



August 4, 2009

Mr. Stan Ketchum, Senior Planner
City of Gilroy
Community Development Department, Planning Division
7351 Rosanna Street
Gilroy, CA 95020

RE: Draft Supplemental Environmental Impact Reports for the following Urban Service Area Amendments: Lucky Day, Gavilan College and Wren Investors

Dear Mr. Ketchum,

Thank you for allowing Greenbelt Alliance the opportunity to comment on three draft supplemental Environmental Impact Reports (EIR) for Urban Service Area boundary amendments. This letter covers concerns that apply to the Lucky Day, Gavilan College and Wren Investors Urban Service Area (USA) amendments as well as for plans to allow Shapell Industries to develop land outside of Gilroy's southern city limits.

The first proposed USA boundary amendment is for the 284.7-acre Lucky Day Ranch project site which is bounded only on one side, the east side, by Gilroy city limits. The majority of the site is open space and has been used as rangeland. It is located within the Uvas Creek Watershed and North Uvas Creek Drainage Basin. The second boundary amendment is for Gavilan College's 148-acre site on the southern edge of Gilroy's city limits. Campus housing and educational facilities are likely future uses of the site. The majority of this parcel is surrounded by ranchlands and working farms. The third Urban Service Area amendment is for the 48-acre Wren Investors site to the north of downtown. The majority of this site is open space with some small-scale agricultural uses and is made up of 14 parcels, including a parcel owned by the Santa Clara Valley Water District.

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Premature Annexation

It is premature for the City of Gilroy to annex these lands for a number of reasons, including the need to exhaust urban infill opportunities first. It is questionable whether or not Gilroy has fully examined the impact of more sprawling land use patterns on traffic congestion, infrastructure needs and the General Fund. Additionally, Gilroy currently enjoys a beautiful natural setting framed by the eastern foothills and Santa Cruz Mountain Range. However, it is exactly this type of piecemeal annexation and development that threatens Gilroy's bucolic setting.

Greenbelt Alliance Research

In June 2009, Greenbelt Alliance unveiled our vision for how the nine-county Bay Area can grow sustainably over the next few decades. The region is expected to add two million more residents by 2035 and the results of several years of research highlight that all of this growth can be accommodated through infill and redevelopment. Our methodology and reports can be found at www.growsmartbayarea.org. Greenbelt Alliance's infill model was based on the 2006 update of the California Parcel Locator Database which was created by UC Berkeley's Institute of Urban and Regional Development.

Our model looked at likely places of redevelopment, considered appropriate 'place-types' for various neighborhoods, envisioned new development and tallied the results. Experts corroborated Greenbelt Alliance's methodology, including Strategic Economics, Design, Community and Environment, Calthorpe and Associates and the Association of Bay Area Governments. Decaying strip malls, vacant and underutilized parcels and surface parking lots offer many opportunities to accommodate new homes and jobs. Gilroy has plenty of these types of lands within its city limits and for this reason, does not need to annex land for housing.

High Speed Rail

The Obama Administration has voiced support for High Speed Rail and has included \$8 billion in the 2009 Economic Recovery Bill towards it. California has a head start on planning and designing for High Speed Rail service between Sacramento, the Bay Area and Southern California, with voters approving a \$9 billion bond last fall. Gilroy has been identified as one of 25 High Speed Rail station locations throughout the state.

Instead of directing resources to the outskirts of town, Gilroy should instead be investing in its downtown core near the transit station. The City has already pumped several million dollars into revitalizing its downtown. Adding homes and jobs in this location is a

better investment of the City's resources as well as state and federal monies dedicated to High Speed Rail.

Costly Infrastructure

California's infrastructure is aging and sprawl development has proven to be unsustainable, costly and inefficient. As cities grow, making better use of existing infrastructure and directing valuable dollars to enhancing the roads, sidewalks, pipes and services already in place is both the environmentally and economically right thing to do.

Opening up working farms, rangelands and watersheds to development means extending services, from water, sewer and roads to police and fire protection. These are ongoing costs that Gilroy should fully understand in light of a troubled economy and housing market. Existing infrastructure must be funded first and infill development supports this priority. California's budget woes have spilled over significantly to local governments. The state's new budget calls for borrowing \$2 billion from cities and counties, and takes another \$1.7 billion from local redevelopment agencies this fiscal year. From Gilroy alone, the state is taking \$1,146,641. Gilroy is currently seeking the annexation of four separate properties, totaling about 790 acres. Again, it is questionable whether Gilroy has adequately studied the cumulative impact on the General Fund of extending services to these new neighborhoods.

Climate Change Legislation

Last year, SB 375 was signed by Governor Schwarzenegger and is the nation's first law to control greenhouse gas emissions by curbing sprawl. SB 375 will provide emissions-reducing goals for which regions can plan and provides incentives for local governments and developers to follow new conscientiously-planned growth patterns. SB 375 enhances the Air Resources Board's (ARB) ability to reach AB 32 goals. SB 375 builds the case for smart infill near transit and none of the four Urban Service Area boundary amendments qualifies as an opportunity for infill or transit-oriented development. Development in these areas would pave natural open spaces and working farms and would detract from the multitude of infill opportunities within Gilroy's urbanized area.

California State Attorney General Jerry Brown is taking a hard line against cities that do not adequately address climate change in their general plan updates. AB 32 requires California to reduce its total greenhouse gas emissions to 1990 levels by 2020, which represents about a 10% percent reduction from current levels. Governor Schwarzenegger has pushed for further reductions to 80% below 1990 levels by 2050. Achieving these reductions will be a challenging task, especially since California's population is expected to grow from about 38 million in 2007 to 60 million in 2050. This means all cities and

towns have a responsibility to pursue more sustainable, city-centered growth patterns that promote alternative modes of travel to the car.

It is reasonably foreseeable that Gilroy will propose to build dwelling units on land that is annexed into the City. Since none of the proposed sites are near public transportation, residents will be dependent on their cars to meet daily needs. In the Bay Area, 45% of greenhouse gas emissions come from transportation, the majority of which is from single occupancy vehicles. Gilroy's pursuit of auto-centric development does not support goals outlined in AB 32 or SB 375.

Changing Demographics and the Housing Market

In the Bay Area, 62% of homes are single family homes and 75% of households have no children under the age of 18. In fact, 25% of all households are single person households. Last December, the Gilroy Dispatch reported that about one in every 15 homes in Gilroy was in some stage of foreclosure. From January 2008 through October 2008, 823 homes in Gilroy entered into foreclosure, a 215% increase over the previous year. According to data from the Census Bureau and Department of Housing and Urban Development, the amount of time required to sell a newly constructed home nearly doubled between 2006 and 2008 when on average it took 8.5 months to sell a house. The single family home market nationwide and in California is overbuilt. As household sizes shrink and consumer preferences change, it is apparent that higher density, multi-family housing near transit is in short supply. Additionally, the aging of the baby boomer generation has sparked a trend of retirees selling their large homes in favor of a more urban lifestyle. This has made their single family homes available to young families.

The Local Agency Formation Commission of Santa Clara County considers a number of factors when determining the local and regional impacts of a proposed Urban Service Area amendment. Among these is whether the conversion of agricultural and other open space lands is premature, or if there are other areas into which to channel growth. On page 1-22 of the draft supplemental EIR for Lucky Day, the City makes reference to a draft vacant land inventory. It states "that about 1,400 dwelling units have been approved under the Residential Development Ordinance over the last five years". The vacant land inventory also indicates that there is about an eight-year supply of land within the existing Urban Service Area to meet future housing needs.

What is unclear is whether the 1,400 dwelling units that have already been approved have actually been built and whether already approved specific plans are counted towards the vacant land inventory. The Glen Loma Ranch Specific Plan includes approximately 1,643 residential units on 392 acres of open space. No housing as of yet has been built and according to Gilroy planning staff, it is unclear when construction of any of those units will begin. A June 2009 Gilroy Dispatch article also mentioned that of the 506

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homes approved for the Hecker Pass Specific Plan, none have been built. Before annexing even more open space land and opening it up for development and urban services, Gilroy should focus on existing entitlements. Each of the three draft supplemental EIRs fails to include details regarding the vacant lands inventory and how stalled projects effect the amount of land needed to accommodate growth over the life of the current General Plan.

With construction of single family homes at a standstill, an already overbuilt single family home market and shortage of transit-oriented, multi-family dwelling units, it is apparent that annexation of open space lands is premature and unnecessary. To develop valuable open space lands for mostly low density housing is wasteful sprawl development at its worst. In the case of Lucky Day Ranch, to state that the benefits of this project outweigh the “significant and unavoidable impact” of lost farmland and open space begs the question of ‘*what* benefits?’

The Value of Open Space

The home of Silicon Valley was originally known for its agricultural abundance. That heritage remains in Gilroy’s famed garlic harvest and the 388,000 acres of ranchland that define Santa Clara County’s landscape, along with urban creek corridors and oak woodlands. Santa Clara County contains 31 of California’s 61 habitat types, from coastal scrub to redwood forests to blue oak woodlands. The majority of the growth that will happen in Santa Clara County will be concentrated in the northern part of the County. Protecting this county’s natural areas is critical to maintaining its appeal and economic viability.

The opportunities for Santa Clara County open space include creating an interconnected system of open spaces to enable wildlife migration, trail connections, and continued farming, and protecting watershed lands to safeguard the county’s water supply for a growing population. Lucky Day Ranch’s location within the Uvas Creek watershed must not be overlooked. Paving over lands that naturally provide flood control, groundwater recharge, fresh food, and community buffers is a costly and inefficient use of land.

Consistency with the Vision of the Current General Plan

On page 2-21 of the Lucky Day draft supplemental EIR, it is stated that the “City’s General Plan contains a variety of vision statements, guiding principles, and goals, policies and actions whose implementation has indirect GHG emissions reduction benefits.” This section is included in the other two amendment requests as well. These statements include:

- A compact, integrated development pattern

- A link between growth and resources
- A vibrant downtown at its core
- Focus inward
- Protect resources

More specifically, it is stated that “a key strategy for managing growth and minimizing costs is to focus new development in areas that are already served by roads, sewers, and other infrastructure...[The General Plan] also supports intensification of development in the Downtown area to discourage sprawl...” Please explain how annexing Lucky Day Ranch and three other properties into the city limits support this or any other vision statement in the General Plan. Crafting a quality General Plan is only part of the process. Implementation of the spirit of the General Plan is what fulfills the City’s vision. Gilroy’s General Plan was adopted in June 2002. In the subsequent seven years, the United States has faced a build up to what some have said has been the worst recession since the Great Depression. For Gilroy to think it is timely and necessary to annex more land for low density housing far from public transportation is poor land use planning and poor implementation of an adopted General Plan.

Greenbelt Alliance is opposed to these four Urban Service Area boundary amendments for all the reasons stated above. We appreciate being consulted on the draft supplemental EIRs and are pleased to respond to any questions you may have concerning our comments. Please keep us informed of any and all contracts, notices, hearings, staff reports, briefings, meetings and other matters related to the proposed General Plan amendments.

Sincerely



Michele Beasley
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CC: Neelima Palacherla, LAFCO Executive Officer
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