

## CHAPTER 2. LAND USE AND COMMUNITY CHARACTER **2**

### SECTION 2.8 GROWTH AND DEVELOPMENT CAPACITY

#### Introduction

The purpose of this section is to determine the potential amount of residential, commercial, and industrial development that could occur within the city of Gilroy and within the General Plan 20-Year Planning Boundary under the existing land use designations and policies established by the current Gilroy General Plan.

#### Major Findings

- Gilroy has capacity for an additional 5,496 new dwelling units and 19,016 additional residents on vacant and underutilized land within the city limits and Urban Service Area. The area outside the city limits and inside the 20-Year Planning Boundary of the current General Plan can accommodate an additional 9,177 dwelling units and 31,752 additional people.
- The Association of Bay Area Governments (ABAG) projects that the city of Gilroy will grow to a total of 17,050 dwelling units by 2040. There is capacity for 20,854 dwelling units within the city limits and 30,031 units within the Gilroy 2020 General Plan Boundary.
- There is capacity for an additional 7,402,215 square feet of commercial and industrial building space and 10,809 new jobs within the existing city limits. The area outside the city limits and inside the 20-Year Planning Boundary can accommodate an additional 11,486,391 square feet and 24,807 jobs.
- ABAG projects Gilroy will add 4,310 jobs between 2010 and 2040. The vacant commercial and industrial land within the Gilroy 2020 General Plan Boundary could be developed to support 35,616 new jobs, with capacity for 10,809 jobs within the City Limits.

#### Existing Conditions

Holding capacity refers to the theoretical amount of development, existing and future, that could potentially occur in a jurisdiction based on the land use standards and regulations of the jurisdiction's general plan. This information establishes the baseline of planned capacity of land for both jobs and housing in the current General Plan. Establishing the holding capacity of the current General Plan is the starting point for the development of land use alternatives to accommodate future projected employment and population growth in the 2040 General Plan.

The capacity of existing and future housing is expressed in the number of dwelling units and the resulting population. Employment capacity is expressed in the amount of building square footage and number of jobs that can be accommodated. There are two components to the holding capacity of the General Plan; the amount of existing development in place today (or as most recently reported), and the future capacity of vacant and underutilized lands within the General Plan 20-Year Boundary. Future capacity is further distinguished by the amount of area available within the existing city limits/Urban Service Area (USA) and the amount existing outside the city limits/USA but within the General Plan 20-Year Planning Boundary.

## CHAPTER 2. LAND USE AND COMMUNITY CHARACTER

As shown on Figure 2-1 of the Background Report, the city limits and the Urban Service Area are coterminous for the majority of the City. The only significant variation is the City-owned lands of the waste water treatment plant, which are within the city limits, but outside the USA. This distinction is important because land within the city limits/USA is eligible for approval of new development, whereas lands outside the city limits/USA will require approval by the Santa Clara County Local Agency Formation Commission (LAFCO) of amendments to the USA prior to being eligible for annexation into the city and any development approvals.

### Residential Holding Capacity

Tables 2-5 and 2-6, below, provide the estimated residential holding capacity of the Gilroy 2020 General Plan. Table 2-5 displays the projected amount of dwelling unit and population capacity of all vacant and underutilized residential land within the two sub areas; within city limits/USA and outside the city limits/USA and within the 20-Year Planning Boundary. The number of dwelling units is based on the average density allowed within each residential General Plan category. The capacity of planned residential lands within the city limits/USA is 5,496 additional dwelling units, a 35% increase in the total number of dwelling units in the city. Land outside the city limits/USA could accommodate an additional 9,177 dwelling units, for a total available capacity of future residential development within the 20-Year Planning Boundary of 14,673 units, almost double that of the city today.

<b>TABLE 2-5</b>			
<b>EXISTING GENERAL PLAN REMAINING RESIDENTIAL DEVELOPMENT CAPACITY</b>			
<b>Gilroy 2020 General Plan Boundary</b>			
<b>2013</b>			
<b>Land Use Designation</b>	<b>Average Density at Capacity (Dwelling Units/Acre)</b>	<b>Estimated Number of Dwelling Units</b>	<b>Estimated Population<sup>1</sup></b>
<b><i>New Development on Vacant/Underutilized Land Within City Limits</i></b>			
Residential Units Downtown <sup>2</sup>	--	1,576	5,453
Rural Residential	0.4	14	48
Hillside Residential	2	324	1,121
Low Density Residential	5	191	661
Medium Density Residential	16	219	758
High Density Residential	20	617	2,135
Neighborhood District	10 <sup>3</sup>	2,555	8,840
	<b><i>Subtotal</i></b>	<b><i>5,496</i></b>	<b><i>19,016</i></b>
<b><i>New Development on Vacant Land Outside City Limits/Inside 20-Year Planning Boundary</i></b>			
Rural Residential	0.4	140	485
Hillside Residential	2	411	1,421
Low Density Residential	5	57	197
Neighborhood District	10 <sup>3</sup>	8,569	17,789
	<b><i>Subtotal</i></b>	<b><i>9,177</i></b>	<b><i>31,752</i></b>
	<b><i>Total New Residential Development Capacity</i></b>	<b><i>14,673</i></b>	<b><i>50,768</i></b>

**Table 2-5 Footnotes**

<sup>1</sup> Assumes an average household size of 3.46 (Source: California Department of Finance, 2013)

<sup>2</sup> Figure from 2015-2023 Gilroy Housing Element, reflecting the capacity of the Downtown Specific Plan, and takes into account housing built to date and housing approved or under construction.

<sup>3</sup> Neighborhood District density assumed to be 10 dwelling units per acre, unless otherwise specified by an existing specific plan.

Source: City of Gilroy, Santa Clara County, Mintier Harnish, EMC Planning Group, California Department of Finance.

<b>TABLE 2-6 EXISTING GENERAL PLAN RESIDENTIAL HOLDING CAPACITY</b> Gilroy 2020 General Plan Boundary 2013				
	Estimated Dwelling Units	Percentage Increase Over Existing	Estimated Population	Percentage Increase Over Existing
Existing Housing and Population	15,358 <sup>1</sup>	---	52,413 <sup>2</sup>	---
New Development within city limits/USA	5,496	35.8	19,016	36.3
New Development Outside city limits/USA, inside 20-Year Boundary	9,177	59.8	31,752	60.6
<b>New Development Subtotal</b>	<b>14,673</b>	<b>95.5</b>	<b>50,768</b>	<b>96.9</b>
Total Residential Holding Capacity – current General Plan	30,031	---	103,181	---

<sup>1</sup> California Department of Finance, 2013

<sup>2</sup> California Department of Finance, 2014

Source: City of Gilroy, Santa Clara County, Mintier Harnish, EMC Planning Group, California Department of Finance.

Table 2-6 presents the complete Residential Holding Capacity of General Plan. Assuming an average household size of 3.46 persons per household in Gilroy (based on the California Department of Finance), the estimated population capacity of the Gilroy 2020 General Plan is 103,181 persons. The estimated residential holding capacity within Gilroy’s city limits is estimated at 20,854 dwelling units, reflecting the potential capacity for 5,496 new units. This represents an estimated total population of 71,429 people.

The Association of Bay Area Governments (ABAG) projects that the city of Gilroy will grow to a total of 17,050 dwelling units by 2040. As there is capacity for 20,854 dwelling units within the city limits and

## CHAPTER 2. LAND USE AND COMMUNITY CHARACTER

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30,031 within the Gilroy 2020 General Plan Boundary, it is unlikely that the city will need to designate additional residential land outside the Gilroy 2020 General Plan Boundary to meet demand.

### **Commercial and Industrial Holding Capacity**

Table 2-7 provides the estimated commercial and industrial holding capacity of the 2020 General Plan and the city of Gilroy. The holding capacity is not based on a market analysis and, as such, the projections do not represent the amount of commercial and industrial space the market may demand between 2014 and 2040. The holding capacity represents the theoretical maximum amount of existing plus planned commercial and industrial building space available in the current General Plan. Table 2-7 also projects the number of jobs that would be created if all of the commercial and industrial land was built to capacity.

As shown in Table 2-8, Gilroy has 10,930,566 square feet of existing commercial and industrial building space and 19,795 jobs. Vacant/underutilized lands within the city limits/USA can support an additional 7,402,215 square feet of space and 10,809 new jobs. Lands outside the city limits/USA and within the 20-Year Planning Boundary can support an additional 11,486,391 square feet of space and 24,807 jobs

ABAG projects Gilroy will add 4,310 jobs between 2010 and 2040. The vacant commercial and industrial land within the Gilroy 2020 General Plan Boundary could be developed to support 35,616 new jobs, with 10,809 jobs just within the City Limits.

**TABLE 2-7  
EXISTING GENERAL PLAN REMAINING DEVELOPMENT CAPACITY:  
COMMERCIAL AND INDUSTRIAL**

Gilroy 2020 General Plan Boundary  
2013

	Floor Area Ratio (FAR) <sup>1</sup>	Net Acres <sup>2</sup>	Square feet <sup>3</sup>	Employees per square feet <sup>4</sup>	Estimated Jobs
<b><i>New Development on Vacant/Underutilized Land Within City Limits /USA</i></b>					
Downtown <sup>5</sup>	-	-	994,495	300	3,315
General Services Commercial	0.275	0.85	1,072,180	550	1,949
Professional Office	0.5	0.85	-	275	-
Visitor-Serving Commercial	0.275	0.85	120,149	550	218
Neighborhood District	0.275	0.85	135,423	550	246
Campus Industrial	0.4	0.85	-	400	-
General Industrial	0.4	0.85	4,457,930	1000	4,458
Industrial Park	0.4	0.85	662,037	1000	622
<b>Subtotal</b>			<b>7,402,215</b>		<b>10,809</b>
<b><i>Vacant Land Outside the City Limits/USA, ,inside 20-Year Planning Boundary</i></b>					
Downtown	1.5	0.85	-	300	-
General Services Commercial	0.275	0.85	-	550	-
Professional Office	0.5	0.85	-	275	-
Visitor-Serving Commercial	0.275	0.85	-	550	-
Neighborhood District	0.275	0.85	209,752	550	381
Campus Industrial	0.4	0.85	8,766,276	400	21,916
General Industrial	0.4	0.85	2,510,363	1000	2,510
Industrial Park	0.4	0.85	-	1000	-
<b>Subtotal</b>			<b>11,486,391</b>		<b>24,807</b>

<sup>1</sup> Floor area ratios are based on estimates that reflect existing building patterns in Gilroy.

<sup>2</sup> Standard assumption that 15 percent of land will be used for streets, sidewalks, utilities, and other improvements that reduce the amount of buildable land.

<sup>3</sup> The square feet of commercial and industrial space was calculated by adding all of the vacant commercial and industrial parcels by land use designation and multiplying the parcel square footages by the respective FAR and Net Acres values.

<sup>4</sup> Employee per square foot values are estimates based on industry standards for use types

<sup>5</sup> This square footage figure comes from the 2005 Downtown Gilroy Specific Plan build out analysis and incorporates both vacant land and land to be redeveloped. *Source: City of Gilroy*

## CHAPTER 2. LAND USE AND COMMUNITY CHARACTER

**TABLE 2-8**  
**ESTIMATED GENERAL PLAN HOLDING CAPACITY: COMMERCIAL AND INDUSTRIAL**  
 Gilroy 2020 General Plan Boundary  
 2013

	Square Feet	Percentage Increase	Jobs	Percentage Increase
Existing Commercial and Industrial Square Footage and Jobs	10,930,566 <sup>1</sup>	--	19,795 <sup>2</sup>	--
New Development within City limits/USA,	7,402,215	67.7	10,809	54.6
New Development Outside city limits/USA, inside 20-Year Planning	11,486,391	105.1	24,807	125.3
<b><i>New Development Subtotal</i></b>	<b>18,888,605</b>	<b>172.8</b>	<b>35,616</b>	<b>179.9</b>
<i>Total Commercial/Industrial Holding Capacity – current General Plan</i>	29,819,171		55,411	

<sup>1</sup> Santa Clara County Assessor's Office

<sup>2</sup> City of Gilroy Economic Development Strategic Plan identified a total of 21,952 jobs in 2012, of which 2,157 were classified as agricultural, forestry, fishing and hunting jobs. These jobs were deducted from the total number of jobs in the city limits for inclusion in the Holding Capacity.

Source: Santa Clara County, City of Gilroy