Welcome to the who's who of high tech. Along U.S. 101 between San Francisco and San Jose, in what is famously known as Silicon Valley, gleaming office towers bear the names eBay, PayPal, Oracle, Sun Microsystems, Adobe, McAfee. A short detour into Mountain View leads to the campus of Google, the search engine firm, while a quick side trip to Cupertino ends up at the birthplace of the PowerBook and the iPod—the sprawling headquarters of Apple computers.

As the freeway continues past downtown San Jose and heads south, the setting changes dramatically. Structures are few—houses, barns, motels, the occasional produce stand, and scattered light industrial buildings. The main attraction here is the rolling, yellow-green foothills of the Santa Cruz Mountains and the seemingly endless acres of still-active farmland.

Amid this bucolic landscape sits Coyote Valley, a 7,000-acre stretch just north of the tightly packed suburb of Morgan Hill. Planners designated the valley, located 12 miles south of downtown San Jose and one of the city's last remaining undeveloped areas, as a future development site in a 1984 general plan update. Under California law, the designation means that development in Coyote Valley must be guided by a specific plan, adopted after public input and task force review.

For more than two decades, Coyote Valley remained largely rural, residential, and recreational, while the rest of San Jose changed greatly. In 1980, the city had 630,000 residents. Today, spurred by Silicon Valley software and Internet firms, the city's population has swelled to 904,122, according to the most recent census estimates, making San Jose the nation's 10th largest city.

Even before the census figures came out, the city was looking to Coyote Valley not only to accommodate population growth but also to build a stronger commercial and industrial base. "We've been the bedroom community for decades," says Laurel Prevetti, deputy director of the city's Department of Planning, Building and Code Enforcement. "Now we're seeing that the jobs are slowly starting to come closer to San Jose." The Association of Bay Area Governments, the area's regional planning agency, predicts that San Jose will gain almost 114,000 new jobs over the next two decades.

It was the prospect of those jobs—and the tax base that would come from new commercial development—that prompted the city to begin thinking in earnest about developing Coyote Valley. Five years ago, the planning commission and the city council approved a proposal by Cisco Systems, a networking firm headquartered in San Jose, to build a new 680-acre campus in north Coyote Valley. IBM's Almaden Research Center already has a facility there; Adobe, eBay, and other high-tech firms are located elsewhere in San Jose.

The city also recognized the need to plan for a growing population. ABAG estimates that San Jose's population will grow to 1,14 million by 2020, and a residential market analysis recently conducted for the city predicted a demand for 66,000 new housing units.

An economic downturn prompted Cisco to shelve its expansion plans. Nevertheless, in mid-2002, Mayor Ron Gonzalez and the San Jose city council decided to go ahead with preparation of the Coyote Valley Specific Plan. A final plan package, including zoning measures, design guidelines, and an environmental impact report, is scheduled to be submitted to the city council next spring.

Watch what you wish for
Two decades ago, the phrases "smart growth," "new urbanism," and "transit-oriented development" had yet to enter the planning lexicon, but San Jose's planners and city government were...
The plan for San Jose's Coyote Valley envisions a free-standing, transit-oriented community with 25,000 housing units and 50,000 jobs, to be built 12 miles south of downtown in one of the city's few remaining undeveloped areas.

ahead of the curve in promoting these concepts. Even then, they expected Coyote Valley development to be far different from both the area's sprawling office park conglomerations or the tract-style neighborhoods of Morgan Hill, a bedroom suburb south of San Jose.

The city's 1984 general plan update stipulated that Coyote Valley development should create an "independent community with jobs, housing, commercial facilities, schools, parks, and other residential service facilities, infrastructure and public transit—in effect, a new town." The plan envisioned "a very urban, pedestrian- and transit-oriented mixed use community" buffered by a 3,600-acre greenbelt to the south, where in the 1970s the city had instituted an urban growth boundary under then-mayor Norman Mineta, now U.S. secretary of transportation.

Today, as that new town comes closer to reality, local planners hold up the Coyote Valley Specific Plan as a model for smart growth and sustainable development on a greenfield site.

Preliminary estimates from the planning department predict an overall density of 21 residents per acre, with at least 25,000 housing units on the site's 3,400 developable acres. The plan also calls for creating at least 50,000 jobs in the 3,400-acre North Coyote Industrial Area and Mid-Coyote Urban Reserve over the next 20 years. (The Mid-Coyote Reserve is in San Jose's "sphere of influence" and would have to be annexed by the city once the specific plan is approved.)

Twenty percent of the housing units would be deed-restricted, to be sold or rented at below-market rates and, except in areas where single-family detached housing is already the norm, townhouses and other more compact housing types would be encouraged.

"We're looking primarily at mostly higher density forms of housing," Prevetti says. "This is not going to be your basic suburban sprawl." She notes that a form-based zoning code, design guidelines, and other guidance to be submitted along with the specific plan will help to "make sure we get the quality of community we want."

Interspersed with the housing will be schools; commercial, civic, and recreation facilities; and other community amenities, all joined by a network of open spaces, trails, bicycle paths, and a parkway. Roads will be laid out in a traditional grid system. The focal point of the development, as the plan currently stands, will be an 80-acre park and waterway system, including a 50-plus-acre manmade lake, which will serve as a drainage basin as well as a recreational hub and aesthetic feature. All municipal projects must follow green design principles, and green building elements will be encouraged in other buildings.

Planners envision a fixed-route bus system that would link Coyote Valley residents and workers to a proposed Caltrain commuter rail station nearby. In the future, the system could also link to the city's light rail line, which cur-
What's there today: Farmland and the rolling foothills of the Santa Cruz Mountains dominate the 7,000-acre landscape of Coyote Valley. Nearly half the area is being targeted for development.

Currently ends two miles north of the valley.

Through the purchase of development rights and other similar mechanisms, the 3,600 acres known as South Coyote Valley, extending to Morgan Hill, would remain open space in perpetuity. There, Prevetti envisions habitat preservation projects, groundwater recharge areas, and a wildlife corridor. “We’re trying to marry smart growth with environmental preservation in a way that creates a new way of living—healthy lifestyles and that sort of thing,” she says.

The planning department estimates infrastructure costs at $1.6 billion, none of which would be assumed by the city. Planners are working with the 19-member task force to determine appropriate financing mechanisms, which could include a community financing district, bond financing, developer contributions, and fees.

The city’s general plan sets specific thresholds that must be met before housing development can begin in Mid-Coyote Valley. First, 5,000 new jobs would have to be added in North Coyote (in addition to the 2,000 jobs already provided by IBM). Second, the city’s fiscal condition must be stable, based on a five-year economic forecast. Possible changes to those development “triggers,” which would allow housing to be built sooner, have been the subject of recent meetings of the specific plan task force.

Task force participants include city and county government officials, developers, environmentalists, a Coyote Valley property owner, a labor representative, a retired planner, and a member of the Morgan Hill school board. The co-chairs are Ron Gonzales, mayor of San Jose, and San Jose city council member Forrest Williams. The group consults with a technical advisory committee that includes representatives of various city and county interests, including the Santa Clara Valley Transit Authority.

City officials have not stinted on public outreach to help shape and, ultimately, sell the Coyote Valley plan. In addition to making every document associated with the planning process available on the city’s website, the planning department sends out a bimonthly, full-color newsletter with updates on the planning process. Community meetings are run by a professional facilitator. “We’ve tried to reach out to a broad base of advocates and other interest groups just because we know there are so many stakeholders,” Prevetti explains.

**Questions**

Among those stakeholders is the Greenbelt Alliance, a regional environmental group that in 2003 published a counter-plan called *Getting It Right: Preventing Sprawl in Coyote Valley*. Some of the suggestions outlined in that document have already been adopted by the task force, including erasing the demarcation between the North Coyote industrial area and the Coyote Valley urban reserve to enable mixed-use projects to be built throughout the developable portion of the site.

Unlike other environmental organizations in the region, including the Committee for Green Foothills and local chapters of the Sierra Club and Audubon Society, the Greenbelt Alliance does not oppose development in Coyote Valley outright. Rather, the group hopes that the final specific plan will bear its mark.

“It makes more sense to work with [the city and task force] and make sure that what comes out of this development is truly a smart growth community,” says Michele Beasley, the alliance’s South Bay field representative. She says she is encouraged that the task force has proposed to submit an abbreviated version of *Getting It Right* to the state as an alternative plan, a requirement of the environmental impact review process.

She finds recent talk of changing the development triggers worrisome, however, and fears that the $1.6 billion infrastructure price tag could eat up funds that could otherwise be used to subsidize affordable housing and promote economic diversity in the valley.

“We want to make sure that this affordable housing is for people with extremely low income and very low income,” she says. “We want to make sure it really targets people who are barely getting by. There needs to be affordable housing for all the people who work in Coyote Valley.”

Beasley says her organization is especially worried about the costs associated with the manmade lake and would like to see the city consider less expensive methods for drainage control. The proposed street and transit systems...
are also problematic, she adds, because they do not link the several distinct subdivisions planned for Mid-Coyote Valley.

"Each neighborhood has a grid street system, but the neighborhoods themselves are disconnected from each other," she says. "We would like to see the entire footprint be one grid system similar to what you would see in New York or San Francisco."

Beasley also objects to the plan's reliance on a proposed new Caltrain stop, especially since the commuter rail provider has recently discussed cutting service south of San Jose. The Greenbelt Alliance suggests adding a dedicated bus route. "There's no guarantee that there's going to be a Caltrain station if they're having budget problems," Beasley says.

But Beasley's biggest concern is the task force's recent talk of changing the Mid-Coyote Valley development triggers to allow housing to be built before the 5,000-job threshold is reached. In August, the preliminary results of a recent study conducted for the city by Economic and Planning Systems of Berkeley were released. They predict that early housing development could produce the revenue needed to pay for infrastructure and affordable housing.

Beasley fears that removing the threshold would lead to the traditional suburban-style development the city claims it doesn't want. "From the Greenbelt Alliance's perspective, the very real danger here is that Coyote Valley could turn into another sprawling bedroom community and we'll have an area filled with subdivisions and you'll need a car to drive to every area," she says. Prevetti insists that this "phased concurrency" would do the opposite, facilitating the type of community the city would like to see. "That way you're creating a mixed-use community from day one," she says.

A harsher critic is Brian Schmidt, legislative advocate for the Committee for Green Foothills, a 40-year-old environmental organization focused on land preservation in San Mateo and Santa Clara counties. Schmidt, a member of the technical advisory committee, worries that the city will allow Coyote Valley to be built up before there is sufficient demand.

Schmidt questions the rationale for creating a new town, and, unlike Beasley, he seeks to halt, or at least postpone, development there altogether. "The idea that it's needed goes back to the dot-com boom and the idea that there wasn't space in San Jose for jobs," he says. He asks if it might not be better to hold off on the specific plan until the need is clear.

In fact, a market analysis conducted for the city last year revealed that there are currently 1.4 million square feet of vacant office space in downtown San Jose and another 2.1 million square feet of vacant office space elsewhere in the city.

The response
Prevetti responds that, because North Coyote Valley is already open to commercial development, a specific plan must be created now to ensure sustainable development down the road. "The reason why we're doing the planning now is to essentially create more of a mixed-use community so that when the economy does come back to life we've got an approach and a plan to really guide that mixed-use development," she says.

Moreover, she says, attracting businesses to San Jose means offering a variety of real estate scenarios. "From a job perspective, we feel it's really important to have choice. We have some companies that definitely want to be in downtown San Jose. We have others that love the north San Jose high-tech culture. We have others that prefer our bioscience area. And then we have companies that are going to be more interested in the greenfield option," she explains.

Schmidt is also concerned that the development will not be truly self-sufficient and sustainable because Coyote Valley's housing needs have been improperly calculated. The city's housing needs estimates are based on the number of white-collar positions projected, and do not include service-industry jobs. "They're saying they're doing all this smart growth planning, but they're not planning for all the people who won't be able to find housing there," he says.

Ken Kay, of KenKay Associates, a planning consultant working with the city on the plan, disagrees. Coyote Valley could create a "new paradigm" for greenfield development, he says. "There are regional ramifications, local ramifications, even international ramifications."

Michele Beasley is also optimistic that compromise and collaboration could yield exemplary results. "It would be great if it could become a model for greenfield development not only for other projects in California but for other projects around the country," she says. "If we can get a great smart growth community out of this, that would be a success."

Kristin Palm is a freelance writer in San Francisco. She holds a master's degree in urban planning from Wayne State University.

Resources
