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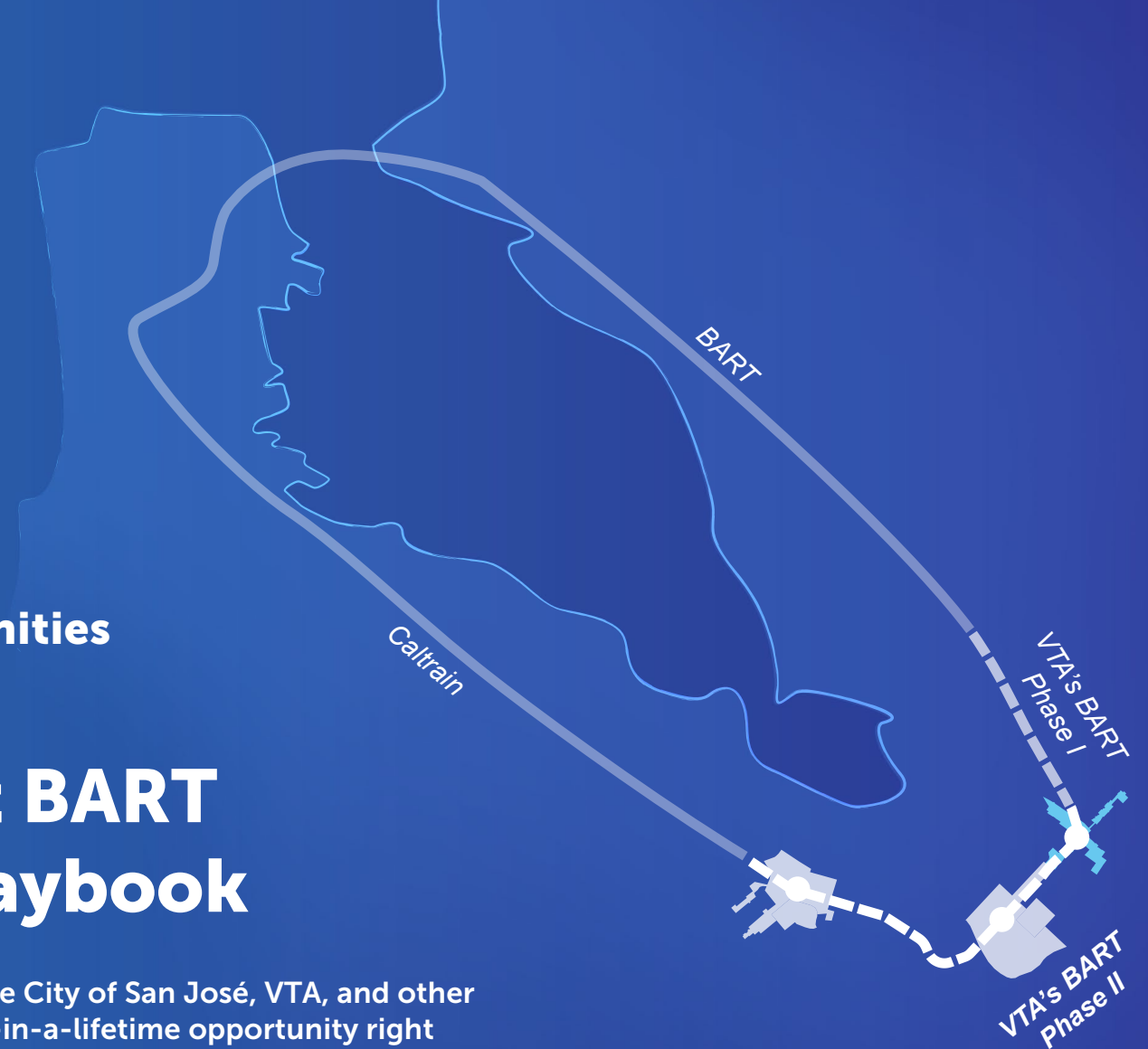
See the Project Website at: www.vta.org/bart/tocs

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VTA's BART Phase II Transit Oriented Communities Strategy Study

The 28th Street BART Station Area Playbook

A recommended series of actions for the City of San José, 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, collaborative partnership between the City of San José and VTA to capitalize on the new 28th Street BART Station. However, there is much work to ensure the arrival of the station leads directly to realizing the community’s long held vision of creating a Transit Oriented Community (TOC) reflecting Little Portugal. The recommended actions in this Playbook provide a well-traveled pathway to capitalize on this multi-billion dollar transit investment and elevate the neighborhood as a prosperous, dense, and resilient center.

BART service is just around the corner.

To realize the community’s vision, we must begin working now.

Assuring a healthy, connected, prosperous, walkable and equitable place will require implementing TOC principals well before BART arrives. Getting to the finish line is going require commitment and a concerted partnership between the City of San José and VTA to undertake the critical actions, policies, strategies and investments essential to creating a TOC. This includes affordable housing, new zoning, funding tools, improved bicycle, pedestrian, and transit connections that ensure good access to those neighborhoods surrounding the station area.

The community has been very clear that taking advantage of the BART Station also means preserving and promoting the district’s Latino and Portuguese cultural heritage. That means prioritizing the mitigation of possible impacts from these projects, the subsequent growth and ensuring existing residents and business owners benefit from the transit investment.

Collectively the City of San José, VTA and their partners have the chance to transform the 28th Street BART Station Area into a TOC 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 28th Street 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 28th Street 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 community’s 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?

- Strengthen existing tenant protections
- Make it easier for low income tenants to access affordable housing
- Strengthen existing affordable housing preservation policies
- Leverage public land for affordable housing production
- Pursue new partnerships and funding for affordable housing production
- Encourage the development of ADUs

Protect and Produce Workforce and Affordable Housing throughout the Station Area



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 low- and moderate-income households.

The City and VTA have set ambitious goals for affordable housing development. Meeting these goals will require leveraging new funding sources and partnerships.

Santa Clara University has expressed a need for more affordable workforce housing, but funding sources dedicated to workforce housing are limited.

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.

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

Santa Clara Station Area Housing
By the numbers:

1,614 Total number of housing units in 2019	8,600 Number of new housing units that the Station Area can accommodate	1,300 Net new affordable units to meet the 15 percent inclusionary housing goal.	=15% City of Santa Clara Inclusionary Housing requirement.
\$173,000 The local funding gap for each affordable unit.	\$223m The total cost of local funding to meet the Station Area's affordability target.	≥20% VTA Joint Development Policy Requirement for affordable units	≥25% VTA Joint Development Policy Target for affordable units

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?

Increase local funding for deed-restricted affordable housing production

Partners:

Recommended Actions

- Explore dedicating a portion of potential future tax increment financing (TIF) district revenues to affordable housing.

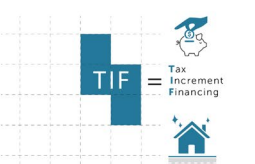
Context

The local funding gap needed to meet the Santa Clara Station Area's affordability target is approximately \$223 million. Various City and County sources exist to help meet this gap, including Santa Clara County's Measure A, as well as the City of Santa Clara's commercial linkage fee and inclusionary housing in-lieu fees, although it should be noted that these sources are not restricted to the Station Areas.

A number of on-site affordable units may be built through Santa Clara's inclusionary housing program. Even with these existing funding sources, there will remain a local funding gap to meet the Station Area's affordability targets.

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 TOD Strategy. If a TIF district is being implemented in the Station Area, the City of Santa Clara should explore the appropriate share of revenues to set aside for affordable housing.



Encourage the development of accessory dwelling units (ADU)

Partners:

Recommended Actions


- Kickstart ADU development by streamlining the permitting process and providing additional financing options. This includes lowering fees, reducing parking requirements, streamlining ADU approvals, developing partnerships with the City's own loan program on their new loan program, or developing the City's own loan program.
- Explore policies to keep ADUs accessible to low- and moderate-income households. This could include incentives to homeowners that choose to rent their ADU to lower-income households.

Context

The City of Santa Clara's existing policies regarding ADUs should be amended to facilitate the production of affordable units. In addition to reducing zoning and financing barriers, the City of Santa Clara should also consider policies aimed at keeping ADUs accessible to lower income households.

Case Study: City of Santa Cruz

The City of Santa Cruz provides fee waivers land, in past years, low-interest loans for homeowners who agree to rent their second units only to low- or very low-income households. Funding for the program is provided by a Sustainable Communities Grant from the California Pollution Control Financing Authority.



Images Source: Santa Cruz County Planning Department

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

DIAGRAM
How would this strategy work?



Viva Calle, San José
Photo Credit: Sergio Ruiz for SPUR

EXECUTIVE SUMMARY

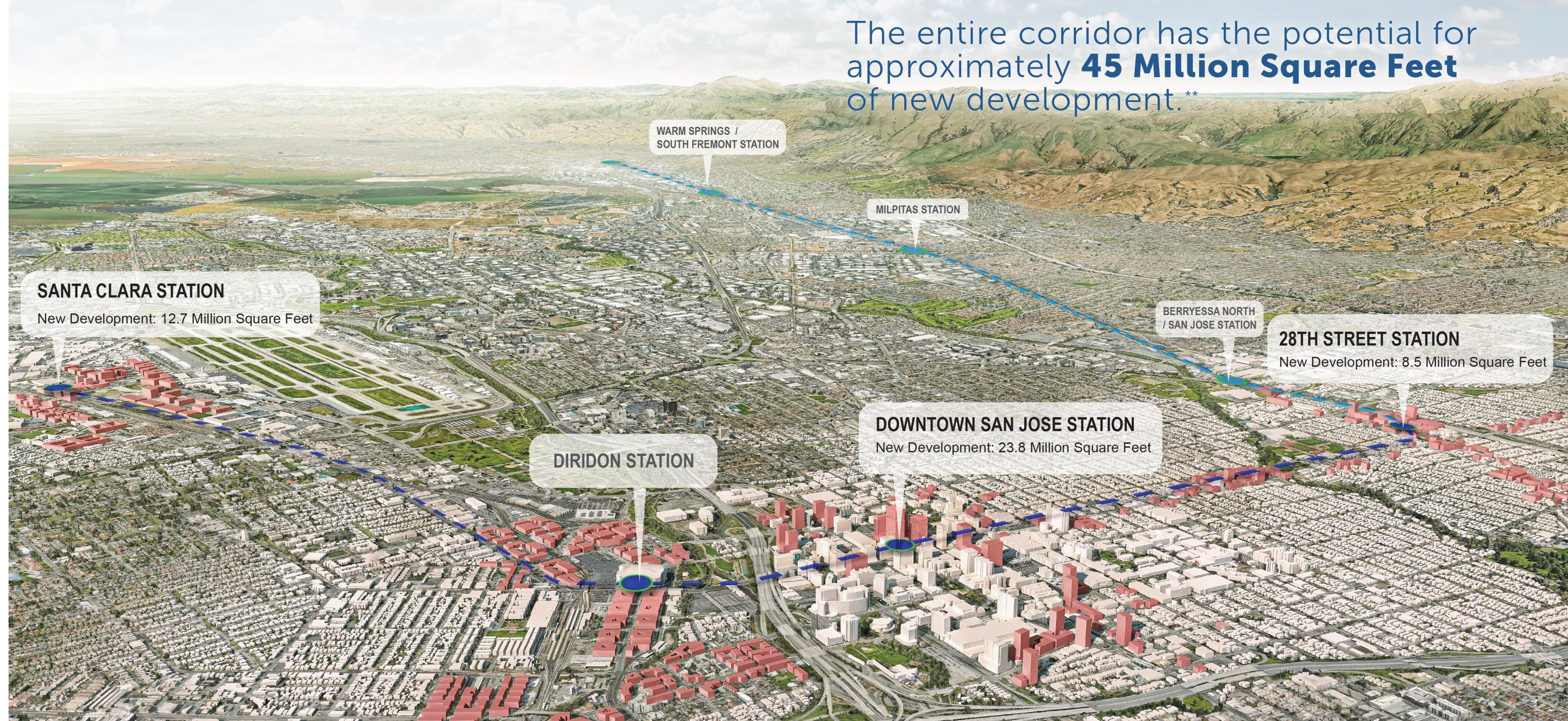
We have an amazing opportunity and one chance to get it right

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.



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

Legend

Existing Buildings New opportunity sites

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

Envision the future 28th Street

Total Market Potential for Development by 2040

Office	500,000 sf
Residential	7,827,000 sf
Hotel	114,000 sf
Retail	58,328 sf
Total	8,499,328 sf

+19,500 new residents

+ 2,100 new jobs

Creating Great Places

28th Street is at a key point in its development story. The arrival of BART can help accelerate implementing the areas Urban Village Plans. Current City plans would allow for about 3.6 million square feet of new development in the 28th Street Station Area. [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 28th Street 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



Artistic rendering: View of the intersection of East Santa Clara Street and 28th Street looking north

A long term partnership

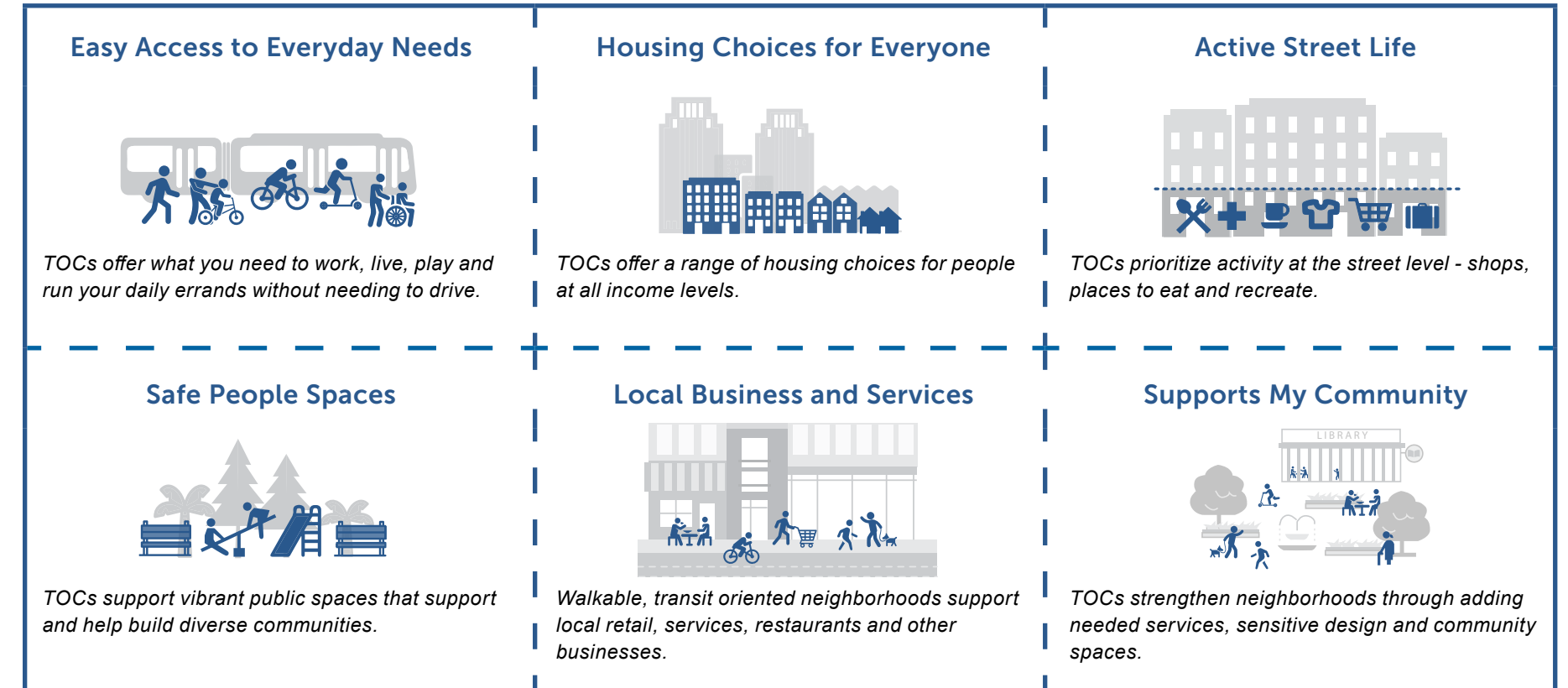
Living up to the opportunity of BART Phase II is going to require extraordinary collective action. That's the singular lesson from other communities that developed great TOCs.

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.



Why 28th Street? Why Now?

28th Street sits at a pivotal moment in its development story. The coming of BART will open a new chapter. We know transit-served locations in Santa Clara County are increasingly attracting new development and achieving higher property values. Unlocking the potential of BART will require moving forward with a well coordinated implementation strategy in advance of the BART station opening. The existing Envision San José 2040 Urban Village Plans paint a picture of leveraging existing local community strengths and connecting to surrounding regional transit activities. The following goals for the future station area will help facilitate new development and amenities that are affordable, accessible, and welcoming to those who call this area 'home' today and tomorrow.

Commence implementation of the Urban Village Plans

Capitalizing on VTA BART Phase II and removing restrictions on residential development in the station area will jumpstart the necessary development and public works capital improvements and accelerate the vision laid out in the Five Wounds, Little Portugal, Roosevelt Park, 24th and William, and the East Santa Clara Street Urban Village Plans: A vibrant mixed-use, mixed income, pedestrian oriented district.

Prioritize affordable housing

The City of San José's goal is to provide 25% affordable housing in the Urban Villages. Currently, there is limited public funding and market demand within the urban villages to see this come to fruition. Enabling higher density housing will help expand the availability of housing for all income levels.

Incorporate San José's Vision Zero Plan

Improvements to pedestrian, bicycle, and transit access – including new and improved trail access – will help ensure that residents of East San José neighborhoods can easily access the station, new parks and plazas, and new commercial amenities located within the station area.

Promote local businesses

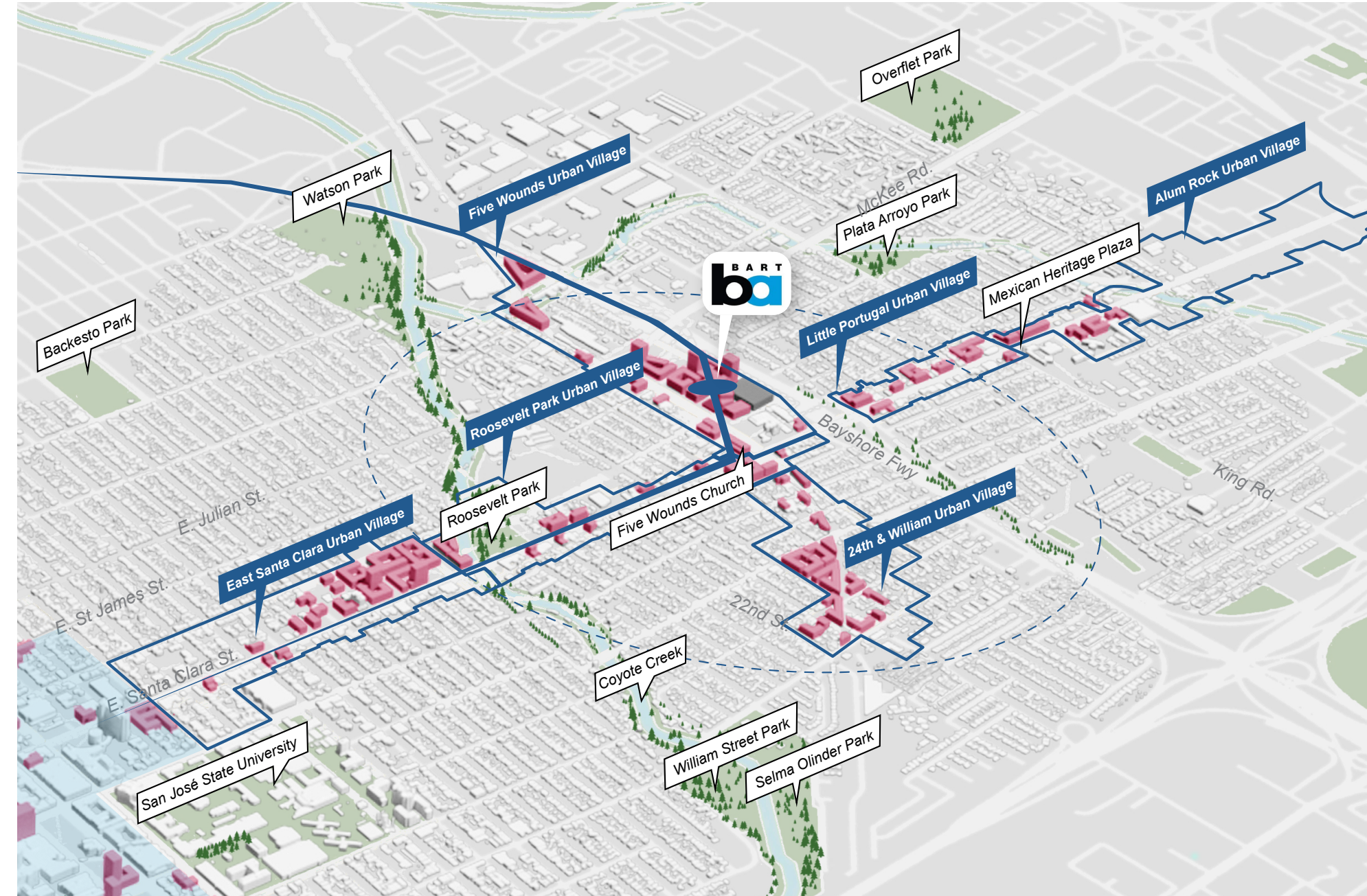
New commercial development immediately adjacent to the station and along the major commercial corridors will help promote transit ridership, fulfill the City of San José's jobs goals, and provide more employment opportunities for East San José residents.

Introduce new community spaces

Higher density development will help fund fully publicly-accessible urban parks, plazas, and paseos throughout the station area to help create community spaces that accentuate the unique qualities of these neighborhoods through local programming and public art.

Connect to the Five Wounds Trail

The former Western Pacific Railroad's San José spur line is slated to become a multi-modal urban trail that will safely connect residents, employees, and visitors to multiple communities and BART stations. The Urban Village plans call for new development fronting the trail to help create "eyes on the trail".



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



Potential Development

Transit Oriented Community Strategies: 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 28th Street 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

Photo Credit: Sergio Ruiz for SPUR

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 SJ
Photo Credit: Sergio Ruiz for SPUR

THE BIG MOVES



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

Pg 19



PROTECT AND SUPPORT SMALL BUSINESS AND ENHANCE COMMERCIAL NODES

Pg 27



PROTECT AND PRODUCE WORKFORCE AND AFFORDABLE HOUSING

Pg 33



ASSIST IN STRENGTHENING COMMUNITY IDENTITY

Pg 43



UNLOCK THE VALUE OF MOBILITY FOR ALL STAKEHOLDERS

Pg 49



PRIORITIZE FUNDING AND IMPLEMENTATION

Pg 59

Transit Oriented Community Strategies: 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 19-26

- ★ Establish minimum densities for office and residential throughout the station area as appropriate based on context
- ★ Allow for mid scale residential development to occur in the near term
- Reduce commercial FAR requirements in mixed-use development to make development more feasible in the near term
- Prioritize office development directly adjacent to the station



Protect and Support Small Business and Enhance Commercial Nodes

Pg 27-32

- ★ Ensure new development provides appropriate space for small, locally-owned businesses
- Provide targeted assistance to small and microbusinesses that are directly or indirectly impacted by new development
- Continue and expand City programs to retain and support small and microbusinesses



Protect and Produce Workforce and Affordable Housing throughout the Station Area

Pg 33-42

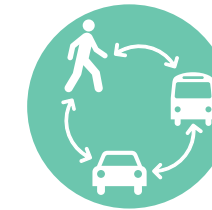
- ★ Pursue new partnerships and funding for affordable housing production
- ★ Leverage VTA properties and other public land for affordable housing production
- Make it easier for low-income tenants to access affordable housing in the station area
- Expand existing policies to keep existing tenants and homeowners in place
- Implement more robust policies to preserve existing affordable housing in the station area
- Eliminate regulatory barriers to, and create incentives for, affordable housing production in the station area
- Increase local funding for deed-restricted affordable housing production



Assist in Strengthening Community Identity

Pg 43-48

- ★ Require maximum block size and minimum open space requirements
- Invest in public realm improvements to support a pedestrian and bicycle friendly environment
- Promote the District's Latino and Portuguese cultural identities



Unlock the Value of Mobility for All Stakeholders

Pg 49-58

- ★ 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 59-70

- ★ Create a dedicated staff position to lead TOC implementation
- ★ Establish a framework for ongoing collaboration among City of San José and VTA to institute new TOC funding tools
- 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 with context-sensitive height regulations
- Allow for mid scale residential development to occur in the near term
- Reduce commercial FAR requirements in mixed-use development to make development more feasible in the near term
- Prioritize office development directly adjacent to the station



Photo Credit: Sergio Ruiz for SPUR

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

New residential development is critical to meeting local and regional housing goals, and creating a more active, amenity-rich neighborhood that will attract more office and retail investment in the long term. At the same time, an employment component will help meet the City's jobs/housing goals and increase transit ridership. Concentrating density adjacent to stations avoids disrupting nearby lower density neighborhoods and helps preserve them.

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

Opportunities

The market-rate residential market is unproven, but the station area is attracting growing interest from residential developers.

Help support the community laid out in the Urban Village Plans for a transit supportive, walkable, and amenity rich 28th Street Station Area.

Help address the local housing crisis with new housing for a mixture of different incomes including low income and extremely low-income residents.

Concentrate employment directly adjacent to the transit station.

Challenges

Current plans and policies for the Urban Villages limit housing development and constrain Transit Oriented Development.

The market does not currently support the type and density of development that is envisioned in the long run.

Significant office development at the station is only likely to occur if driven by a major office user.

Establish minimum densities for office and residential through the station area with context-sensitive height regulations

Phasing: Initiate within 12 months

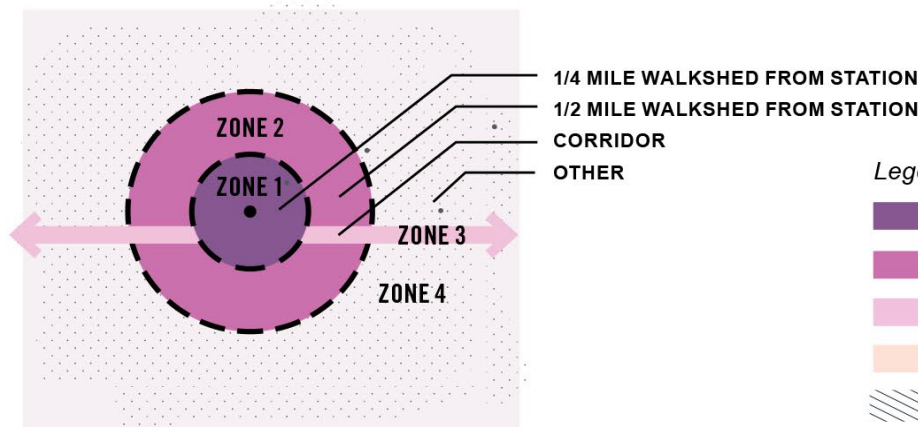
Recommended Actions

- Establish minimum densities throughout the station area, varying according to distance from the 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.



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.



- Legend**
- ZONE 1: HIGH DENSITY OFFICE & RESIDENTIAL, TRANSIT SERVING RETAIL
 - ZONE 2: MEDIUM DENSITY OFFICE & HIGH DENSITY RESIDENTIAL
 - ZONE 3: MEDIUM DENSITY RESIDENTIAL & RETAIL
 - ZONE 4: LOW DENSITY, MIGHT BE LOWER IF NEAR RESIDENTIAL AREA
 - HEIGHT RESTRICTION

Residential

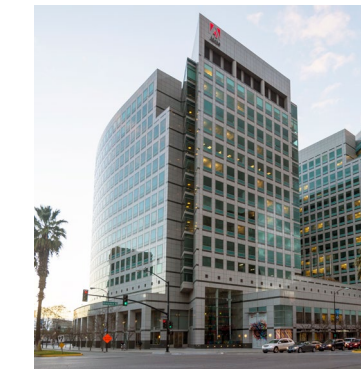
Office

ZONE 1



METRICS

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



METRICS

Use Type	Office
Height*	up to 300'
Stories	≤ 20
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



METRICS

Use Type	Office
Height*	up to 240'
Stories	≤ 16
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



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.

Matrix of 28th Street density zones

Allow for mid scale residential development to occur in the short term

Phasing: Initiate within 12 months

Recommended Actions

- Move Five Wounds and 24th and William Urban Villages into Horizon 1 as part of the next 4-year review of the General Plan.

Context

Enabling mid-scale incremental residential development to occur on the outer edges of the station area prior to BART funding and construction will help with the following: meet the urgent housing needs in the short to medium term and help build the market that will attract the desired commercial development. Adjustments to the Urban Village land use and density policies specifically for Five Wounds and 24th Street should avoid costly rezoning procedures and should make sure that the heights are regulated to be contextually sensitive to the surrounding single-family neighborhood.

Reduce commercial FAR requirements in mixed-use development to make development more feasible in the near term.

Phasing: Initiate within 12 months

Recommended Actions

- Reduce commercial FAR requirements for mixed-use development on non-VTA owned properties.
- Require a mixture of shop sizes that can support small, local tenants as well as large anchor tenants.

Context

The City of San José’s Urban Village plans require that all development in the 28th Street Station Area – including market-rate and affordable residential development – include a significant amount of commercial square footage. This policy is intended to help increase the number of jobs located in the Urban Villages but may result in some unintended consequences. This includes delaying badly needed residential development as well as commercial spaces that are too large and vacant due to high rents that local small businesses cannot afford.

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).

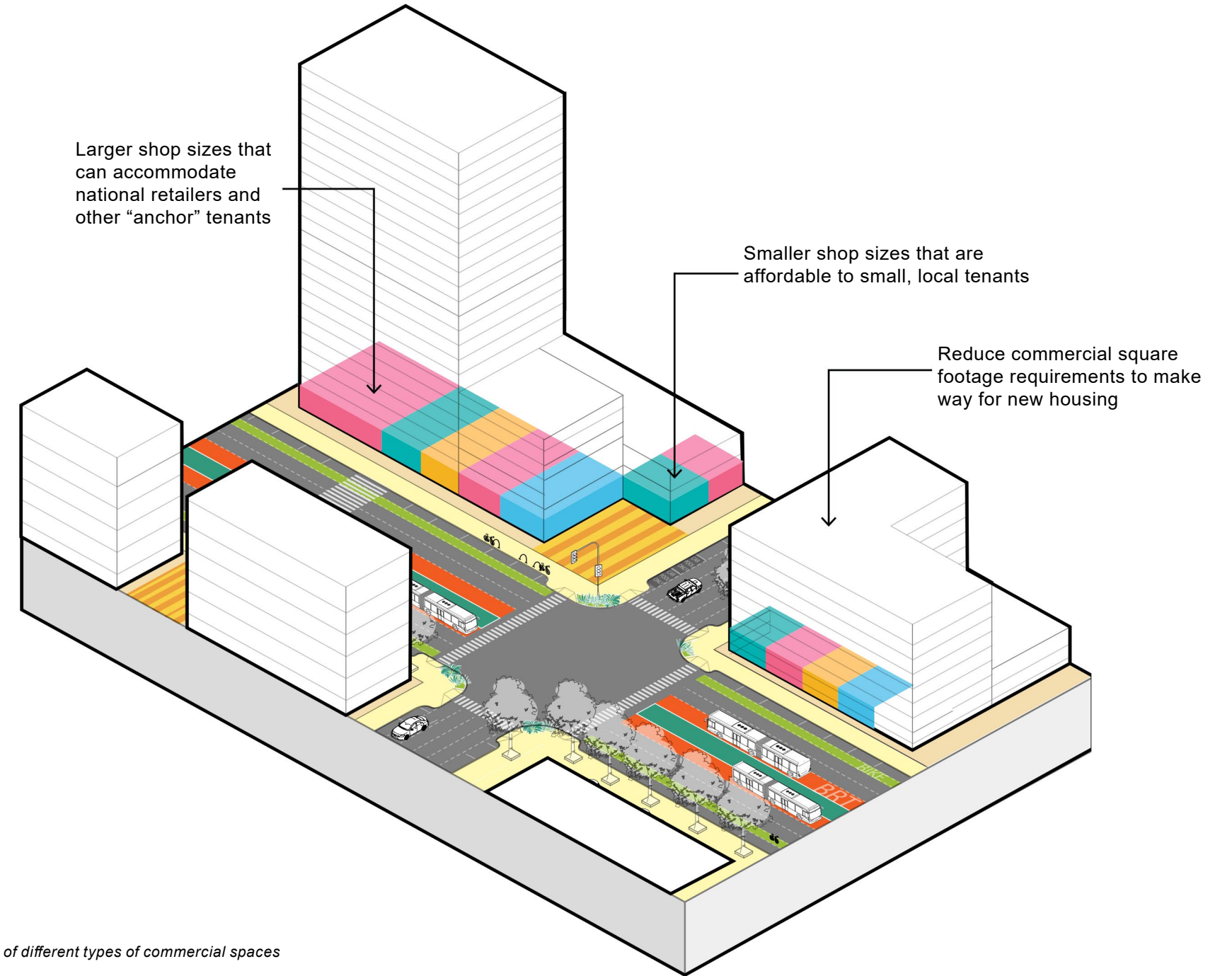


Diagram of different types of commercial spaces

☐ Prioritize office development directly adjacent to the station

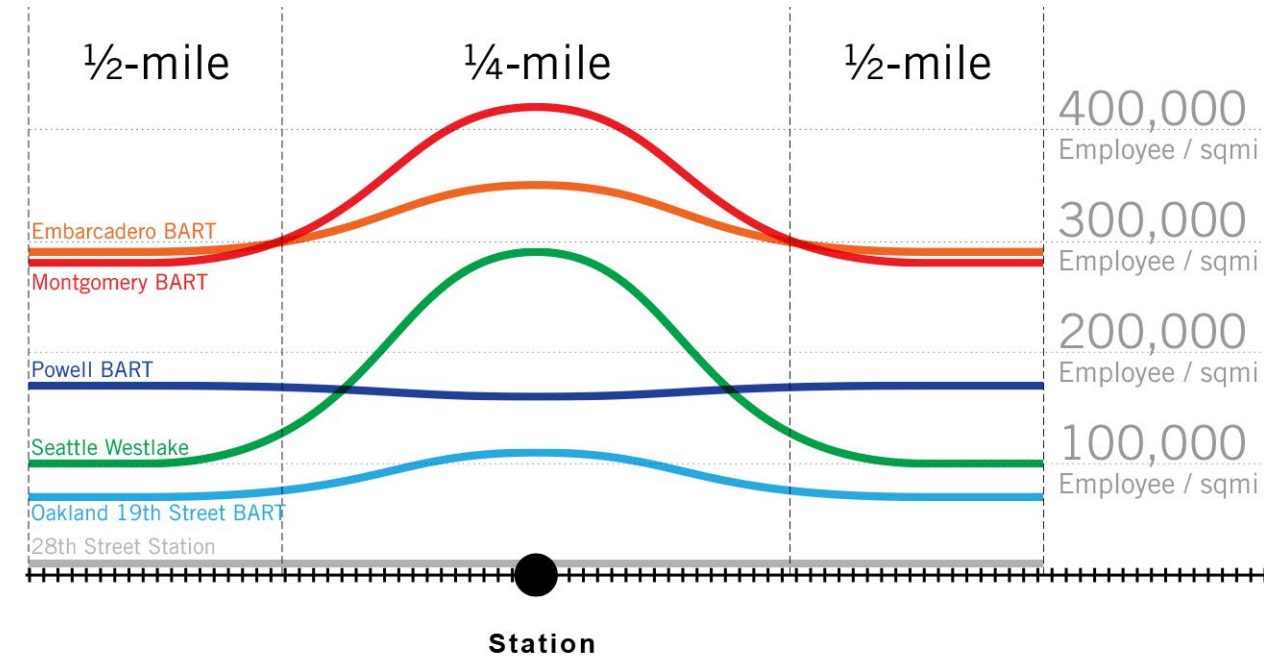
Phasing: Initiate within 3 years

Recommended Actions

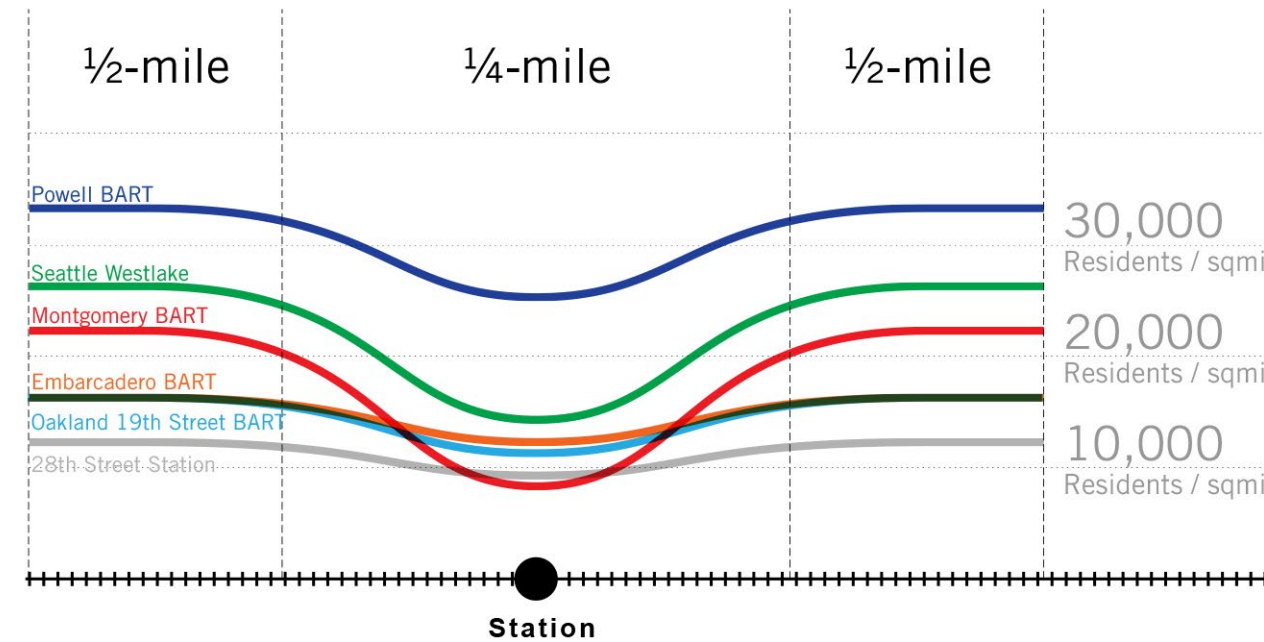
Preserve key sites adjacent to station for high density development through ambitious minimum densities and adjust land use to prioritize office development.

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. Residential development throughout the station area can support ridership at greater distances from the station compared to commercial.



Employment Density Comparative Analysis



Residential 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 new development provides appropriate space for small, locally-owned businesses
- Provide targeted assistance to small and microbusinesses that are directly or indirectly impacted by new development
- Continue and expand City programs to retain and support small and microbusinesses



Portland Mercado
Photo Credit: Willamette Week

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. The following strategies are intended to help retain and promote existing small businesses in the station area, while also fostering a locally informed commercial identity as the station 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 ✓

Opportunities

- There is an existing concentration of small microbusinesses that serve local residents.
- Strong Latino and Portuguese cultural identities, including institutions and businesses that attract visitors from outside the neighborhood.
- Small storefronts suitable for small independent businesses.
- New merchants association (Alum Rock Businesses Association)
- Potential for small scale Production, Distribution, Repair (PDF) / "maker" space in new development.

Challenges

- Displacement of small businesses by new development and rising rents is underway.
- Declining retail sales and long term vacancies that negatively affect the street environment.
- Major barriers to pedestrian access (e.g. Highway 101).
- Negative perceptions around homelessness, safety, and cleanliness.
- A lack of access to capital for small businesses to make tenant and facade improvements.

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

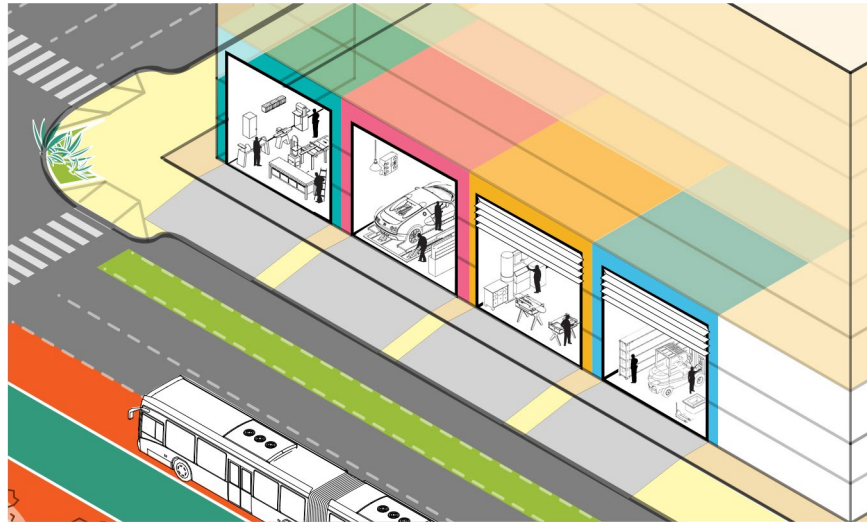
Phasing: Within 12 months

Recommended Actions

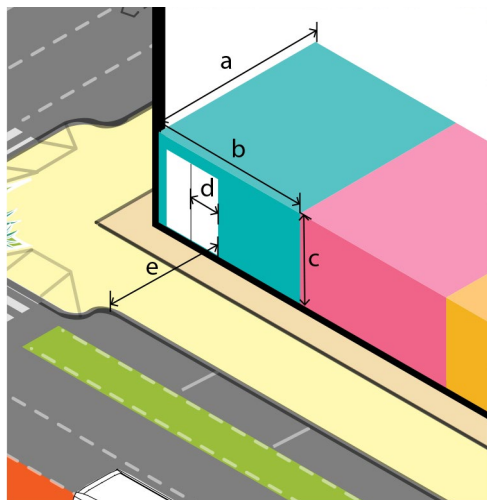
- Reduce commercial FAR requirements to make development more feasible, while also working with developers to provide space that is appropriate for small businesses in mixed-use projects.
- Provide developers with design guideline best practices for ground floor retail space in mixed-use buildings.
-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

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.

Provide targeted assistance to small and microbusinesses that are directly or indirectly impacted by new development

Phasing: Initiate within 12 months

Recommended Actions

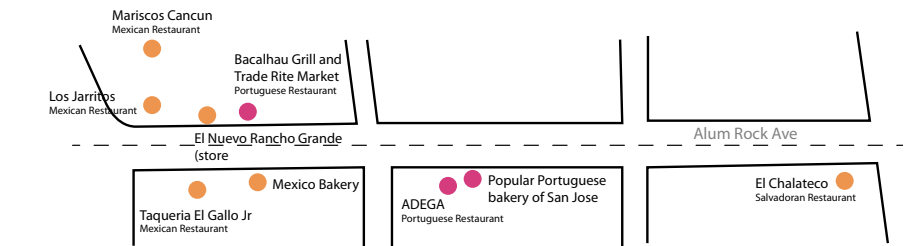
- Provide information to impacted businesses about relocation benefits for which they may be eligible.
- Incentivize market-rate developers to provide relocation assistance to impacted small businesses under the Urban Village Implementation Framework.
- Prioritize businesses impacted by new development for technical and financial assistance.
- Work with local business associations and other service providers to match impacted tenants with vacant space and provide access to grants or loans for tenant and façade improvements.
- Prioritize the establishment of a shopfront location to be a business center with space for technical assistance providers, the businesses association, VTA, and key stakeholders including the City.

Existing Business Size Breakdown in the 28th Street Station Area (134 Businesses Total)

Small Businesses with fewer than 50 employees	93%
Micro Businesses with fewer than 10 employees	85%

Context

Latino and Portuguese restaurants and specialty retailers: The segment of Alum Rock Avenue located between Highway 101 and 33rd Street is known as Little Portugal, and includes a concentration of Portuguese restaurants, bakeries, and other businesses (including Adegas, a Michelin-star restaurant). The East Santa Clara/Alum Rock Avenue corridor also includes many Latino restaurants and specialty retailers (e.g. party stores, clothing stores). The concentration of Latino and Portuguese businesses, along with cultural institutions such as the Five Wounds Church and Mexican Heritage Plaza, draw visitors from across the city and region.



Production, distribution, and repair (PDR) businesses: The neighborhood includes small businesses in light manufacturing and production, transportation and warehousing, and the construction industry. These businesses are concentrated in the parcels located immediately adjacent to the future transit station, and along the former railroad corridor. In addition, a number of auto supply and repair shops are located along the commercial corridors in the station areas.

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

Phasing: Initiate within 12 months

Recommended Actions

- Provide information to business owners about existing programs designed to assist small businesses.
- Monitor small business performance and risk during and after construction of the BART Phase II project.
- Continue efforts to market investments in small and local business to Opportunity Zone funds, and work to build a pipeline of small businesses and entrepreneurs with the technical and financial capacity to take advantage of investment opportunities.
- Involve the City and its partners in the design of VTA's Small Business Marketing and Assistance Program (MAP) and identify elements of the program to continue after construction of BART Phase II is complete.

Context

The City of San José 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.

As part of the BART Phase II project, VTA is in the process of developing a Small Business Assistance Study and Marketing and Assistance Program (MAP) that will provide marketing and technical support to businesses throughout the district that are affected by construction of the transit project. The City and local service providers should be involved throughout the design and implementation of the program. As appropriate, the City and its partners should also continue to provide marketing, technical assistance, or other elements of the MAP on an ongoing basis, even after construction is complete.

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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 in the station area
- Expand existing policies to keep existing tenants and homeowners in place
- Implement more robust policies to preserve existing affordable housing in the station area
- Eliminate regulatory barriers to, and create incentives for, affordable housing production in the station area
- Increase local funding for deed-restricted affordable housing production



Photo Credit: Sergio Ruiz for SPUR

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 ✓

28th Street Station Area Housing

By the numbers:

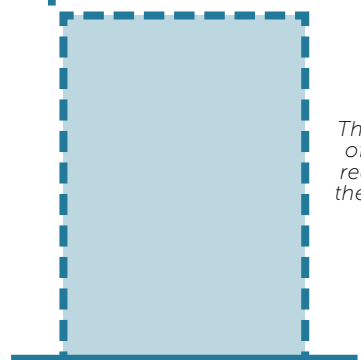
6,581
Number of existing housing units based on US Census ACS 2012-2016 5-year estimates

7,827
Net new affordable units to meet the City's goal of 25 percent affordability for new construction



1,957
Net new affordable units to meet the 25 percent inclusionary housing goal.

\$338m



The total amount of local funding required to meet the City's housing goal

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

Federal, state, local, and private funding sources are all required to fund affordable housing. The following new state funding sources and private philanthropic opportunities have emerged over the last two years and could prove particularly useful for 28th Street:

- **No Place Like Home:** Nearly \$2 billion in bond proceeds for permanent supportive housing development.
- **Multi-family Housing Program:** Long-term loans for construction, rehabilitation, and acquisition-rehabilitation of permanent and transitional affordable rental housing.
- **Infill Infrastructure Grants:** Gap funding for infrastructure improvements required for TOD and infill development.
- **CalHome:** Grants to local agencies and developers to develop for-purchase units and other assistance to low-income homeowners.
- **SB 2 (Building Homes and Jobs Act):** Real estate recording fee of \$75 on selected real estate transactions that helps local governments finance various programs, such as: planning and technical assistance for housing development, development or preservation of affordable housing, and assistance for persons experiencing or at-risk of homelessness.

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 funding for VTA to purchase new electric buses, and for the City to build new and protected bikeways, make pedestrian crossing safety improvements, and add tree and landscaping to urban areas.



Source: City of San José

■ 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.

State and regional agencies are increasingly recognizing the importance of prioritizing affordable housing on vacant or surplus public lands. VTA's Joint Development (JD) policy includes ambitious affordable housing goals for land owned by the agency, and the City of San José has also donated or discounted land for recent affordable housing projects (e.g. Villas on the Park, Met South, etc.).

■ 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 study area. 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.

Expand existing policies to keep existing tenants and homeowners in place

Phasing: Initiate within 12 months

Recommended Actions

- Expand tenant protections in the Apartment Rent Ordinance (ARO) and the Tenant Protection Ordinance (TPO) to single-family homes and duplexes.
- 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 study area.
- Improve protections for tenants of deed-restricted affordable housing.
- Increase assistance to low-income homeowners.
- 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

Mitigating resident displacement in the station area begins with policies and resources that make it easier for low-income tenants to continue living in the units and neighborhoods they already call ‘home’. Today, the 28th Street Station Area exhibits early indicators for resident displacement risk, such as rising rents, increasing eviction rates, the presence of a pre-World War II single-family housing stock, and local development pressures. These conditions are likely to be aggravated further with increased investments in transit infrastructure and transit-oriented development.

In addition to exhibiting early indicators, the 28th Street Station Area is also characterized by high concentrations of demographic groups that are particularly vulnerable to displacement, including cost-burdened renters and homeowners (those spending more than 50 percent of their income on housing costs), low-income residents making less than \$25,000 annually, residents with low educational attainment levels, large family households with children, and occupants of single-family homes, which are not covered by the City of San José’s existing tenant protection ordinances.

Existing Affordable Housing Stock for the 28th Street Station Area	
Deed-Restricted Units	589
Rent-Stablized Units	992
Mobile home Park Units	427
Naturally Occurring Affordable Housing Units	1,194

Implement more robust policies to preserve existing affordable housing in the station area

Phasing: Initiate within 12 months

Recommended Actions

- Continue to require unit replacement, or an equivalent alternative, when rent-stabilized units are demolished.
- Explore additional protections for mobile home parks.
- Partner with funders and affordable housing developers to create a new acquisition and rehabilitation program for naturally occurring affordable housing (NOAH).

Context

The Ellis Act ordinance implements protections for tenants evicted from rental properties covered by San José’s rent stabilization ordinance that are to be demolished or permanently withdrawn from the market. Protections include relocation assistance, as well as a “right to return” if units are returned to the rental market within ten years. If rent-stabilized units are demolished in order to be redeveloped into new housing, either 50 percent of new units or the number of demolished rent-stabilized units must be re-enrolled in rent stabilization, whichever is greater. In certain cases, the developer may choose to build 20 percent on-site deed-restricted affordable rental units instead of complying with the re-control requirements. The City should either continue to require unit replacement or implement an equivalent alternative – such as the payment of a demolition fee – to ensure that the affordability of rent-stabilized units is preserved.

Case Study: City of Oakland, CA

The recent collaboration between Kaiser Permanente, East Bay Asian Local Development Corporation, and the City of Oakland provides a relevant precedent for how cross-agency partnerships to preserve existing affordable housing can work. The acquisition will ensure that the property is permanently preserved as affordable housing, and that it will continue to receive essential upgrades throughout its lifespan.



Source: Kaiser Permanente

The acquisition and rehabilitation of NOAH properties can be an effective and relatively low-cost strategy for preserving affordability in a neighborhood, especially in the case of larger multi-family buildings (e.g. usually 20 units or more). However, the City of San José does not currently have any formal policy that addresses this issue. The City could take a leadership role in identifying eligible, high-priority NOAH properties in the station area, and work with established affordable housing developers and funders to identify a dedicated funding or financing source.

Eliminate regulatory barriers to, and create incentives for, affordable housing production in the station area

Phasing: Initiate within 12 months

Recommended Actions

- Consider eliminating or significantly reducing the Urban Village commercial requirement for 100 percent deed-restricted affordable housing development.
- Kickstart Accessory Dwelling Unit (ADU) development by streamlining the permitting process and providing additional financing options.
- Explore policies to keep ADUs accessible to low- and moderate-income households.

Context

Existing City of San José policies regarding Urban Villages offer opportunities for adjustment that could help facilitate the production of affordable units. For example, as part of the General Plan Four-Year Review in 2016, San José exempted 100 percent affordable housing projects from certain Urban Village regulations. However, the Urban Village commercial requirements have not been relaxed for 100 percent affordable housing projects. This requirement creates additional capital and operating costs that cannot usually be covered by traditional funding sources for affordable housing.

The City of San José has also adopted various updates to ease the requirements for the development of accessory dwelling units (ADUs). However, some barriers still exist, including a lengthy permitting process, fees, and lack of access to capital for low- or moderate income homeowners.

Case Study: City of Santa Cruz

The City of Santa Cruz provides fee waivers (and, in past years, low-interest loans) for homeowners who agree to rent their second units only to low- or very low-income households. Funding for the program is provided by a Sustainable Communities Grant from the California Pollution Control Financing Authority.



Images Source: Santa Cruz County Planning Department

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 (beyond what can be obtained from federal and state sources) is an essential component of affordable housing funding. Approximately \$338 million in local funding is required to meet the City affordability target for the 28th Street Station Area. To fill this gap, the City will need to prioritize affordable housing development in the station area for existing funding sources, and find new resources.

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.

For more information on a TIF district, go to page 66.



Assist in Strengthening Community Identity

KEY STRATEGIES CHECKLIST

- Require maximum block size and minimum open space requirements
- Invest in public realm improvements to support a pedestrian and bicycle friendly environment
- Promote the district's Latino and Portuguese cultural identities



Photo Credit: Sergio Ruiz for SPUR

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

The preservation and promotion of the district's Latino and Portuguese cultural heritage should be central to all plans and new development should be leveraged to invest in the community's priorities, including affordable housing, public plaza, and other neighborhood amenities. As stated in the Urban Village Plans, the goal is to design better places for people. This includes creating a compact, walkable place where streets, plazas, and parks are welcoming for people of all ages and abilities.

The goal is to create a more compact, urban street grid, an intentional street network, and safer, public spaces that will enhance the unique cultural and civic heritage that already exists in the 28th Street Station Area. To create places where the community wants to live, work, shop, and play.

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

Opportunities

Higher density development in the immediate vicinity of the station will help enable provision of the community's priorities, such as a new urban plaza, providing the community with a new central space.

Support existing local businesses and incubate micro enterprises like food carts.

Enhance placemaking and the design of the public realm to highlight the area's unique history and cultural heritage.

Provide safer pedestrian crossings and higher quality bicycle facilities to make walking and biking more comfortable for all ages and abilities.

Commission local organizations, artists and citizens to customize their neighborhoods in a way that respects civic and cultural heritage.

Challenges

The addition of new public, community improvements such as active transportation infrastructure and new parks will increase property values and spur gentrification.

Creating a transparent and inclusive process that can help fully represent the diverse community identity is challenging.

Require maximum block size and minimum open space requirements

Phasing: Initiate within 12 months

Recommended Actions

- Extend the existing street grid; when blocks exceed 300' x 300' in size, add a public street and/or a pedestrian paseo to subdivide blocks and provide additional pedestrian connectivity.

Context

A compact grid pattern must be small enough to create frequent intersections and help establish a network of public streets that provide convenient, safe routes for people, bikes, and cars. A well-developed network of streets establishes a valuable community asset that will provide the inhabitants of the 28th Street Station Area with a high degree of access and connectivity.

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

Phasing: Initiate within 12 months

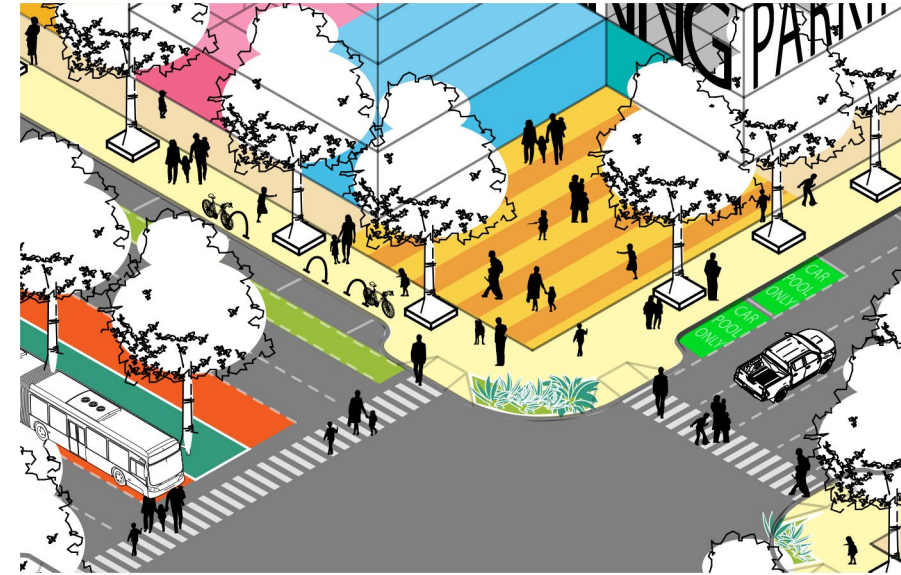
Recommended Actions

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

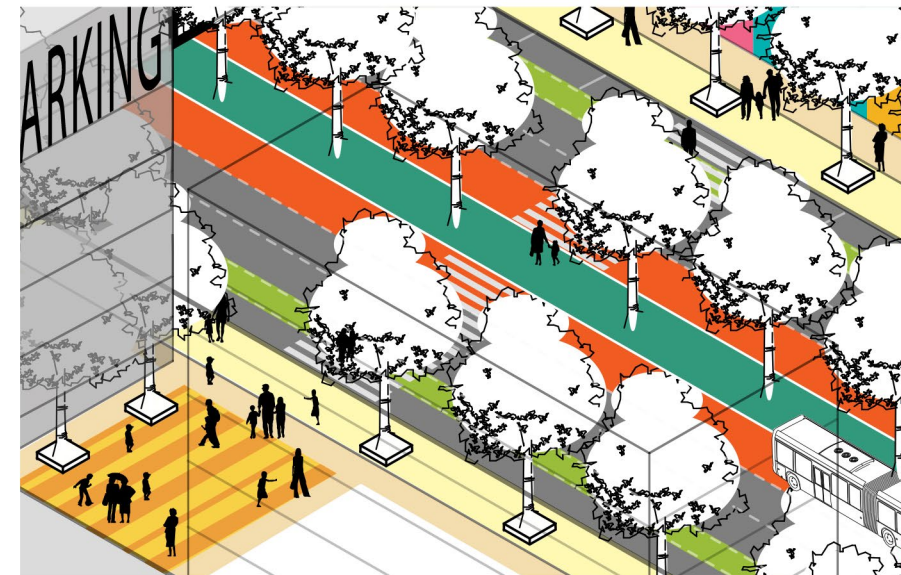
Context

Widening sidewalks, providing more frequent and visible pedestrian crossings, and providing connections to regional trails will also help create a safer, more inviting shopping experience. In the long term, when combined with the new BART service, these improvements can also help encourage shoppers, residents, and workers to access the corridor by foot, bicycle, or transit, helping to mitigate parking demand.

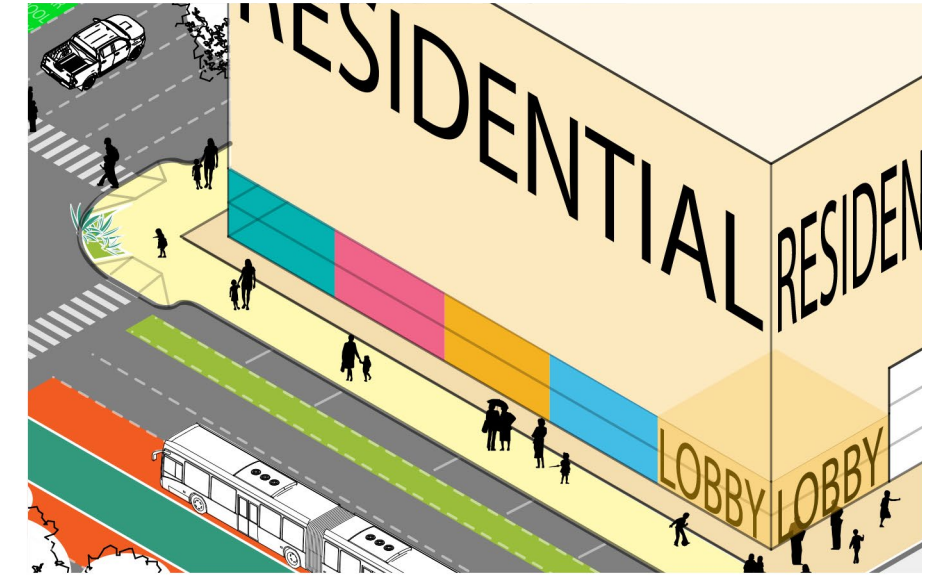
Local stakeholders have identified a number of public realm challenges that negatively affect perceptions of the 28th Street Station Area, including limited parking for workers and businesses and major barriers to pedestrian access. Bicycle, pedestrian, and transit access improvements in the station area should be targeted at improving access to businesses as well as to the future BART station.



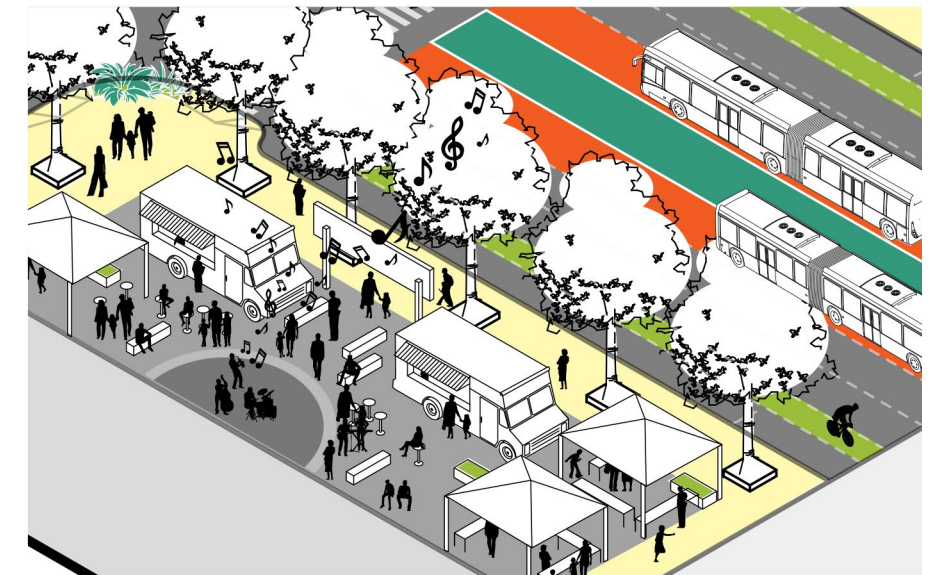
Safely connect people to different activity centers and the BART station entrance.



Traffic calming strategies on 28th Street will allow prioritization of pedestrians, bike and transit corridors.



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



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

Promote the district's Latino and Portuguese cultural identities

Phasing: Initiate within 3 years

Recommended Actions

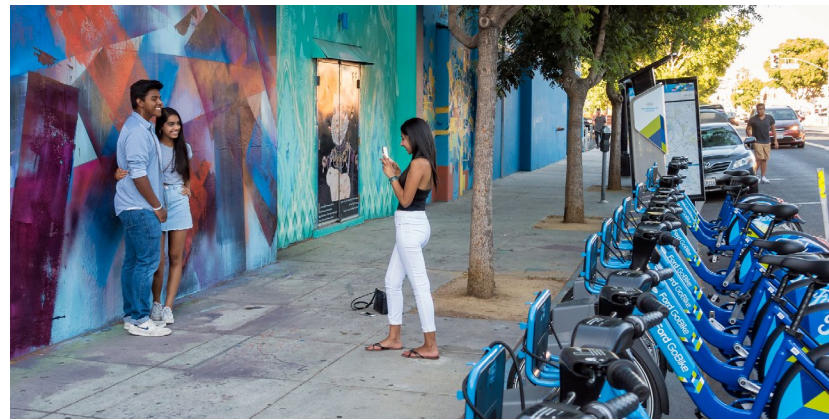
- Recognize the district's distinctive cultural heritage in the BART station name.



In February 2019, the San José City Council voted to recommend to the VTA Board a station name change from "Alum Rock/28th Street" to "28th Street/Little Portugal". The VTA Board will vote on the station name change in late 2019/early 2020.

Photo Credits: Sergio Ruiz for SPUR

- Create and implement a branding and marketing strategy centered around the corridor's identity as a destination for Latino and Portuguese food, arts, heritage, and culture.



Local business owners, as well as representatives from the district's cultural institutions, should help craft a marketing strategy that reflects both the district's historic Portuguese identity, as well as its current, ethnically diverse range of businesses. The strategy could include marketing on BART trains (e.g. participation in the BARTable campaign, which highlights interesting destinations that can be reached by BART).

Context

The 28th Street Station Area is characterized by strong Latino and Portuguese identities, including cultural institutions and businesses that attract visitors from outside the neighborhood. The City, VTA, and other partners should work closely with the community to develop strategies for preserving and promoting the district's unique history and culture.

- Identify and promote cultural events that support the corridor's cultural heritage and complement existing uses.



For example, street fairs, performances, and other cultural events could draw new visitors to the business district. Local business associations could work with local businesses and cultural institutions such as the Five Wounds Church and Mexican Heritage Plaza to identify and promote events.

- Involve the community in design of streetscape improvements and incorporate elements that highlight the area's unique history and cultural heritage.



The City should work with local residents, businesses, and cultural organizations to incorporate distinctive public realm improvements such as arches, tiles, banners, and public art that reflect and highlight the area's Latino and Portuguese culture and history. VTA should also involve the community in the design of improvements related to VTA properties (e.g. BART station improvements and improvements associated with joint development occurring on VTA-owned land).

- Pilot a small market or food cart to provide affordable space for emerging Latino and/or Portuguese businesses.



A small market or food court could provide affordable space for emerging businesses, and serve as both a community gathering space and unique destination within the station area. While a non-profit organization or private property owner or investor will need to take the lead in developing this type of space, the City could assist in identifying an appropriate location, providing funding for tenant improvement costs, identifying the appropriate tenants, and connecting tenants with existing business services.



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; it also requires managing parking and providing TDM programs in the station area so that development patterns do not incentivize driving trips over other more space-efficient and sustainable travel modes.

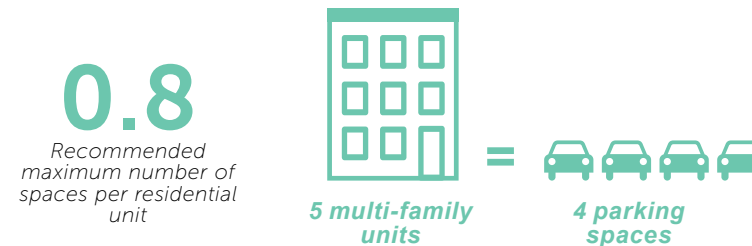
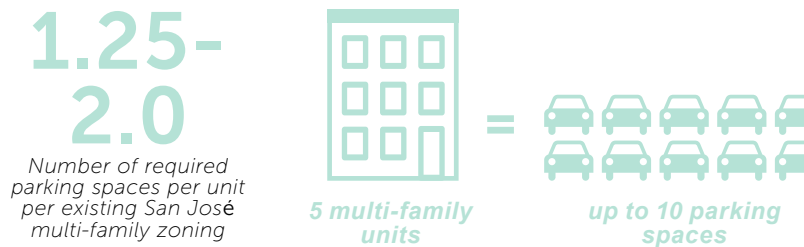
By setting a maximum parking requirement instead of a minimum requirement, City of San José can provide context-sensitive and evidence-based guidance to developers to not overbuild parking supply for new TOD while also meeting expected levels of parking demand at the district level.

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

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

28th Street 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
28th Street	Existing Standards	1.25 to 2 spaces per unit minimum	1 space per 200-300 square feet of gross floor area minimum (exempt if use is street-level)	Exempt from requirements unless demand for use under code would generate 2 spaces per 200 square feet of gross floor area
	Comparable Standards	No parking required (San Diego, CA)	1 space per 1,000 square feet minimum (Arlington, VA)	1 space per 1,000 square feet minimum (Arlington, VA)
	Recommended Standards	0.8 spaces per unit maximum; additional reductions for affordable and senior housing (on a case by case basis per combined development program)	1 space per 530 to 1,000 square feet of gross floor area maximum (depending on TDM plan)	No parking allowed

Context

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.

The recommended maximum parking ratio of 0.8 spaces per residential unit would exceed the observed parking demand of residential developments located within a half-mile of similar types of BART stations.

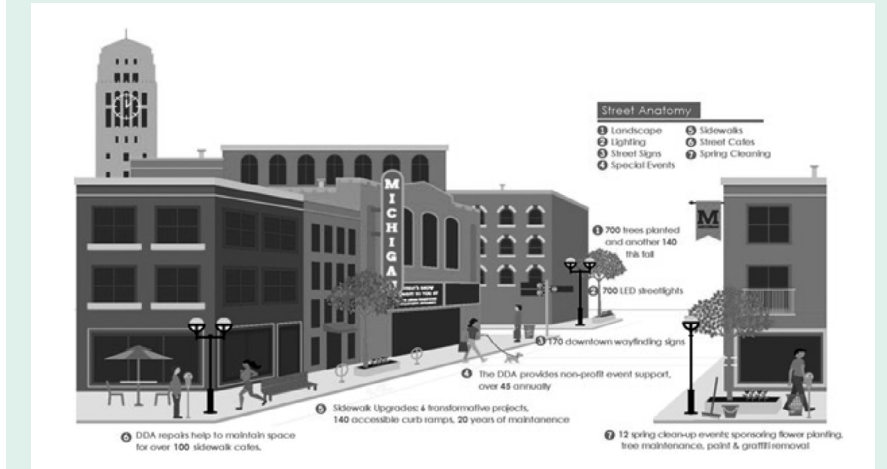
Case Study: City of San Diego, CA



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 the 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.



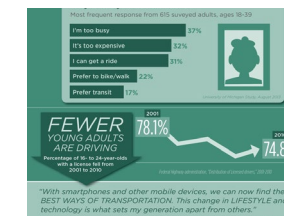
Car Share Memberships

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. This is especially important in the 28th Street Station Area where community perception is that there is currently not enough parking.

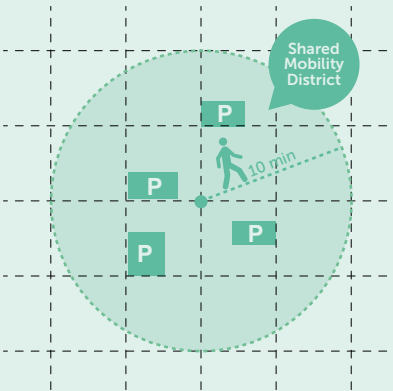
Much of the proposed policy guidance has already been established by the City of San José's Parking Rate Resolution which sets policy guidance for managing parking differently in different areas. This includes the following: Allow for occupants of buildings without off-street parking to lease parking 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).

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. See *Appendix K for additional case studies.*



The Shared Mobility District built this new public parking structure in order to effectively serve the entire TOC - residents, employees, and visitors.

The developer of this new mixed-use tower chose to build on-site parking to contribute to the centralized shared parking supply in lieu of paying an additional fee.

The Shared Mobility District initiated a curb management program designed to support station access, high-turnover activities such as passenger pick-up/drop-off, and package delivery.

The Shared Mobility District negotiated a deal with the owner of this private surface parking lot to allow residents and visitors to park here on weeknights after 6pm and on weekends.

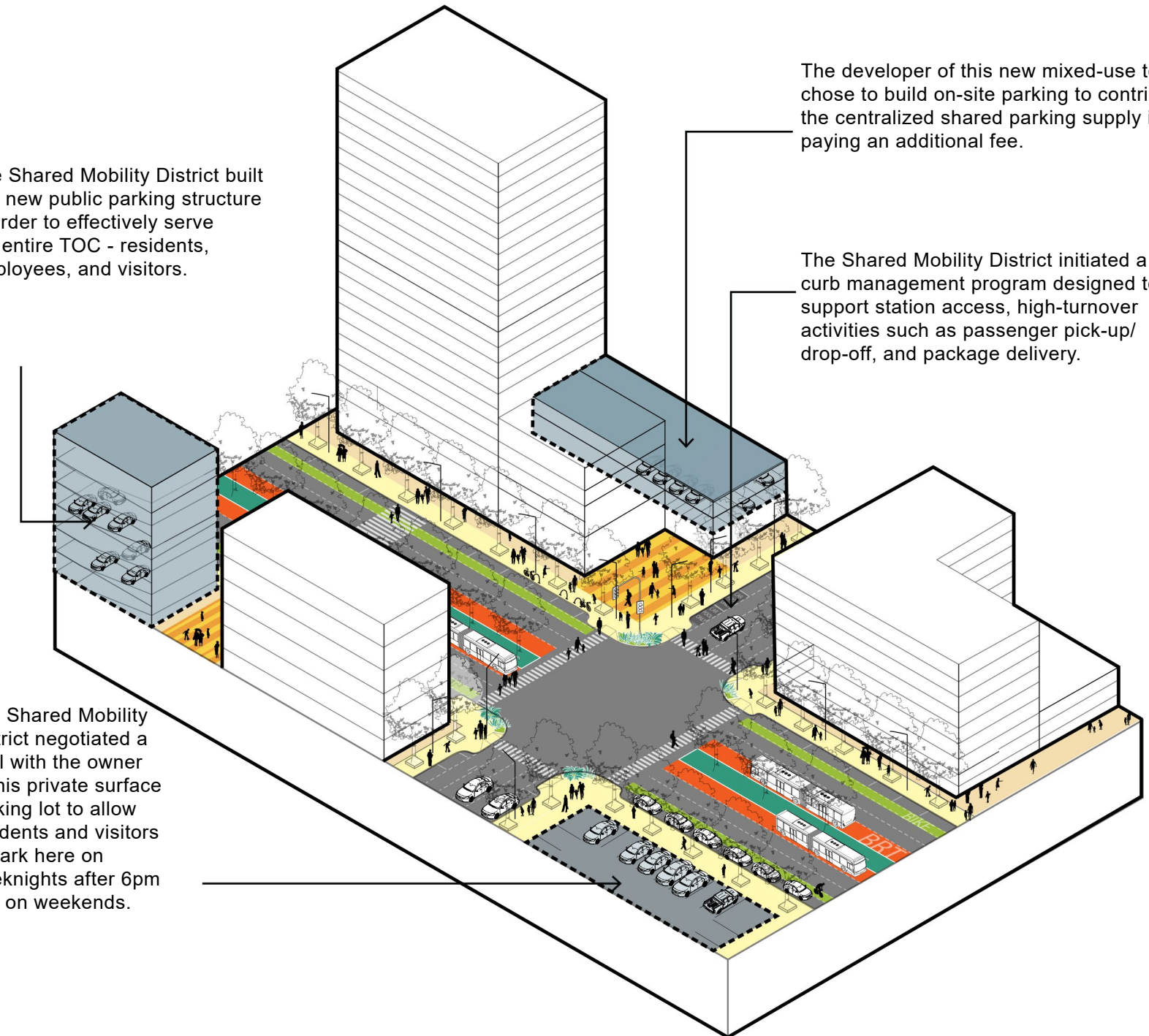


Diagram of a Shared Mobility District

Adopt street hierarchy typology for station area

Phasing: Initiate within 3 years

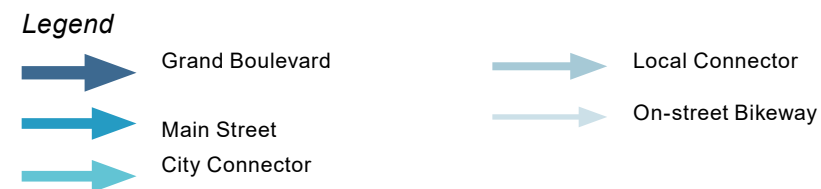
Recommended Actions

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

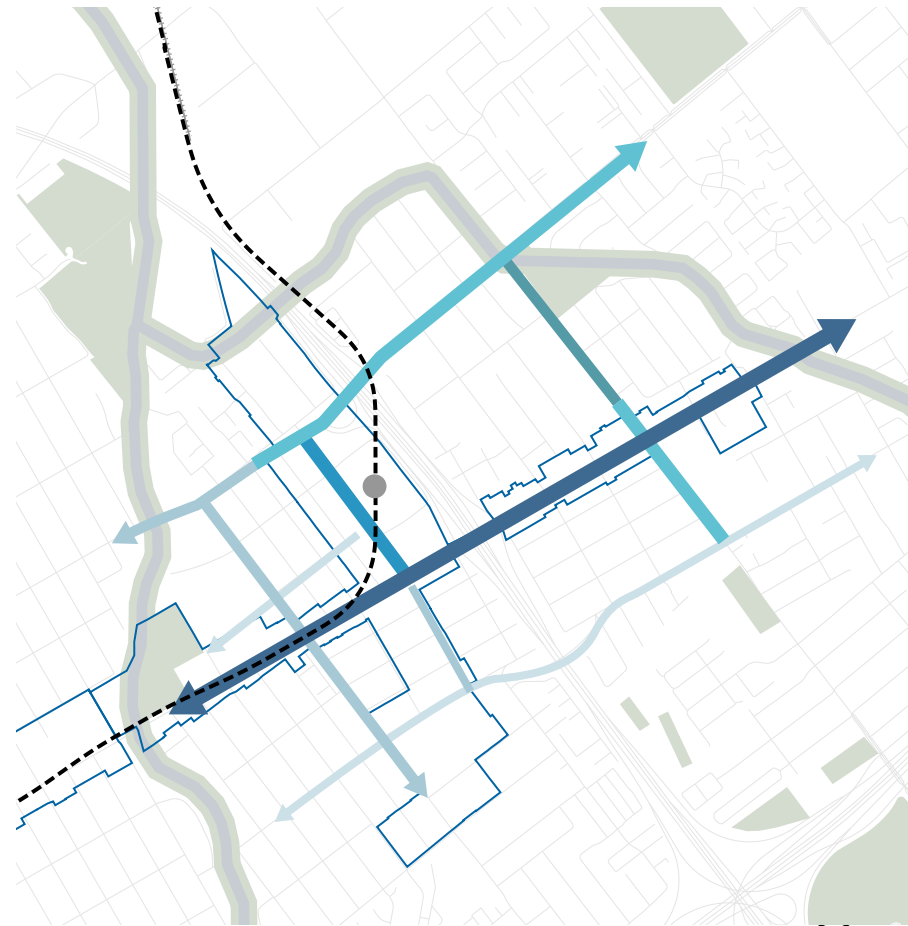
Context

A Transit Oriented Community seeks to knit together the transit station within a wider area, allowing new and existing residents to travel between home, errands, and the transit station with ease. A Transit Oriented Community, centered on the new station, may be brought to life by improving multi-modal connections between existing activity nodes, areas planned for future development, and the future station.

The Transit Oriented Development Street Classifications will help design streets for people: pedestrian friendly streets with slower traffic, wider sidewalks, and longer crosswalk times at signalized intersections. This will help safely connect people to different activity centers and to the BART station entrance. The proposed street typologies match guidelines set forth by City of San José. The recommendations include classifying streets that are currently unclassified.



Proposed Street Classifications



Map of 28th Street Station Area Street Hierarchy

Create a tailored approach to streetscape improvements and transit connections

Phasing: Initiate within 12 months

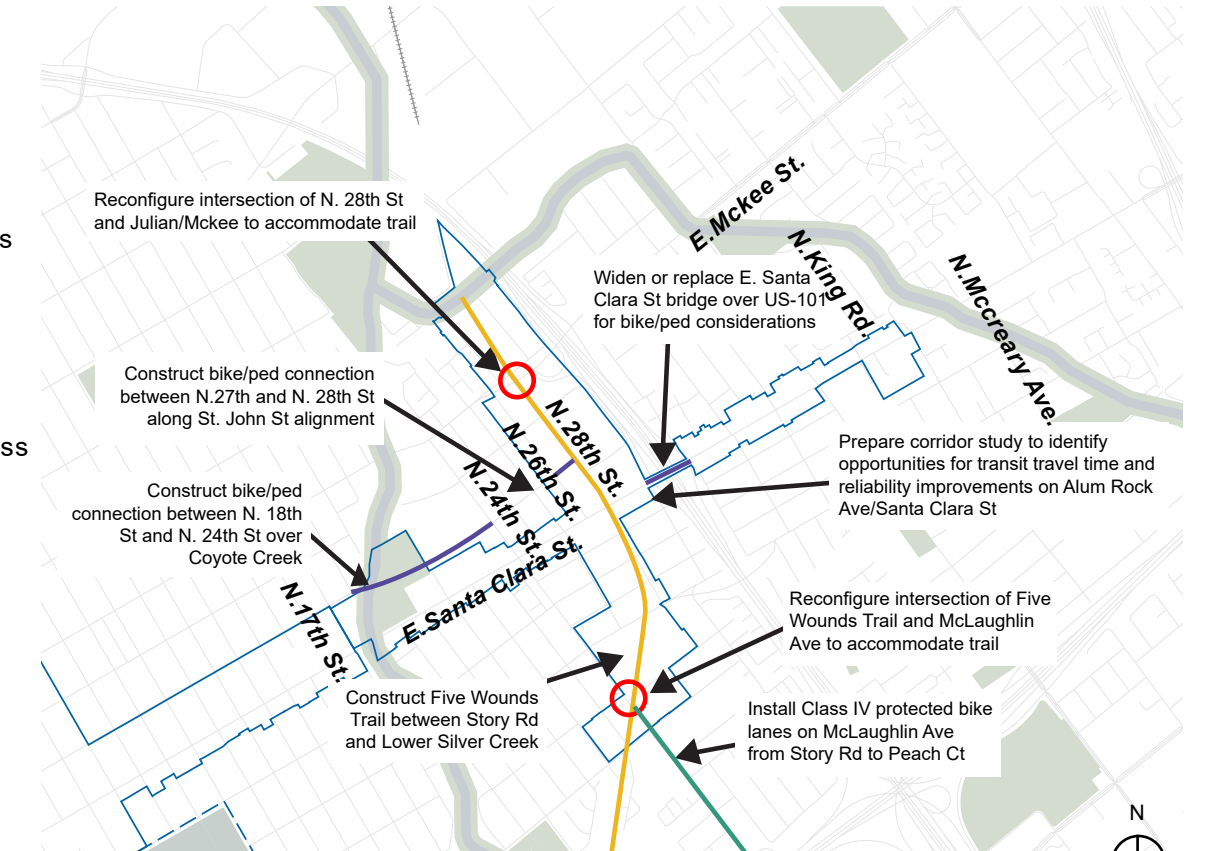
Recommended Actions

- 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.

Context

Due to the existing auto-centric nature of the 28th Street Station Area, and nearby freeway access, there are few constraints to automobile circulation. However, mobility using space-efficient, more sustainable modes such as walking, biking and transit, is more constrained due to gaps in those facilities or a lower level of comfort associated with conflicts with automobiles.

Primary opportunities for improvement include enhancing the bicycle/pedestrian connections across US-101, closing bicycle gaps, improving connections across major roadways, and providing a strong pedestrian connection between the Santa Clara/Alum Rock Bus Rapid Transit (BRT) and the station.



Map of 28th Street Station Area 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 City of San José and VTA to institute new TOC funding tools
- 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

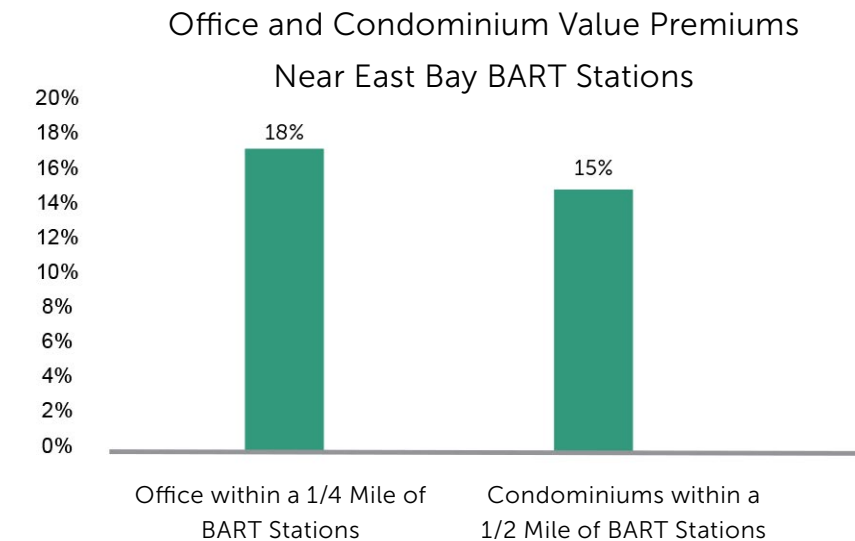
Why is this 'Big Move' essential for Transit Oriented Communities

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 N 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 City 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.

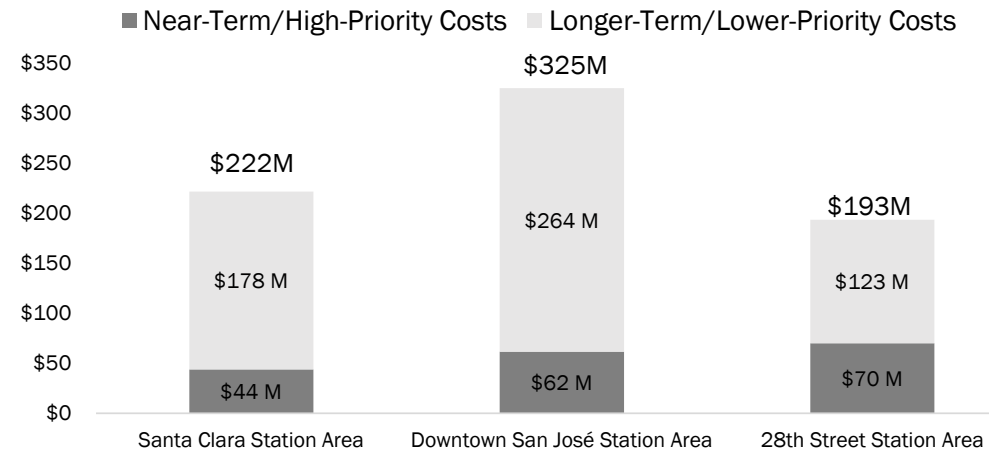
Investing in Public Infrastructure and Facilities to Maximize Benefits and Realize Value

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 on page 49 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, including the extension of the Five Wounds Trail.

This big move 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 28th Street station area is estimated at \$193 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 \$70 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 (TIF) 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 include the following:
 - Implementing TOC financing districts.
 - Identifying and pursuing grant funding opportunities.
 - Implementing shared mobility districts.
 - Coordinating land use policy and zoning, especially in the 28th Street Station Area.

Context

As part of the TOCs Strategy Study, VTA organized regular meetings with staff at both the Cities of San José and Santa Clara, 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 28th Street station area could generate approximately \$12 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 just over \$2 million to help pay for transit operations and maintenance, assuming that 20 percent of revenues were allocated for this purpose. One of the advantages 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 \$33 million in bond issuances and excess pay-as-you-go revenues through 2040. See *Appendix Q* for more information about the development scenario, the preliminary assumptions used to develop the revenue estimates, and key issues for implementation.

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.

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 28th Street station area could generate \$9 million in total revenues through 2040 (in 2019 dollars), including slightly less than \$2 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 \$23 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.

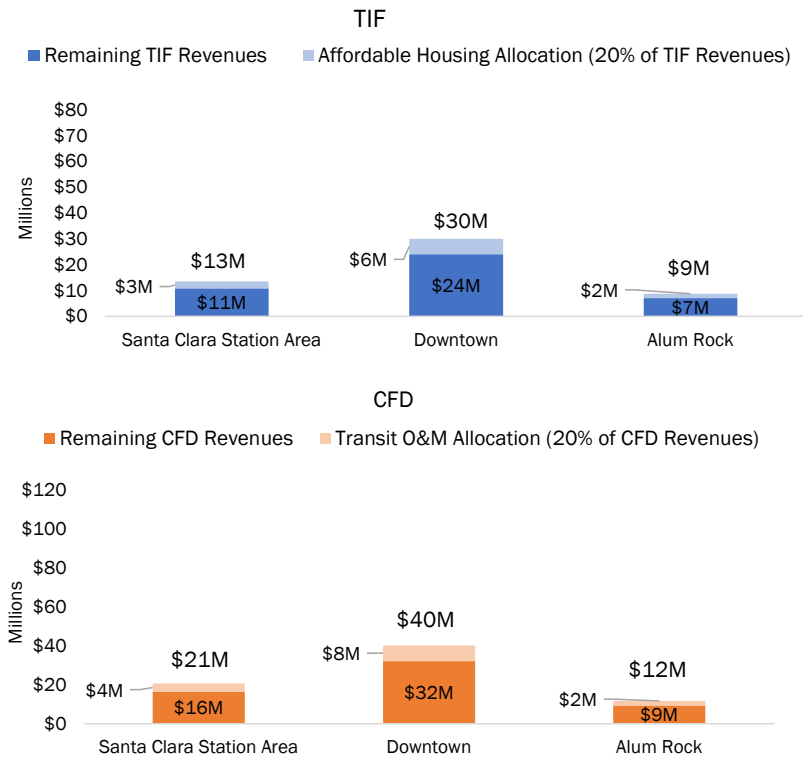
Leading up to the adoption of the EIFD, the City completed an extensive planning process for the area surrounding the future station which included a Specific Plan that called for higher density, mixed-use TOD. In order to enable TOD in a low-density, car-oriented environment, significant infrastructure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

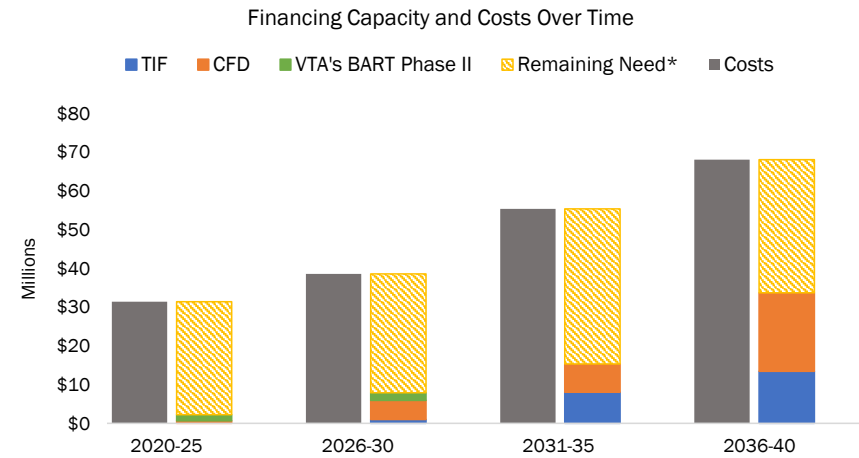
See Appendix Q for more information on methodology and key assumptions.

Source: Strategic Economics, 2019.

Summary of Costs and Potential Funding & Financing Sources

Estimated Cost	\$193.5
Funding/Financing Sources	
CFD	\$33.1
TIF	\$22.6
VTA's BART Phase II	\$3.6
Remaining Need*	\$134.1

The figures on page 67 show the total potential revenues that could be raised from implementing a CFD and TIF district in the 28th Street 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 28th Street 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. For example, stakeholders in the 28th Street Station Area place a high priority on protecting and promoting the district's Latino and Portuguese cultural identities, while limiting the displacement of small businesses and households.

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 and are tailored to meet local needs. Community-based organizations can also access funding sources such as foundation funds, grants, or loans from banks meeting their Community Reinvestment Act requirements.

Appendices

Appendix A - Background Conditions Report

Appendix B - Opportunities and Constraints Report

Appendix C - Funding and Implementation Strategy

Appendix D - Station Access Profile - Santa Clara

Appendix E - Station Access Profile - Downtown San José

Appendix F - Station Access Profile - 28th Street

Appendix G - Existing Parking Conditions

Appendix H - Parking Survey (Residential)

Appendix I - Parking Survey (Employment)

Appendix J - Ridership Impacts of TOCs

Appendix K - TOC Parking and TDM Strategies

Appendix L - Market Analysis and Demand Projections Report

Appendix M - Affordable Housing and Displacement Risk

Appendix N - Fiscal Impact Analysis - City of Santa Clara

Appendix O - Fiscal Impact Analysis - City of San José

Appendix P - Small Business Support and Retention Strategies

Appendix Q - Infrastructure Cost Estimates

Appendix R - Access Improvements Cost Estimates

Appendix S - Streetscape Improvements Cost Estimates