public</td>
<td>N/A</td>
<td>N/A</td>
<td>Schools, civic centers, government buildings, and similar public/quasi-public uses</td>
</tr>
<tr>
<td>Rural County</td>
<td>N/A</td>
<td>N/A</td>
<td>Rural residential, open space, agriculture</td>
</tr>
</tbody>
</table>
Neighborhood District Low and High

The Neighborhood District designation encourages compact, complete, neighborhood-style development that provides a variety of housing types, neighborhood commercial center, schools, parks, and open space. The goal is to create neighborhoods that are predominantly single family in character, but which integrate different types and prices of housing to meet the full range of housing needs. When possible, high-density housing and commercial uses can be combined to create vibrant mixed-use neighborhood centers. To achieve a cohesive neighborhood character, a specific plan is required prior to approval of new development within the Neighborhood District. The Neighborhood District designation is in the currently-adopted General Plan, and applies to the two large new growth areas within the UGB (Focus Areas 1 and 2).

The question for this alternatives process is what mix of housing densities is most appropriate for the new growth areas designated Neighborhood District. The Alternatives Report includes two Neighborhood District designations: Neighborhood District Low and Neighborhood District High. Neighborhood District Low allows a greater percentage of low-density single family units (up to 82 percent). Neighborhood District High allows fewer low-density single-family units (up to 60 percent) and requires a greater variety of housing types.

### Table 2: Neighborhood Districts Density Breakdown

<table>
<thead>
<tr>
<th>District</th>
<th>0.7 dwelling units/acre</th>
<th>0.9 dwelling units/acre</th>
<th>0.95 dwelling units/acre</th>
<th>1.0 dwelling units/acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Neighborhood District Low</td>
<td>82% max</td>
<td>5% min</td>
<td>10% min</td>
<td>3% min</td>
</tr>
<tr>
<td>Neighborhood District High</td>
<td>60% max</td>
<td>5% min</td>
<td>25% min</td>
<td>10% min</td>
</tr>
</tbody>
</table>
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Section 4: Focus Area Concepts

Most of Gilroy is not expected to change much between 2015 and 2040. The five focus areas shown below are places in and around Gilroy where development and change is anticipated. The land use alternatives process allows the community to express opinions about the type of development that should be planned for those areas. This section of the report presents different land use concepts for each of the five focus areas. For each of the focus areas, Concept 1 represents the 2015 Preferred Land Use Alternative, amended to reflect the UGB.

Focus Area 1: Neighborhood District North
Focus Area 2: Neighborhood District South
Focus Area 3: First Street Corridor
Focus Area 4: Downtown Gilroy
Focus Area 5: Northeast Gilroy

**FIGURE 5: FOCUS AREA MAP**

- City Limits
- Urban Growth Boundary
- Focus Areas
Focus Area 1: Neighborhood District North

Neighborhood District North is a 277-acre area located on the west side of the city, bound by Santa Teresa Boulevard to the west, Day Road to the north, Mantelli Drive to the south, and Monterey Road to the east. The 2015 Preferred Alternative for this area was Neighborhood District High, which prior to the UGB Initiative extended as far north as Fitzgerald Avenue. Almost all of the land in Focus Area 1 is outside city limits, but is within the UGB.

Concept 1

Neighborhood District High
(2015 Preferred Alternative)

The 2015 Preferred Alternative (amended by the UGB) designates the entire focus area Neighborhood District High (i.e., up to 60 percent low-density single-family). Neighborhood District High also requires a neighborhood commercial center, parks, and possibly one or more schools.

Concept 2

Neighborhood District Low

Concept 2 designates the entire area Neighborhood District Low (i.e., up to 82 percent low-density single-family). Similar to Concept 1, Concept 2 also requires a neighborhood commercial center, parks, and possibly one or more schools.

The four concepts below show two different Neighborhood District Designations: Neighborhood District High, which allows a maximum 60 percent low-density single-family units (i.e., 7 units per acre or less) and requires a greater variety of housing types; or Neighborhood District Low, which allows a greater percentage (up to 82 percent) of low-density single-family units. Both designations require neighborhood commercial centers, parks, and schools. Concepts 3 and 4 are similar to Concepts 1 and 2, but introduce an area for an employment center.
### Concept 3
**Neighborhood District High with Employment at Monterey Road**

Concept 3 designates the area Neighborhood District High (i.e., up to 60 percent low-density single-family), and introduces an Employment Center along Monterey Road.

![Concept 3 Diagram](image)

- City limits
- Urban Growth Boundary

- 6,220 Residents
- 970 SF Units
- 1,030 MF Units
- 1,270 Jobs

### Concept 4
**Neighborhood District Low with Employment at Monterey Road**

Concept 4 designates the area Neighborhood District Low (i.e., up to 82 percent low-density single-family), and introduces an Employment Center along Monterey Road.

![Concept 4 Diagram](image)

- City limits
- Urban Growth Boundary

- 4,640 Residents
- 1,140 SF Units
- 360 MF Units
- 1,270 Jobs
Focus Area 2: Neighborhood District South

Neighborhood District South is a 193-acre area located in south Gilroy, bound by Luchessa Avenue to the north, Thomas Road to the west, Santa Teresa Boulevard to the south, and the Uvas Park Trail and Gilroy Sports Park to the east. A majority of Focus Area 2 is outside the city limits, but is within the UGB.

The 2015 Preferred Alternative for this area was Neighborhood District Low (i.e., up to 82 percent low-density single-family), which is consistent with the adopted General Plan. Concept 2 designates the area Neighborhood District High, which would require a greater variety of housing types.
Concept 1

Neighborhood District Low
(2015 Preferred Alternative)

The 2015 Preferred Alternative designates the entire focus area Neighborhood District Low (i.e., up to 82 percent low-density single-family). Neighborhood District Low also requires a neighborhood commercial center, parks, and possibly one or more schools.

- City Limits
- Urban Growth Boundary

Concept 2

Neighborhood District High

Concept 2 designates the entire area Neighborhood District High (i.e., up to 60 percent low-density single-family). Similar to Concept 1, Concept 2 also requires a neighborhood commercial center, parks, and possibly one or more schools.

- City Limits
- Urban Growth Boundary
Focus Area 3: First Street Corridor

First Street Corridor is one of the primary east-west routes through the city. This 76-acre Focus Area includes the properties fronting First Street between Santa Teresa Boulevard to the west and Monterey Road to the east. The 2015 Preferred Alternative for this area was Mixed-Use, which allows housing at 20-30 units per acre and non-residential development at an FAR of up to 2.5.

Concept 2 designates the area Mixed-Use High, which allows flexibility for higher densities of 20-40 units per acre and a floor area ratio of up to 4.0. Concept 3 retains a portion of the General Services Commercial designation from the currently-adopted General Plan, and introduces Mixed-Use High to some areas along the corridor. All three concepts include a number of high-density residential sites, designated by the Housing Element. Given the limited amount of vacant land and the complexity of redeveloping the corridor, the housing unit and job estimates are based on an assumption that only 25 percent of the corridor redevelops by 2040.

**Concept 1  Mixed-Use Low (2015 Preferred Alternative)**

The 2015 Preferred Alternative designates most of this area Mixed-Use (i.e., 20-30 dwelling units per acre and FAR of up to 2.5). Mixed-Use encourages a mix of retail, office, high-density housing, plazas, and parks. Development should be concentrated at major intersections and be pedestrian-oriented.

- **1,250 Residents**
- **0 SF Units**
- **450 MF Units**
- **580 Jobs**

*SF = Single-Family, MF = Multifamily*
Concept 2  *Mixed-Use High*

Concept 2 designates most of this area Mixed-Use High, which would increase the allowable densities to 20-40 dwelling units per acre and FAR of up to 4.0.

![Diagram of Concept 2]

- 1,470 Residents
- 1,000 SF Units
- 530 MF Units
- 750 Jobs

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Concept 3  *Commercial Focus*

Concept 3 retains the existing General Services Commercial at the intersection of Wren Avenue, which allows for a broad range of commercial uses (e.g., grocery stores, restaurants, banks, big box stores) and uses with "commercial and industrial" characteristics, such as small welding shops and automobile sales and services. This Concept designates the remainder of First Street Mixed-Use High (i.e., 20-40 dwelling units per acre and FAR of up to 4.0).

![Diagram of Concept 3]

- 1,140 Residents
- 0 SF Units
- 430 Units
- Jobs
Focus Area 4: Downtown Gilroy

Significant change is anticipated for Downtown Gilroy. The City adopted the Downtown Gilroy Specific Plan in 2005, and is currently preparing a Station Area Plan, which will update the Downtown Specific Plan and integrate the future High Speed Rail (HSR) Station. The Station Area planning process is still underway, and the steering committee has selected a preferred land use alternative. This alternative has not been adopted by the City Council and changes to the preferred alternative may occur.

This General Plan alternatives process examines two different concepts for Downtown Gilroy to provide a comparative analysis of the potential citywide impacts of different land use alternatives; however, the community is not being asked to select a preferred alternative for the Station Area through this General Plan process. The Station Area planning process is the appropriate avenue for establishing the land use plan for the Downtown and Station Area.

Concept 1 assumes no changes to the existing Downtown Gilroy Specific Plan. Concept 2 reflects the current preferred alternative for the Downtown Gilroy Station Area Plan.
Concept 1
Existing General Plan and Downtown Specific Plan

Concept 1 retains the land use designations from the existing General Plan and reflects the existing Downtown Gilroy Specific Plan. This concept assumes that a high-speed rail station will not be located Downtown. See page 22 for information on the Downtown Gilroy Specific Plan.

Concept 2
Station Area Plan Preferred Alternative

Concept 2 reflects the Station Area Plan Preferred Alternative, which proposes new land use designations inside and outside the Downtown Specific Plan area, including up to six stories of mixed-use housing and office. See page 23 for information on the Downtown Gilroy Station Area Plan.
Downtown Gilroy Specific Plan (2005)

The Downtown Gilroy Specific Plan was adopted in 2005 to create a unique downtown for the city and increase tourism. The Specific Plan area is comprised of six land use districts, each with its own character, development standards, and allowed uses.

**Gateway District**
- Primary uses: service commercial, medium to high-density residential, visitor serving uses
- Building height: max. 40 feet (2-3 stories)
- FAR: 0.75

**Cannery District**
- Primary uses: residential, offices, high-tech businesses, selected commercial services and restaurants, light assembly, small businesses, research and development
- Building height: max. 50 feet (3-4 stories)
- FAR: 2.0

**Downtown Historic District**
- Primary uses: street front retail, offices and apartments over or behind retail, entertainment, selected services promoting pedestrian activity
- Building height: max. 50 feet (3-4 stories)
- FAR: 2.5

**Civic/Cultural Arts District**
- Primary uses: civic, cultural, recreational, offices, and office-serving multifamily residential
- Building height: max. 50 feet (3-4 stories)
- FAR: 1.5

**Downtown Expansion District**
- Primary uses: retail, restaurant cafes, offices (at street front, above, and behind), commercial services, residential (above and behind street frontage)
- Building height: max. 50 feet (3-4 stories)
- FAR: 2.5

**Transitional District**
- Primary uses: mix of residential densities, residential uses serving residential developments, offices, small visitor serving uses
- Building height: max. 40 feet (2-3 stories)
- FAR: 1.5
Station Area Plan (in process)

The Downtown Gilroy Station Area Plan is both an update to the existing Downtown Specific Plan and a continuation of the High Speed Rail (HSR) planning process from 2011 to 2012. The Station Area Plan will act as a tool to guide private development and public improvements in Downtown over the next 25 years, with a focus on the area near the future HSR station and railroad tracks. The Station Area Plan process is still underway. In 2016, the project team evaluated three alternatives for Downtown Gilroy. The community provided input, and with guidance from the Citizens Advisory Committee, the project team created a Draft Preferred Alternative. The Draft Preferred Alternative was presented to the City Council in January 2017 where they reviewed and provided comments.

A decision by the High Speed Rail Authority on the preferred location of the Gilroy HSR Station has been delayed and the final commitment to proceed with the project is still several months away. Due to this uncertainty, the City Council decided to postpone a vote on a final preferred land use alternative until the High Speed Rail Authority finalizes its plans for the Gilroy Station.

The Draft Preferred Alternative for the Station Area includes the following land use designations:

- **Mixed-Use Housing**: The mixed-use designation encourages mixed-use development with ground floor retail and high-density multi-family housing on the upper floors. This designation is located along Monterey Road and Old Gilroy Street and allows development up to six stories.

- **Mixed-Use Office or Housing**: The mixed-use housing and office designation provides flexibility for mixed-use developments to incorporate office, housing, and retail uses. This designation is in the core of the Station Area adjacent to the future station site and allows development up to six stories.

- **Office**: The office designation provides Class A office space for research and development and campus style projects. This designation is located adjacent to the auto mall and allows development up to five stories.

- **Visitor-Serving**: This designation provides for visitor-serving uses, such as a hotel and conference center.
Focus Area 5: Northeast Gilroy

Northeast Gilroy is a 349-acre area in the far northeast corner of the city, bound by Monterey Road to the west, Buena Vista Avenue to the north, Leavesley Road to the south, and the UGB to the east. A majority of Focus Area 5 is in the city limits, excluding the far northwest and northeast corners which are not in city limits, but are within the UGB.

Most of this focus area is designated Industrial Park in the existing General Plan and includes St. Louise Regional Hospital and the Gilroy Premium Outlets. The 2015 Preferred Alternative continued to emphasize industrial development west of U.S. Highway 101 and north of the hospital, with General Services Commercial proposed around the future Buena Vista interchange and remainder of the outlet center. The existing rural residential development and fragmented ownership make this area less likely to develop in the short term.

Concept 1
Industrial Park Emphasis
(2015 Preferred Alternative)

Concept 1 designates much of the focus area as Industrial Park, with an area of Public and Quasi-Public Facility for St. Louise Hospital and an area of General Services Commercial for regional shopping, including the Gilroy Premium Outlets.
Concept 2

*Neighborhood District High*

*North of Las Animas Avenue*

Concept 2 designates the land north of Las Animas Avenue and west of Highway 101 as Neighborhood District High, consistent with the Neighborhood District designation on the west side of Monterey Road.

Concept 3

*Employment Center*

*North of Las Animas Avenue*

Concept 3 designates a significant portion of land previously designated Industrial Park as Employment Center. The Employment Center designation allows for employment development at a higher intensity than Industrial Park.
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This section organizes the Focus Area concepts within the greater context of the city to create three citywide land use alternatives. Each citywide alternative reflects a variety of outcomes from increased commercial development, and more diverse housing stock, to additional employment capacity, and a greater emphasis of mixed use along corridors and around transit. Since the Focus Areas are the only areas of change, other areas in Gilroy are assumed to retain their existing General Plan land use designations. There is, however, some assumed population and job growth attributed to areas outside of the Focus Areas through development of vacant sites and redevelopment of some underutilized sites.

Each Citywide alternative includes a map showing the Focus Area concepts that comprise the Citywide alternative and depict proposed land use designations, and a summary of the population, housing, and jobs that each alternative would support (i.e., the holding capacity).

It should be noted that not all Focus Area concepts are reflected in a citywide alternative. These options are equally important to consider, however, as they provide additional points of comparison. As community members review the alternatives, they are encouraged to provide feedback on each Focus Area as well as the citywide alternatives.
Citywide Alternative A

Alternative A is consistent with the 2015 Preferred Land Use Alternative selected at the end of the original alternatives phase in 2015, but has been modified to reflect the UGB Initiative. Alternative A contains a balance of single-family and multi-family housing, largely due to the alternative including both Neighborhood District Low in the south and High in the north. Alternative A reflects the currently-adopted Downtown Specific Plan. First Street includes a lower-density mixed-use designation, which has the potential for multi-story housing, office, and retail development.

**Focus Area Selection**

Focus Area 1: Concept 1
Focus Area 2: Concept 1
Focus Area 3: Concept 1
Focus Area 4: Concept 1
Focus Area 5: Concept 1

**SF= Single-Family**

- 22,240 Residents

**MF= Multifamily**

- 3,950 SF Units
- 3,340 MF Units
- 16,290 Jobs
Citywide Alternative B

Alternative B includes all of the focus area concepts that maximize Gilroy’s housing and employment holding capacity, including the Downtown Gilroy Station Area Preferred Alternative. In comparison to the two other alternatives, this scenario includes a higher ratio of multi-family dwellings that are spread throughout the community. This is largely due to the use of the Neighborhood District High designation in both the northern and southern areas of the city, mixed-use high along the First Street corridor, and mixed-use multi-family housing centered around the future high-speed rail station downtown.
Citywide Alternative C

Alternative C retains the single-family character of Gilroy, while maintaining a dense downtown core focused on infill and mixed-use development. Other large corridors such as First Street include a lower-density mixed-use designation, which has the potential for multi-story housing, office, and retail development. The sharp increase in employment in Alternative C is linked to the reduction of Neighborhood District and Industrial Park in the north to accommodate the Employment Center designation, which is meant to yield higher-intensity job types.
The goal of the land use alternatives process is for the community to express a preference and the City Council to adopt a preferred land use alternative that is the basis for the 2040 General Plan Land Use Diagram. To provide the community and decision makers with information on which to base their preferences and decisions, this report includes an evaluation of each citywide alternative using a variety of criteria.

This section starts with an "at-a-glance" summary, a snapshot of the results of the evaluation of the three citywide alternatives. A more in-depth discussion follows, and a detailed description of the methodology used in each of the evaluation criteria can be found in the Technical Appendix (under separate cover).
Summary of Evaluation

**Range of Housing Types**
Percentage of single-family (SF) and multi-family (MF) housing units

- **A**: 54% MF, 46% SF
- **B**: 56% MF, 44% SF
- **C**: 39% MF, 61% SF

**Job Capacity**
Number of new jobs that can be accommodated

- **A**: 16,290
- **B**: 22,365
- **C**: 21,440

**Land Use Efficiency**
Average residential density and employment intensity of new development

- **A**: 5.25 Housing, 8.0 Jobs
- **B**: 6.34 Housing, 10.5 Jobs
- **C**: 4.73 Housing, 10.6 Jobs

**Housing Affordability**
Relative housing affordability, ranked from least affordable ($$$) to most affordable ($)

- **A**: $$$
- **B**: $$
- **C**: $$

**Average Wages**
Combined average wages for all new jobs

- **A**: $72,000-$125,000
- **B**: $75,250-$124,800
- **C**: $76,300-$130,000
Fiscal Health
The net fiscal benefit to the City (total revenue minus cost to provide services)

Commuter Patterns
Commuter patterns for work trips to and from Gilroy, including internal trips
- Internal: 35%
- Outbound: 32%
- Inbound: 33%

Vehicle Miles Traveled
Total vehicle miles traveled
- 2,669,017 Miles
- 2,879,149 Miles
- 2,713,505 Miles

Road Congestion
Percentage of total lane miles operating at LOS D or worse during PM Peak periods (considered congested conditions)
- 2.1%
- 2.8%
- 2.1%

Greenhouse Gas Emissions
Annual per capita GHG emissions, measured in metric tons of carbon dioxide equivalent (MT CO$_2$e)
- 2.86 MT CO$_2$e
- 2.75 MT CO$_2$e
- 3.04 MT CO$_2$e
Range of Housing

Single-family homes are the predominant housing type in Gilroy. In 2015, there were 15,774 housing units in the city, of which 76 percent were single-family (including mobile homes) and 24 percent were multifamily. All three of the citywide alternatives provide capacity for a greater variety of housing types compared to the current housing stock. This is largely because of the infill opportunities in the Downtown and along First Street, as well as the City’s Neighborhood District policy that encourages a variety of housing types.

As noted earlier, all three alternatives provide more than enough housing to meet the low market population projection, and only Alternative B has capacity that exceeds the high market projection at full buildout.

Figure 7 shows that Alternative B provides capacity for the greatest amount and the greatest variety of housing. It has capacity for 4,720 new single-family homes and 6,170 multi-family units. At full buildout, this would result in a total of about 26,665 units in Gilroy, of which about 63 percent would be single family and 37 percent would be multifamily.
Land Use Efficiency

Land use efficiency is a measure of the average number of units and jobs per acre of land developed. At full buildout, Alternative B: Housing Focus averages 6.34 housing units per acre, higher than Alternatives A and C. Alternative C: Low Residential Growth has the lowest average residential density, but a higher average employment intensity [jobs/acre] with the addition of the Employment Center to Focus Areas 1 and 5. The employment intensity of Alternative B is higher than Alternative A because of the intense job development associated with the Downtown Station Area Preferred Alternative.

**TABLE 3: HOUSING AND JOBS PER ACRE**

<table>
<thead>
<tr>
<th></th>
<th>Average Housing Units/Acre</th>
<th>Average Jobs/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative A</td>
<td>5.25</td>
<td>8.0</td>
</tr>
<tr>
<td>Alternative B</td>
<td>6.33</td>
<td>8.5</td>
</tr>
<tr>
<td>Alternative C</td>
<td>4.72</td>
<td>10.5</td>
</tr>
</tbody>
</table>

Jobs Capacity

This criteria measures the projected number of new jobs that each alternative can accommodate, assuming the full buildout of all land designated for employment. Alternative B provides the greatest capacity for new jobs because it designates the greatest amount of land for employment, specifically in the Station Area. All three alternatives include more land than required to support the market-based projection of job growth by 2040.

**Job Capacity Per Alternative**

A 16,290  B 22,360  C 21,440
Employment Mix and Average Wages

This criteria measures the percentage of jobs and average wages by industry. Figure 11 shows the percentages of jobs in Manufacturing/Wholesale (Industrial), Retail/Services (Commercial), and Office-based businesses for each alternative. Alternative A has more industrial and commercial jobs, but fewer office jobs than the other alternatives. Alternative B is more focused on office jobs while Alternative C has a balance of office and industrial jobs but fewer commercial jobs.

These broad land use categories can support many different kinds of businesses, depending on the future economic development market in Gilroy. For example, the industrial market in Gilroy is currently largely centered on the food processing sector, whereas in Santa Clara County manufacturing and wholesale is more technology-oriented. Similarly, the office space market in Gilroy currently supports professions such as civil engineering, architecture, accounting, and legal practices, while elsewhere in Santa Clara County the office business mix is more associated with internet and software companies. These differences affect the wages than can be expected from new job growth in the General Plan Alternatives. Using Santa Clara County average wages, the categories are estimated to pay the following average annual wages, depending on the future job mix:

<table>
<thead>
<tr>
<th>City Job Mix</th>
<th>County Job Mix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing/Wholesale (MW)</td>
<td>$90,600</td>
</tr>
<tr>
<td>Retail/Services (RS)</td>
<td>$40,600</td>
</tr>
<tr>
<td>Office (O)</td>
<td>$98,800</td>
</tr>
</tbody>
</table>

Using the weighted average wages for jobs in each land use category, Figure 12 shows the combined average wage produced by each alternative. The differences are not major among the alternatives, but Alternative C offers an average wage of $76,300 to $130,300 compared to $72,000 to $125,000 for Alternative A and $75,250 to $124,800 for Alternatives A and B, respectively. This is due to the balance of industrial and office jobs in Alternative C, compared to the higher levels of retail/services jobs in the other alternatives.
Housing Affordability

This criteria measures housing affordability for low-density (LDR), medium-density (MDR), and high-density (HDR) housing. Table 4 shows the estimated average sales prices for each residential category based on recent market activity in Gilroy. The table also shows the estimated monthly payment required for homes at these prices. Assuming housing costs are 30 percent of household income, the table shows what annual household income and individual salary would be required to purchase the homes. Many homes have more than one worker and in Gilroy on average it is estimated there are 1.8 workers per household. Two or more workers in the same household would combine incomes to qualify to purchase a home. The figures in the right hand column of the table indicate the average salary that each worker in the household would need to earn to make the required household income. These salary levels can be compared with the average salaries for the jobs in each alternative shown in the section above.

In order to purchase the average low-density single-family house at $682,000, a household would need to make $142,400 per year. This could be accomplished with two workers earning average industrial or office wages in Gilroy, or with one worker in an industrial or office-based technology job. The medium-density houses could be purchased with one worker making industrial or office wages in Gilroy and an additional worker in retail or services. The higher-density houses would be affordable to households with two workers in retail/services.

**TABLE 4: PROJECTED PRICES AND REQUIRED INCOMES FOR MAJOR HOUSING TYPES BY ALTERNATIVE**

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>Purchase Price</th>
<th>Monthly Payment</th>
<th>Household Income</th>
<th>Individual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>LDR</td>
<td>$4,100</td>
<td>17.3%</td>
<td>$1,070</td>
<td>47.4%</td>
<td>2,820</td>
<td>58.8%</td>
<td>$682,000</td>
</tr>
<tr>
<td>MDR</td>
<td>1,212</td>
<td>12.2%</td>
<td>2,250</td>
<td>39.2%</td>
<td>3,928</td>
<td>18.9%</td>
<td>$520,800</td>
</tr>
<tr>
<td>HDR</td>
<td>3,335</td>
<td>33.9%</td>
<td>4,580</td>
<td>41.9%</td>
<td>2,081</td>
<td>32.9%</td>
<td>$367,000</td>
</tr>
</tbody>
</table>

LDR = Low-Density Residential
MDR = Medium-Density Residential
HDR = High-Density Residential
In terms of how the Alternatives compare overall for average salary and average housing cost, Alternative C has a higher percentage of more expensive units and also offers the highest average wage among the alternatives. Alternative B has the highest percentage of lower-priced housing and also provides a slightly lower average wage than do Alternatives A or C.

The biggest housing affordability issue is for workers in retail and services. Comparing the numbers of low-wage retail/service jobs in each alternative to the number of housing units planned in the more affordable residential categories, there is some potential for housing affordability issues. As shown in the analysis of average wages, retail/services jobs generally pay $40,600 to $58,000 per year. This would allow most workers in the commercial sector to afford housing in the high- and medium-density residential categories. As shown in Table 2, all of the alternatives provide more jobs in the retail/services categories than housing in the high- and medium-density categories. The deficit is greatest for Alternative C and lowest for Alternative B. However, the market projection for 2040 suggests that more realistic retail/services job growth would be about 4,700 jobs. Alternative B provides more than enough affordable housing under this market-based scenario while Alternative A and Alternative C are about 1,000 and 2,000 units short, respectively.

**TABLE 5: RETAIL/SERVICES JOBS VS. MEDIUM- AND HIGH-DENSITY HOUSING BY ALTERNATIVE**

<table>
<thead>
<tr>
<th>Alternative</th>
<th>Retail/Service Jobs</th>
<th>Medium- and High-Density Housing</th>
<th>Market Projection of Retail/Service Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternative A</td>
<td>4,758</td>
<td>3,776</td>
<td>4,741</td>
</tr>
<tr>
<td>Alternative B</td>
<td>4,468</td>
<td>3,818</td>
<td>4,741</td>
</tr>
<tr>
<td>Alternative C</td>
<td>2,411</td>
<td>2,654</td>
<td>3,741</td>
</tr>
</tbody>
</table>
Fiscal Health

Fiscal health is measured as the ratio of City revenues generated by each alternative to the costs to provide services and infrastructure to support projected development, and expressed as the net fiscal impact. The higher the ratio of annual revenues to costs means there is a better balance between costs for services and incoming revenues. The figures reflect annual costs and revenues at full build out of the alternatives.

Overall residential land uses generally create more cost for the City than the tax revenue they generate. The City relies on its commercial and industrial land uses to augment the tax base needed to provide services to residential neighborhoods.

Alternative B generates the most annual revenue, at $41.4 million per year, but also would require the highest cost for services, at $25.9 million. The net revenue of $15.5 million is just slightly above the net revenue of Alternative A, at $15.4 million. Alternative C has the highest net revenue at $18.8 million per year.

For Alternative C, the revenues are 2.2 times higher projected service costs, compared to a ratio of 1.9 for Alternative A and 1.6 for Alternative B. Alternative C has the most favorable ratio of revenue to costs of the three alternatives. This is mainly due to the mix of land uses in each alternative.

FIGURE 13: FISCAL IMPACT BY ALTERNATIVE

FIGURE 14: FISCAL IMPACT BY MAJOR LAND USE CATEGORY

Residential Non-Residential Total

FIGURE 15: RATIO OF ANNUAL REVENUES TO COSTS FOR EACH ALTERNATIVE
Commuting Patterns

Currently, more people commute for work to areas outside Gilroy (45 percent) compared to people commuting into Gilroy (35 percent). In the future, this pattern could become more balanced between inbound and outbound trips with Alternatives A and B. The reverse would occur with Alternative C shown below, where more people would commute into than out of Gilroy for work.

**FIGURE 16: COMMUTE PATTERNS (WORK-RELATED TRIPS)**

<table>
<thead>
<tr>
<th></th>
<th>Existing (2017)</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out</td>
<td>17,349</td>
<td>29,476</td>
<td>34,508</td>
<td>23,002</td>
</tr>
<tr>
<td>In</td>
<td>20,383</td>
<td>27,011</td>
<td>29,741</td>
<td>31,195</td>
</tr>
<tr>
<td>Total</td>
<td>37,732</td>
<td>56,487</td>
<td>64,249</td>
<td>54,197</td>
</tr>
</tbody>
</table>

**Trip Generation**

This measure looks at the total estimated number of trips made for all purposes (e.g., work, school, shopping) during peak morning and evening hours for each of the three alternatives. Alternatives A and C would have roughly the same total trip generation and Alternative B would have about 11,000 to 12,000 more peak-hour trips than the other two alternatives.

**FIGURE 17: TOTAL PEAK-HOUR TRIP GENERATION**

<table>
<thead>
<tr>
<th></th>
<th>Existing (2017)</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trips</td>
<td>80,530</td>
<td>116,209</td>
<td>128,472</td>
<td>117,553</td>
</tr>
</tbody>
</table>
Vehicle Miles Traveled (VMT) per Capita

This criteria measures vehicle miles traveled to determine the effects of proposed land use changes on traffic patterns within the city. Since the travel demand model generates traffic based on population (defined by the number of housing units) and jobs, for the purpose of comparison, the definition of “per capita” is the sum of Gilroy population and Gilroy jobs. The results show that the VMT per capita would increase by approximately 0.6 for Alternative B and by 0.8 miles for Alternative A and C compared to 2017. Although Alternative B would have slightly higher overall VMT than the other two alternatives, it also would have a slightly higher percentage of internal trips (trips that start and end in Gilroy) compared to the other alternatives, which results in lower VMT per capita. This is likely the result of the larger increase in the number of multi-family units assumed in Alternative B and a better balance between jobs and employed residents in Gilroy.

Vehicle Miles Traveled (VMT) by Facility Type

This criteria measures the peak-hour VMT on three transportation facility types (freeways, arterials, and collectors) within the city for each of the land use alternatives. The values in the table represent the sum of the AM and PM peak-hour VMT results produced by the model. The VMT analysis indicates that Alternatives A and C would result in similar increases in peak-hour VMT (approximately 43 percent) compared to existing (2017). Alternative B would result in an increase in peak-hour VMT of approximately 50 percent compared to existing (2017).
Roadway Congestion Analysis

This criteria measures traffic congestion on roads in Gilroy using level of service (LOS). Level of service is a qualitative description of operating conditions (degree of delays at intersections) ranging from LOS A, or free-flow conditions with little or no delay, to LOS F, or jammed conditions with excessive delays. The analysis evaluates the percentage of lane-miles within the roadway network system projected to operate at various LOS grades during the AM and PM peak hours. For this analysis, LOS C or better is considered acceptable operating conditions; LOS D or worse is considered congested operating conditions. These tables show that demand on the transportation system would be slightly higher with Alternative B. However, the results indicate that the anticipated overall level of congestion on local roadways would be relatively low with all the General Plan alternatives. The results also indicate that the local transportation system would have roughly the same projected traffic demands with each of the land use alternatives. Therefore, traffic conditions and the level of transportation infrastructure improvements needed would be about the same with each of the land use alternatives.

### TABLE 7: AM PEAK-HOUR ROADWAY CONGESTION (PERCENTAGE OF LANE MILES OPERATING AT LOS D OR WORSE)

<table>
<thead>
<tr>
<th></th>
<th>Existing (2017)</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Roadways</td>
<td>0.7%</td>
<td>1.3%</td>
<td>1.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Freeways</td>
<td>7.7%</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

### TABLE 8: PM PEAK-HOUR ROADWAY CONGESTION (PERCENTAGE OF LANE MILES OPERATING AT LOS D OR WORSE)

<table>
<thead>
<tr>
<th></th>
<th>Existing (2017)</th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Roadways</td>
<td>1.6%</td>
<td>0.6%</td>
<td>0.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Freeways</td>
<td>13.4%</td>
<td>13.0%</td>
<td>12.8%</td>
<td>12.0%</td>
</tr>
</tbody>
</table>
Greenhouse Gas Emissions

Greenhouse gas emissions (GHGs) are generated by a variety of human activities and natural processes. Those generated by human activity, primarily through the combustion of fossil fuels used to power vehicles and to generate electricity, have been identified by the scientific community as contributing to global climate change. Climate change has the potential to create widespread impacts that include sea level rise, increased incidence of disease, reduced water availability, increased fire hazards, extreme heat, flooding, and more.

A comparison of the per capita\(^1\) per year GHG emissions for the three alternatives provides the most relevant measure for ranking GHG emission characteristics. Alternative B has the lowest per capita GHG emissions rate of 2.75, measured in MT CO\(_2\)e (metric tons of carbon dioxide equivalent), followed by Alternative A with a rate of 2.86, and Alternative C with a rate of 3.04. This is largely because Alternative B includes a greater percentage of multifamily units in proximity to transit. However, because Alternative B has capacity for the greatest population growth at full buildout, it also has an overall higher level of total GHG emissions.

\(^1\) Capita includes both population and jobs for this analysis.

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG Emission Per Capita Per Year</td>
<td>2.86 MT CO(_2)e</td>
<td>2.75 MT CO(_2)e</td>
<td>3.04 MT CO(_2)e</td>
</tr>
<tr>
<td>Total GHG Emissions Per Year</td>
<td>112,070 MT CO(_2)e</td>
<td>139,460 MT CO(_2)e</td>
<td>126,080 MT CO(_2)e</td>
</tr>
</tbody>
</table>
Section 7: Citywide Land Use Maps
Citywide Alternative
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