

For more information:

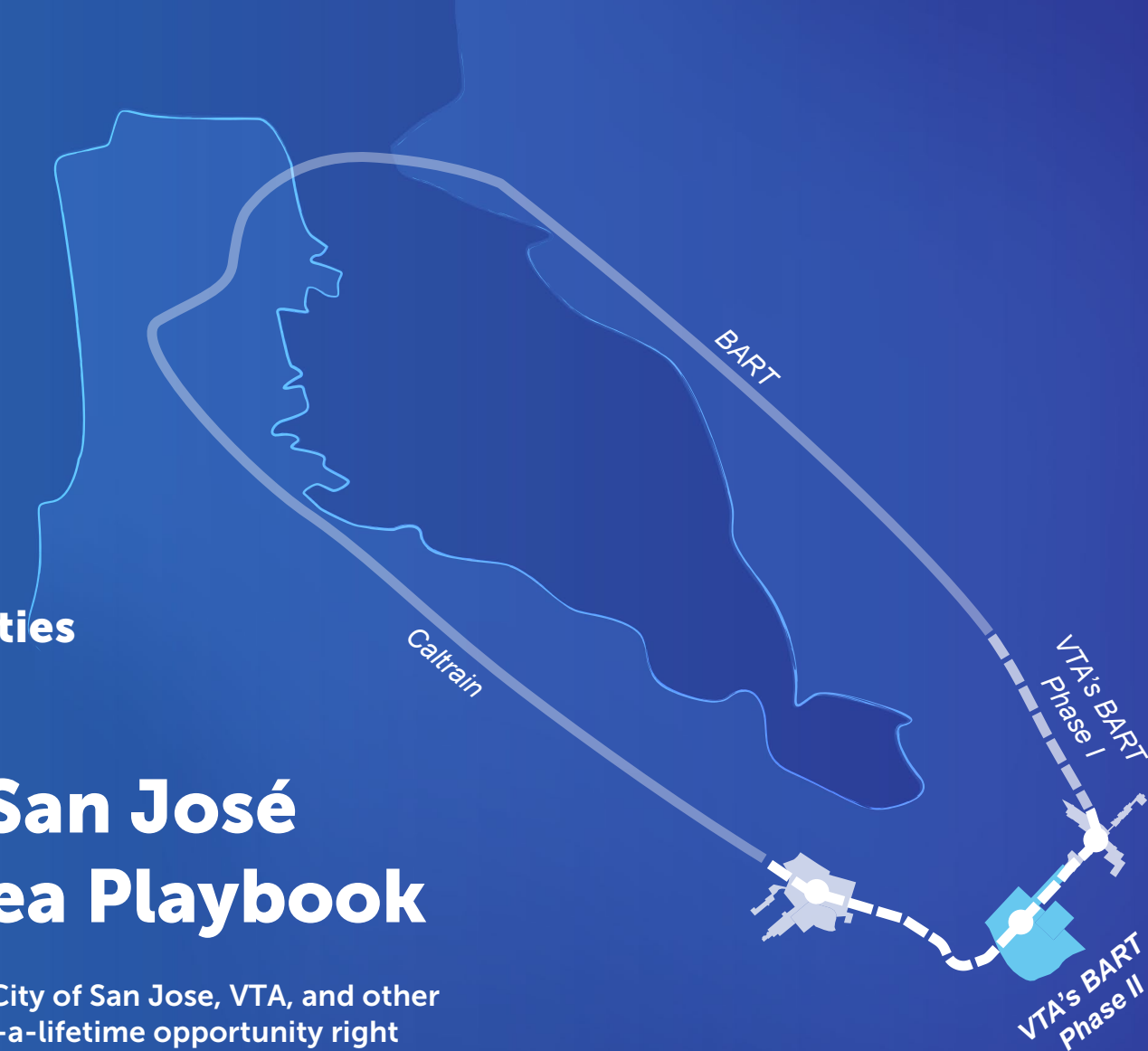
See the Project Website at: www.vta.org/bart/tocs

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VTA's BART Phase II Transit Oriented Communities Strategy Study

The Downtown San José BART Station Area Playbook

A recommended series of actions for the City of San Jose, VTA, and other implementation partners to get a once-in-a-lifetime opportunity right



The Call To Action

This Playbook presents a starting point for a long-term partnership between the City of San José and VTA to capitalize on the new Downtown San José BART Station. Downtown San José is undergoing a renaissance. The arrival of BART can help to further reposition downtown to a new place of prominence in the Bay Area. There is much to do to ensure that the arrival of the station leads directly to realizing a vital, healthy, connected, prosperous, walkable and equitable 24/7 downtown.

We must begin working now.

The real estate market is already showing interest in the station area. Elevating Downtown San José to a long envisioned thriving transit anchored core will require implementing Transit Oriented Communities (TOC) principals well before BART arrives. The recommended actions in this “Playbook” provide a well-traveled pathway to capitalize on this multi-billion dollar transit investment.

Getting to the finish line requires a long-term, concerted partnership between the City of San José and VTA to undertake the critical actions, policies, strategies and investments essential to a TOC. This includes coordination with the efforts underway at the Diridon Station, more affordable housing, new zoning, funding tools, improved bicycle, pedestrian, and transit connections that ensure a connected downtown.

Collectively the City of San José, VTA and their partners have the chance to transform the Downtown San José Station Area into a 24/7 center where people want to live, work, and play. It truly is a once in a lifetime opportunity that has been a long-time in coming. Let’s work together to make sure we live up to it.

This is an acknowledgement that this is the beginning of a long term partnership between Santa Clara Valley Transportation Authority (VTA) and City of San José to establish a Transit Oriented Community for the Downtown San José Station Area.

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VTA and the cities of San José and Santa Clara are studying all four stations proposed for BART Phase II. The Transit Oriented Communities Strategy Study is focused on three of the four station areas: Santa Clara, Downtown San José, and 28th Street. The Diridon Station is undergoing a separate but complimentary plan called the Diridon Station Area Plan (DSAP). The Downtown San José BART Station Area Playbook is one of three playbooks being published. There are technical appendices with supporting data and documents that support the featured Transit Oriented Community Strategies.

Who is this Playbook for?

For City Staff and Elected Officials:

- Use this Playbook to kick-off and frame the long-term implementation partnership with VTA to start implementing the recommended “Big Moves” necessary to achieve a Good TOC in the station area and provide economic opportunities and community benefits to your constituents.

For Residents, Business Owners and Civic Organizations:

- Use this Playbook as a citizen’s manual to underpin the urgency for your city’s staff and elected officials to ensure that your vision for a Good TOC is fully implemented and engage more generally on issues that overlap with the recommended “Big Moves” (e.g. affordable housing, funding, transportation choices, etc.).

For Property Owners and Developers:

- Use this Playbook as an investment guide to align your entrepreneurial efforts with the recommended “Big Moves” necessary to create a Good TOC consistent with the communities’ vision and development standards for a good TOC.

How will you benefit?

Cities are using TOCs to:

- Leverage transit to accelerate implementing plans and policies.
- Achieve goals and aspirations identified in General Plans.
- Catalyze economic development and rejuvenation.
- Advance the delivery of affordable and mixed-income housing.
- Ensure a Good TOC will be easy and viable to implement.

For Residents, Transit Oriented Development means:

- A way to be less impacted by growth.
- A healthier lifestyle for current and future generation.
- More services within steps of their homes.

For Owners and Developers:

- A way to build wealth for future generations.
- An opportunity to maximize on investments while providing social good for the community.
- Protects and facilitates investments by having a predictable framework for what is desired and expected.

How to navigate this document

The Big Moves and implementation strategies are organized as follows:

BIG MOVE
What's the overall idea?

KEY STRATEGIES CHECKLIST
What are the strategies necessary for achieving the big move?



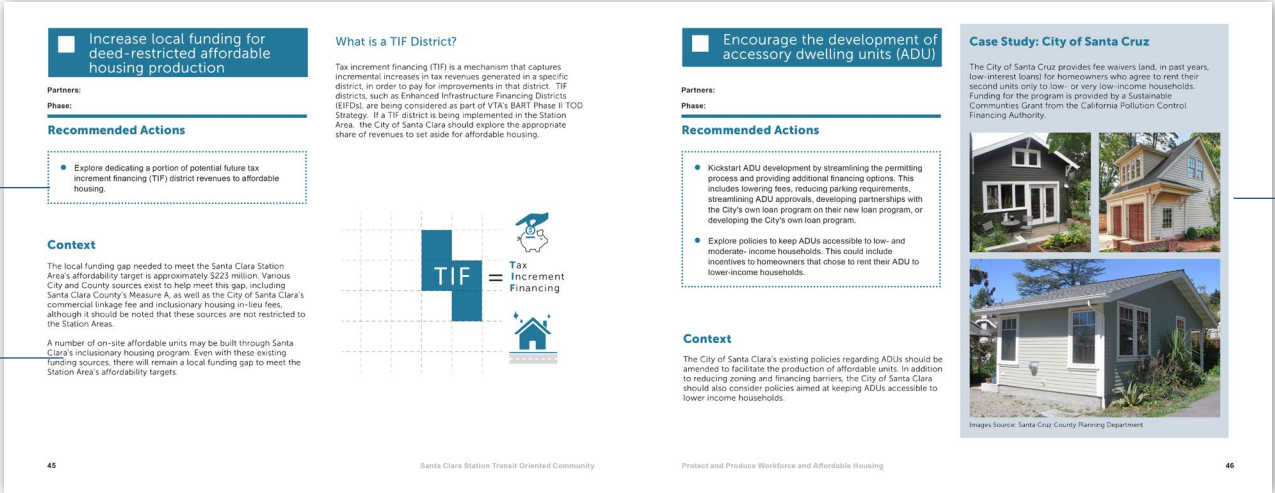
WHY is this big move essential to VTA's transit oriented community goals?

RECOMMENDED ACTIONS

What specific actions should VTA recommend to implement a key strategy?

ADDITIONAL CONTEXT

What else should stakeholders know about each key strategy?



CASE STUDY
How has a similar key strategy been successful in other communities?

DIAGRAM
How would this strategy work?



San Pedro Square, Downtown San José
Photo Credit: Sergio Ruiz for SPUR

EXECUTIVE SUMMARY

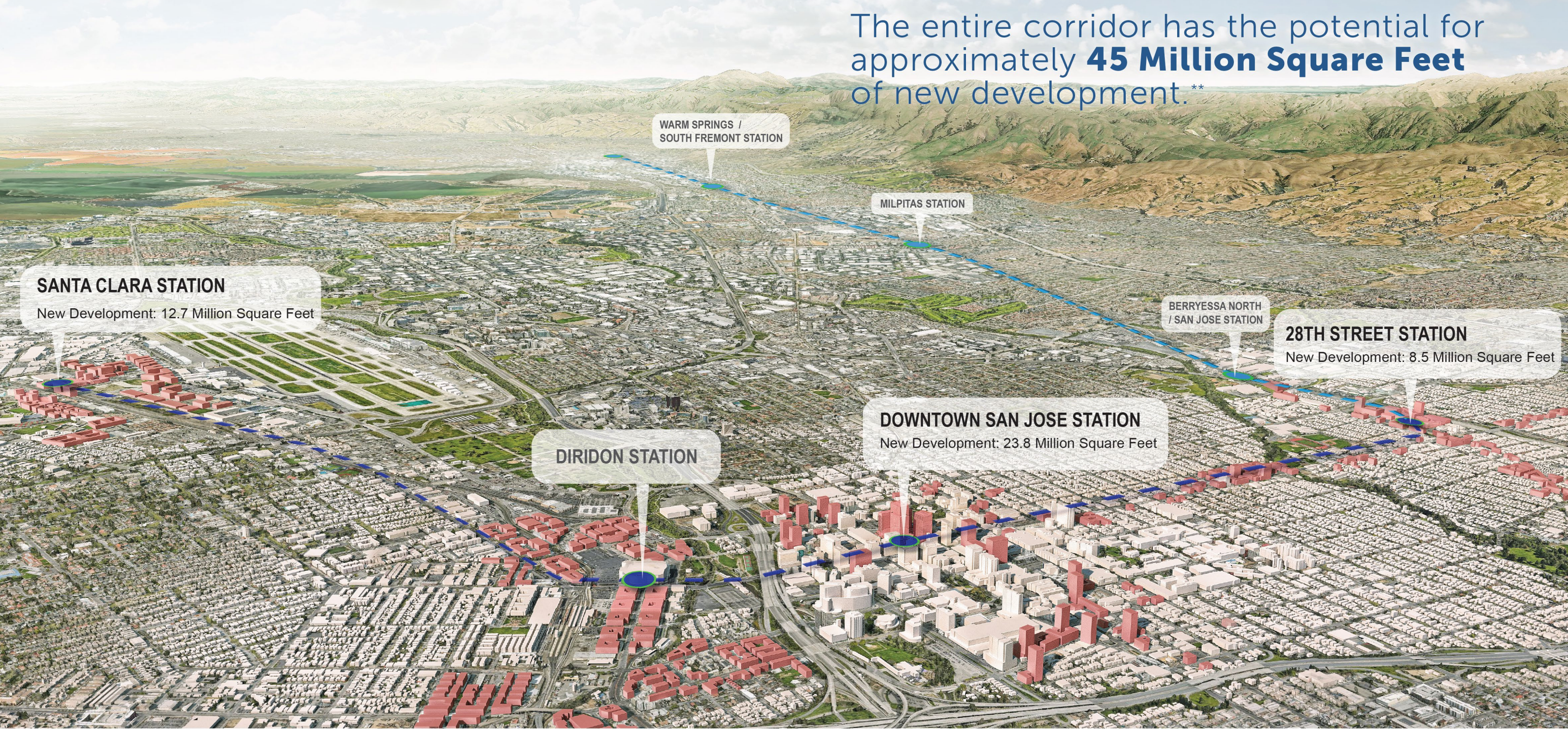
We have an amazing opportunity and one chance to get it right

Imagine creating new walkable places on the scale of an entirely new Downtown San José, concentrated within a short walk of the Phase II BART Stations. That is the magnitude of the possibility in front of us. Of course, there is much work to do, and it won't happen on its own. But, the clock is already running. Partnerships need to be forged. Plans updated. New funding tools put in place. Capital investments made. And more affordable housing built. Because many of these actions require public and city actions that can take years to complete, it is imperative that we begin moving ahead now.

Success lies in the hands of the cities, VTA and their partners. It's going to be critical to start now to capture the extraordinary opportunity in front of us. According to market demand projections and development analysis prepared for the BART Phase II corridor, by 2040 the corridor will add:

+ 40,000 new jobs and housing for
+ 80,000 new residents*

The scale of growth and the investment in BART Phase II is too large not to take advantage of what's right in front of us. Before BART arrives we must advance the partnership and update necessary plans and policies to ensure the station areas become healthy, connected, prosperous, and equitable Transit Oriented Communities.



* Total residents assumes 2.5 residents per household and 1000 square feet per unit. Total jobs assumes 250 gross square feet per office employee and 500 square feet per retail employee.

** Corridor development totals does not include Diridon Station, which is undergoing a separate but complimentary plan called the Diridon Station Area Plan (DSAP).

The entire corridor has the potential for approximately **45 Million Square Feet** of new development.**

Envision the future Downtown San José

Total Market Potential for Development by 2040

Office	6,500,000 sf	} + 37,500 new residents
Residential	15,992,200 sf	
Hotel	1,158,000 sf	
Retail	212,852 sf	
Total	23,863,052 sf	+ 26,500 new jobs

Creating Great Places

Downtown San José has turned a corner. The arrival of BART can help to further reposition downtown to a new place of prominence in the Bay Area. Current City plans would allow for about 12 million square feet of new development in the Downtown. *[See Appendix L for more information on the TOC development scenario and how it compares to existing City plans.]* The market potential within the station area can accommodate much more development. Taking advantage of the possibilities will require channeling this growth into development that contributes to a dynamic, welcoming place for residents, workers, and visitors to the Downtown San José Station Area. Part of the solution will be implementing the principles of good placemaking, new development and public improvements to promote:

- A compact and walkable urban environment
- An engaging and vibrant public realm
- A respect for local context
- A diverse and balanced community



View of East Santa Clara Street looking east

A long term partnership







Living up to the opportunity of BART Phase II is going to require extraordinary collective action. That’s the singular lesson from other communities that developed great TOCs.

VTA is asking the City of San José to enter into a long-term partnership with VTA, starting with the following actions:

- Endorse a holistic approach to creating TOCs in Santa Clara County and accept the Strategy Study as the appropriate beginning point.
- Direct staff to prioritize implementation of land use, infrastructure, and funding programs.
- Review implementation progress on a regular basis, in collaboration with VTA and other stakeholders.

What creates a good Transit Oriented Community?

VTA is helping to inspire Transit Oriented Communities in Silicon Valley. TOCs are walkable places to live, work, shop, play and learn. They provide a diversity of jobs, housing types and economic opportunities while reducing the risk of displacement and providing affordable housing choices. These communities are founded on good placemaking, seamless mobility and leveraging economic value to create an optimal user experience for both current and future San José residents. The themes below will be used as a check list for the effectiveness of the TOC Big Moves later in this Playbook.

<p>Easy Access to Everyday Needs</p>  <p><i>TOCs offer what you need to work, live, play and run your daily errands without needing to drive.</i></p>	<p>Housing Choices for Everyone</p>  <p><i>TOCs offer a range of housing choices for people at all income levels.</i></p>	<p>Active Street Life</p>  <p><i>TOCs prioritize activity at the street level - shops, places to eat and recreate.</i></p>
<p>Safe People Spaces</p>  <p><i>TOCs support vibrant public spaces that support and help build diverse communities.</i></p>	<p>Local Business and Services</p>  <p><i>Walkable, transit oriented neighborhoods support local retail, services, restaurants and other businesses.</i></p>	<p>Supports My Community</p>  <p><i>TOCs strengthen neighborhoods through adding needed services, sensitive design and community spaces.</i></p>

Why Downtown San José? Why Now?

Downtown San José is undergoing a renaissance. The arrival of BART can help to further reposition Downtown to a new place of prominence in the Bay Area. The station area is well situated to leverage the coming of BART to become a global center for innovation and exchange. Unlocking the potential of BART will require moving forward with a well-coordinated implementation strategy well before the BART station opens. The following goals for the future station area will help facilitate new development and amenities that are affordable, accessible, and welcoming to those who live and work here today and in the future.

Prioritize Downtown as a walkable regional center

A stronger and more clearly defined Downtown core will help elevate and connect more people to existing civic and cultural institutions such as San José State University, San Pedro Square, and the Convention Center.

Champion the VTA Block

The intersection of Market Street and Santa Clara Street, the future location of the primary station entrance and a major redevelopment site will become a major activity center in Downtown.

Invest in 24/7 vibrancy

High density development on the VTA block will help create vitality with a complementary mix of uses, energy and vitality.

Maximize the opportunities to live and work Downtown

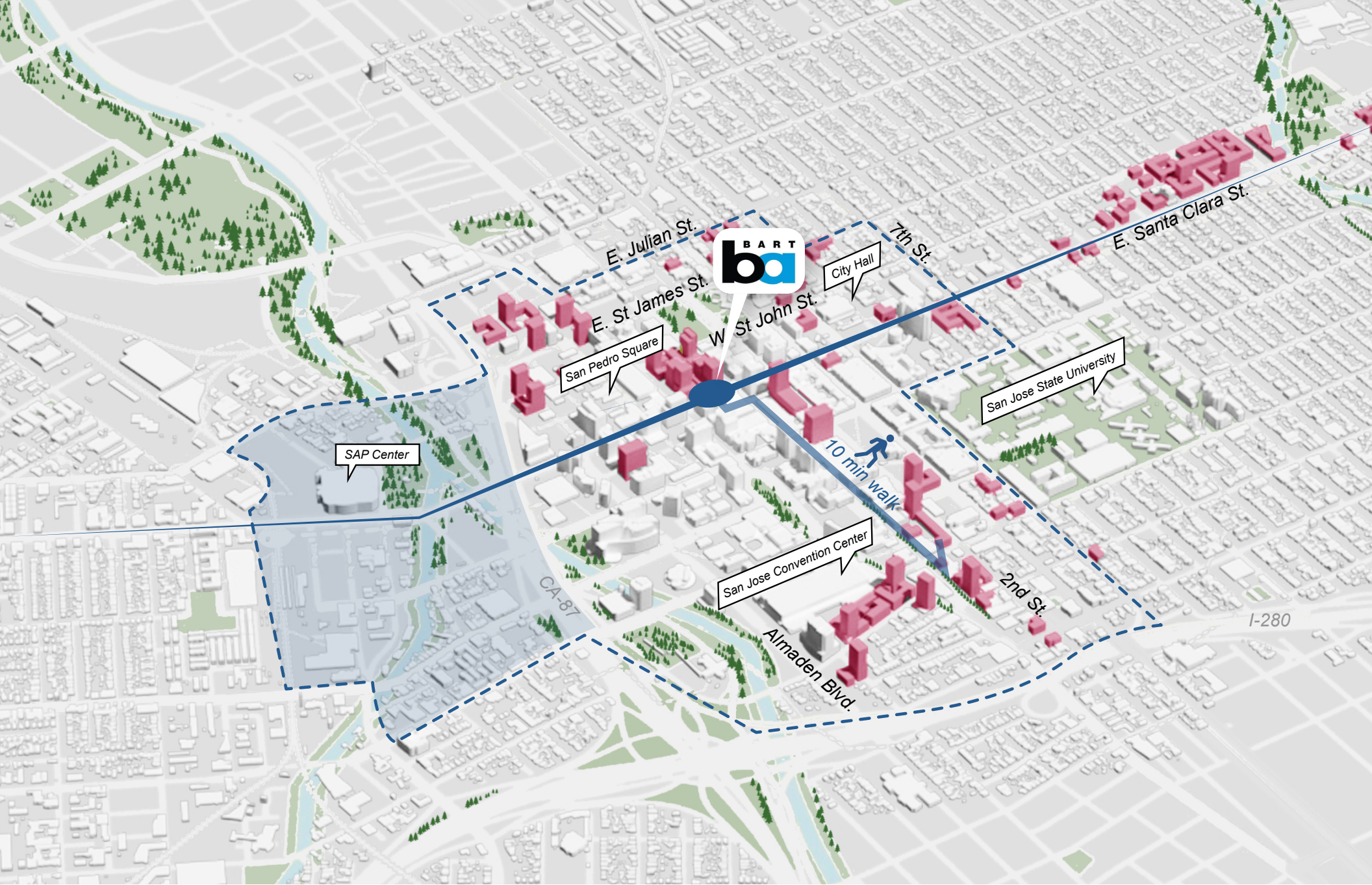
Downtown is starting to attract unprecedented interest from new office developers and tenants as a result of the planned BART extension; proximity to the planned Google Village at Diridon; and recent residential development.

Leverage new development for public good

Continued Downtown development will also help generate increased revenues for the City of San José, enabling the City to invest in an increased level of citywide services as well as in affordable housing, streetscape improvements, bicycle and pedestrian improvements.

Complement historic fabric

The visual impact of well-designed higher density development can complement Downtown’s existing character, including the historic nature of many existing properties.



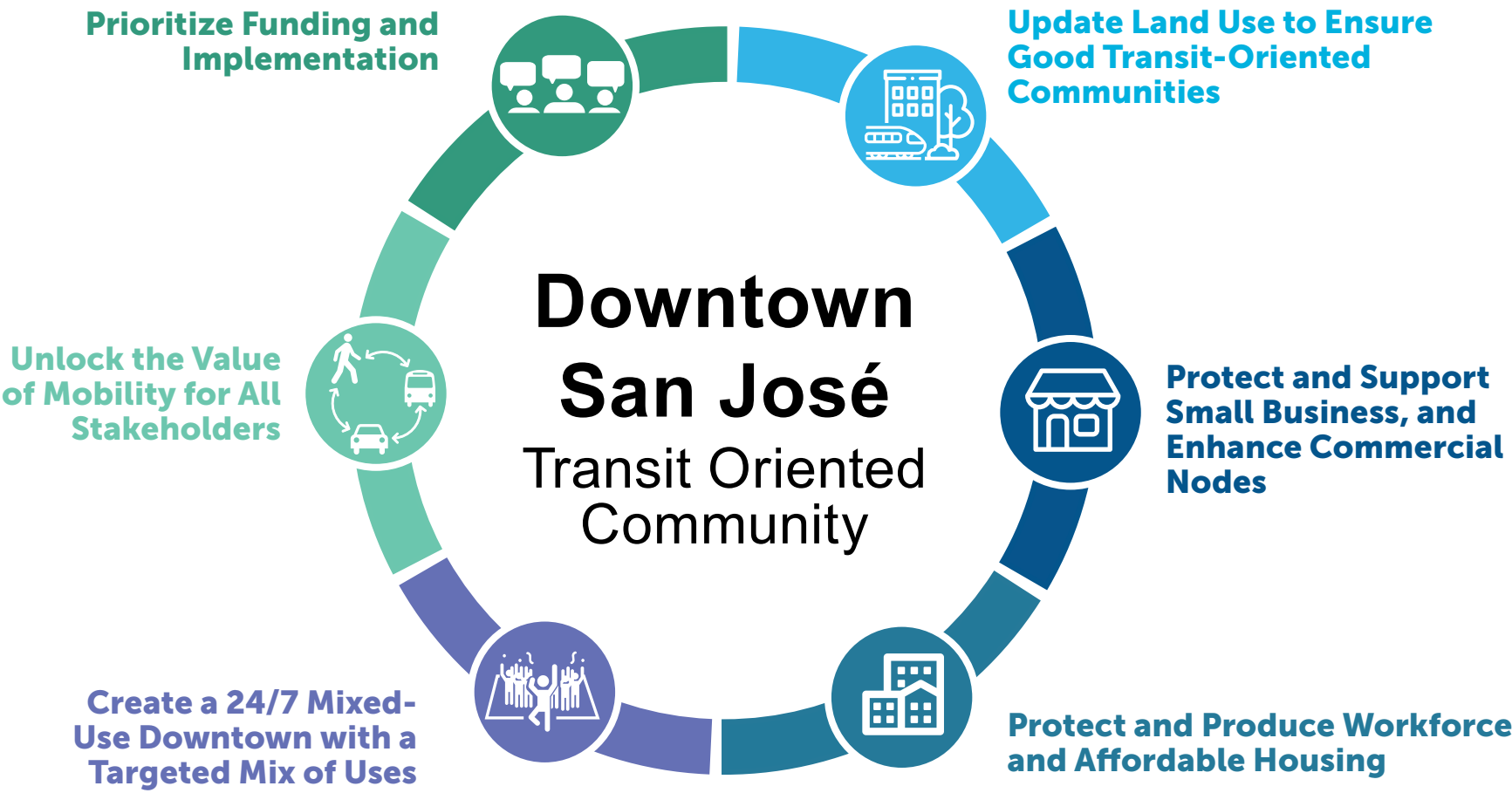
Priority Development Areas (PDAs) as identified by the Metropolitan Transportation Commission (MTC).

Potential Development

Diridon Station is undergoing a separate but complimentary plan called the Diridon Station Area Plan (DSAP).

The Big Moves

The following recommendations are necessary to get the station area "BART ready". These recommendations should be adopted and implemented before Opening Day of VTA's BART Phase II Extension.



Imagine a Downtown San José where ...



Local businesses can thrive in affordable commercial spaces



Community Based Organizations can provide services tailored to local needs



Safer streets enable more people to choose to walk, roll, and bike to work or home



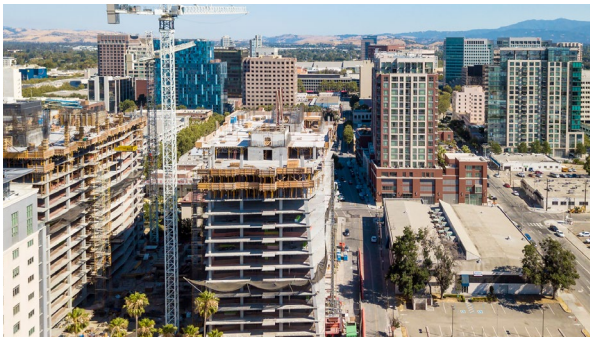
Community landmarks are celebrated and serve as hubs for community life



People can choose an efficient, sustainable way to travel locally and regionally



Public spaces host civic and cultural events that support local businesses



New housing is built for all income levels to live and prosper



Plazas and paseos provide intimate spaces to spend time with family and neighbors



Biking is safe for all ages and abilities



Artistic rendering: View of East Santa Clara Street looking west towards the future BART station

Working with the community toward a common goal

Since January 2018, VTA has engaged the station area communities through interactive TOC workshops, community working groups (CWGs), and VTA’s BART Phase II community meetings. VTA continues to engage the communities through social media, the TOCs Strategy Study website, TOCs focused videos, as well as various pop-up events.

Ongoing collaboration is essential

Collaboration between VTA, City staff and BART has been and will continue to be an essential part of the Transit Oriented Communities Strategies Study.

Beginning in January 2018, VTA has held regular coordination meetings with the Study’s Technical Advisory Group (TAG), departments within the Cities of Santa Clara and San José, as well as BART and VTA land use and transportation planners.



Phasing of TOC recommendations

The following timeline provides a starting point for VTA and the City of San José to begin implementation planning and prioritize specific recommendations that need to begin right away.



What's Next

Realizing the vision set out in the Playbooks in a timely manner will require a high degree of coordination between VTA, the cities of San José and Santa Clara, landowners, and the local communities. Capturing the full opportunity of VTA’s BART Phase II by achieving TOCs is not possible without new plans, policies, funding and infrastructure investments across each of the station areas.

To coordinate and accomplish all of this work, VTA and the cities will begin working in close collaboration to develop a Transit Oriented Communities Implementation Plan (TOCIP). The TOCIP is intended to provide a mechanism to collectively plan, prioritize, fund, construct and implement the pieces needed to move the TOCs Playbooks from vision to implementation.



Viva Calle San José
Photo Credit: Sergio Ruiz for SPUR

THE BIG MOVES



UPDATE LAND USE ACROSS THE STATION AREA TO ENSURE GOOD TRANSIT ORIENTED COMMUNITIES

Pg 21



PROTECT AND SUPPORT SMALL BUSINESS, AND ENHANCE COMMERCIAL NODES

Pg 27



CREATE A 24/7 MIXED-USE DOWNTOWN WITH A TARGETED MIX OF USES

Pg 33



PROTECT AND PRODUCE WORKFORCE AND AFFORDABLE HOUSING Pg 39



UNLOCK THE VALUE OF MOBILITY FOR ALL STAKEHOLDERS Pg 47



PRIORITIZE FUNDING AND IMPLEMENTATION Pg 57

The Big Moves

Each Transit Oriented Community ‘Big Move’ Recommendation has key implementation strategies embedded within. Go to the respective section to view the key strategies in more detail.



Update Land Use Across the Station Area to Ensure Good Transit Oriented Communities

Pg 21-26

- ★ Establish minimum densities for office and residential through the station area as appropriate based on context
- ★ Increase the Downtown Housing Allocation in the Envision San José General Plan
- Prioritize office development directly adjacent to the station



Protect and Support Small Business, and Enhance Commercial Nodes

Pg 27-32

- ★ Ensure that new development provides appropriate space for small, locally-owned businesses
- Continue to market Opportunity Zone investments in Downtown San José that will benefit small businesses
- Implement the Downtown San José Retail Strategy
- Continue and expand City programs to retain and support small and micro businesses
- Provide targeted assistance to small and microbusinesses displaced by new TOD



Create a 24/7 mixed-use downtown with a Targeted Mix Of Uses

Pg 33-38

- ★ Concentrate ground floor retail requirements in the station area to targeted locations
- Invest in public realm improvements to support a pedestrian and bicycle friendly environment



Protect and Produce Workforce and Affordable Housing throughout the Station Area

Pg 39-46

- ★ Pursue new partnerships and funding for affordable housing production
- ★ Leverage VTA properties and other public land for affordable housing production
- Make it easier for low income tenants to access affordable housing
- Implement more robust policies to preserve existing affordable housing
- Ensure that existing tenants and homeowners can stay in place by expanding existing policies and resources
- Increase local funding for deed-restricted affordable housing production



Unlock the Value of Mobility for All Stakeholders

Pg 47-56

- ★ Right-size parking requirements for residential, office, and retail development
- Encourage use of sustainable modes through Transportation Demand Management (TDM) Strategies
- Adopt a Shared Mobility District that manages transportation and parking to provide access throughout the station area
- Adopt street hierarchy typologies in the station area
- Create a tailored approach to streetscape improvements and transit connections



Prioritize Funding and Implementation

Pg 57-68

- ★ Create a dedicated staff position to lead TOC implementation
- ★ Establish a framework for ongoing collaboration among City of San José and VTA
- Work together to identify grants and other upfront funding sources
- Establish Community Facilities District to leverage contributions from new development
- Implement a Tax Increment Financing District, and consider sharing revenues across San José station areas
- Engage with local partners to expand community and economic development activities

★ The stars represent a recommendation that needs to be started now.



Update Land Use Across the Station Area to Ensure Good Transit Oriented Communities

KEY STRATEGIES CHECKLIST

- Establish minimum densities for office and residential through the station area as appropriate based on context
- Increase the Downtown Housing Allocation in the Envision San José General Plan.
- Prioritize office development directly adjacent to the station



Photo Credit: Sergio Ruiz for SPUR

Why is this 'Big Move' essential for Transit Oriented Communities?

Elsewhere, governments have employed robust TOC toolboxes with regulatory and financial incentives. Specialized TOC zoning has consistently been adopted to allow greater density, a mix of uses, enhance walkability and require less parking. In Downtown San José, the application of current policies could preclude future TOC by allowing incompatible lower density, auto-oriented development. The scale of the public investment in BART, the regional housing crisis and recent action by the California legislature (facilitating higher density housing near transit) deserves nothing less than ensuring good, equitable TOC outcomes. Given that this new BART station will be central to the civic, cultural and commercial core of the existing Downtown area, it is essential that public policy recognizes and protects the substantial public investment by ensuring good TOC outcomes.

Easy Access to Everyday Needs ✓	Housing Choices for Everyone ✓	Active Street Life ✓
Safe People Spaces ✓	Local Business and Services ✓	Supports My Community ✓

Opportunities

- Realize the community’s vision for a transit-supportive station area and an amenity-rich central business district.
- Help address the local housing crisis with new affordable and workforce housing in an area that is already seeing gentrification and displacement.
- Support transit ridership and reduce the need for private vehicles.
- Create an active, vibrant 24/7 mixed-use district.
- Maximize employment uses adjacent to the transit station.

Challenges

- Gentrification and displacement are already underway in Downtown San José.
- Mid-rise development is currently more financially feasible than high-rise. Development on some major opportunity sites is moving forward at densities lower than recommended.
- FAA has capped maximum heights in Downtown San José, limiting the development potential.

Establish minimum densities throughout the station area for office and residential as appropriate based on context

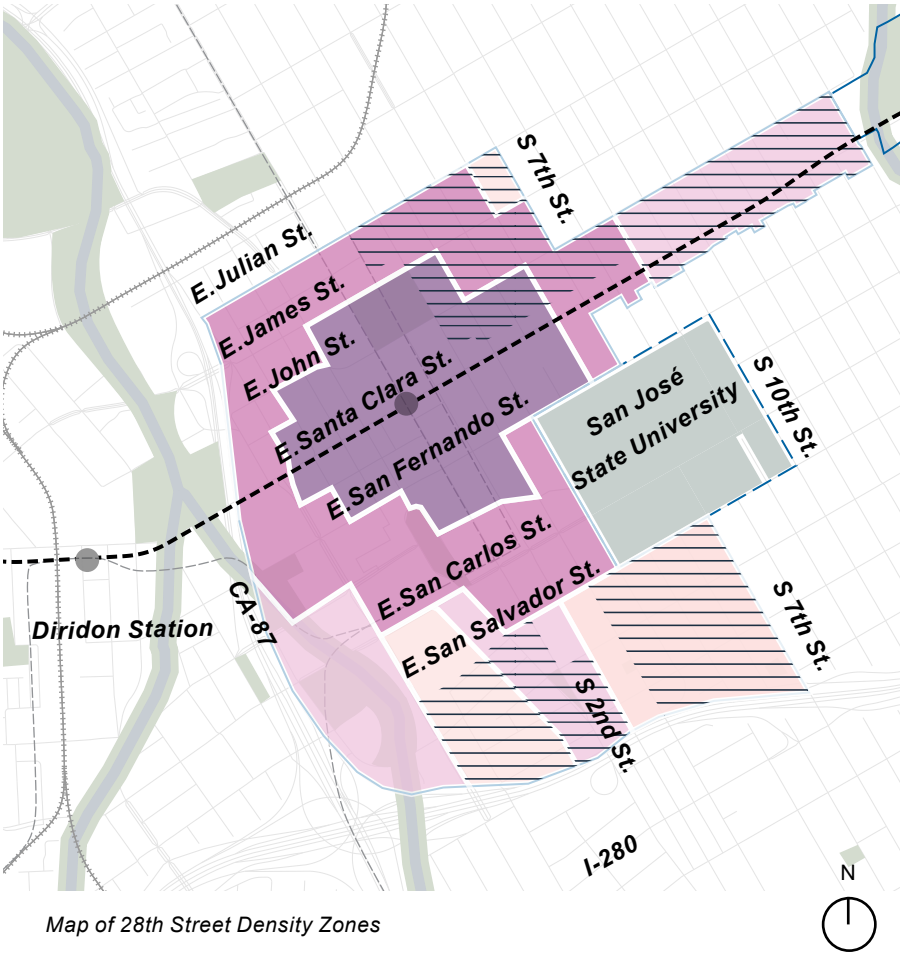
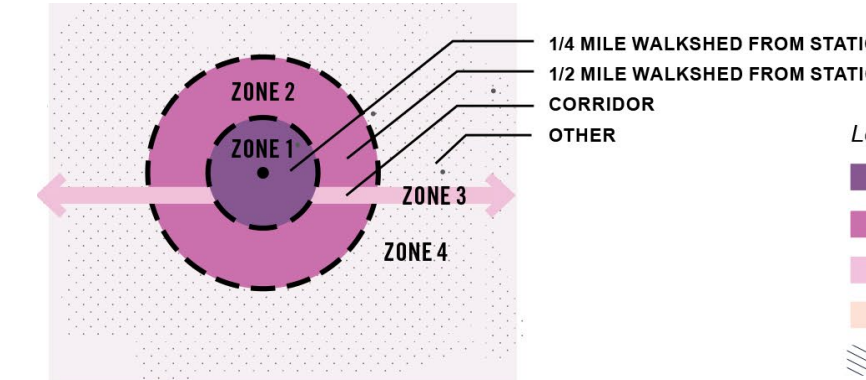
Phasing: Initiate with 12 months

Recommended Actions

- Establish minimum densities throughout the station area, varying according to distance from station, complemented by height restrictions which will establish upper density limits.
- Calibrate densities to ensure that short to medium term development is financially viable in zones further away from the station core while preserving land closer to the station for higher density development which may not be viable today but will become so over time.

Context


These recommended actions are building off the Downtown Employment Priority Area overlay (adopted December 2018). This overlay requires sites approximately one block of the planned Downtown BART station to have a minimum 4.0 FAR for commercial uses prior to allowing residential uses. For optimal TOC development, the minimum densities will need to be higher.



Map of 28th Street Density Zones

The shaded areas on this diagram represent the recommended density ranges which should be applied to all opportunity sites which occur within that zone. Opportunity sites are defined and identified in Section B of the Technical Appendix. Please note that there is no requirement or expectation that other properties which are not opportunity sites would be redeveloped, nor were these sites included in the calculations for development potential in the station area.


ZONE 1



METRICS

Use Type	Residential
Height*	up to 300'
Stories	≤ 29
Ground floor	Wrapped Parking or active use


ZONE 2 & 3



METRICS

Use Type	Residential
Height*	up to 240'
Stories	≤ 23
Ground floor	Wrapped Parking or active use


ZONE 4



METRICS


Use Type	Residential
Height*	up to 85'
Stories	≤ 8
Ground floor	Wrapped Parking or active use

Office




METRICS

Use Type	Office
Height*	up to 300'
Stories	≤ 20
Ground floor	Wrapped Parking or active use



METRICS

Use Type	Office
Height*	up to 240'
Stories	≤ 16
Ground floor	Wrapped Parking or active use



METRICS

Use Type	Office
Height*	up to 90'
Stories	≤ 6
Ground floor	Wrapped Parking or active use

* Zone 1 and 2 maximum heights reflect FAA height restrictions. Zone 3 and 4 reflect sensitivities to adjacent single family neighborhoods.

* Zone 1 and 2 maximum heights reflect FAA height restrictions. Zone 3 and 4 reflect sensitivities to adjacent single family neighborhoods.

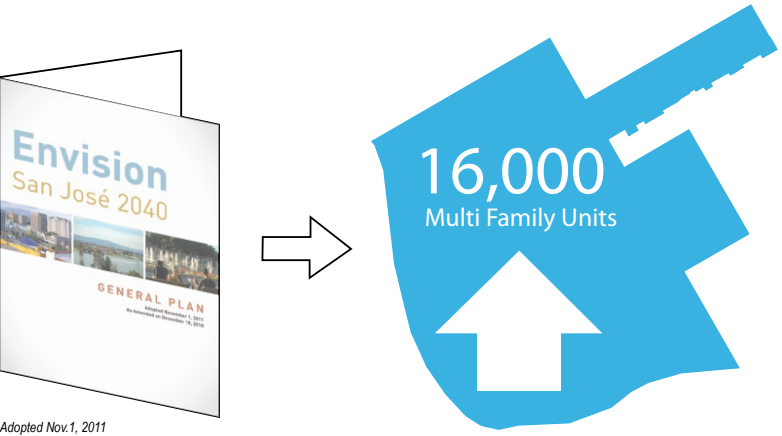
Matrix of Downtown San José density zones

■ Increase the housing allocation in the Downtown area in the Envision San José General Plan

Phasing: Initiate within 3 years

Recommended Actions

- Initiate housing allocation changes during the next annual General Plan update or four year review cycle.



■ Prioritize office development directly adjacent to the station

Phasing: Initiate within 3 years

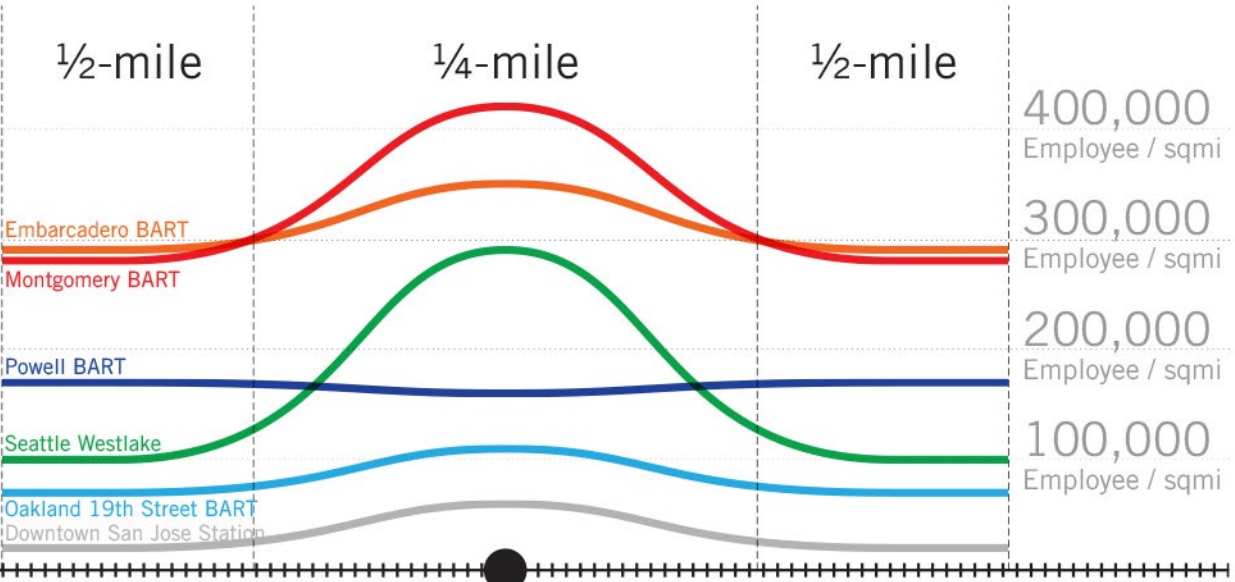
Recommended Actions

- Preserve key sites adjacent to the Station for high density development through ambitious minimum densities and adjust zoning to prioritize office development.

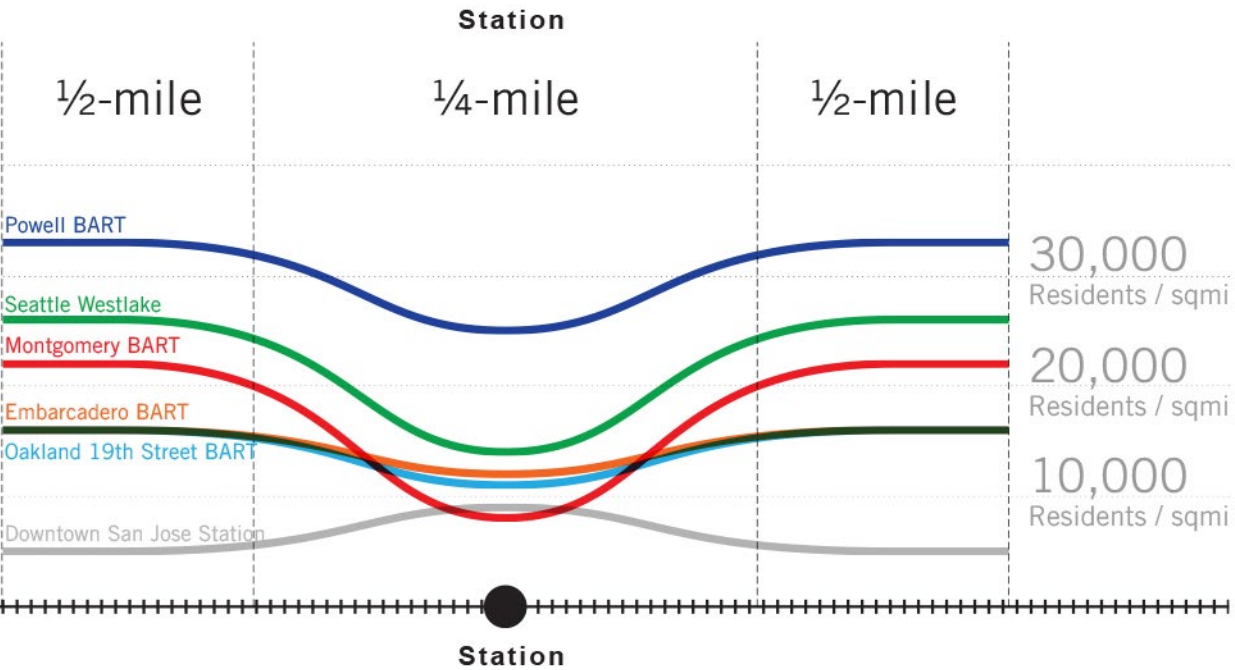
Context

Requiring employment density in the core of the station area will help maximize the market viability for office development while also supporting BART ridership by creating the most direct trips possible for commuters. TOD comparative analysis of existing BART stations shows a substantial increase in employment population density within ¼ mile of a station, where residential population density tends to be concentrated further away from the station.

These recommended actions are building off of the Downtown Employment Priority Area overlay (adopted December 2018). This overlay requires sites approximately one block of the planned Downtown BART station to have a minimum 4.0 FAR for commercial uses prior to allowing residential uses. For optimal TOC development, the minimum densities will need to be higher.



Employment Density Comparative Analysis



Station	1/4 mile	1/2 mile
28th Street Station	3,000	2,000
Montgomery BART	418,000	283,000
Embarcadero BART	345,000	293,000
Seattle Westlake Station	286,000	97,000
Powell BART	157,000	172,000
Oakland 19th Street BART	110,000	68,000

2015 US Census American Community Survey 5-year Estimates: B01003 Total Population, B25001 Housing Units <http://factfinder2.census.gov> and 2016 Canada Census of population <http://www.statcan.gc.ca>

Station	1/4 mile	1/2 mile
28th Street Station	9,000	12,000
Montgomery BART	8,000	22,000
Embarcadero BART	12,000	16,000
Seattle Westlake Station	14,000	26,000
Powell BART	25,000	33,000
Oakland 19th Street BART	11,000	16,000

2015 US Census American Community Survey 5-year Estimates: B01003 Total Population, B25001 Housing Units <http://factfinder2.census.gov> and 2016 Canada Census of population <http://www.statcan.gc.ca>



Protect and Support Small Business and Enhance Commercial Nodes

KEY STRATEGIES CHECKLIST

- Ensure that new development provides appropriate space for small, locally-owned businesses
- Continue to market Opportunity Zone investments in Downtown San José that will benefit small businesses
- Implement the Downtown San José Retail Strategy
- Continue and expand City programs to retain and support small and micro businesses
- Provide targeted assistance to small and microbusinesses impacted by new TOD



Photo Credit: Sergio Ruiz for SPUR

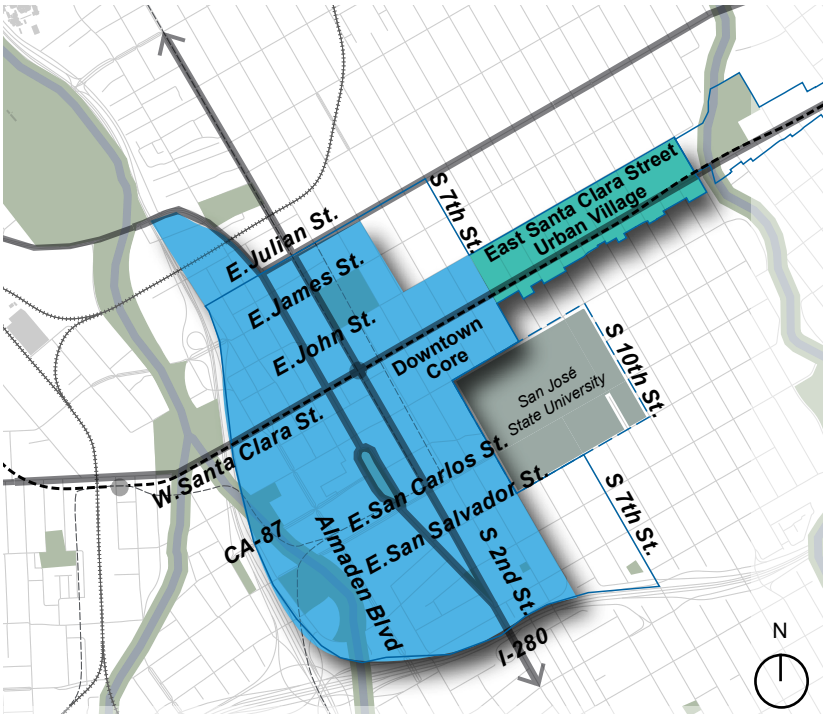
Why is this 'Big Move' essential for Transit Oriented Communities?

Small businesses are an essential ingredient for any successful transit-oriented community, and help to ensure a vibrant and human-scaled environment throughout the course of a day or week. Small businesses also create opportunities for a more unique mix of commercial uses that specifically cater to the needs and demographics of the surrounding community. Strategies are intended to help retain and promote existing small businesses as the station area attracts new TOD over time. As part of a separate effort, VTA is developing strategies to mitigate the potential disruption and displacement of businesses that occur due to construction of the transit project itself. *See Appendix P for more details on strategies for retaining and promoting small businesses in the station areas.*

Easy Access to Everyday Needs ✓	Housing Choices for Everyone	Active Street Life ✓
Safe People Spaces	Local Business and Services ✓	Supports My Community ✓

The Downtown San José Station Area includes two distinct areas of commercial activity:

- The Downtown Core is currently undergoing a transformation due in part to increased residential density from new development, several new dining and entertaining destinations and ongoing public and private efforts to support a downtown shopping environment. Despite these positive efforts, there are still barriers to realizing 24/7 vibrancy. Traditional retail in Downtown is struggling due to a challenging market and competition from online vendors. Additionally, the rents for ground floor commercial spaces are not affordable for local small businesses. Lastly, there are negative perceptions around safety, cleanliness, and the public realm.
- East Santa Clara Street, between 7th and 17th Streets is a distinct business district home to a diverse mix of businesses. The area is well known for its many longtime Vietnamese and Latino restaurants. There are several beauty salons, small medical offices, pharmacies, and auto-related retail and services scattered along the corridor. Small businesses are able to thrive here due in part to appropriately sized retail spaces as well as an active local merchants' association. The area faces challenges due to an uncomfortable pedestrian environment, lack of connections to the Downtown core, and concerns about parking availability.



Ensure that new development provides appropriate space for small, locally owned businesses

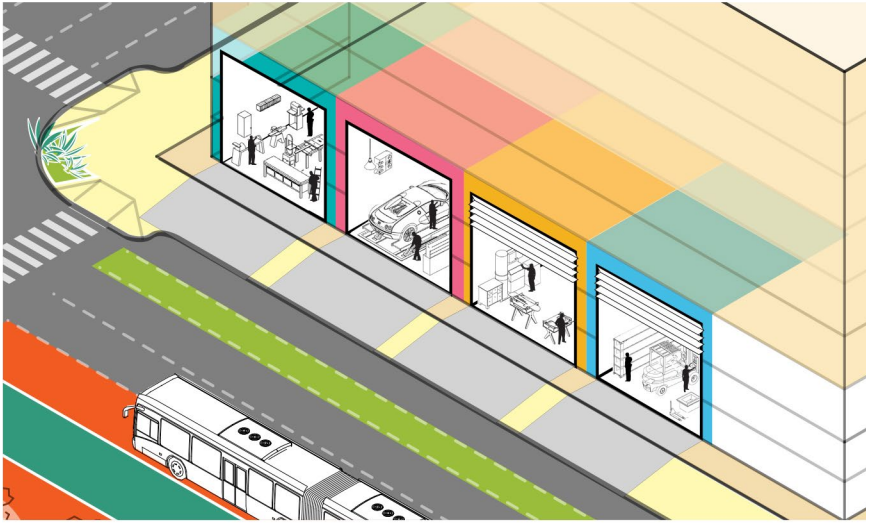
Phasing: Initiate within 12 months

Recommended Actions

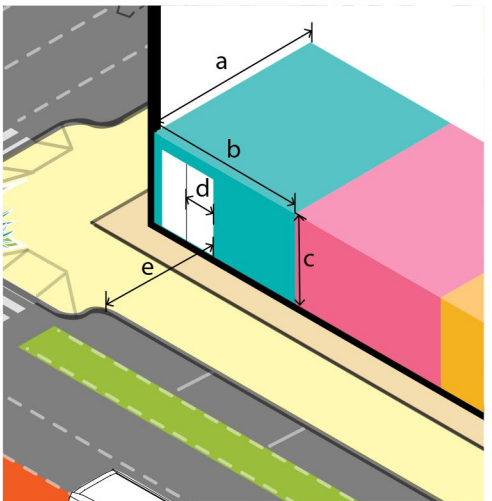
- Reduce commercial FAR requirements in mixed-use projects to make development more feasible, while also working with developers to provide space that is appropriate for small businesses in mixed-use projects.
- Provide developers with design guideline best practices for ground floor retail space in mixed-use buildings.
- Incentivize developers to provide tenant improvement allowances to small businesses.

Context

Ground floor retail space in mixed-use buildings should be well-designed for a variety of business uses. Guidelines for appropriate façade design, ceiling height, shop space depth, utilities, and other elements of building design can help ensure that new space is designed to support the success of a range of different commercial uses. New development should also be encouraged to include a mix of smaller shop sizes that are affordable to small, local tenants (e.g., in the range of 1,000 to 1,500 square feet); and larger shop sizes that can accommodate national retailers and other “anchor” tenants (i.e., larger tenants that draw foot traffic to a business district). Finally, the City should also consider the potential for including production, distribution and repair (PDR) space in larger development projects.



The City should also consider the potential for including production, distribution and repair (PDR) space in larger development projects.



- a = depth
- b = frontage
- c = height
- d = glazing
- e = sidewalk width

Guidelines for appropriate façade design, ceiling height, shop space depth, utilities, and other elements of building design can help ensure that new space is designed to support the success of a range of different commercial uses.

Continue to market Opportunity Zone investments that will benefit small businesses

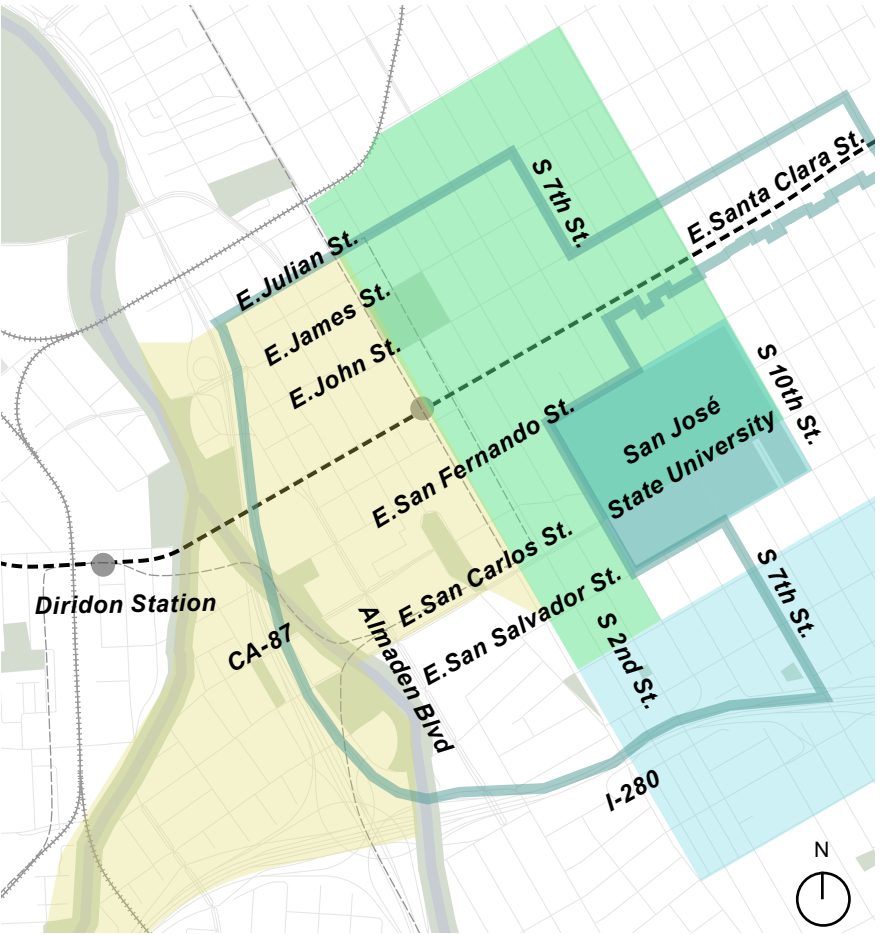
Phasing: Initiate within 12 months

Recommended Actions

- Encourage investments in entrepreneurs building their businesses in Downtown San José, or developing or retrofitting office spaces to serve as incubator and co-working spaces.
- Office of Economic Development (OED) should work with local non-profit partners to ensure that local businesses and entrepreneurs have the capacity to take advantage of investment opportunities (e.g., up-to-date business plans).

Context

The Opportunity Zone program was created as part of the 2017 tax bill. It allows investors to receive tax benefits in exchange for investing in businesses or real estate located in low-income Census Tracts designated as Opportunity Zones by the governor of each state. Eleven Census Tracts in San José have been designated as Opportunity Zones, including most of the Downtown station area.



Map of Downtown San José Opportunity Zones

- Legend**
- Downtown San José station area
 - Census Tract 5008
 - Census Tract 5010,5009.1
 - Census Tract 5016

Implement the Downtown Retail Strategy recommendations

Phasing: Initiate in 12 months

Recommended Actions

- Limiting ground floor retail requirements to certain key intersections, while allowing for other active ground floor uses in elsewhere.
- Continuing to incubate small retailers in Downtown.
- Create and promote a strong “Brand” identity for Downtown.
- Prepare a Downtown Developer’s Manual, including best practices for designing ground floor retail space.
- Identify and create distinctive pedestrian routes between key downtown anchor destinations.
- Address Quality of Life: develop strategies for addressing ongoing concerns such as homelessness, bicycle and pedestrian safety.
- Identify specific actions to address long-term retail vacancies.
- Consider adopting a policy regarding corporate cafeterias.

What is The Downtown San José Retail Strategy?

The Downtown San José Retail Strategy, adopted by City Council in March 2019, provides a comprehensive strategy for enhancing Downtown San José’s unique role in the City and Silicon Valley by focusing City efforts in the next three to five years.



Continue and expand City programs to retain and support small and microbusinesses

Phasing: Initiate in 12 months

Recommended Actions

- Provide information to business owners about existing programs designed to assist small businesses.
- Monitor small business performance and risk as development occurs on the corridor.

Context

The City of San José office of economic development currently offers grants in the range of \$10,000-\$15,000 to assist small businesses in making tenant or façade improvements. Grants are provided on a first-come, first-served basis to businesses occupying ground floor space in Downtown San José or one of the City’s neighborhood business districts (which include East Santa Clara Street and Alum Rock Avenue). In addition, the Office of Economic Development provides referrals to nonprofit partners that can provide assistance with business planning, financial management, lease negotiations, etc.

Provide targeted assistance to small and microbusinesses that are displaced by new TOD

Phasing: Initiate in 12 months

Recommended Actions

- Provide information to displaced businesses about relocation benefits for which they may be eligible.
- Incentivize market-rate developers to provide relocation assistance to displaced small businesses under the East Santa Clara Street Urban Village Implementation Framework.
- Prioritize businesses displaced by new development for technical and financial assistance.
- Work with local business associations and other service providers to match displaced tenants with vacant space and provide access to grants or loans for tenant and façade improvements.

Context

As new development occurs in the station area, the City of San José should work with local partners to ensure that displaced businesses have access to available assistance programs, and, if possible, can be matched with vacant space.



Create a 24/7 Mixed-Use Downtown

with a Targeted Mix Of Uses

KEY STRATEGIES CHECKLIST

- Concentrate ground floor retail requirements in the station area to targeted locations
- Invest in public realm improvements to support a pedestrian and bicycle friendly environment



Photo Credit: Sergio Ruiz for SPUR

Why is this 'Big Move' essential for Transit Oriented Communities

Downtown San José is growing as a destination for dining and entertainment. By complementing these dining and entertainment uses with well designed, dynamic public spaces, merchants can tap into a night-time economy and help make Downtown feel safer at all times of day.

In the effort to enhance the Downtown experience, it is critical to designate safe primary connections from the station to commercial activity nodes for pedestrians, cyclists to move through as well as places to congregate.

Easy Access to Everyday Needs	Housing Choices for Everyone	Active Street Life
		✓
Safe People Spaces	Local Business and Services	Supports My Community
✓	✓	✓

Opportunities

- Create and promote a strong “Brand” identity for Downtown.
- Enhance placemaking and the design of the public realm.
- Identify and create distinctive pedestrian routes between key Downtown anchor destinations.
- Bring boulevards up to Vision Zero compliance. This includes safer pedestrian crossings and more comfortable bicycle facilities at night.
- Commission local organizations, artists, and citizens to customize their neighborhoods in a way that respects civic and cultural heritage.

Challenges

- Downtown San José is growing as a destination for dining and entertainment, but still struggles to attract clothing, accessories, home furnishings, or other goods.
- There are quality of life issues in Downtown including a large homeless population.

Concentrate ground floor retail requirements in the station area to targeted locations

Phasing: Initiate within 12 months

Recommended Actions

- The City of San José should focus on creating distinct retail destinations at targeted locations throughout the station area.
- Permit other active ground floor uses such as makers spaces and professional services.

Context

Downtown San José has a unique set of assets. Although the combined buying power of the people living and working in San José is significant, these consumers alone do not define Downtown's retail niche. In fact, Downtown's greatest strength comes from its multifaceted role of serving both residents and office workers, but also the million plus visitors who pass through the station area every year. Downtown could continue to build on its strength as an entertainment and visitor destination by making it fun and easy to move around from place to place.

Despite significant growth in projected retail demand, future retail supply will grow slowly, due in part, to changing industry trends. Given this limited future demand, in the short-term, retail activities should be focused in locations that best match the retail industry's location criteria focusing on key intersections.



Map of Downtown San José targeted retail intersections and active ground floors

Legend

- Primary Intersection with Retail Concentration
- Primary Active Use/Transparency Zone

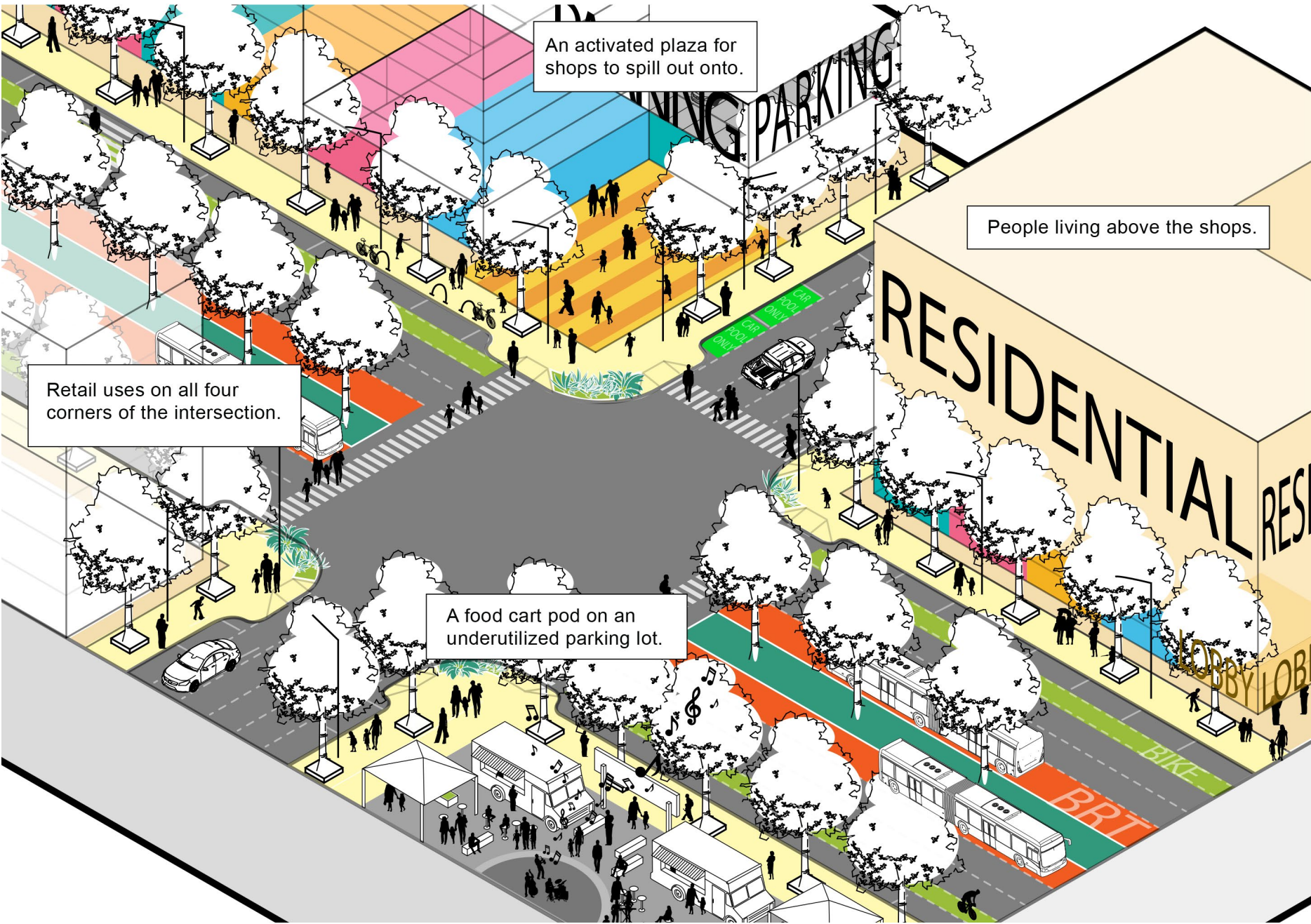


Diagram of a distinct retail destination

Invest in public realm improvements to support a pedestrian and bicycle friendly environment

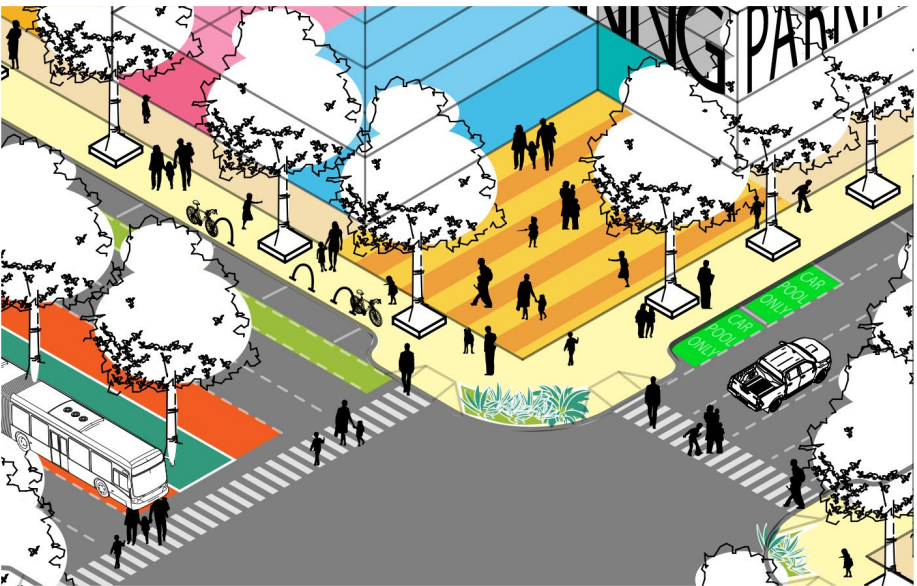
Phasing: Initiate within 12 months

Recommended Actions

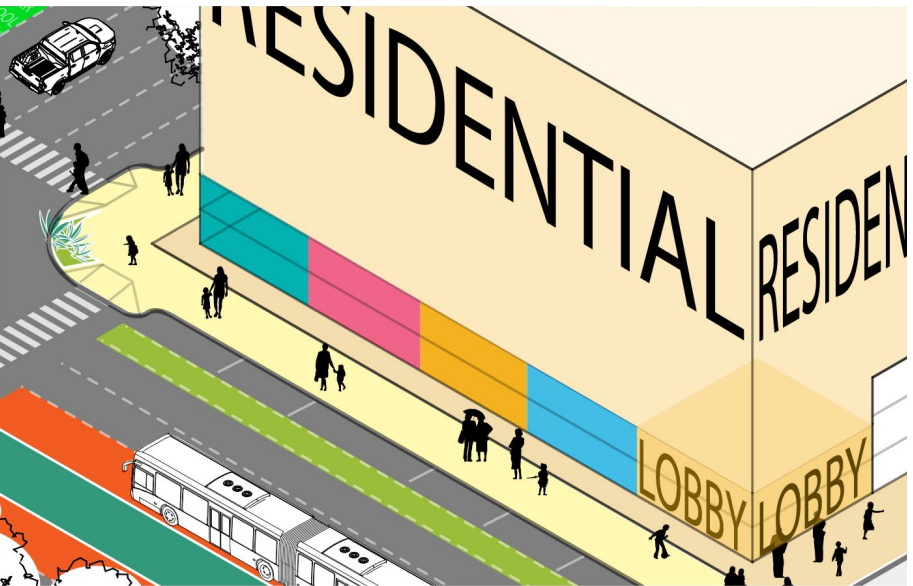
- Prioritize bicycle, pedestrian, transit access, and streetscape improvements that enhance access to businesses as well as to the future BART station.

Context

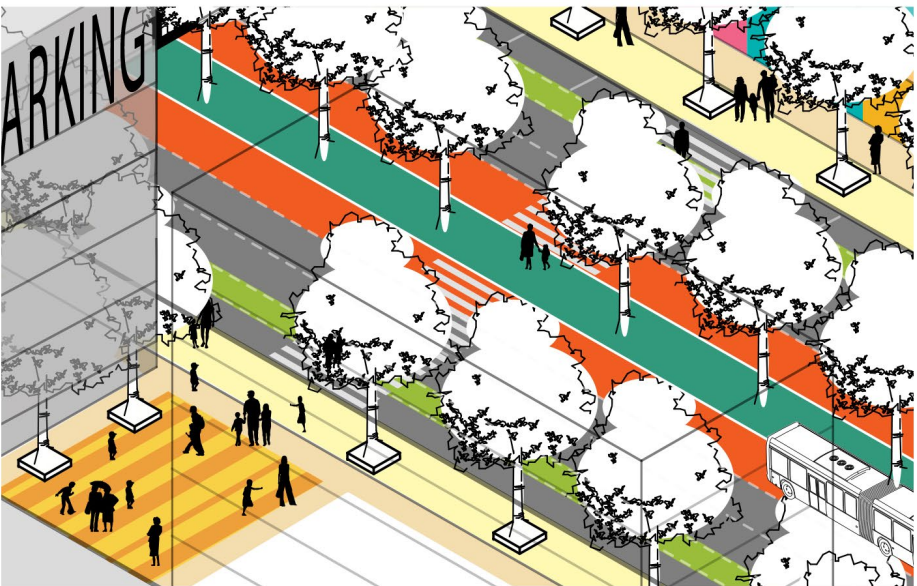
Local stakeholders have identified a number of public realm challenges that negatively affect perceptions of the East Santa Clara Street, including limited parking for workers and businesses, a challenging pedestrian environment and lack of connections to the Downtown Core. Bicycle, pedestrian and transit improvements in the station area should be targeted at improving access to businesses as well as to the future BART station and other transit options. In addition, the City should consider whether the corridor between the Downtown and 28th Street stations should be included in the shared access district strategy for the Downtown Core.



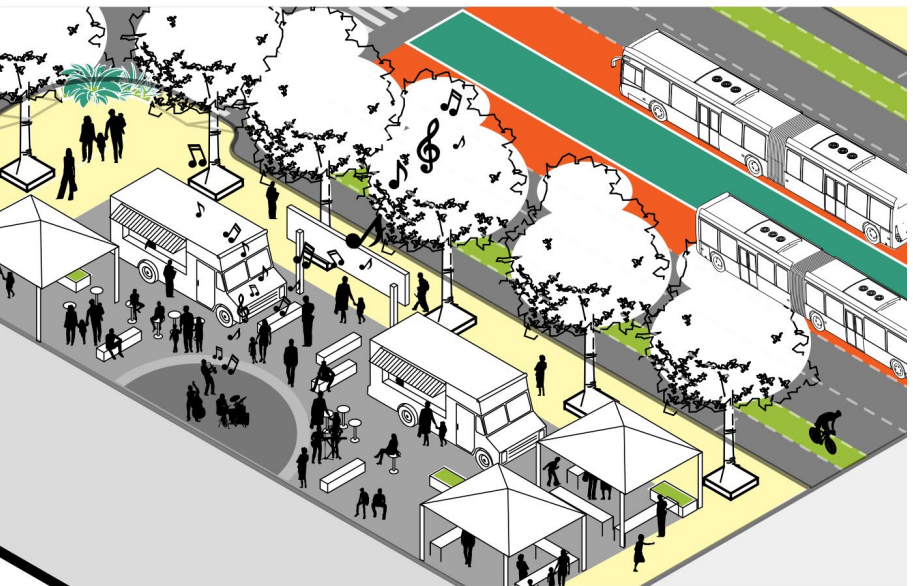
Safely connect people to different activity centers and the BART station entrance.



Concentrate retail uses along major streets and nodes that are compatible with pedestrian activity and targeted growth.



Traffic calming strategies in Downtown San Jose will allow prioritization of pedestrians, bike and transit corridors.



Convert underutilized parking lot on weekends into a community farmer's market and plaza space.



Protect and Produce Workforce and Affordable Housing throughout the Station Area

KEY STRATEGIES CHECKLIST

- Pursue new partnerships and funding for affordable housing production
- Leverage VTA properties and other public land for affordable housing production
- Make it easier for low income tenants to access affordable housing
- Implement more robust policies to preserve existing affordable housing
- Ensure that existing tenants and homeowners can stay in place by expanding existing policies and resources
- Increase local funding for deed-restricted affordable housing production



Why is this 'Big Move' essential for Transit Oriented Communities?

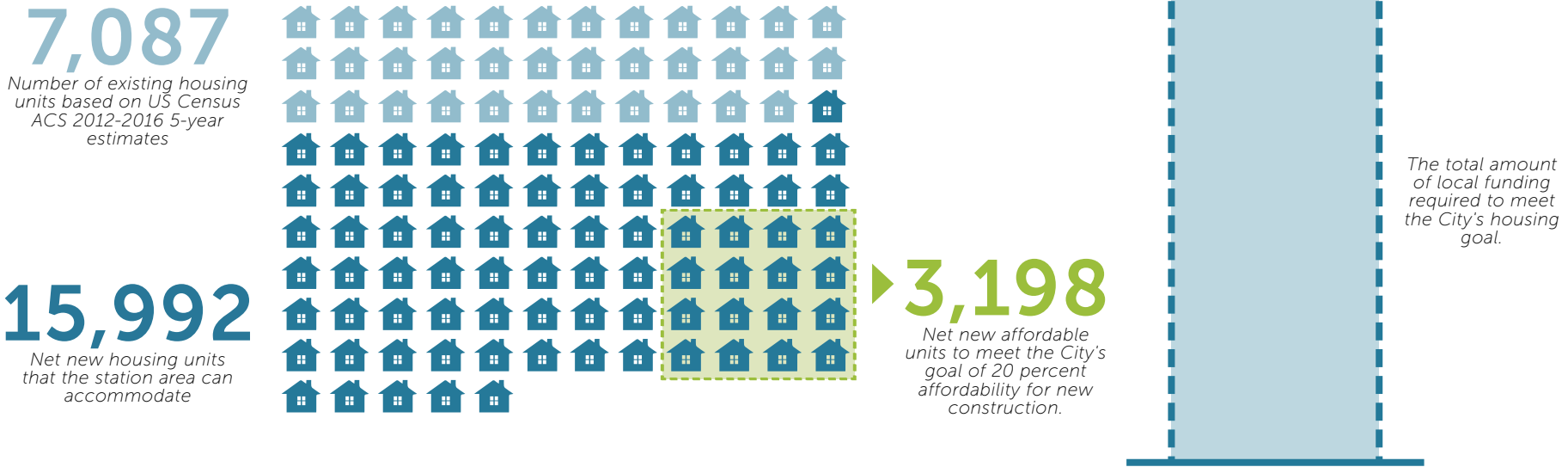
Building affordable housing near the future BART station has the potential to help reduce housing and transportation costs for very low-to moderate-income households. The City and VTA have set ambitious goals for affordable housing development. Meeting these goals will require prioritizing affordable housing construction in the station areas and leveraging new funding sources. Preserving existing affordable housing and protecting current tenants and homeowners from displacement will help ensure that existing (as well as new) residents benefit from expanded transit access.

Appendix M provides more information on the strategies recommended in this section.

Easy Access to Everyday Needs ✓	Housing Choices for Everyone ✓	Active Street Life ✓
Safe People Spaces	Local Business and Services	Supports My Community ✓

San José Station Area Housing

By the numbers:



Framework: Protect, Preserve, Produce

In order to mitigate the risk of household displacement and to maximize the potential benefits of new transit for lower income households, it is critical that supportive strategies be put into place that address the following three principles:

- Protect tenants and homeowners that currently live in the station area and surrounding neighborhoods.
- Preserve the affordability of existing housing in the station area and surrounding neighborhoods.
- Produce new affordable housing units to expand the availability of housing for lower income households in the station area.

Definition of Affordable and Workforce Housing:

For the purposes of the TOC Strategy, housing is defined as “affordable” if a household spends 30 percent or less of its gross income on housing costs.

By this definition, affordable housing includes regulated units that have limits on the maximum rents or sales prices (also called deed-restricted units), as well as unregulated units that have no restrictions on rents or sales prices but are relatively low cost. Deed-restricted affordable housing can be restricted to one of several income categories: extremely low-income, or households earning 30 percent of area median income (AMI) and below; very low-income households earning 31 to 50 percent of AMI; low-income households earning 51 to 80 percent AMI; or moderate-income households earning 81 to 120 percent of AMI. "Workforce" housing typically refers to housing that is affordable to moderate income households.



Foundry Commons, San José

Photo Credit: Sergio Ruiz for SPUR

Pursue new partnerships and funding for affordable housing production

Phasing: Initiate within 12 months

Recommended Actions

- Pursue new state funding sources for affordable housing and TOD.
- Monitor new private funding sources to help fill the funding gap.

Context

Limited resources are available to help meet affordable housing production targets for the station area. The Downtown Strategy 2000 Environmental Impact Report (EIR) sets a goal of 20 percent affordable housing for Downtown San José. VTA's Joint Development policy also requires a minimum of 20 percent affordable units at no more than 60 percent of AMI on individual VTA-owned sites, and a 35 percent goal across VTA's joint development portfolio.

Federal, state, and private funding sources are required to fund affordable housing. In the last two years, new state funding sources and private philanthropic opportunities have emerged. Other local partnerships may also be possible.

Case Study: Affordable Housing for Sustainable Communities (AHSC)

The City of San José recently won two AHSC awards from the State of California Strategic Growth Council for projects in the Downtown and 28th Street station areas. The awards include \$31.5 million for two residential developments that will include 155 new affordable apartments. Of the \$31.5 million, nearly \$21.5 million will help fund housing construction. Approximately \$10 million will fund local transportation improvements. This includes \$4 million for VTA to purchase new electric buses, and approximately \$6 million for the City to build new and protected bikeways, make pedestrian crossing safety improvements, and add tree and landscaping to urban areas.”



Source: The Registry, Bay Area Real Estate

Leverage VTA properties and other public land for affordable housing production

Phasing: Initiate within 12 months

Recommended Actions

- Identify opportunities to offer VTA-owned land and other publicly owned sites at a discounted rate for affordable housing development.

Context

Publicly-owned sites represent a unique opportunity to facilitate the production of affordable housing. Reserving public land for this purpose helps affordable housing developers acquire sites in desirable locations, which is especially important given rising land costs and mounting competition with market-rate developers for site acquisition in prime locations near transit. In addition, offering publicly-owned land at a below-market rate helps reduce development costs, and can increase a project's competitiveness for grants and tax credit programs.

Make it easier for low-income tenants to access affordable housing in the station area

Phasing: Initiate within 12 months

Recommended Actions

- Implement a source of income ordinance.
- Consider establishing a new policy that would give displaced San José tenants a better chance of obtaining an affordable unit.

Context

Although new transit has the potential to provide benefits to low- and moderate-income households, eligible tenants may face challenges in finding or renting affordable units in the station area for a host of reasons. Discrimination against recipients of federal Housing Choice Vouchers (HCV, more commonly known as Section 8 vouchers) is prevalent in San José. As a result, voucher recipients are often unable to find a suitable private rental apartment and may lose their voucher due to expiration rules. A source of income ordinance would prohibit discrimination based on source of income, including tenant subsidies such as HCVs. The Santa Clara County Board of Supervisors recently adopted an ordinance of this kind, which applies to the County's unincorporated areas.

The City of San José is also currently exploring the implementation of new lottery preferences for new deed-restricted housing, which would give preference to households that have been displaced from their San José home or from gentrifying areas.

Implement more robust policies to preserve existing affordable housing

Phasing: Initiate within 12 months

Recommended Actions

- Continue to require unit replacement, or an equivalent alternative, when rent-stabilized units are demolished.
- Continue to track and preserve expiring deed-restricted units.
- Partner with funders and affordable housing developers to create a new acquisition and rehabilitation program for naturally occurring affordable housing (NOAH).

Context

The housing stock of the Downtown San José Station Area is at risk of losing affordability. The station area includes expiring deed-restricted units, rent-stabilized units, naturally occurring affordable housing (NOAH), and historic homes that could be redeveloped and/or become unaffordable to lower income households. Several existing affordable projects, accounting for 256 deed-restricted units, have deed restrictions that are expiring in the next 10 years. These units may be at risk of conversion to market rate if the terms of the deed restriction are not renewed. There are 2,900 rent stabilized units within the station area. Although San José’s rent stabilization ordinance limits the rate at which rents can be increased for a given tenant, a state policy known as “vacancy decontrol” gives landlord full discretion to reset initial rents when a new tenancy begins.

Ensure that existing tenants and homeowners can stay in place by expanding existing policies and resources

Phasing: Initiate within 12 months

Recommended Actions

- Increase targeted emergency rent assistance for at-risk households.
- Increase legal services and outreach for tenants facing evictions.
- Closely monitor evictions, rent increases and foreclosures in the station area.
- Improve protections for tenants of deed-restricted affordable housing.
- Increase assistance to low-income homeowners.

Context

The City of San José has adopted and strengthened several anti-displacement policies over the years. Gentrification and displacement are already underway in Downtown San José. Findings from UC Berkeley’s Urban Displacement Project indicate that gentrification and displacement are ongoing in the Downtown San José Station Area. Additional demographic analysis determined that the station area includes a mixed and transitioning population, and many households remain vulnerable to displacement. In particular: The station area is a majority renter area, with over 80 percent renter-occupied units. A quarter of renters are severely cost-burdened.

Increase local funding for deed-restricted affordable housing production

Phasing: Initiate within 12 months

Recommended Actions

- Support a citywide affordable housing bond measure.
- Implement a commercial linkage fee.
- Explore dedicating a portion of potential future tax increment financing (TIF) district revenues to affordable housing.

Context

Local funding is an essential component of affordable housing funding, as it represents the missing gap needed to make projects work beyond what can be more easily obtained from federal and state sources, tax credits, and permanent financing. The estimated local funding gap needed to meet the Downtown San José Station Area’s affordability target is approximately \$552 million. New resources will be needed to fill this gap.

The City is already considering a new citywide affordable housing bond measure, after the narrow defeat of a similar measure in November 2018. The City is also in the process of conducting a nexus study for a commercial linkage fee on new commercial development (office, retail, industrial, hotel, etc.) to help pay for affordable housing development. If an EIFD or other TIF district is implemented in the station area, the City of San José should explore the appropriate share of revenues to set aside for affordable housing.

What is a TIF District?

Tax increment financing (TIF) is a mechanism that captures incremental increases in tax revenues generated in a specific district, in order to pay for improvements in that district. TIF districts, such as Enhanced Infrastructure Financing Districts (EIFDs), are being considered as part of VTA’s BART Phase II TOCs Strategy. If a TIF district is being implemented in the station area, the City of San José should explore the appropriate share of revenues to set aside to assist in meeting affordable housing goals.

For more information and an example of a TIF district, see page 64.



Unlock the Value of Mobility for All Stakeholders

KEY STRATEGIES CHECKLIST

- Right-size parking requirements for residential, office, and retail development
- Encourage use of sustainable modes through Transportation Demand Management (TDM) Strategies
- Adopt a Shared Mobility District that manages transportation and parking to provide access throughout the station area
- Adopt street hierarchy typologies in the station area
- Create a tailored approach to streetscape improvements and transit connections



Photo Credit: Sergio Ruiz for SPUR

Why is this 'Big Move' essential for Transit Oriented Communities

While additional development density has the potential to increase ridership, transit ridership is not based on development density alone; oversupplying parking can reduce the value of the transit investment.

By setting a maximum parking requirement instead of a minimum requirement, cities can provide context-sensitive and evidence-based guidance to developers that frames parking as one component of the transportation network.

Right-sizing parking reduces project costs and increases the amount of land available for the best part of TOC's: housing, jobs, shops and play space.

Easy Access to Everyday Needs ✓	Housing Choices for Everyone	Active Street Life ✓
Safe People Spaces ✓	Local Business and Services ✓	Supports My Community ✓

San José Station Area Parking

By the numbers:



Right-size parking for residential, office, and retail development

Phasing: Initiate within 12 months

Recommended Actions

- Eliminate parking minimums for all new development.
- Cap parking ratios at the following maximums for all new development:

Station	Category	Multi-Family Residential	Office	Ground-Floor Retail
San José Downtown	Existing Standards	1 space per unit minimum	2.5 space per 1,000 square feet minimum	No parking required
	Comparable Standards	No parking required (San Diego, CA)	No parking required (Sacramento, CA)	No parking required (Sacramento, CA)
	Recommended Standards	No parking required	No parking required	No parking allowed

Case Study: City of San Diego, CA

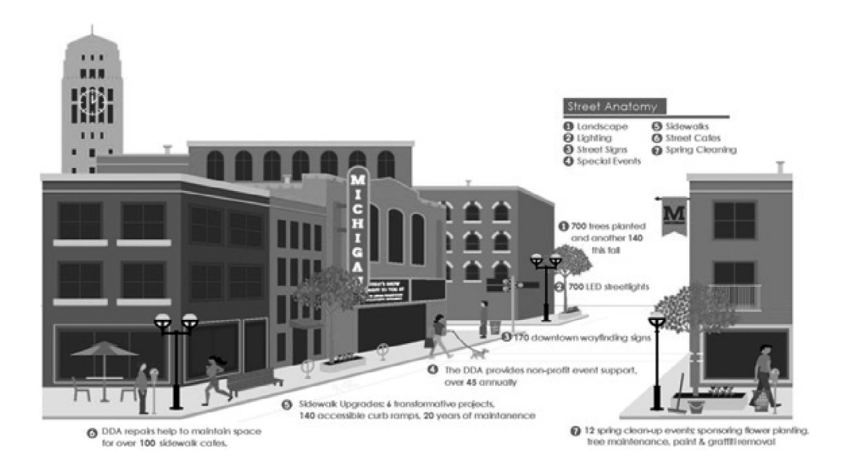


Photo credit: Nathan Rupert, obtained via Flickr

The City of San Diego found that 89% of 41 multi-family apartment sites located in within a half-mile of a major transit stop had lower demand than the prevailing requirement ratio. Following the study, the City Council successfully voted in March 2019 to remove minimum parking requirements for multi-family residential uses in downtown San Diego and areas within a half-mile of a major transit stop.

Source: Natural Resource Defense Fund

Case Study: City of Ann Arbor, MI



The Ann Arbor Downtown Development Authority (DDA) helped redefine the role of a public parking authority by recognizing the value of reducing parking demand, not only through efficient shared-parking management but also by directing parking revenues to fund non-driving mobility improvements and TDM programs, including:

Transit Expansions – Free circulator buses, commuter express bus service to outlying communities.

Pedestrian Enhancements – Continual streetscape improvements, walking maps, wayfinding programs, etc.

Bicycle Amenities – 1,000+ bike parking spaces provided, including bike lockers, sheltered bike houses, and in-street corrals across downtown.

Safer Streets – Multiple street redesign and traffic calming projects, including development of the Downtown Street Design Manual.

Demand Reduction Programs – Several programs maintained by the DDA-funded getDowntown organization, including the go!pass, an unlimited-pass transit benefit.

Source: Ann Arbor’s Existing Mobility Resource’s, Parking and TDM Study, Ann Arbor DDA, 2016.

Encourage use of sustainable modes through Transportation Demand Management (TDM) strategies

Phasing: Initiate within 12 months

TDM Programs



Subsidized Transit Pass and Bikeshare Membership

Provide contributions or incentives towards the equivalent cost of a transit pass and bikeshare membership for employees and/or residents.



Carpool / Vanpool Matching

Facilitate carpooling and vanpooling by matching potential riders.



Commuter Benefits Program

Employers with at least 50 employees required to enact 1) allowed pre-tax transit/vanpool expenses, 2) subsidies to employees to use transit/vanpool, 3) directly-provided transit services, or 4) an alternative benefit approved by Metropolitan Transportation Commission.



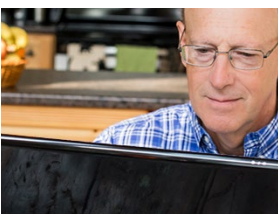
Guaranteed Ride Home

Offer non-single occupancy commuters with free rides home in event of an emergency.



Enhanced Walking Conditions

Providing streetscape improvements and a connected pedestrian access network that internally links areas of a project site to encourage people to walk (including walk to transit) instead of drive.



Flexible Work Arrangement Programs

Provide work from home (aka telecommuting) and flexible schedule options.



Carpool and Vanpool Preferential Parking

Designate the most desirable parking spaces for employees who carpool or vanpool.



End-Of-Trip Bicycle Facilities

Provide secure storage for bikes, along with showers, lockers and changing rooms.

What is Transportation Demand Management (TDM)?

Transportation Demand Management (TDM) are programs and policies that encourage people to use all elements of the transportation system, resulting in balanced demand across the system and less demand for driving and parking. Developers will be expected to provide the following TDM programs to residents and employees within the station area to support 28th Street as an equitable TOC.

* The City of San José is undertaking a downtown transportation study and should consider evaluating a downtown-wide parking cap including the TOC study area and the wider district.



Unbundled Parking

Parking costs are detached from residential rents or commercial leases. Residents and employees would have to pay separately for parking space access.



Car Share Vehicles

Designated parking for car share vehicles (accessible 24/7).



Cash-Out Parking

Where free parking is provided, give employees the option to receive the cash value of free parking in lieu of a parking space.



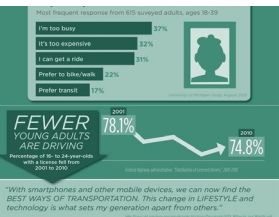
Car Share Memberships

Subsidized car share membership fees for development residents, tenants and employees.



Price Parking

Charge for parking. This may include explicitly charging employees for parking, implementing market or dynamic rate pricing and validating for invited guests only.



TDM Marketing

Provide employees, residents, and/or guests with information on available travel options.

Adopt a Shared Mobility District that manages transportation and parking to provide access throughout the station area

Phasing: Initiate within 3 years

Recommended Actions

- All off-street parking supply in the station areas is recommended to be shared and/or centralized. District wide parking will be managed by a Shared Mobility District.
- Encourage or require multiple landowners to enter into shared parking agreements, or parking to be provided for the whole district, which uses parking more efficiently and requires less space dedicated to parking.

Context

City of San José policies and codes can encourage parking to be provided and managed as an open, shared, public resource, resulting in more efficient use, and reuse, of parking spaces across shifting demand patterns.

Much of the proposed policy guidance has already been established by the City of San José's Parking Rate Resolution which sets policy guidance for managing parking differently in different areas. This includes the following: Allow for occupants of buildings without off-street parking to lease parking public facilities; Delegates the authority to the Department of Transportation Director to implement demand responsive pricing for certain types of parking; Charging different amounts for specific user groups (i.e. San José State University students, Downtown merchants and their employees, and startup companies). Management of individual parking facilities will vary by context and technology available at time of implementation.

What is a Shared Mobility District (SMD)?

A Shared Mobility District is an entity that helps to manage parking resources and facilitate non-auto forms of transportation to reduce parking demand within a district. SMDs would be charged with identifying and facilitating opportunities to more efficiently use existing parking spaces, negotiating with private owners of existing parking facilities, building and managing new parking facilities as needed, and implementing wayfinding, signage, and other improvements to encourage visitors to park once and walk to destinations within the station area.

A SMD would be established and supported via contributions to a shared parking fund which would be used to build, operate, and maintain its parking assets. The parking supply developed in the districts are meant to meet all the district's needs. Just like transit and roads are shared by everyone, a shared parking supply is meant to meet the needs of the entire SMD.

Depending on their options and means, residents will include people who do not have a car, use a car occasionally, and need a car for commuting. Note that residential parking is shared among residential tenants and their guests only, not with commercial/office supplies. Commercial tenant/lessees will ensure access to employees via daily permits, and to visitors via hourly public parking and validation programs. *Go to Appendix K for additional case studies.*

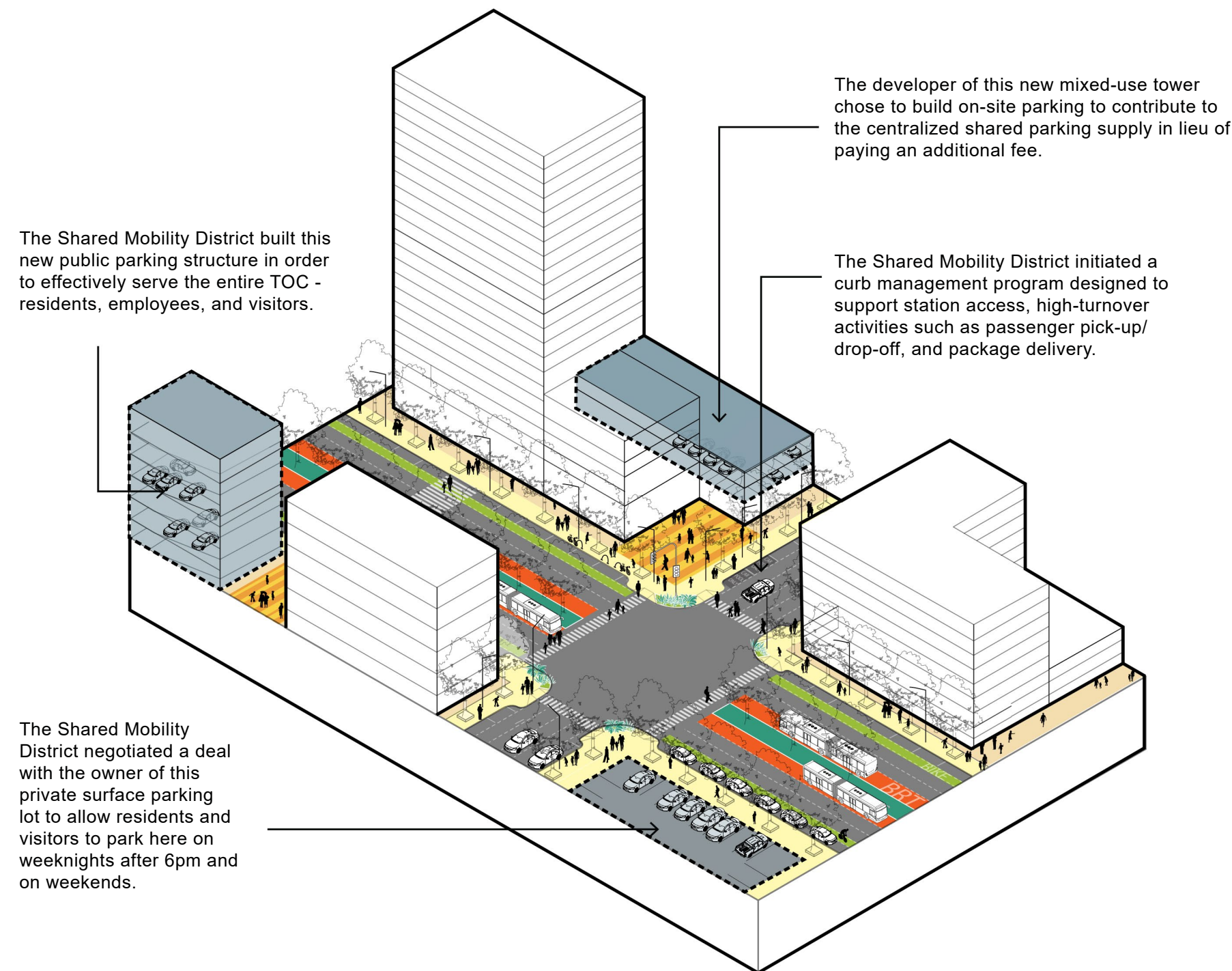
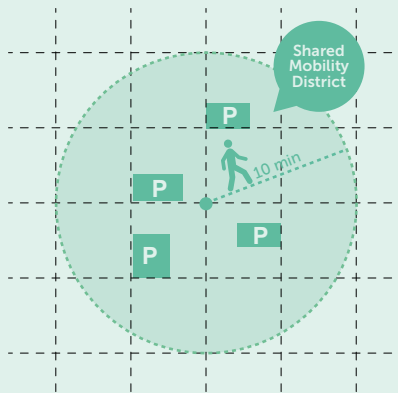


Diagram of a Shared Mobility District

Adopt street hierarchy typology for the station area

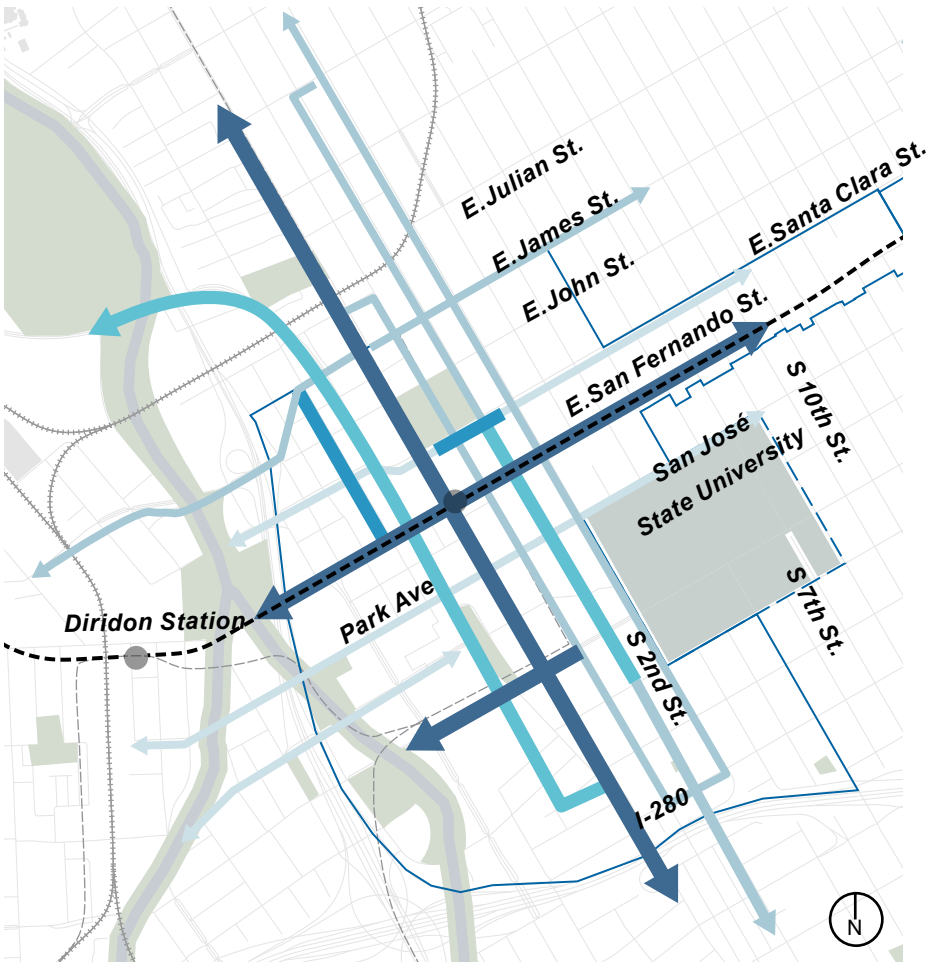
Phasing: Initiate within 3 years

Recommended Actions

- Adopt Transit Oriented Development Street Typologies that were developed for the City of San José Complete Streets Design Guide.

Context

Due to the dense street grid with wide sidewalks, recent addition of protected bicycling infrastructure through the Better BikewaySJ project, and many transit options, the Downtown San José Station Area is relatively supportive of non-auto modes of travel. However, these non-auto modes are still constrained due to gaps in those facilities or a lower level of comfort associated with conflicts with automobiles. These conflicts result from the large portion of the public right-of-way dedicated primarily to the movement or storage of private automobiles, with only a small portion exclusively set aside for travel by foot, bicycle, or transit.



Map of Downtown San José Street Hierarchy

Create a tailored approach to streetscape improvements and transit connections

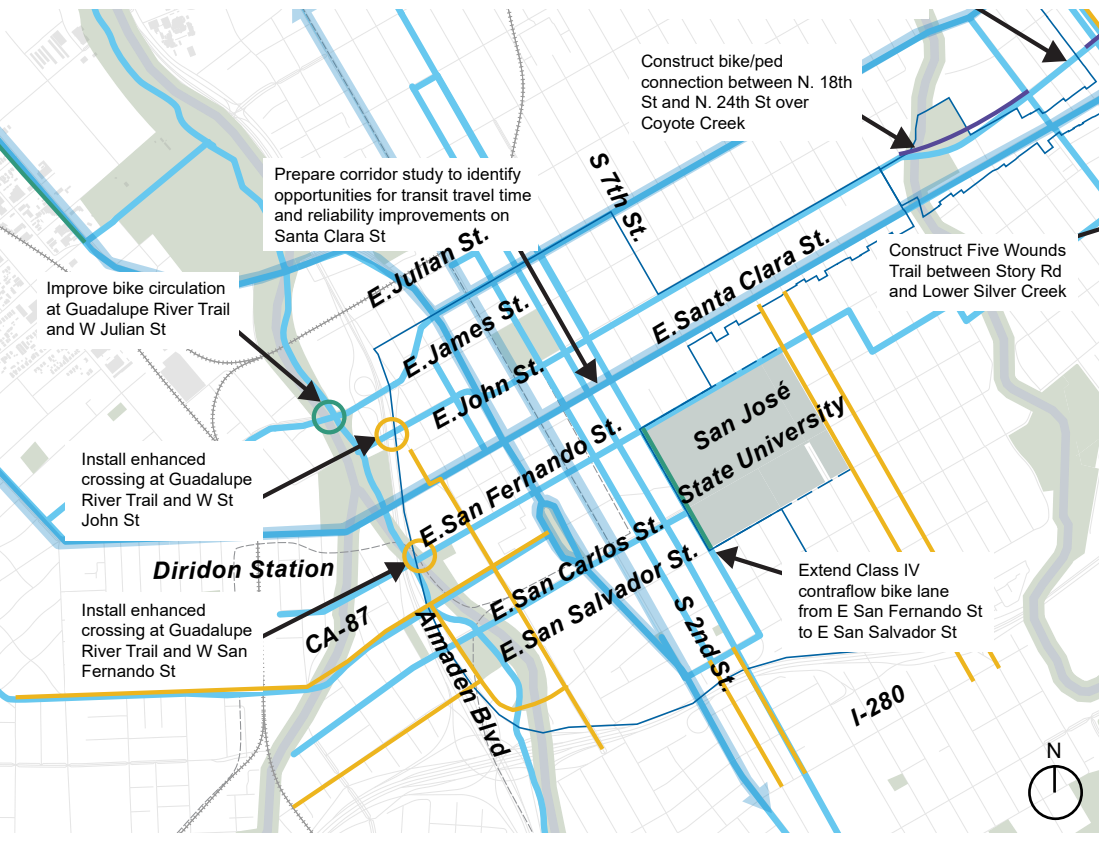
Phasing: Initiate within 12 months

Recommended Actions

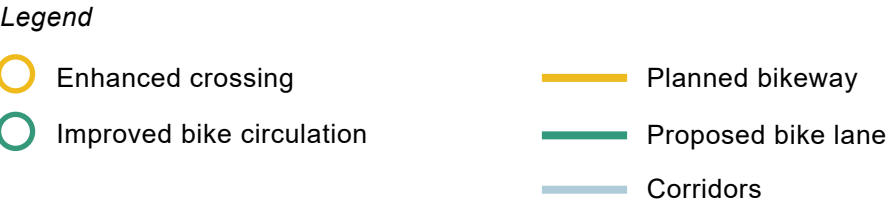
- Install protected bike lanes and widen sidewalks on station access routes.
- Construct bulb-outs and install high visibility crosswalks within 1/4 mile of walkshed.
- Improve curb ramps to current ADA standards within 1/4 mile walkshed.
- Improve bicycle and pedestrian conditions at key intersections adjacent to the station.
- Install wayfinding signage along station access routes.
- Improve and implement transit priority on E. Santa Clara Street per General Plan to support the BART Station.

Context

To access the station from San José City Hall, San José State University, San José Convention Center, pedestrians must traverse large surface arterials, and use sidewalks that are not separated from high-speed traffic. Currently there are several low-stress, dedicated facilities in the station area. Lastly, transit users must contend with their buses being delayed by auto congestion and facing difficulty reentering traffic after a stop.



Map of Downtown San José Street Improvements





Prioritize Funding and Implementation

KEY STRATEGIES CHECKLIST

- Create a dedicated staff position within the City of San José to lead TOC implementation
- Establish a framework for ongoing collaboration between Cities of San José and Santa Clara, and VTA
- Establish a Community Facilities District to leverage contributions from new development
- Implement a Tax Increment Financing District, and consider sharing revenues across San José station areas
- Work together to identify grants and other upfront funding sources
- Engage with local partners to expand community and economic development activities



Photo Credit: Sergio Ruiz for SPUR

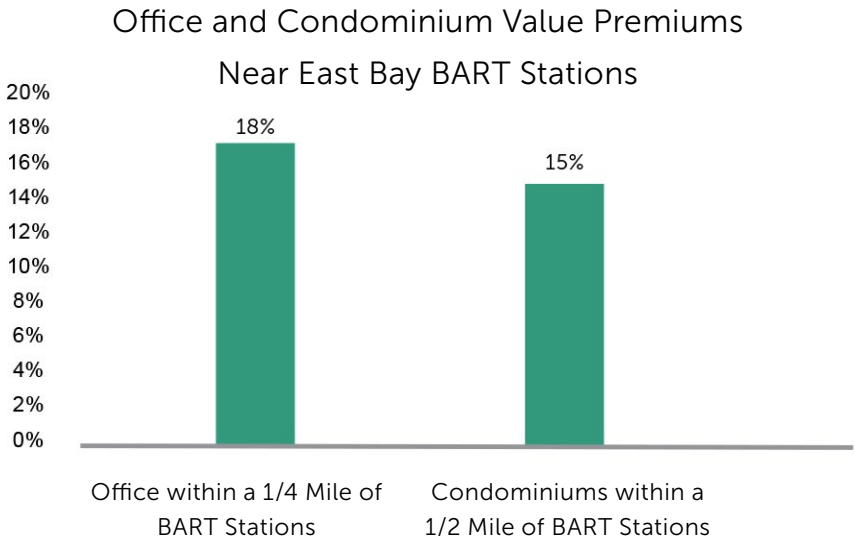
Why is this 'Big Move' essential for Transit Oriented Communities

Great TOCs require government agencies, community-based organizations, and private sector partners to make a lasting, long-term public commitment to invest in public infrastructure, affordable housing, and local economic development. Successfully implementing the TOC priorities will require dedicated City staff time, ongoing collaboration among agencies and local stakeholders, and new funding strategies.

While each station area has its own set of implementation and funding needs, each will benefit from a corridor-level approach to implementation. A corridor-level approach will maximize resources, prioritize the most critical investments across station areas, enable access to a broader range of funding sources, and bring a wider range of partners to the table. *Appendix O provides a comprehensive funding and implementation strategy for the corridor, including more details on all the strategies discussed in this section.*

Easy Access to Everyday Needs ✓	Housing Choices for Everyone ✓	Active Street Life ✓
Safe People Spaces ✓	Local Business and Services ✓	Supports My Community ✓

Premiums for transit near East Bay BART stations:



Experience from the East Bay (Alameda and Contra Costa Counties) shows that properties near BART can command a significant price premium. By establishing TOC financing districts as soon as possible, the Cities can capture some of the value that BART will create in order to pay for infrastructure improvements, affordable housing, and other public investments.

Percentage difference in office rents/condominium values, compared to locations more than 1/2 road miles from a BART station for office and more than 5 road miles from a BART station for multi-family residential.

Source: Strategic Economics, 2015.

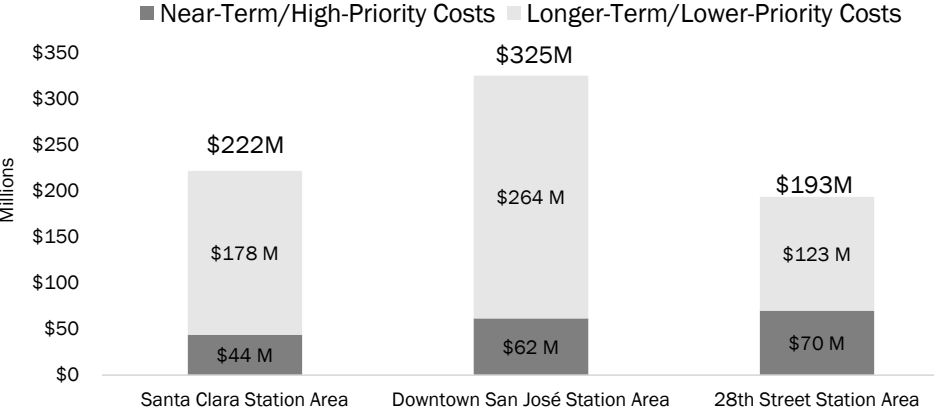
Investing in Public Infrastructure and Facilities to Maximize Benefits and Realize Value

Targeted investments are needed to implement successful TOCs, including improvements to provide excellent access to transit and accommodate future growth.

- **Bicycle, pedestrian, and transit access improvements** to allow existing and future residents and workers to take full advantage of BART service. Access improvements are discussed in more detail in the *Unlock the Value of Mobility For All Stakeholders* section of this Playbook.
- **Streetscape enhancements** such as street trees, lighting and bike racks that reflect the distinct identity of each station area, better connect the community to BART, and help make the station areas more attractive for TOD.
- **Storm drain improvements** to reduce flooding in the streets during major storm events.
- **Parks, plazas, paseos, trails, and other open space** to create community spaces and connect destinations within the station areas.

The Playbook focuses on identifying funding for access improvements, streetscape enhancements, and storm drain improvements, because there are currently few dedicated sources of funding for these types of improvements.

Access, Streetscape, and Storm Drain Costs through 2040



Note: Assumes costs are phased over time and that costs escalate by 4.2% a year. Costs are estimated in the year in which they are projected to occur (in nominal dollars).

Estimated Costs & Project Prioritization

The total cost of needed access improvements, streetscape enhancements, and storm drain improvements in the Downtown San José station area is estimated at \$325 million. This assumes improvements are phased in over time and that costs escalate by 4.2% a year on average.

The near-term/high-priority improvements – those that should be made in advance of or concurrently with the introduction of BART service – are estimated to cost \$62 million.

Appendix S provides more information on specific improvements, cost estimates, and project prioritization.

Funding and Implementation Framework

The Cities, VTA, and other partners can capture the tremendous value created from the BART investment and advance implementation of the TOC by pursuing the following funding and implementation actions:

- **Create and Capture Value.** The City should put in place district-based mechanisms (such as Community Facilities Districts and Tax Increment Financing districts) to help pay for infrastructure and affordable housing. A TOC financing district could also help coordinate funds from different sources and implement projects.
- **Leverage Multiple Sources.** No single funding source will cover the cost of implementation. The City, VTA, and other partners must work together to pursue multiple funding sources and act opportunistically to take advantage of grants and other sources as they become available.
- **Collaborate.** Strong leadership within the City, as well as ongoing collaboration between the City, VTA, and other key stakeholders, is needed to provide focus and continuity over time.
- **Break Down the Silos.** Work across departments and agencies to accomplish multiple goals, including the City and VTA’s goals related to affordable housing, economic development, and reduced greenhouse gas emissions.
- **Engage.** Potential implementation partners include community-based organizations, private and non-profit developers, local businesses, and major “anchor” institutions such as San José State University that have a strong interest in the success of the station areas.

Create a dedicated staff position within the City of San José to lead TOC implementation

Phasing: Initiate within 12 months

Recommended Actions

- Establish a senior level staff position (e.g. TOC Manager) dedicated to TOC implementation. The specific responsibilities of the TOC Manager will change over time, but may include:
 - Leading implementation of TOC funding strategies.
 - Ensuring implementation of the land use, parking, design, other policy changes to support good TOCs.
 - Working across departments to prioritize TOC implementation.
 - Engaging with partner agencies to support TOC implementation throughout the corridor.

Context

Implementation of successful TOCs will require staff time and commitment from the City of San José involving multiple departments (e.g., Planning, Economic Development, Housing, Public Works, Building/Code Enforcement, Transportation, etc.). The City of San José should determine the department or office where the position should be housed in order to maximize the staff person's capacity to lead implementation efforts and coordinate efforts across departments. Over time, additional staff may be required to support implementation.

Case Study: City of Denver TOD Manager



Photo Credit: Confluence Denver

In 2014, the City of Denver adopted a citywide TOD Strategic Plan. Multiple departments were involved in the plan, including Community Planning and Development, the Office of Economic Development, Public Works, Parks and Recreation, and Finance. The plan emphasized that implementing TOD would require actions that cut across multiple departments. The City created a new citywide TOD Manager position in 2014. In 2015, the City hired a TOD Manager who has experience in municipal politics and a familiarity with the local development and advocacy communities. The TOD Manager works across departments to expedite approval of TOD projects and ensure that new development contributes to infrastructure improvements required to support TOCs. The TOD Manager sits on the West Line Corridor Collaborative Board and was instrumental in the formation of the cross-jurisdictional West Corridor Transportation Management Association. The TOD Manager is officially housed in the Community Planning and Development department. However, other cities have found that placing this position in the Economic Development department can be more effective in facilitating cross-departmental efforts.*

* Most of the information included in this case study was obtained from personal communication with Chris Nevitt, Citywide TOD Manager for the City of Denver, and Mike Hughes, Executive Director of the West Corridor Transportation Management Association, May 2019.

Establish a framework for ongoing collaboration between the City of San José and VTA

Phasing: Initiate within 12 months

Recommended Actions

- The City of San José and VTA should develop a framework for continued coordination on an ongoing basis. Other partners such as BART and Community organizations should be involved either regularly or on specific issues. Key topics to cover are the following:
 - Implementing TOC financing districts.
 - Identifying and pursuing grant funding opportunities.
 - Implementing shared mobility districts.
 - Coordinating land use policy and zoning.

Context

As part of the TOC Strategy Study, VTA organized regular meetings with staff at the City of San José, as well as quarterly meetings with a broader technical advisory group comprised of additional staff from the City, VTA, and BART. This level of coordination should be continued with monthly staff meetings and quarterly meetings with department directors. This framework has proven successful for the Cities of Denver and Lakewood and their respective housing authorities to form the West Line Corridor Collaborative.

Work together to identify grants and other upfront funding sources

Phasing: Initiate within 12 months

Recommended Actions

- Prioritize key station area projects in the City's plans and Capital Improvement Programs (CIPs).
- Work together to identify eligible projects for competitive grant programs.
- Integrate active transportation, environmental justice, and housing projects together to leverage multiple funding sources.
- Collaborate on grant applications that are critical to the success of transit and TOCs.
- Identify projects that may be eligible for VTA's upcoming Valley Transportation plan (VTP) 2050 update.

Context

While CFDs and TIF districts would contribute substantial resources to TOC implementation, additional funding will still be needed. In particular, there will be a need to identify upfront funding sources to make the highest priority improvements in the station area, which would ideally be completed before BART service begins. The City, VTA, and other partners should work together to monitor funding availability for grant programs, provide letters of support, and identify projects that can help move TOC priorities forward. See *Appendix N* for a list of potential grant sources.

Establish a Community Facilities District (CFD) to leverage contributions from new development

Phasing: Initiate within 12 months

Recommended Actions

- City of San José should establish policies that incentivize new development to participate in a CFD, by making participation in a CFD a condition of approval for projects that exceed the heights, densities, or other requirements that are allowed by right.
- City of San José should work with VTA to establish CFDs on the agency's joint development sites as a way to accelerate the formation of a district.

Context

A Mello-Roos Community Facilities District (CFD) is a special taxing district formed to finance improvements to public facilities. CFDs would apply only to new development and would not result in a tax increase for existing properties. CFD revenues could be used to pay for access, streetscape, or other infrastructure improvements in the station areas, as well as for specified services which could include transit operations and maintenance.

A CFD special tax in the Downtown San José station area could generate approximately \$40 million in total revenues through 2040 (in 2019 dollars), assuming all new development envisioned in the TOC development scenario were subject to the special tax. This includes \$8 million to help pay for transit operations and maintenance, assuming that 20 percent of revenues were allocated for this purpose. One of the advantage of establishing a CFD district is that it may be used to finance upfront improvements by issuing bonds against future revenues. Based on preliminary assumptions about financing, a CFD could support \$101 million in bond issuances and excess pay-as-you-go revenues through 2040.

** This estimate is based on conservative assumptions about special tax rates and bond issuances, and assumes that 20 percent of revenues would be set aside to help pay for operations and maintenance of the BART extension. See Appendix Q for discussion of methodology and key assumptions.*

Case Study: The Central SoMa Plan, San Francisco



The Central SoMa Plan is intended to accommodate growth around the future Central Subway extension. The plan allows for 16 million square feet of new housing and employment space and a \$2 billion public benefits package, including affordable housing (33 percent of new housing) open space, street and infrastructure improvements, cultural preservation, and community services.

To realize this vision, the Central SoMa Plan's Implementation Strategy called for a CFD which was officially approved in January 2019. The CFD is expected to generate up to \$350 million, or 17 percent of the total cost of the public benefits package. Participation in the CFD is required for commercial development and for-sale residential development that exceed certain height and density limits, as defined in the San Francisco Planning Code. The San Francisco Board of Supervisors exempted rental housing due to concerns over financial feasibility.

Source: City and County of San Francisco, Central SoMa Plan

Implement a Tax Increment Financing District (TIF), and consider sharing revenues across San José station areas

Phasing: Initiate within 12 months

Recommended Actions

- Establish a TIF district that encompasses both the Downtown San José and 28th Street so that revenues could be used across both station areas.
- Require that at least 20 percent of TIF revenues are set aside for affordable housing.
- Work with Santa Clara County to create a Public Financing Authority (PFA) to establish an Enhanced Infrastructure Financial District (EIFD).

Context

A tax increment financing (TIF) district redirects incremental increases in property tax revenues that occur within a designated geographic area to help fund infrastructure, other public facilities, and affordable housing. TIF does not add any new fee or tax obligations to property owners. Instead TIF reallocates money from future revenues generated by the existing property tax rate, above and beyond that which taxing entities currently receive. Cities, counties, and other taxing entities may choose to contribute to a TIF district. California State law currently authorizes the use of several TIF tools, of which Enhanced Infrastructure Financial Districts (EIFDs) are the most flexible and widely used.

Based on preliminary assumptions, a TIF district in the Downtown San José station area could generate \$30 million in total revenues through 2040 (in 2019 dollars), including slightly less than \$6 million for affordable housing if 20 percent of revenues were allocated for this purpose. Like a CFD, a TIF district may be used to finance upfront improvements by issuing bonds against future revenues. Based on preliminary assumptions about financing, a TIF district could support \$75 million in bond issuances and excess pay-as-you-go revenues through 2040. See Appendix Q for more information about the revenue estimates and key issues for implementation.

Case Study: City of La Verne Metro Gold Line TOD Enhanced Infrastructure Financing District (EIFD)



The City of La Verne, located in Los Angeles County, adopted an EIFD that covers 46 acres surrounding the City's future Metro Gold Line light rail station and an additional non-contiguous 65 acre subarea near the University of La Verne's West Campus. Transit services to the station is expected to begin in 2026.

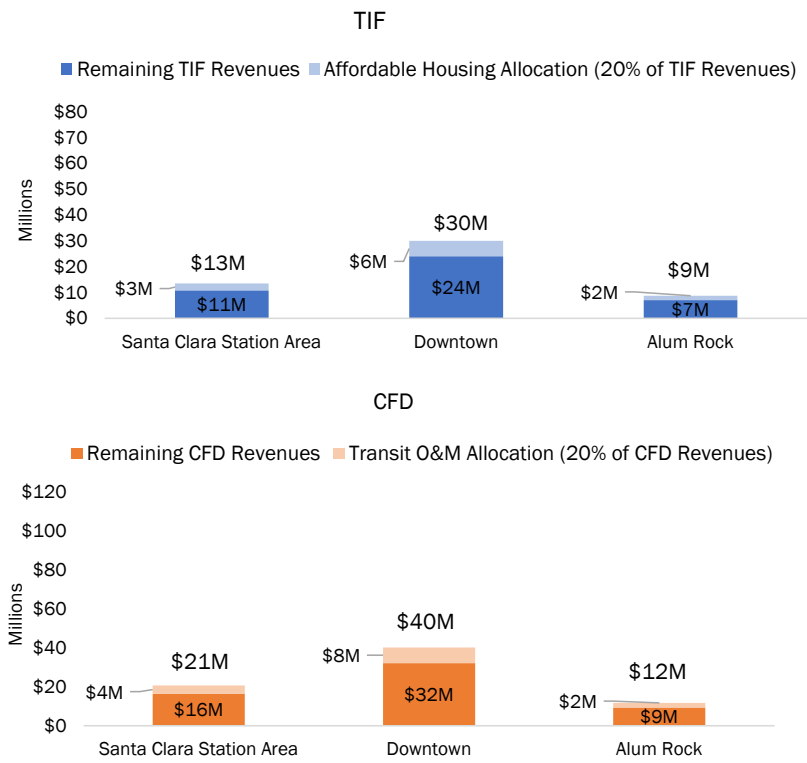
Leading up to the adoption of the EIFD, the City completed an extensive planning process for the area surrounding the future station which included a Specific Plan that called for higher density, mixed-use TOD. In order to enable TOD in a low-density, car-oriented environment, significant infrastructure and access improvements would be necessary.

The EIFD Financing Plan includes 14 projects with a total cost of \$33 million, including a pedestrian bridge, traffic and streetscape improvements, and various utility improvements (sewer, water, and wastewater). If and when projects identified in the Financing Plan are fully funded, the share of tax increment diverted is set to return to the City's General Fund. The City of La Verne are in discussion with Los Angeles County about joining the EIFD.

Source: Metro Gold Line Foothill Extension Construction Authority

Estimated District-Based Revenues by Station Area

Net Present Value of Potential Revenues through 2040
Assuming no Bond Financing



Notes: Due to rounding, subtotals may not add up to total revenues. Graphs show total gross revenues before administrative expenses or debt service. Assumes 20% of TIF revenues are allocated to affordable housing, and 20% of CFD revenues are allocated to transit operations and maintenance. 2040 is the planning horizon for the TOC Strategy Study. Revenues are discounted to 2019, assuming a 5% discount rate. Source: Strategic Economics, 2019.

Potential Financing Capacity through 2040
Assuming Bond Issuances

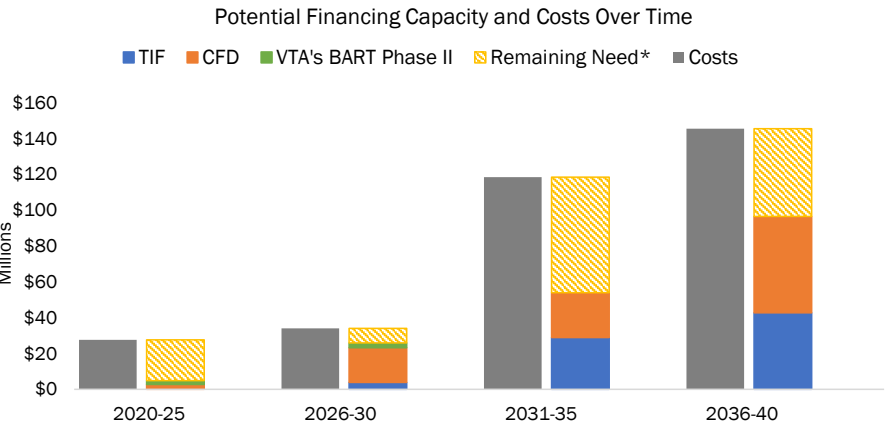


Notes: Includes net bond proceeds (net of administrative costs, issuance costs, and allocation for affordable housing or transit O&M) and excess pay-as-you-go revenues. Dollars are nominal (in year in which bonds are issued/revenues accrue). See Appendix Q for more information on methodology and key assumptions. Source: Strategic Economics, 2019.

Summary of Costs and Potential Funding & Financing Sources

Estimated Cost	\$325.3
Funding/Financing Sources	
CFD	\$101.0
TIF	\$75.4
VTA's BART Phase II	<u>\$4.8</u>
Remaining Need*	\$144.2

The figures on page 65 shows the total potential revenues that could be raised from implementing a CFD and TIF district in the Downtown San José station area, and the potential financing capacity based on preliminary assumptions about bond issuances. VTA will contribute access and streetscape improvements that are part of the BART Phase II project. The remaining gap in funding would need to be covered by other sources such as grants, developer contributions (above and beyond CFD special tax payments), and the Cities' Capital Improvement Programs (CIPs).



The figure to the left illustrates how costs might be phased over time, compared to when funding and financing is expected to be available. The biggest need is for upfront financing to pay for the near-term/high-priority improvements that will enhance access to the stations and accelerate new development. Even assuming that TOC financing districts are put in place quickly, they will not generate substantial revenues (or allow for the issuance of bonds) until significant development has already occurred

Notes: *Potential sources to cover the remaining need could include grants, developer contributions (above and beyond CFD special tax payments), and the Cities' Capital Improvement Programs (CIPs). TIF and CFD bars includes net bond proceeds (net of administrative costs, issuance costs, and allocation for affordable housing or transit O&M) and excess pay-as-you-go revenues. Dollars are nominal (in year in which bonds are issued/revenues accrue). See Appendix Q for more information on methodology and key assumptions. Source: Strategic Economics, 2019.



Engage with local partners to expand community and economic development activities

Phasing: Initiate within 12 months

Recommended Actions

- Expand services and coordination among agencies to address homelessness, pedestrian and bicycle safety, and quality of life issues (e.g., late night noise, parking management), as recommended in the Downtown San José Retail Strategy.
- Create and promote a strong brand identity for Downtown to help attract new businesses, residents, and visitors.
- Consider opportunities to expand services such as street and sidewalk cleaning, beautification, events, and marketing to East Santa Clara Street, for example with the formation of a Business Improvement District (BID) and/or Property-Based Business Improvement District (PBID).

Context

Creating successful TOCs requires ongoing investment in programs and services that create opportunities and benefits for local residents and businesses. Community and economic development activities in Downtown San José can capitalize on the introduction of BART service to support Downtown's emergence as the central business district of Silicon Valley.

Community-based organizations - such as Business Improvement Districts (BIDs), Property-Based Improvement Districts (PBIDs), Community Development Corporations (CDCs), and Downtown Development Corporations - can provide services and programming that go above and beyond standard municipal services that are tailored to meet local needs. Community-based organizations can access funding sources such as foundation funds, grants, or loans from banks meeting their Community Reinvestment Act requirements.

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