

# **S.J. city council delays decision on housing plan**

## **GOODWILL INDUSTRIES, PLANNERS DISAGREE**

**By Deborah Lohse**

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The San Jose City Council Tuesday night ignored the recommendations of city planning and economic-development staff and voted to continue analyzing a proposal to convert 23 acres surrounding a Goodwill Industries warehouse in Japantown to residential housing.

The planners fear that if housing is permitted there, pressure will mount to allow nearly 100 additional acres of land stretching from Seventh Street to Highway 101 also to become residential. Together, that 123 acres would represent about 12 percent of the land the city has set aside for "light industry."

Vice Mayor Cindy Chavez made the motion to deny the planning department's suggestion to halt evaluation of the requested general-plan amendment. She said "it's a little too late to do an early denial" but noted that the city council could still ultimately deny the amendment or the project.

The council voted in favor of the motion by a vote of 7-3, with Mayor Ron Gonzales and council members Linda LeZotte and Forrest Williams dissenting, and councilwoman Judy Chirco absent because of illness.

Goodwill Industries of Silicon Valley chief executive Frank Kent told the council that Goodwill can't accomplish its growth goals if it sells its land for commercial purposes rather than for more-lucrative housing-land prices. Mark Lazzarini, managing principal with DAL Properties, which is working with Lyon Homes on the Goodwill project, said his team already had spent "well into seven figures" funding the analysis so far, and said a compromise could be reached on the city's concerns.

Chavez and other council members said it was unfair to halt the analysis after the applicants had spent so much time and money on it. But economic development director Paul Krutko said "if you let them go past this point" then "they will spend a lot more money" even though the project could still be denied.

Joe Horwedel, acting director of planning, building and code enforcement, said the project could come back to the city council in early 2007 for a vote on whether to amend the general plan as requested