

VTA'S BART PHASE II: TRANSIT ORIENTED COMMUNITIES STRATEGY STUDY

KEY STRATEGIES AND ELEMENTS FOR ALUM ROCK / 28TH STREET STATION AREA

PERKINS+WILL / STRATEGIC ECONOMICS / NELSON\NYGAARD /
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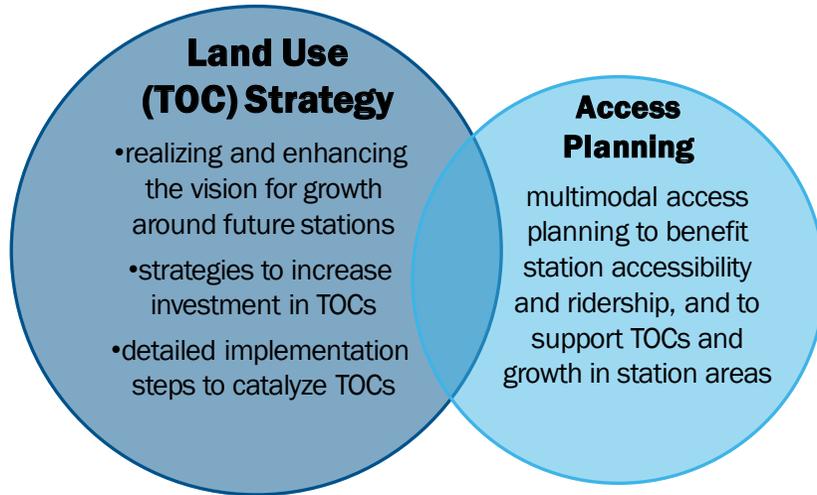
APRIL 17, 2019 - TOC PUBLIC WORKSHOP

WHY IS VTA'S BART PHASE II PROGRAM FOCUSED ON PLANNING FOR TRANSIT-ORIENTED COMMUNITIES?

- **Once in a century opportunity** to organize growth around the station areas, centered on high-quality transit.
- A cohesive **transit-oriented development strategy is essential to obtaining federal funding.**
- Increased ridership **ensures a return on investment** for transit infrastructure **and community benefits.**
- **Our station areas can accommodate more development than is currently planned.**
- Need to **address current policies** and challenges that **inhibit the success of good TOD.**



PLANNING FOR TRANSIT ORIENTED COMMUNITIES



Alum Rock/28th
Street Station

Downtown San
José Station

*Diridon Station
(Separate Effort)*

Santa Clara
Station

Kick-off: January 2018

Study Completion: Fall 2019

CITY AND AGENCY ENGAGEMENT

- City Collaboration is essential for the Study's success:
 - Monthly coordination meetings with City staff.
 - City, BART, and VTA staff involved in Technical Advisory Group.



STUDY PHASES AND TIMELINE

background conditions

Jan.-May 2018

- review previous planning efforts and existing conditions
- **“what is good TOD?”** – April CWG workshop
- **“background conditions”** – June CWG workshop

corridor opportunities & constraints

Mar.-Sept. 2018

- identify opportunity sites and station area access needs
- develop TOD prototypes and identify TOD potential
- evaluate development capacity and TOD barriers
- **“opportunities and constraints”** – September CWG workshop

implementation strategies & tools

Oct.- June 2019

- **“overcoming TOD barriers”** – November CWG workshop
- strategies to create a market for TOD
- guidelines for public and private improvements
- **“plan for strategy implementation”** – February CWG
- **“TOD strategies and policy recommendations”** – April CWG
- **“Revised recommendations”** – June CWG

final report

Fall 2019

- compile findings and recommendations into Playbook
- provide draft reports to public and stakeholders
- present implementation strategies to city councils and VTA board

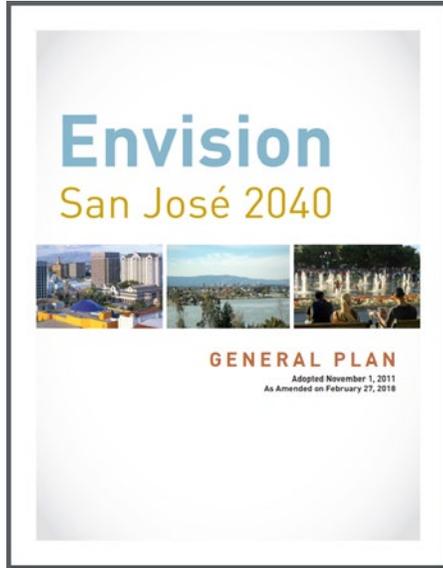


APRIL WORKSHOP

- Key Strategies
 - Land Use and Zoning Policies
 - Parking Policy and Shared Access Districts
 - Affordable Housing
 - Small Business Support and Rentention
 - Other
- Next Steps



BUILDING OFF ENVISION SAN JOSÉ 2040



Our recommendations are aligned with several Major City Strategies:

- Focused Growth
- Urban Villages
- Streetscapes for People
- Measurable Sustainability / Environmental Stewardship
- Fiscally Strong City
- Design for a Healthy Community

KEY STEPS TO ACCOMPLISHING THE TOD VISION

Update Zoning Across the station area to ensure the vision of "Good TOD".

Enable residential development to move forward in the short term while preserving key sites for future commercial uses.

Revise parking requirements and create "shared access districts" to actively manage and share parking.

Reduce barriers to and increase funding for affordable housing development.

Preserve existing affordable housing and strengthen protections for existing tenants and homeowners.

Implement Small Business Retention and Anti-Displacement Strategies.

**** For June Meeting - Financing and Implementation Strategy**

UPDATE ZONING TO ENSURE GOOD TOD

What are the implications of not acting now?

- The current zoning doesn't preclude good TOD, it just doesn't ensure it.
- This is a once in a lifetime opportunity to leverage a multi-billion dollar transit investment.

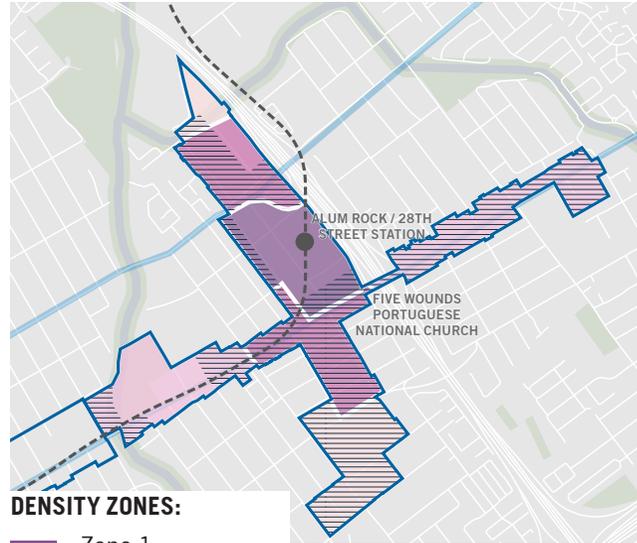
The time to act is now:

- Our station areas are the best location for TODs.
- Need to start putting framework in place now. BART is the catalyst for TOD and TOD is the enabler of enhanced transit ridership.
- TOD brings the opportunity to realize the community's vision.

UPDATE ZONING AND LAND USE POLICIES TO ENSURE GOOD TOD

Recommendation:

- Enable large-scale development around the station site.
- Establish minimum densities that vary according to distance from station.
- Adjust existing land use policies to enable market-rate residential/mixed use development to move forward in the shorter term.



DENSITY ZONES:

- Zone 1
- Zone 2
- Zone 3
- Zone 4
- Height Regulating

ZONE 1



RESIDENTIAL

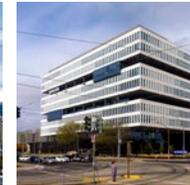


OFFICE

ZONE 2



RESIDENTIAL



OFFICE

ZONE 3



RESIDENTIAL



OFFICE

ZONE 4

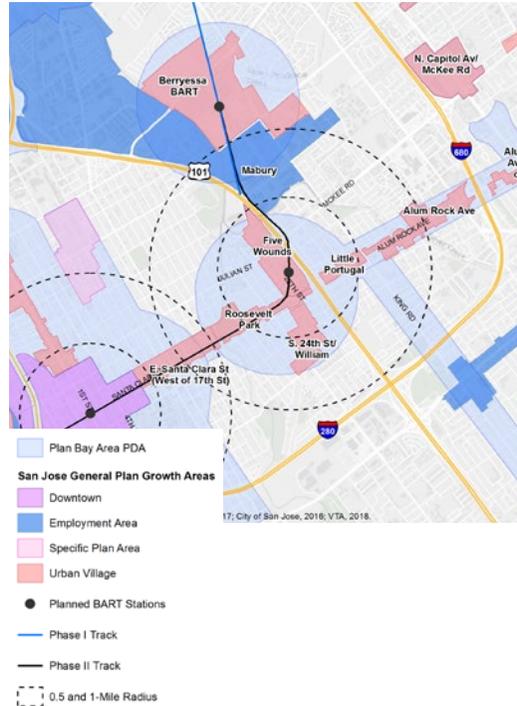


RESIDENTIAL



OFFICE

CITY PLANNED CAPACITY



City Planned Capacity (through 2035)

2,022 residential units

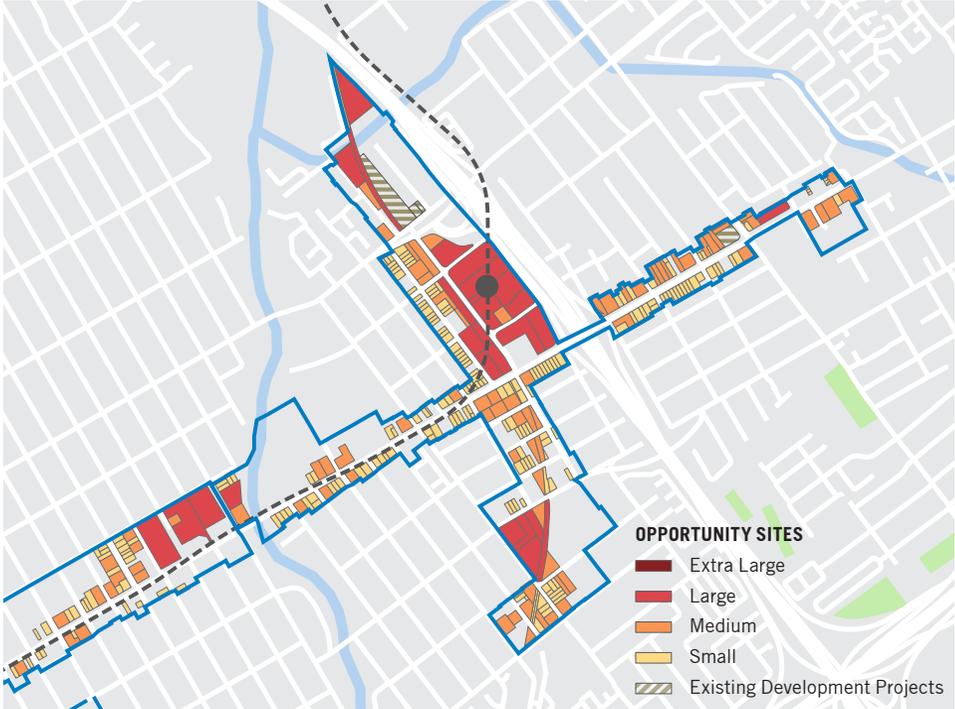
1.6 million sf commercial space.

This includes office, retail, and hotel.

Urban Villages included:

- Roosevelt Park
- Little Portugal
- Five Wounds
- 24th and William St.

TOD POTENTIAL PROJECTIONS (THROUGH 2040)



Market Projections (through 2040)

7,800 residential units

500,000 sf office

190 hotel rooms

58,300 sf retail

City Planned Capacity (through 2035)

2,022 residential units

1.6 million sf commercial space.

DISCUSSION

TODAY'S PARKING CHALLENGES

- Today, access to the area is primarily by car, so almost everyone needs a parking space.
- Currently, zoning requirements encourage building site-specific parking, but not to share spaces, so no public policy incentive to work together.
- Constructing parking is expensive, and can limit the financial feasibility of constructing good TOD.

PARKING OPPORTUNITIES TO SUPPORT GOOD TOD

- There are existing unused parking spaces.
- BART and other multimodal access options will shift trips to other modes.
- Parking demand for BART passengers will be met with the BART parking garage as stated per CEQA document.
- Demand for parking can be further reduced through transportation demand management (TDM) programs.
- TOD vision and land use will substantially lessen vehicular trips for everyday needs.

CHANGING HOW WE MOVE AROUND

- Right-size parking based on all access options serving the station area.
- Manage parking as a district to provide access for everyone.
- Developer fees and parking revenue all contribute to district-wide access.
- District-wide parking strategy allows for more efficient use of parking spaces in the station area.
- Encourage use of all modes (TDM).

Standards	Multi-Family Residential	Office	Ground-Floor Retail
Existing	1.25 to 2 spaces per unit	1 space per 200-300 sf of gross floor area (exempt if use is street-level)	Exempt from requirements unless demand for use under code would generate 2 spaces per 200 sf of gross floor area
Comparable	No parking required (San Diego, CA)	1 space per 1,000 sf (Arlington, VA)	1 space / 1,000 sf (Arlington, VA)
Recommended	0.8 spaces per unit maximum; No parking minimum	1 space per 530 to 1,000 sf depending on TDM strategy being implemented	No parking required

DISCUSSION

THE CITY AND VTA HAVE SET AMBITIOUS GOALS FOR NEW AFFORDABLE HOUSING.

- City of San Jose Urban Villages goal: 25% affordable housing.
- VTA Joint Development Goals:
 - Individual JD projects: minimum 20% affordable units.
 - Across VTA's JD portfolio: target 35% affordable units.



Quetzal Gardens (Rendering), Alum Rock/28th St (Photo Credit: SGPA Architecture)

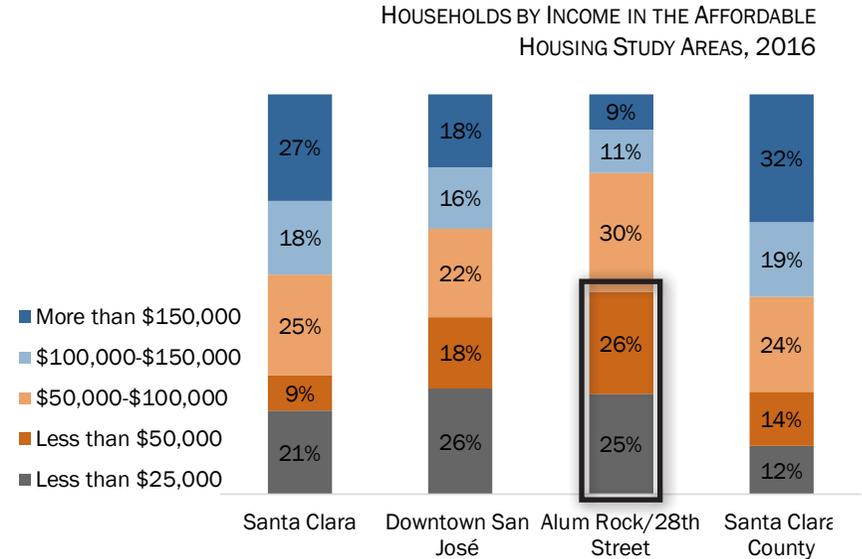
ACHIEVING THESE GOALS WILL BE CHALLENGING

- San José's inclusionary housing policy will not be sufficient on its own.
- Like many other South Bay cities, new commercial development in San José is not required to contribute to affordable housing.
- Regulatory constraints on residential development in Urban Villages make affordable (as well as market-rate) housing development more challenging.
- Rising construction and land costs make development increasingly expensive.
- Limited state, federal, local funding for affordable housing production & preservation.



HIGH RISK OF HOUSEHOLD DISPLACEMENT

- Greatest concentration of low income households on the corridor.
- Both renters and homeowners experience severe housing cost burden (paying more than 50 percent of income on housing costs).



Source: U.S. Census ACS 5-year estimates, 2012-2016.

STRATEGY OVERVIEW

- **Protect** tenants and homeowners that currently live in the station areas 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.



Source: Enterprise Community Partners

PROTECT EXISTING TENANTS AND HOMEOWNERS

Expand existing policies and resources to help current residents stay in the neighborhood.

- Expand existing **rent stabilization and eviction protections** to single-family homes and duplexes.
- Increase targeted emergency rent assistance for at-risk households.
- Increase legal services and outreach for tenants facing evictions.
- Closely monitor evictions, rent increases, and foreclosures in the station area.
- Improve protections for tenants of deed-restricted affordable housing.
- Increase **assistance to low-income homeowners.**
- Make it easier for low-income tenants to access new deed-restricted affordable housing in the station area.

PRESERVE EXISTING AFFORDABLE HOUSING

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

- Continue to require unit replacement when rent-stabilized units are demolished, or an equivalent alternative.
- 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).

PRODUCE NEW AFFORDABLE HOUSING

Leverage public land for affordable housing production

- Identify opportunities to **offer VTA-owned land at a discounted rate** for affordable housing development.
- Explore further opportunities for affordable housing development on publicly-owned sites.

Increase local funding for deed-restricted affordable housing production.

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

PRODUCE NEW AFFORDABLE HOUSING

Pursue new partnerships and funding for affordable housing production.

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

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

- **Consider eliminating or significantly reducing the Urban Village commercial requirement for 100 percent deed-restricted affordable housing development.**
- Kickstart ADU development by streamlining the permitting process and providing additional financing options in conjunction with bike, ped, and transit improvements.
- Explore policies to keep ADUs accessible to low- and moderate-income households.

DISCUSSION

EXISTING STRENGTHS, OPPORTUNITIES, WEAKNESSES, & THREATS FOR SMALL BUSINESSES

Strengths and Opportunities

- Existing concentration of small and micro businesses that serve local residents
- Strong **Latino and Portuguese cultural identities.**
- New merchants' association (**Alum Rock Business Association**)
- Increasing restaurant sales

Weaknesses and Threats

- **Displacement related to development and rising rents is underway**
- **Declining retail and auto-related sales**
- Major barriers to **pedestrian access**
- Customer **parking** and vehicle access challenges
- Negative perceptions around homelessness, safety and cleanliness, long-term vacancies
- Lack of access to capital to make tenant and façade improvements
- Continued recovery from disruption caused by construction of the Alum Rock BRT project

PROVIDE TARGETED ASSISTANCE TO SMALL AND MICRO BUSINESSES THAT ARE DISPLACED BY TOD

- Provide information to displaced businesses about relocation benefits for which they may be eligible.
- Incentivize market-rate developers to provide relocation assistance to displaced small businesses under the Urban Village Implementation Framework.
- Prioritize businesses displaced by new development for technical and financial assistance.
- Work with Alum Rock Business Association to **match displaced tenants with vacant space** and provide access to grants or loans for tenant and façade improvements.

ENSURE THAT NEW DEVELOPMENT PROVIDES APPROPRIATE SPACE FOR SMALL, LOCALLY OWNED BUSINESSES

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

EXPAND THE CAPACITY OF THE ALUM ROCK BUSINESS ASSOCIATION

- Continue current City efforts to support the Alum Rock Business Association.
- **Explore the potential to establish a Business Improvement District (BID) and/or Property-Based Business Improvement District (PBID) as a long-term strategy to fund small business assistance and other economic development activities.**

CONTINUE AND EXPAND CITY PROGRAMS TO SUPPORT AND RETAIN SMALL AND MICRO BUSINESSES

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

PROMOTE THE DISTRICT'S LATINO AND PORTUGUESE CULTURAL IDENTITIES

- 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.
- Identify and promote **cultural events** that support the corridor's cultural heritage and complement existing uses.
- Involve the community in **design of streetscape improvements**, and incorporate elements that highlight the area's unique history and cultural heritage (public art, banners, informational plaques, etc.).
- Consider piloting a **small market or food court** to provide affordable space for emerging small businesses, either in a new or existing building.

INVEST IN PUBLIC REALM IMPROVEMENTS TO SUPPORT A PEDESTRIAN-FRIENDLY ENVIRONMENT

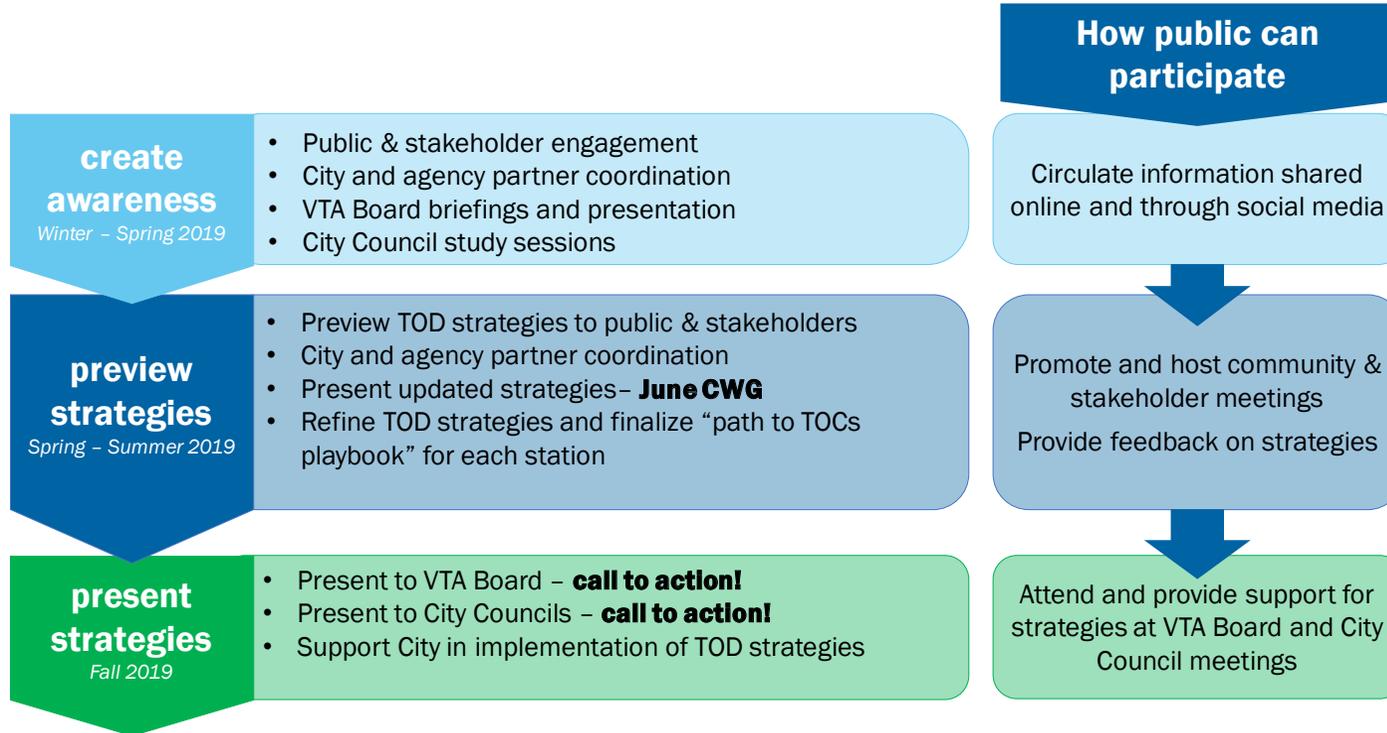
- Implement a shared access district to enable parking to be provided as a shared public resource and use parking spaces more efficiently.
- Prioritize bicycle, pedestrian, transit access, and streetscape improvements that enhance access to businesses as well as to the future BART station.

DISCUSSION

OTHER TOPICS

NEXT STEPS

NEXT STEPS



QUESTIONS AND COMMENTS

Stay up-to-date and learn more at:

<http://www.vta.org/bart/tocs>

Do you have additional comments? We want to hear from you!

Email us at:

vtabart@vta.org