

VTA's BART Phase II
Transit Oriented Communities
Strategy Study

The 28th Street/Little Portugal 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-generation opportunity right



For more information:

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

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The Call To Action

This Playbook presents a starting point for a long-term, collaborative partnership between the City of San José and Santa Clara Valley Transportation Authority (VTA) to capitalize on the new 28th Street/ Little Portugal BART Station. However, there is much work needed 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, tried-and-true 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 requires implementing TOC principles well before BART arrives. Getting to the finish line requires 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 more affordable housing and new and improved land use regulations, funding tools, and bicycle, pedestrian, and transit connections that ensure good access for neighborhoods surrounding the station area.

The community has been very clear that taking advantage of the 28th Street/Little Portugal BART Station also means preserving and promoting the district’s Latino and Portuguese cultural heritage. This means prioritizing mitigations for project impacts and ensuring that 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/Little Portugal BART Station area into a TOC where people want to live, work, and play. It truly is a once in a generation opportunity. 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 VTA and the City of San José to establish a Transit Oriented Community for the 28th Street/Little Portugal 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/ Little Portugal. In the Diridon Station area a separate but complimentary plan called the Diridon Station Area Plan (DSAP) is being developed. The 28th Street/Little Portugal BART Station Area Playbook is one of three playbooks.

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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 and Businesses, 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 your home or business.

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.
- Protect and facilitate 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?

RECOMMENDED ACTIONS
What specific actions are recommended to implement a key strategy?

ADDITIONAL CONTEXT
What else should stakeholders know about each key strategy?

Category	Value	Target/Context
Total number of housing units in 2028	1,614	City of Santa Clara goal
Number of new housing units that the Station Area can accommodate	8,600	City of Santa Clara goal
Net new affordable units to meet the 15 percent necessary housing goal	1,300	City of Santa Clara goal
City of Santa Clara necessary housing requirement	=15%	
The total cost of total funding for each affordable unit	\$173,000	City of Santa Clara goal
The total cost of total funding for each affordable unit	\$223m	City of Santa Clara goal
Development Policy Requirement for affordable units	≥20%	City of Santa Clara goal
VTA Joint Development Policy Target for affordable units	≥25%	City of Santa Clara goal

WHY is this Big Move essential to transit oriented community goals?

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

DIAGRAM
How would this strategy work?



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 VTA's Phase II BART stations. That is the magnitude of the possibility in front of us. Of course, there is much work to do, it won't happen on its own, and the clock is ticking. Partnerships need to be forged. Plans updated. New funding tools put in place. Capital investments made. 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 now.

Success lies in the hands of the cities, VTA, and their partners. It's critical that we start now to capture the extraordinary opportunity in front of us. According to market demand projections and development analysis prepared for VTA's 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 VTA's BART Phase II is massive. Before BART arrives, we must advance partnerships and update plans and policies to ensure the station areas become healthy, connected, prosperous, and equitable Transit Oriented Communities.



Legend

- Existing Buildings
- New opportunity sites
- Phase I
- Phase II

* 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 total does not include Diridon, which is undergoing a separate but complementary planning effort as part of the Diridon Station Area Plan (DSAP) update.

Envision the future of 28th Street/Little Portugal

Total Market Potential for Development by 2040

Office	500,000 sf	} +19,500 new residents
Residential	7,827,000 sf	
Hotel	114,000 sf	} + 2,100 new jobs
Retail	58,328 sf	
Total	8,499,328 sf	

Creating Great Places

28th Street/Little Portugal 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/Little Portugal Station area. *[See Appendix L for more information on the TOC development scenario and how it compares to existing City plans.]*

The market demand potential within the station area can accommodate much more development. While the Market Study estimated 8.5M square feet of development demand by 2040 is possible, build-out for the station area could happen sooner than 2040, should projects arise that help accelerate such 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/Little Portugal Station area. Part of the solution will be implementing the principles of good placemaking via new development and public improvements that promote:

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



A long term partnership

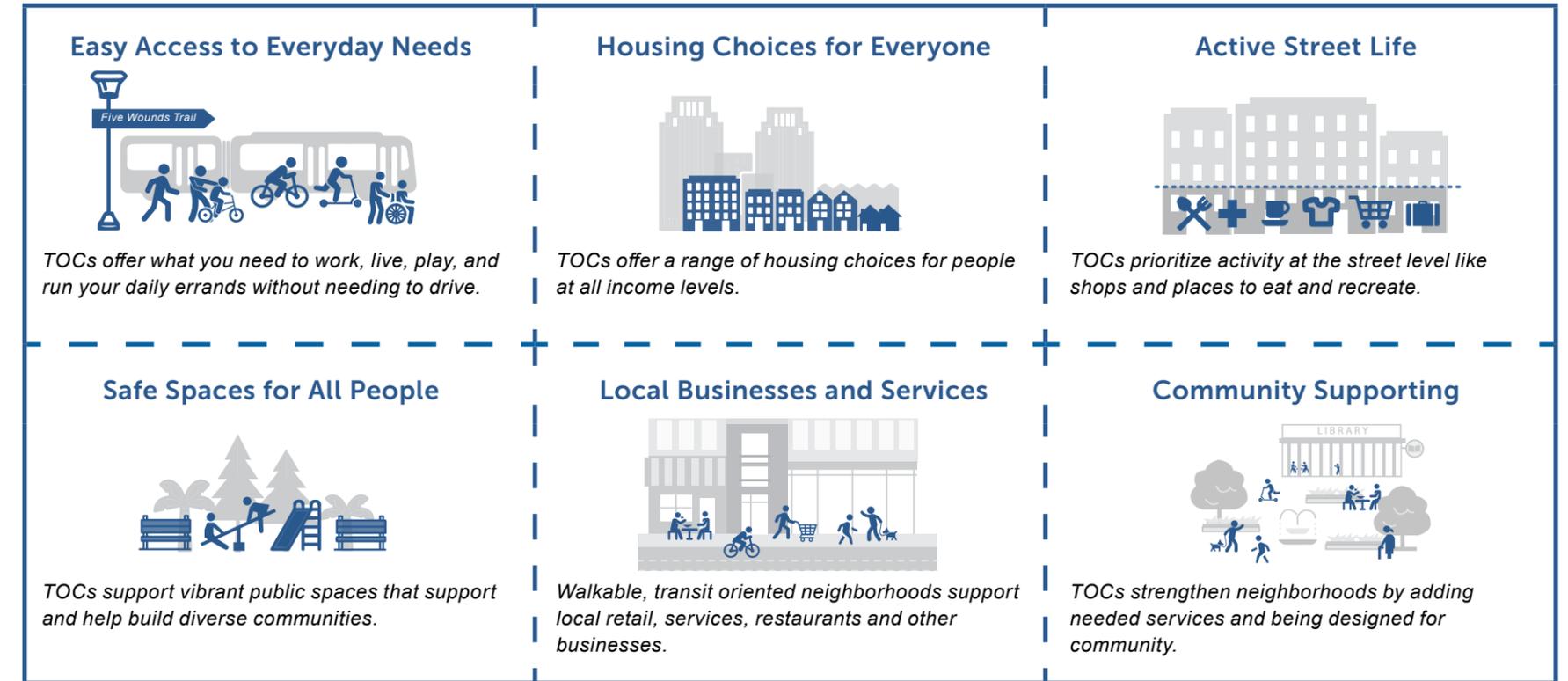
Realizing the opportunities associated with BART Phase II requires extraordinary collective action. That’s the most important lesson learned from other communities that developed great TOCs.

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

- Endorse a holistic approach to creating TOCs in Santa Clara County and accept this 28th Street/Little Portugal Station Playbook 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. TOCs provide a diversity of jobs, housing types, and economic opportunities while reducing the risk of displacement by providing affordable housing choices. These communities are founded on good placemaking and seamless mobility that leverage 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 described later in this Playbook.



Why 28th Street/Little Portugal? Why Now?

28th Street/Little Portugal 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 higher property values. Unlocking the potential of BART requires moving forward with a well-coordinated implementation strategy before the BART station opening. The existing Urban Village Plans provide a path to leverage existing local community strengths and connect to nearby regional transit activities. The following goals for the 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's BART Phase II and removing restrictions on desired development in the station area will jumpstart the necessary development and public 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 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

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

Promote local businesses

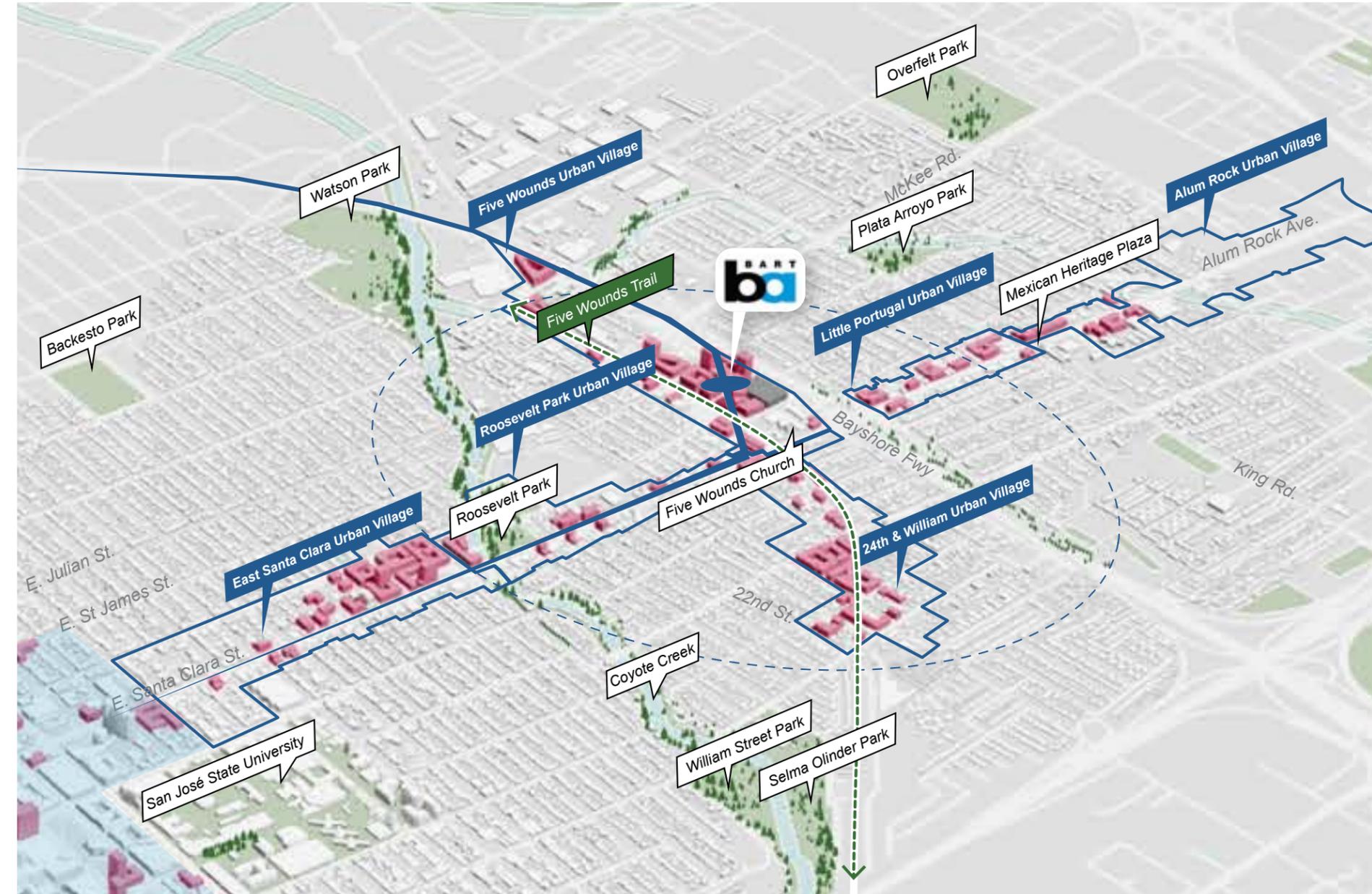
Existing and new business and commercial development immediately adjacent to the station and along the major commercial corridors will promote transit ridership, fulfill the City of San José's jobs goals, and provide more employment opportunities for East San José residents.

Introduce new community spaces

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

Connect to the Five Wounds Trail

Western Pacific Railroad's former San José spur line is slated to become an urban trail for pedestrians and bicycles that will safely connect communities and the 28th Street/Little Portugal BART station. The Urban Village plans call for new development fronting the trail to help create "eyes on the trail".



 28th Street/Little Portugal Priority Development Area (PDA) as identified by the Metropolitan Transportation Commission (MTC) and City of San José
 Potential Development  Urban Villages

Transit Oriented Community Strategies: The Big Moves

The following recommendations are necessary to make the station area "BART ready" – enabling successful TOCs well before the opening of VTA's BART Phase II. Accomplishing this will require leadership and new plans, policies, funding, and infrastructure investments to assure the transformation of the station area into a transit-friendly community. Consequently, these recommendations should be adopted and implemented before opening day of VTA's BART Phase II Extension.



Imagine a 28th Street/Little Portugal where ...



Local businesses thrive in affordable commercial spaces



Community Based Organizations (CBOs) can provide services tailored to local needs



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



Community landmarks are celebrated and serve as hubs for community life



People choose efficient and sustainable ways 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

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 communities through social media, the TOCs Strategy Study website, TOC focused videos, and various pop-up events.

Ongoing collaboration is essential

Collaboration between VTA, City, and BART staff has been and will continue to be essential.

Beginning in January 2018, VTA held regular coordination meetings with the Study's Technical Advisory Group (TAG), departments within the Cities of Santa Clara and San José, and 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 prioritizing implementation of specific recommendations, many of which 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 local communities. Capturing the full opportunity of VTA's BART Phase II by achieving great 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 REGULATIONS ACROSS THE STATION AREA TO ENSURE GOOD TRANSIT ORIENTED COMMUNITIES

Pg 19



PROTECT AND SUPPORT SMALL BUSINESSES 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 61

Transit Oriented Community Strategies: The Big Moves

Each Transit Oriented Community 'Big Move' recommendation has embedded implementation strategies. Go to the respective 'Big Move' section to view the key strategies in more detail.



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

Pg 19-26

- ★ Establish minimum office and residential densities throughout the station area with context-sensitive height regulations
- ★ Allow mid-scale residential development to occur in the near term
- Reduce commercial FAR requirements in mixed-use development to make development more feasible
- Prioritize office development directly adjacent to the station



Protect and Support Small Businesses and Enhance Commercial Nodes

Pg 27-32

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



Protect and Produce Workforce and Affordable Housing

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
- Expand 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 friendly environment for people to walk and bike
- Promote the District's Latino and Portuguese cultural identities



Unlock the Value of Mobility for All Stakeholders

Pg 49-59

- ★ 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 (SMD) that manages transportation and parking to provide access throughout the station area
- Create a tailored approach to streetscape improvements and transit connections
- Adopt street hierarchy typologies in the station area



Prioritize Funding and Implementation

Pg 61-72

- ★ Create a dedicated staff position to lead TOC implementation
- ★ Establish a framework for ongoing collaboration between the City of San José and VTA to institute new TOC funding tools
- Work together to identify grants and other funding sources
- 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
- 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 Regulations Across The Station Area To Ensure Good Transit Oriented Communities

KEY STRATEGIES CHECKLIST

- Establish minimum densities for office and residential throughout the station area with context-sensitive height regulations
- Allow mid-scale residential development to occur in the near term
- Reduce commercial FAR requirements in mixed-use development to make development more feasible
- 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 more active, amenity-rich neighborhoods 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 Spaces for People ✓	Local Businesses and Services ✓	Community Supporting ✓

Opportunities

The station area is attracting growing interest from residential developers.

Support the community-based vision in the Urban Village Plans for a transit supportive, walkable, and amenity rich 28th Street/Little Portugal 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.

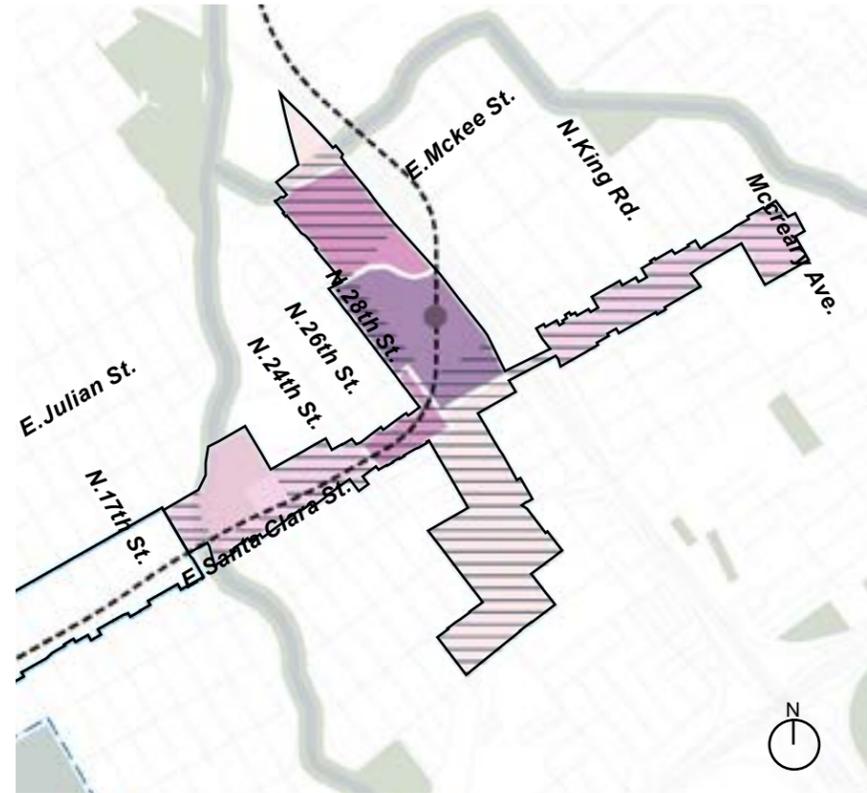
Significant office development at the station area is only likely to occur if driven by a major office user.

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

Phasing: Initiate within 12 months

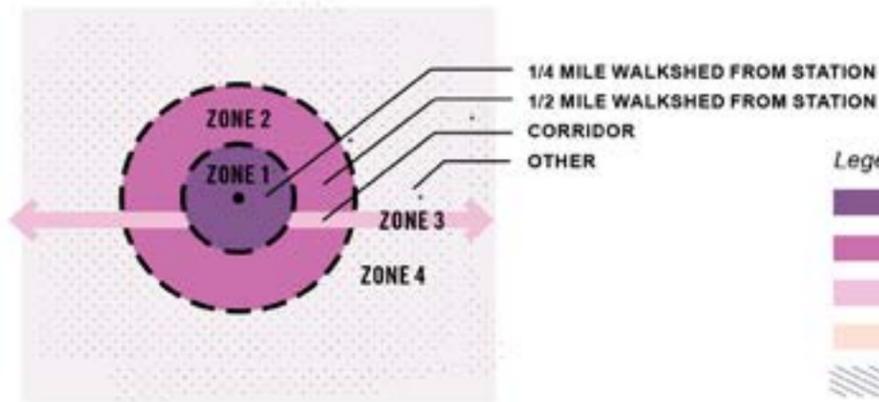
Recommended Actions

- Establish minimum densities throughout the station area, varying according to distance from the station, and 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 farther 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/Little Portugal Density Zones

Shaded areas on this diagram represent recommended density ranges that should be applied to opportunity sites within that zone. Opportunity sites are defined and identified in Appendix B, Opportunities and Constraints Report. Please note that there is no requirement or expectation that 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
 - ADDITIONAL HEIGHT RESTRICTION

Residential

Office

ZONE 1



METRICS

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



METRICS

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

ZONE 2 & 3



METRICS

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



METRICS

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

ZONE 4



METRICS

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



METRICS

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

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

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 residential development to occur on the outer edges of the station area prior to BART construction will help meet the urgent housing needs in the short- to medium-term and help build the market that will attract the desired commercial development.

A unified station area / specific plan, or similar planning document, that includes the entire station area could adjust and integrate the Urban Village Plans.

Such a plan would: a) provide greater certainty to neighborhood residents and property owners regarding expected development quality and community benefits, b) allow for streamlined development approvals to help catalyze investment and create local economic development opportunities, and c) ensure that building heights and parking demand are regulated to be contextually sensitive to the surrounding single-family neighborhoods.

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.
- Require mixes 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/Little Portugal 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, including a) delaying badly needed residential development, and b) creating commercial spaces that are too large and become vacant due to high rents that local small businesses cannot afford.

When the City reevaluates FAR requirements in the Urban Villages, an analysis by a real estate consultant specializing in commercial retail should be considered. The analysis should include study of how changes to commercial requirements would impact current and future local small businesses.

New development should also 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).

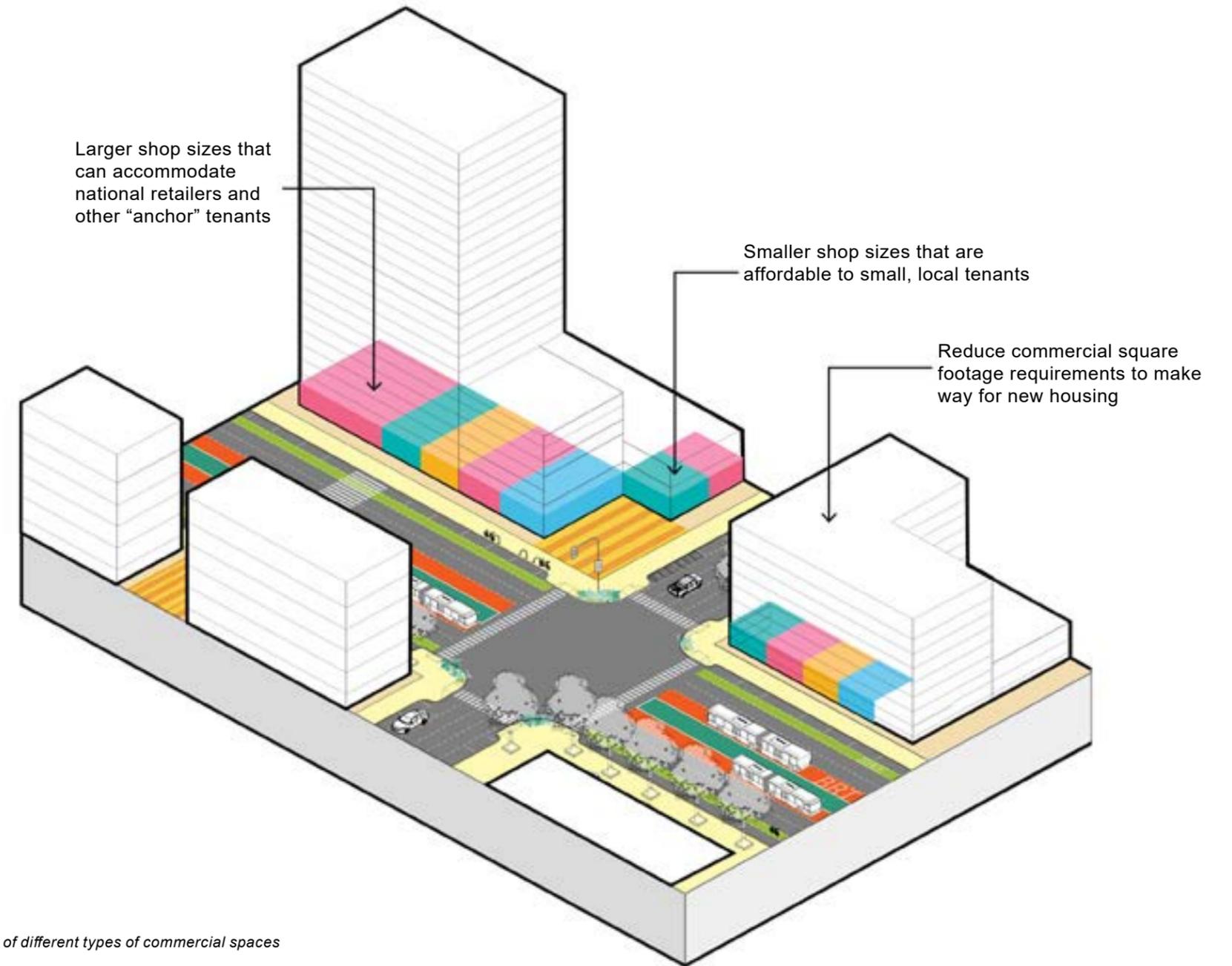


Diagram of different types of commercial spaces

Prioritize office development directly adjacent to the station

Phasing: Initiate within 3 years

Recommended Actions

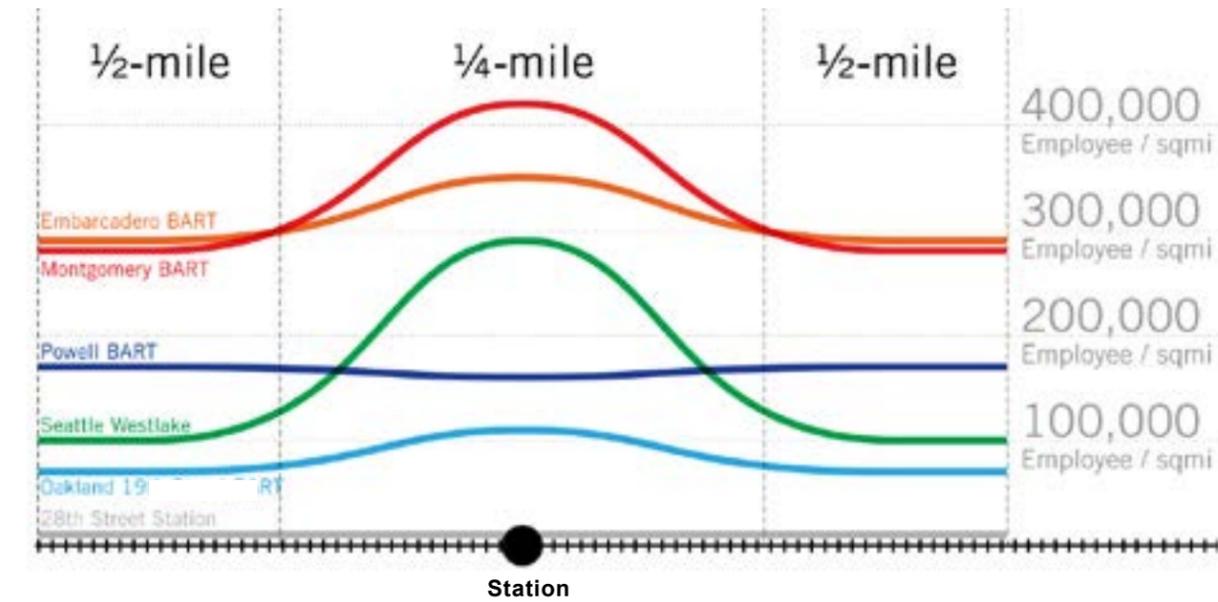
- Preserve key sites adjacent to the station for high density development by establishing ambitious minimum densities and adjusting land use regulations to prioritize office development.

Context

Requiring employment density in the core of the station area will maximize the market viability for office development while also supporting BART ridership by creating the most direct trips possible for commuters.

As illustrated on page 26, a TOD comparative analysis of existing BART stations shows a substantial increase in employment population density within ¼ mile of a station. Residential development will generate ridership at greater distances from the station compared to commercial.

Best Practices: Employment Radius to Maximize Ridership

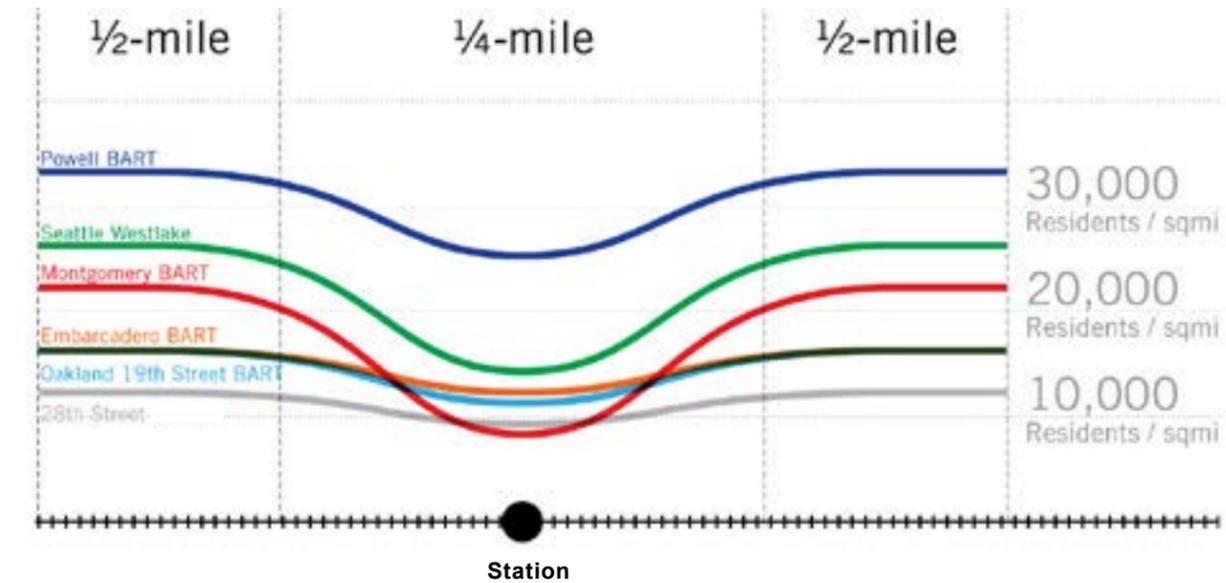


Number of Employees

Station	1/4 mile	1/2 mile
28th Street/Little Portugal 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>

Comparison of Residential Density Across Various Transit Systems



Number of Residents

Station	1/4 mile	1/2 mile
28th Street/Little Portugal 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 Businesses and Enhance Commercial Nodes

KEY STRATEGIES CHECKLIST

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



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 ensure a vibrant, 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 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 Spaces for People ✓	Local Businesses and Services ✓	Community Supporting ✓

Opportunities

There is an existing concentration of small and micro businesses 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 (e.g., the Alum Rock Businesses Association)

Potential for small scale production, distribution, repair (PDR) / "maker" spaces in new development.

Challenges

Displacement of small businesses and rising rents.

Declining retail sales and long-term vacancies that negatively affect the street environment.

Major barriers to safe and comfortable neighborhood and pedestrian connectivity (e.g., Highway 101).

Negative perceptions around homelessness, safety, and cleanliness.

A lack of access to capital for small businesses to make tenant and façade improvements.

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

Phasing: Within 12 months

Recommended Actions

- Reduce commercial FAR requirements in mixed-use development to make development more feasible while also working with developers to provide space that is appropriate for small businesses.
- Provide developers with best practices design guidelines 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.

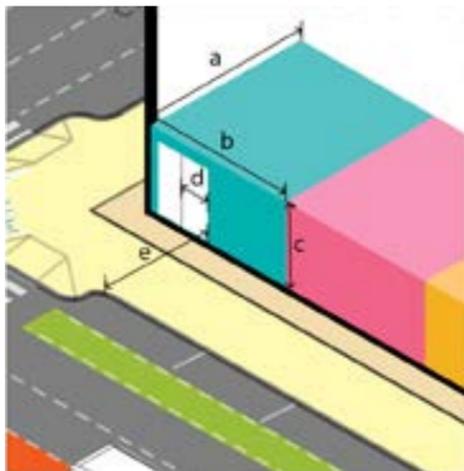
Context

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 a range of commercial uses.

New development should include a mix of smaller shop sizes that are affordable for 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 projects.



The City should 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 supports a range of commercial uses.

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

Phasing: Initiate within 12 months

Recommended Actions

- Provide information to businesses that may be displaced about relocation benefits for which they may be eligible.
- Incentivize developers to provide relocation assistance to impacted small businesses.
- 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 transition costs like tenant and façade improvements.
- Prioritize the establishment of a shopfront location to be a business center with space for technical assistance providers, local business associations, VTA, and key stakeholders, including the City.

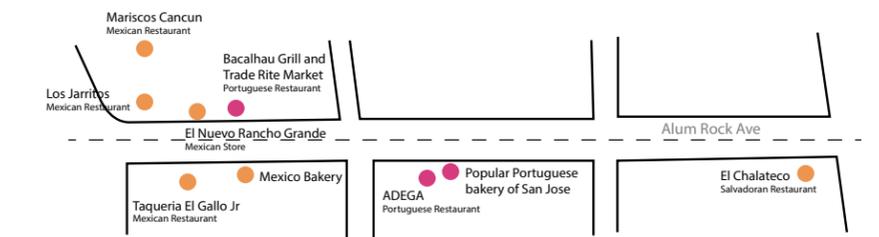
Existing Business Size Breakdown in the 28th Street/Little Portugal Station Area (134 Businesses Total)

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

Context

Little Portugal spans US-101. The Five Wounds Church is a cultural heart of the regional Portuguese community. The segment of Alum Rock Avenue between Highway 101 and King Avenue is the Little Portugal Urban Village, which includes a concentration of Portuguese restaurants, bakeries, and other businesses. The East Santa Clara Street / Alum Rock Avenue corridor also includes many Latino restaurants and specialty retailers (e.g. party stores, clothing stores, etc.). 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.

Restaurants and bakeries in the Little Portugal Urban Village



Production, distribution, and repair (PDR) businesses include small neighborhood businesses in the light manufacturing, production, transportation, warehousing, and construction industries. These businesses are concentrated in the parcels located immediately adjacent to the future transit station and along the former railroad corridor. A number of auto supply and repair shops are also located along the commercial corridors in the station area.

Continue and expand City programs to retain and support small and micro businesses

Phasing: Initiate within 12 months

Recommended Actions

- Provide information to business owners about programs that 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 using 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 VTA's Small Business Resource Study 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 Resource Study that will provide marketing and technical support to businesses 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

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
- Expand existing policies to keep existing tenants and homeowners in place
- Implement more robust policies to preserve existing affordable housing
- Eliminate regulatory barriers to, and create incentives for, affordable housing production
- 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 will 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 area and leveraging new funding sources.

Preserving existing affordable housing and protecting current tenants and homeowners from displacement will help ensure that existing and new residents benefit from expanded transit access. Protection and preservation of affordable housing, including for families, also helps preserve the community's cultural identity by ensuring residents, workers, and artists are able to call this area home. *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 Spaces for People ✓	Local Businesses and Services ✓	Community Supporting ✓

28th Street/Little Portugal 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 housing units to meet the City's goal



1,957
Net new affordable units to meet the City's 25 percent affordable housing goal

\$338m

The total amount of local funding required to meet the City's housing goal. Some of this contribution is expected to be provided through existing City and County affordable housing funding sources, but new funding sources will also be required

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 playbook, 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 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 commonly 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/Little Portugal:

- 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 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/Little Portugal 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 trees 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 discount 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 station area. Discrimination against recipients of federal Housing Choice Vouchers (HCVs, 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 exploring 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 emergency rent assistance for at-risk households.
- Increase legal services and outreach for tenants facing evictions.
- Closely monitor evictions, rent increases, and foreclosures.
- 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/Little Portugal 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 unless preventative actions are taken.

In addition to exhibiting early indicators, the 28th Street/Little Portugal Station area is 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 that are not covered by the City of San José's existing tenant protection ordinances.

Existing Affordable Housing Stock for the 28th Street/Little Portugal 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

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 when such properties 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 can preserve existing affordable housing. 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.



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 dedicated funding sources.

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 funding 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 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 will be required to meet the City's affordability target for the 28th Street/Little Portugal Station area. Some of this local contribution is expected to be provided through existing City and County affordable housing funding sources (such as the City of San José's inclusionary housing in-lieu fee revenues) or provided in the form of land donations, and some of the units will be provided through the City's existing inclusionary housing ordinance.

However, even with the existing policies and funding sources in place, there will remain a significant gap in the local funding required to meet the affordability targets for the station area. For example, some developers may elect to pay an in-lieu fee instead of providing the units required by the inclusionary housing ordinance on-site, and in-lieu fee revenues may be used citywide. Other existing local sources are also not restricted to the station area. To fill the remaining gap, the City will need to prioritize affordable housing development in the station area from existing funding sources and find new resources.

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 are being considered as part of VTA's BART Phase II TOCs Strategy Study. If a TIF district is implemented in the station area, the City of San José should explore the appropriate share of revenues to set aside to assist in meeting affordable housing goals.

For more information and an example of a TIF district, see page 68.

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.



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 friendly environment for people to walk and bike
- 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 plazas, 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, a complete sustainable transportation network, and safer public spaces that will enhance the unique cultural and civic heritage that already exists in the 28th Street/Little Portugal Station area. This helps 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 Spaces for People ✓	Local Businesses and Services ✓	Community Supporting ✓

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 that is a new central space for the community.

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 and higher quality facilities for people who walk and bike to make walking and biking more comfortable for all ages and abilities.

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

Challenges

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

Creating a transparent and inclusive process that can help fully represent 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 500' x 500' in size, add a street and/or a pedestrian paseo to decrease block size and provide additional pedestrian connectivity.

Context

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

Invest in public realm improvements to support a friendly environment for people to walk and bike

Phasing: Initiate within 12 months

Recommended Actions

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

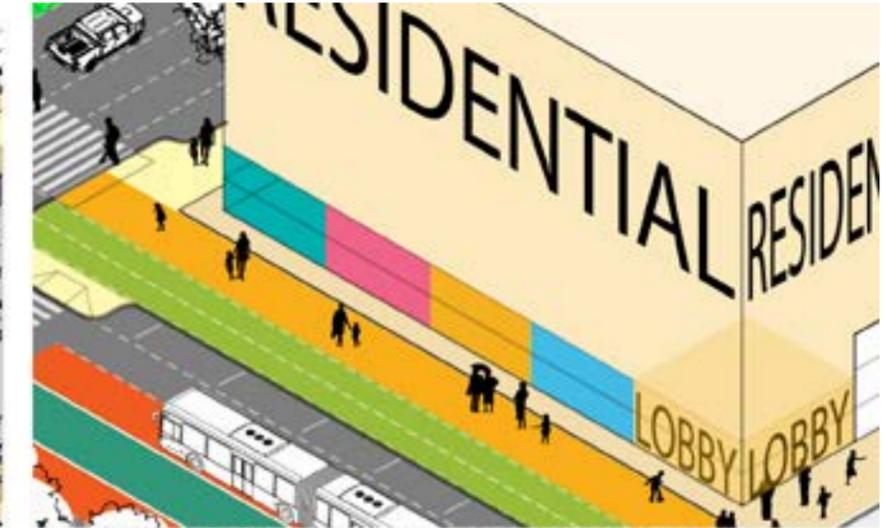
Context

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

Local stakeholders identified a number of public realm challenges that negatively affect perceptions of the 28th Street/Little Portugal Station area, including limited parking for workers and businesses and major barriers to pedestrian access, like US-101. Bicycle, pedestrian, and transit improvements in the station area should improve access to businesses and to the future BART station.



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



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



Traffic calming strategies in the 28th Street/Little Portugal station area support prioritization of pedestrians, bikes, and transit.



Convert underutilized parking lots into places for community, like farmer's markets and public plazas.

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.
- 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.



In February 2019, the San José City Council voted to recommend to the VTA Board of Directors a station name change from "Alum Rock/28th Street" to "28th Street/Little Portugal". On November 7, 2019, the VTA Board of Directors voted to name the future BART station "28th Street/Little Portugal". The station is located behind the hundred-year-old Five Wounds Portuguese National Church, a landmark that is at the heart of Little Portugal.

Photo Credits: Sergio Ruiz for SPUR



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). This marketing strategy should also include participation of the community's many established artists.

Context

The 28th Street/Little Portugal 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.
- Involve the community in design and incorporate elements that highlight the area's unique history and cultural heritage.
- Pilot a small market or food cart district to provide affordable space for emerging Latino and/or Portuguese businesses.



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 Portuguese National Church and Mexican Heritage Plaza to identify and promote events.



The City should work with local residents, businesses, artists, and cultural organizations to incorporate distinctive public realm improvements such as arches, tiles, banners, and public art that 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).



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, 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 (SMD) that manages transportation and parking to provide access throughout the station area
- Create a tailored approach to streetscape improvements and transit connections
- Adopt street hierarchy typologies in the station area



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 so that driving is not incentivized over other more space-efficient and sustainable travel modes.

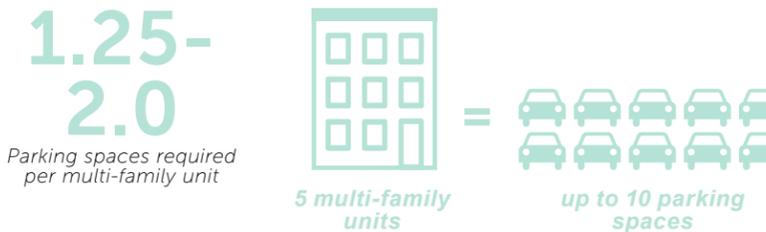
By setting a maximum parking requirement instead of a minimum requirement, the City of San José can provide context-sensitive and evidence-based guidance to developers for how to not overbuild parking while accommodating transportation demand.

City regulations can encourage, or even require, that parking is provided as an open and shared public resource, which can result in better location and more efficient use.

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

28th Street/Little Portugal 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 requirements at the following maximums for all new development:

Station	Category	Multi-Family Residential	Office	Ground-Floor Retail
28th Street/ Little Portugal	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)	1 space per 530 to 1,000 square feet of gross floor area maximum (depending on TDM plan)	No parking allowed

Context

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.

*The City of San José is developing the Downtown Transportation Plan and should evaluate a downtown-wide parking cap in the TOC study area and the wider Downtown.

Case Study: City of San Diego, CA

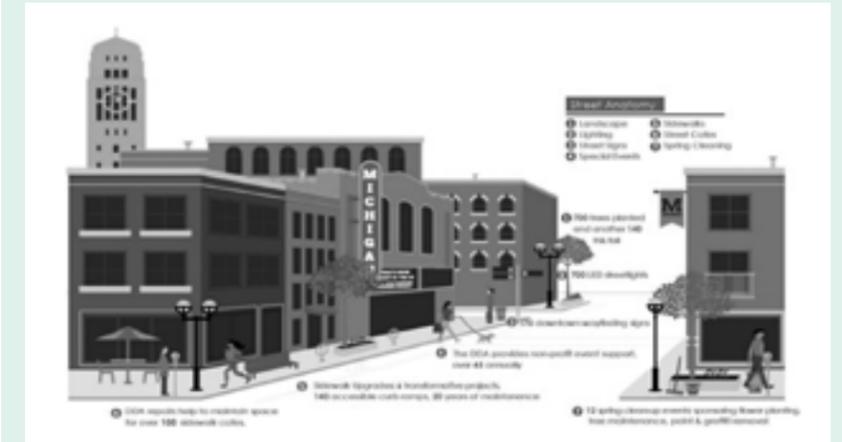


Photo credit: Nathan Rupert, obtained via Flickr

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

Source: Natural Resource Defense Fund

Case Study: City of Ann Arbor, MI



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

Transit expansions – Free circulator buses and 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 Memberships

Provide contributions or incentives for transit passes and bikeshare memberships for employees and/or residents. Cost savings associated with providing less parking are commonly used to justify these programs.



Carpool / Vanpool Matching

Facilitate carpooling and vanpooling by matching potential riders.



Commuter Benefits Program

Employers with at least 50 employees are required to 1) allow pre-tax transit/vanpool expenses, 2) subsidize employees to use transit/vanpool, 3) directly provide transit services, or 4) provide an alternative benefit approved by the Metropolitan Transportation Commission.



Guaranteed Ride Home

Offer free rides home from work to employees who have an emergency after avoiding commuting alone in a car.



Enhanced Walking Conditions

Provide streetscape improvements and a conveniently and comfortably connected pedestrian network that links major destinations and attractions to encourage people to walk instead of drive.



Flexible Work Arrangement Programs

Provide work from home, telecommuting, and flexible schedule options.



Carpool and Vanpool Preferential Parking

Designate very 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) is implementation of programs and policies that encourage people to use all elements of the transportation system, which result in balanced use across the system and less driving and parking. Developers should provide the following TDM programs to residents and employees within the station area to support 28th Street/Little Portugal station area as an equitable TOC.



Unbundled Parking

Parking costs are detached from rents or leases. Residents and employees pay separately for rent and parking.



Car Share Vehicles

Designated parking for car share vehicles that is 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 memberships for residents, tenants and employees.



Price Parking

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



TDM Marketing

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

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

Phasing: Initiate within 3 years

Recommended Actions

- All off-street parking in the station areas should be well-located and shared. District parking can be managed by a SMD.
- Encourage or require landowners to join a parking district or enter into shared parking agreements.

Context

The City of San José's regulatory framework can encourage parking to be provided and managed as an open, shared, and public resource, resulting in more efficient use, and reuse, of parking spaces.

Much of the current parking pricing policy guidance is established by the City of San José's Parking Rate Resolution which provides guidance for managing parking differently in different areas. This includes the following:

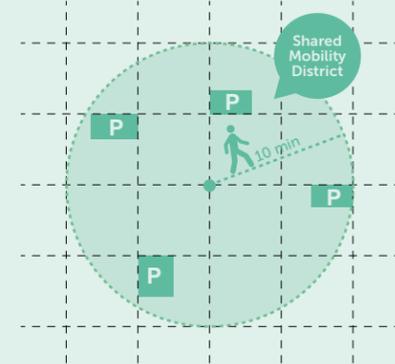
- Allow occupants of buildings without off-street parking to lease public parking facilities
- Delegate authority to the Department of Transportation Director to implement demand responsive pricing for certain types of parking
- Charge different amounts for specific user groups (i.e., San José State University students, Downtown merchants and their employees, and startup companies).

Management of individual parking facilities will vary by context and technology available at time of implementation.

What is a Shared Mobility District (SMD)?

A Shared Mobility District (SMD) is an entity that manages transportation resources and facilitates travel through more sustainable modes while reducing parking within a district. SMDs identify and facilitate opportunities to more efficiently use existing parking facilities, negotiate with private owners of parking facilities, build and manage new facilities as needed, and implement wayfinding, signage, and other improvements that encourage people to travel more sustainably.

A SMD should be established and supported by contributions to a shared fund which should be used to build, operate, and maintain the SMD's assets.



Parking supply managed by an SMD is meant to meet the district's needs. Just like transit and roads are shared by everyone, district parking should meet the needs of the entire SMD.

Depending on their options and means, SMD users will include people who do not have a car, use a car occasionally, and need a car for commuting. See Appendix K for additional case studies.

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

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.

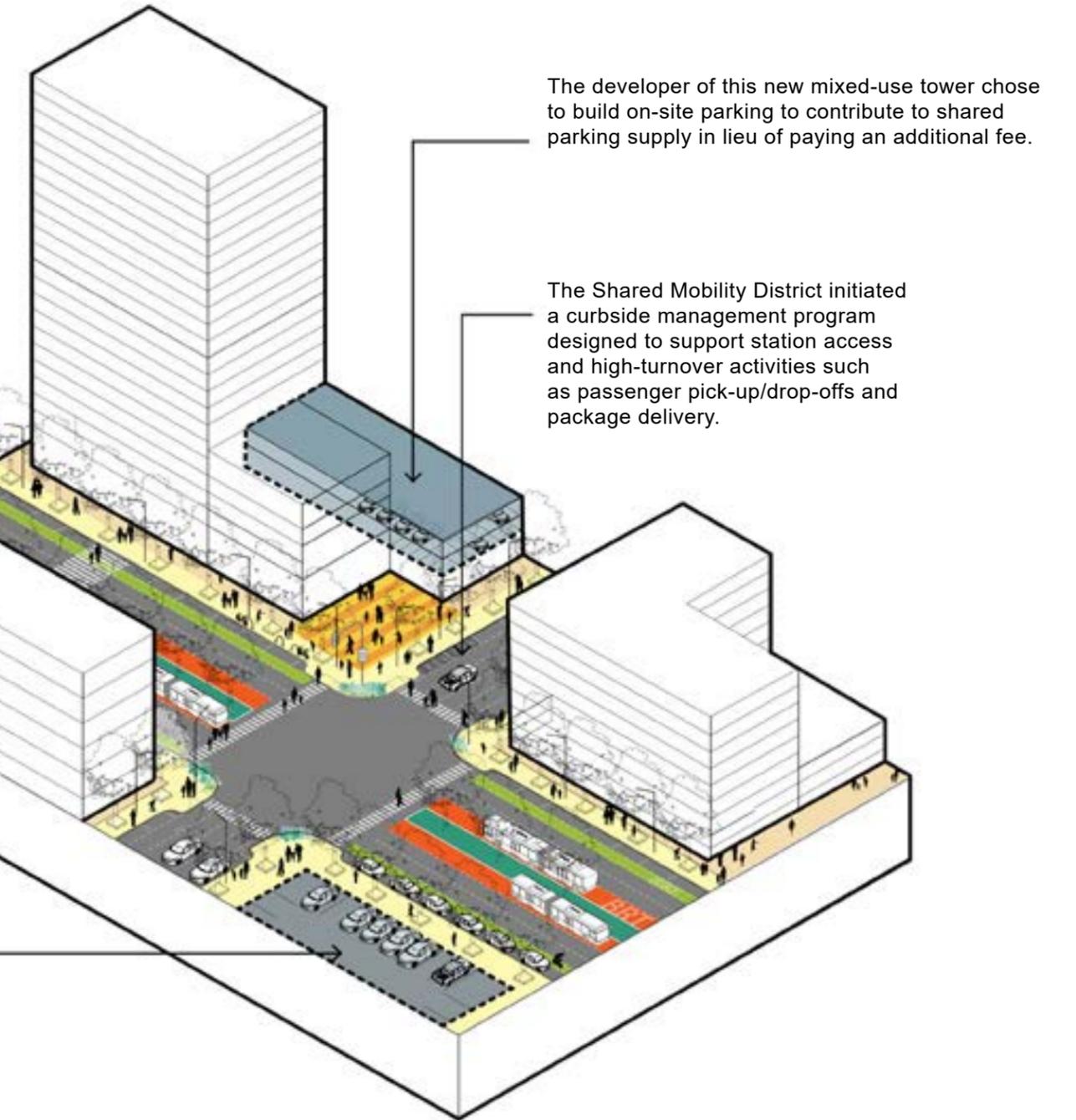


Diagram of a Shared Mobility District

Create a tailored approach to streetscape improvements and transit connections

Phasing: Initiate within 12 months

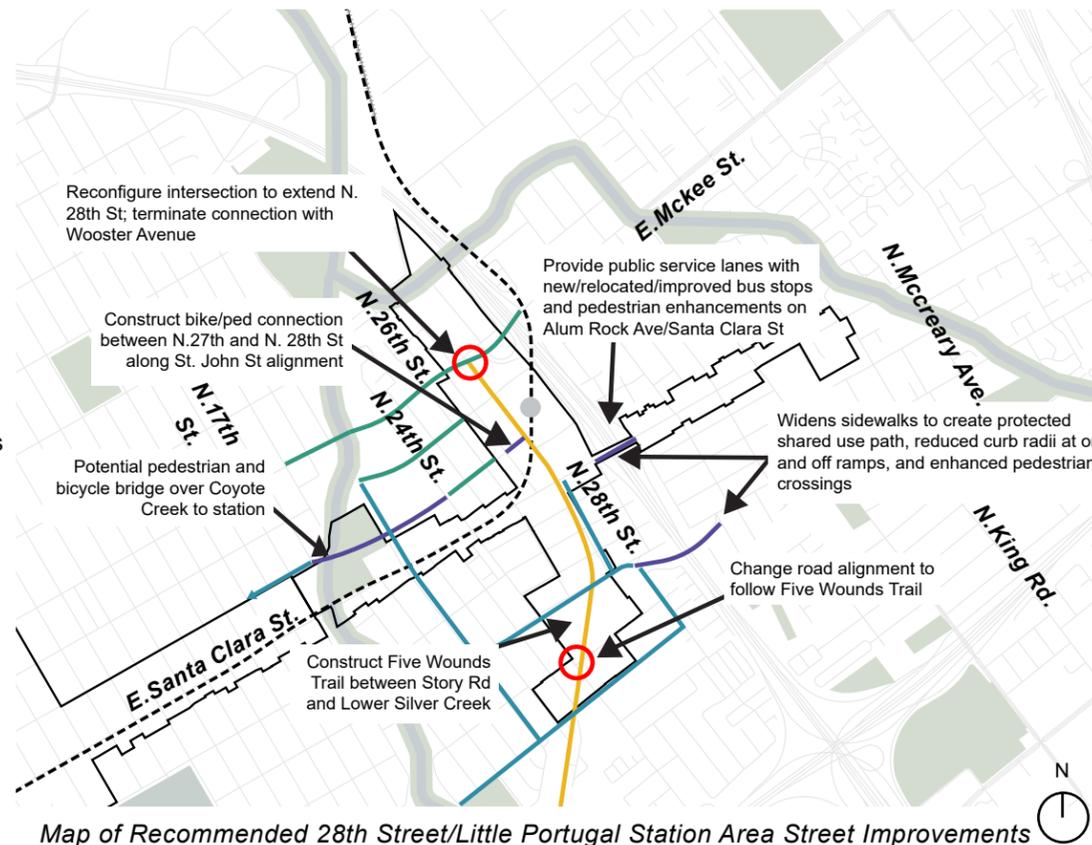
Recommended Actions

- Install high quality walkways and bikeways on station access routes.
- Construct bulb-outs and install high visibility crosswalks within 1/4 mile station walkshed.
- Improve curb ramps to current ADA standards within 1/4 mile station walkshed.
- Improve conditions for people who walk and bike 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/Little Portugal Station area and nearby freeway access, there are few constraints to automobile circulation. However, mobility using more space-efficient and sustainable modes such as walking, biking, and transit is more constrained due to deficiencies in these systems and lower levels of comfort due to conflicts with automobiles.

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



Artistic rendering: Depiction of the Five Wounds Trail at 28th Street and East Santa Clara Street. For illustrative purposes only.

Note: In conjunction with the design of the 28th Street/Little Portugal BART station, VTA will work closely with the Santa Clara Open Space Authority, Santa Clara County, the City of San Jose, and the community to plan and design the Five Wounds Trail through the station area. This collaboration will result in a final design that may differ from this rendering.

Adopt street hierarchy typologies for station area

Phasing: Initiate within 3 years

Recommended Actions

- Adopt transit oriented street typologies that are consistent with the City of San José's General Plan Complete Streets Design Standards and Guidelines.

Context

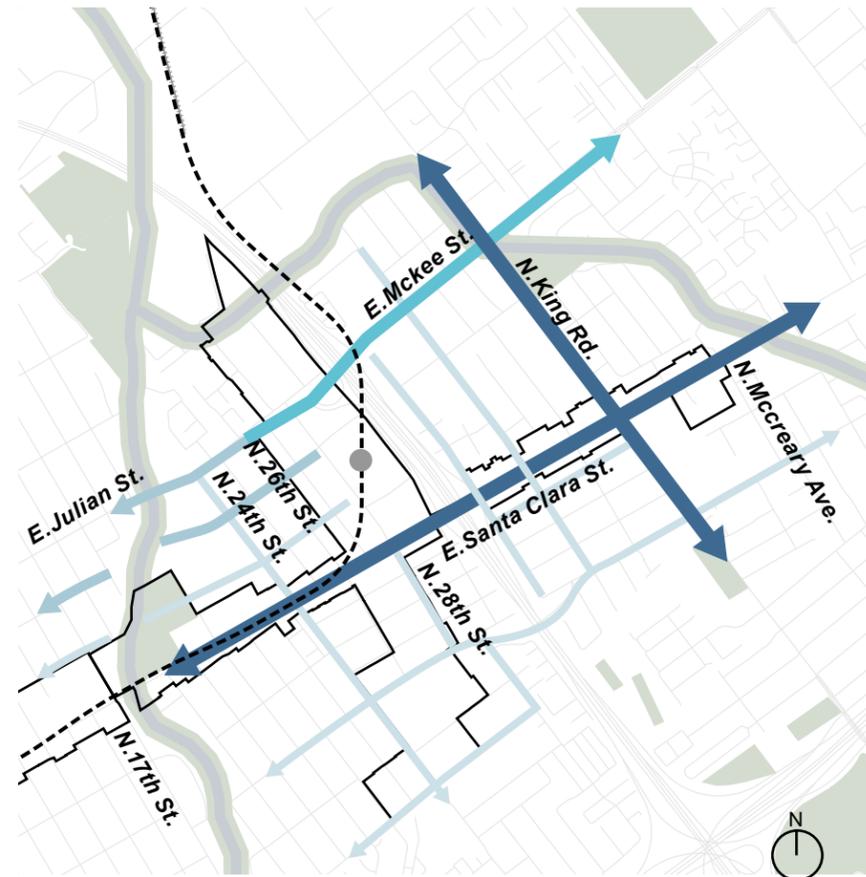
A Transit Oriented Community seeks to knit the transit station into a wider area, allowing new and existing residents to travel between home, work, errands, social visits, and the transit station with ease. A Transit Oriented Community centered on the new station may be brought to life by improving multimodal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

Transit oriented street classifications will help design streets for people: pedestrian friendly streets with slower traffic, wider sidewalks, and better crossings. This will help comfortably connect people to different activity centers and to the BART station. The proposed street typologies match guidelines set forth by City of San José. The recommendations include classifying streets that are currently unclassified.

Legend

- | | | | |
|---|-----------------|---|-------------------|
|  | Grand Boulevard |  | Local Connector |
|  | Main Street |  | On-street Bikeway |
|  | City Connector | | |

Proposed Street Classifications



Map of 28th Street/Little Portugal Station Area Street Hierarchy

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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 the 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 funding sources
- Engage with local partners to expand community and economic development activities



Photo Credit: Sergio Ruiz for SPUR

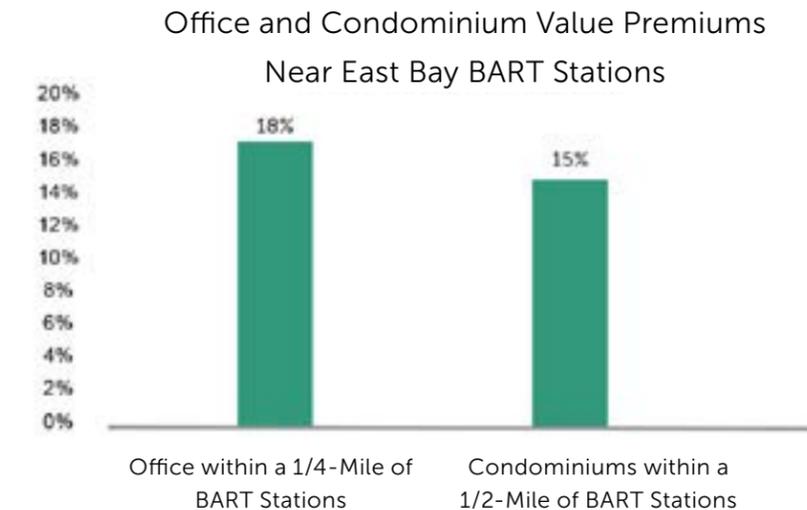
Why is this 'Big Move' essential for Transit Oriented Communities

Great TOCs require government agencies, community-based organizations, and private sector partners to make a lasting 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 Spaces for People ✓	Local Businesses and Services ✓	Community Supporting ✓

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 1/4 road miles from a BART station for office and more than 5 road miles from a BART station for multi-family residential.

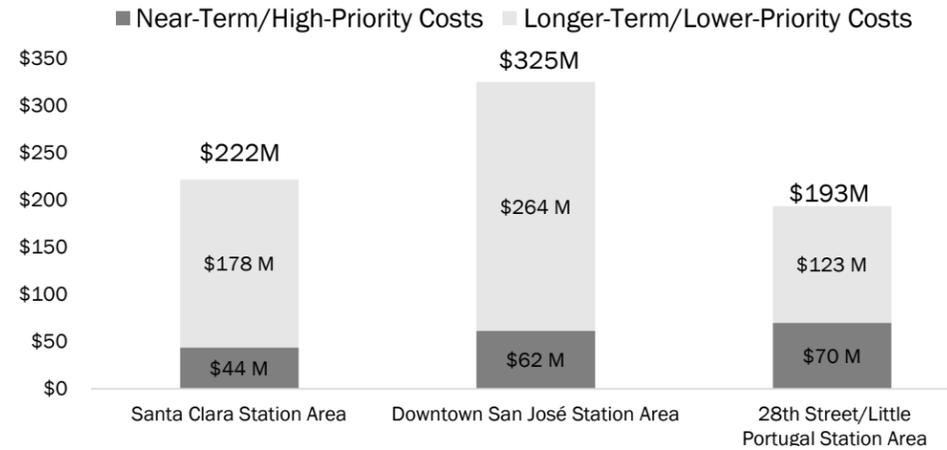
Source: Strategic Economics, 2015.

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. This big move focuses on identifying funding for access, streetscape, storm drain, and public space improvements.

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

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/Little Portugal 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 City, VTA, and other partners can capture the tremendous value created from the BART investment and advance realization of the TOC by pursuing the following funding and implementation actions:

- **Create and Capture Value.** The City should consider district-based mechanisms (such as Community Facilities Districts and Tax Increment Financing districts) to help pay for infrastructure and affordable housing. A TOC district could also help coordinate funds from different sources and implement projects and programs.
- **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 maintain 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.

It should be noted that recent state legislation (AB 3194) limits the ability cities to require rezoning for housing projects, which could impact the ability of the City to incentivize participation in a CFD. Consequently, VTA and the City should collaborate closely to identify ways to address this and other challenges.

■ 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 land use, parking, design, and 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. 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/Little Portugal Station area.

Context

As part of the TOCs Strategy Study, VTA organized regular meetings with staff of 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 and pursue eligible projects for competitive grant programs, and collaborate on grant applications that are critical to the success of transit and TOCs.
- Integrate active transportation, environmental justice, and housing projects together to leverage multiple funding sources.
- 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

- The 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 allowed by right.
- The 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/Little Portugal 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; it is accompanied by a \$2 billion public benefits package that includes 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/Little Portugal 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/Little Portugal 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, 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.

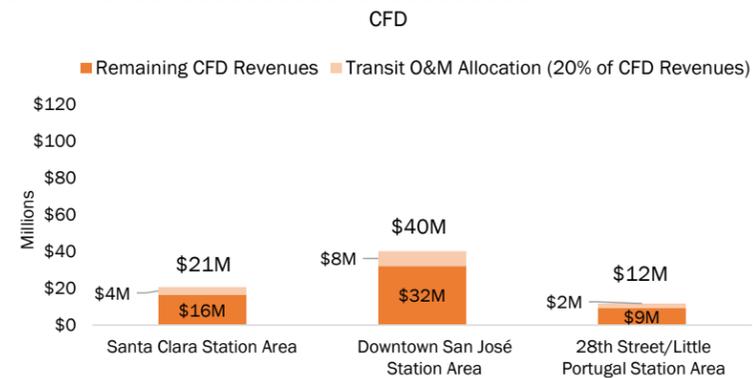
Leading up to the adoption of the EIFD, the City completed an extensive planning process for the area surrounding the future station which included a Specific Plan that called for higher density, mixed-use TOD. In order to enable TOD in a low-density, car-oriented environment, significant infrastructure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

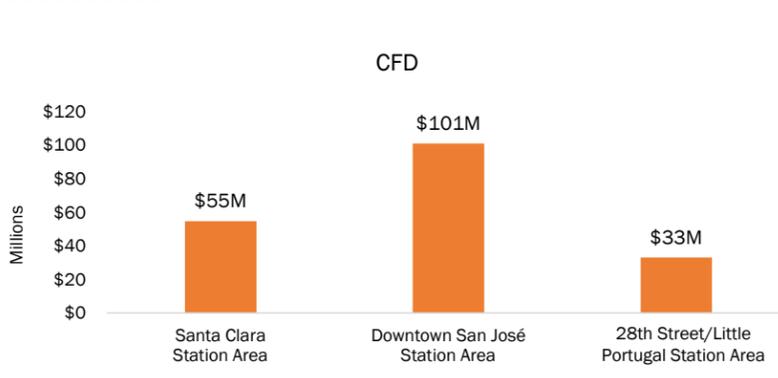
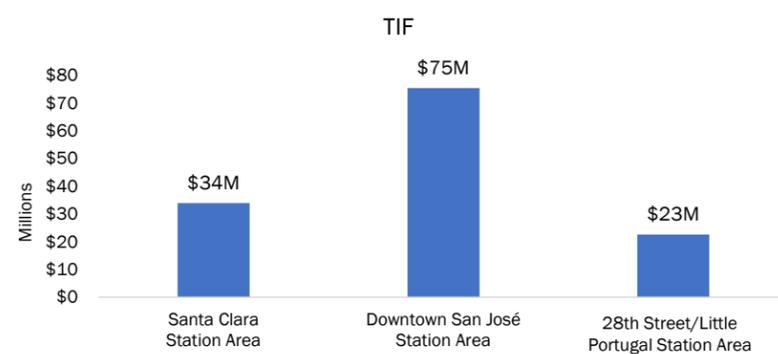


Notes

- 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

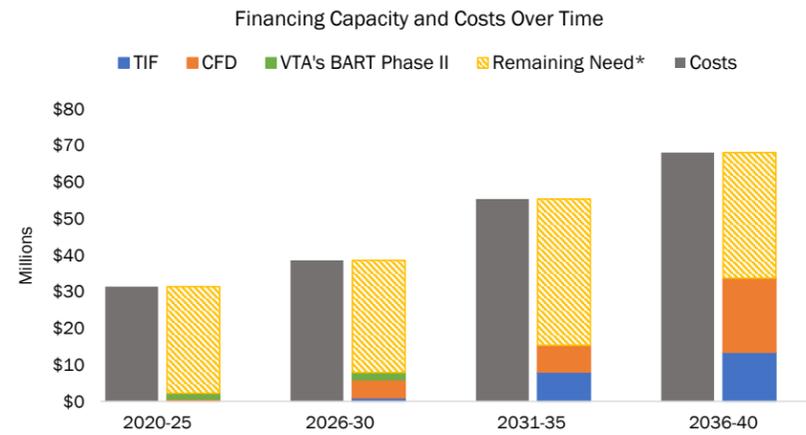
- Includes net bond proceeds (net of administrative costs, issuance costs, and allocation for affordable housing or transit O&M) and excess pay-as-you-go revenues.
- Dollars are nominal (in year in which bonds are issued/revenues accrue).
- See Appendix Q for more information on methodology and key assumptions.

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

Total Costs	Santa Clara Station Area	Downtown San José Station Area	28th Street/Little Portugal Station Area	Total
Bicycle, pedestrian, transit access	\$92,974,997	\$73,181,735	\$115,562,495	\$281,719,228
Streetscape	\$78,553,391	\$198,642,245	\$63,063,150	\$340,258,785
Storm drain	\$50,323,780	\$53,514,850	\$14,865,236	\$118,703,866
Total	\$221,852,168	\$325,338,830	\$193,490,881	\$740,681,879



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.

The figures on page 69 show the total potential revenues that could be raised from implementing a CFD and TIF district in the 28th Street/Little Portugal Station area and the potential financing capacity based on preliminary assumptions about bond issuances. VTA will contribute towards 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 City's Capital Improvement Programs (CIPs).

The figure to the left illustrates how costs might be phased over time, compared to when funding and financing are 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.

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/ Little Portugal to help attract new businesses, residents, and visitors.
- Consider opportunities to expand services such as street and sidewalk cleaning, beautification, events, and marketing with the formation or expansion of, for example, 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/Little Portugal 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 - like 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.

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