

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

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

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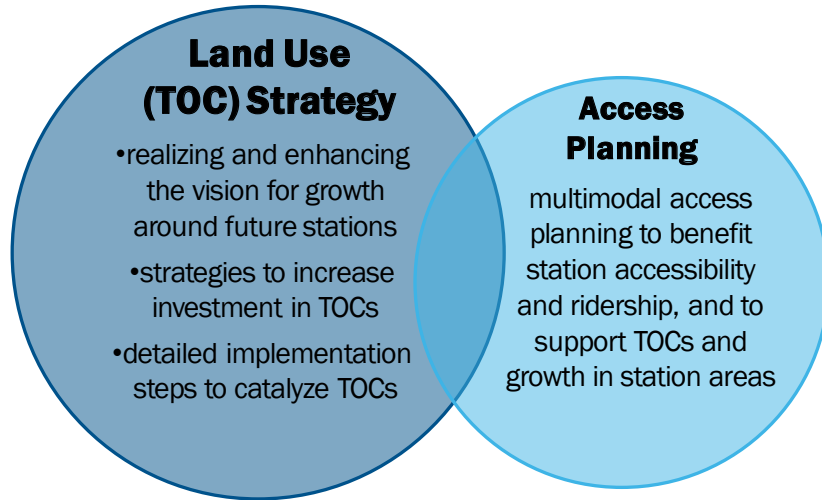
APRIL 17, 2019 - TOC PUBLIC WORKSHOP

# 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/28<sup>th</sup>  
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

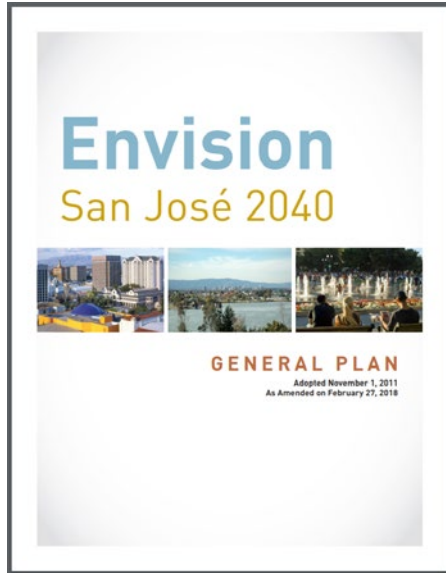


# APRIL WORKSHOP

- 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.

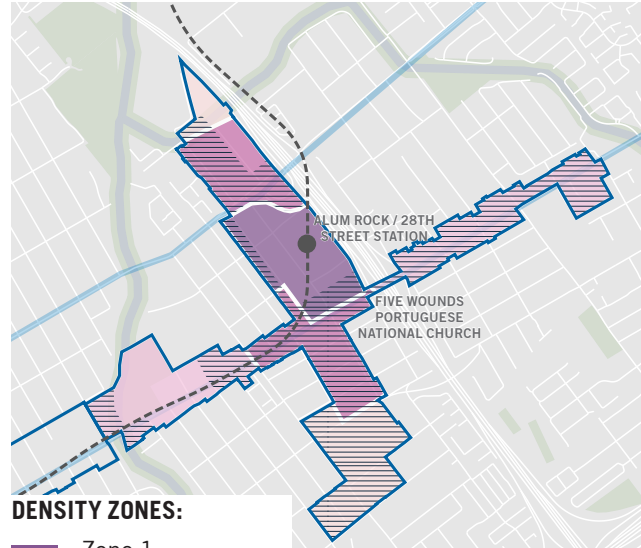
## *The time to act is now:*

- 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

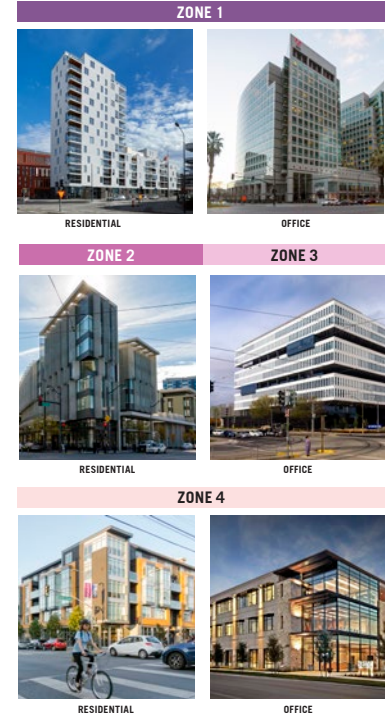
## Recommendation:

- 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.

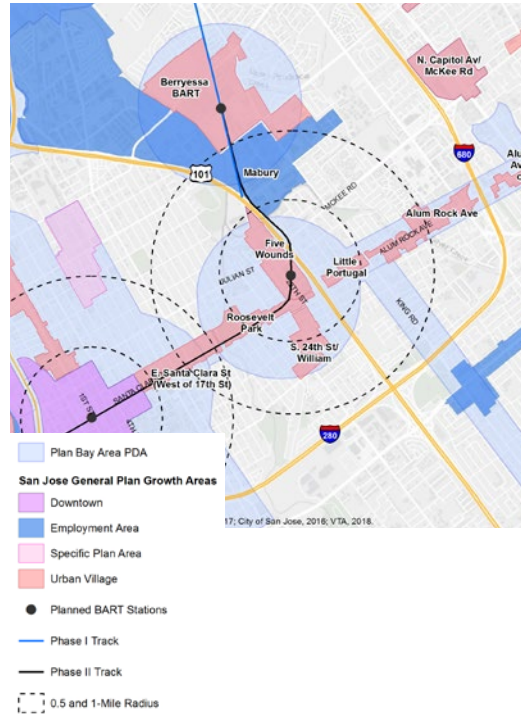


### DENSITY ZONES:

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



# CITY PLANNED CAPACITY



## City Planned Capacity (through 2035)

**2,022** residential units

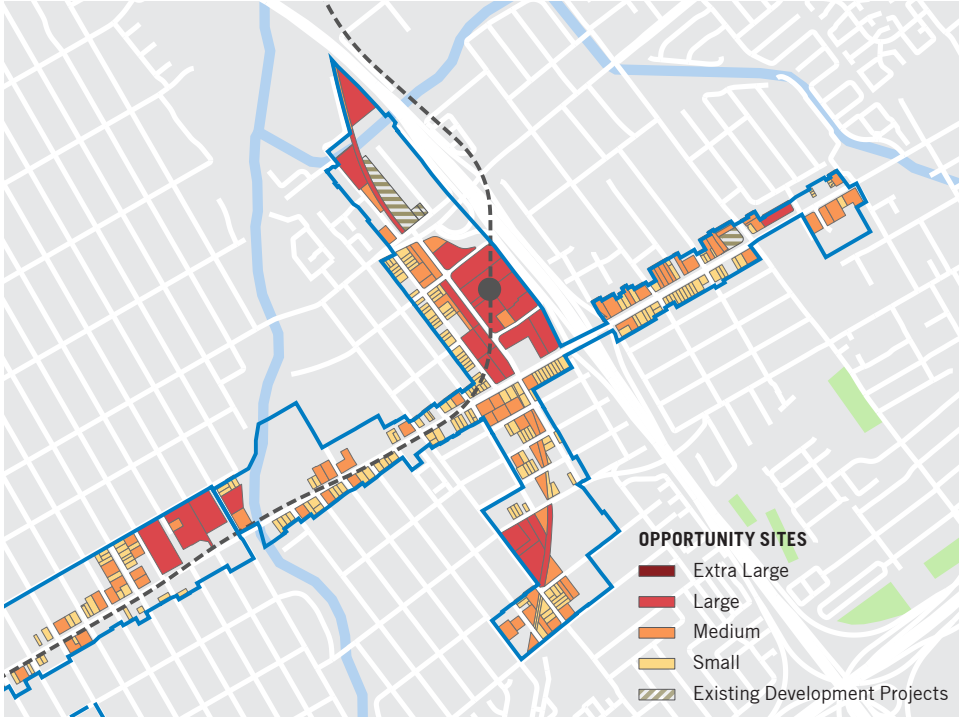
**1.6 million sf** commercial space.

*This includes office, retail, and hotel.*

*Urban Villages included:*

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

# TOD POTENTIAL PROJECTIONS (THROUGH 2040)



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## Market Projections (through 2040)

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**7,800** residential units

**500,000 sf** office

**190** hotel rooms

**58,300 sf** retail

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## 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  |
|--------------------|--|--|--|
| <b>Existing</b>    | 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 |
| <b>Comparable</b>  | No parking required (San Diego, CA)                        | 1 space per 1,000 sf (Arlington, VA)   | 1 space / 1,000 sf (Arlington, VA)   |
| <b>Recommended</b> | <b>0.8 spaces per unit maximum;<br/>No parking minimum</b> | <b>1 space per 530 to 1,000 sf depending on TDM strategy being implemented</b> | <b>No parking required</b>   |



# *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/28<sup>th</sup> St (Photo Credit: SGPA Architecture)

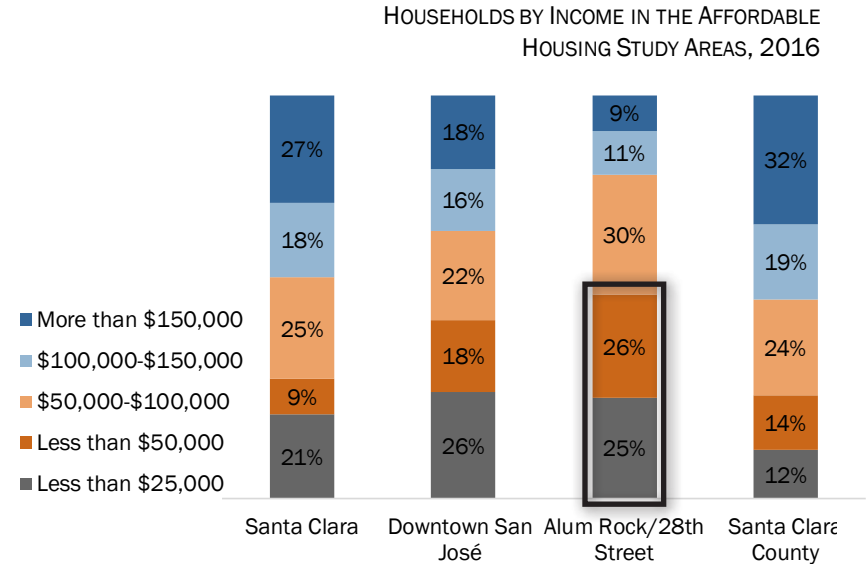
# ACHIEVING THESE GOALS WILL BE CHALLENGING

- 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.

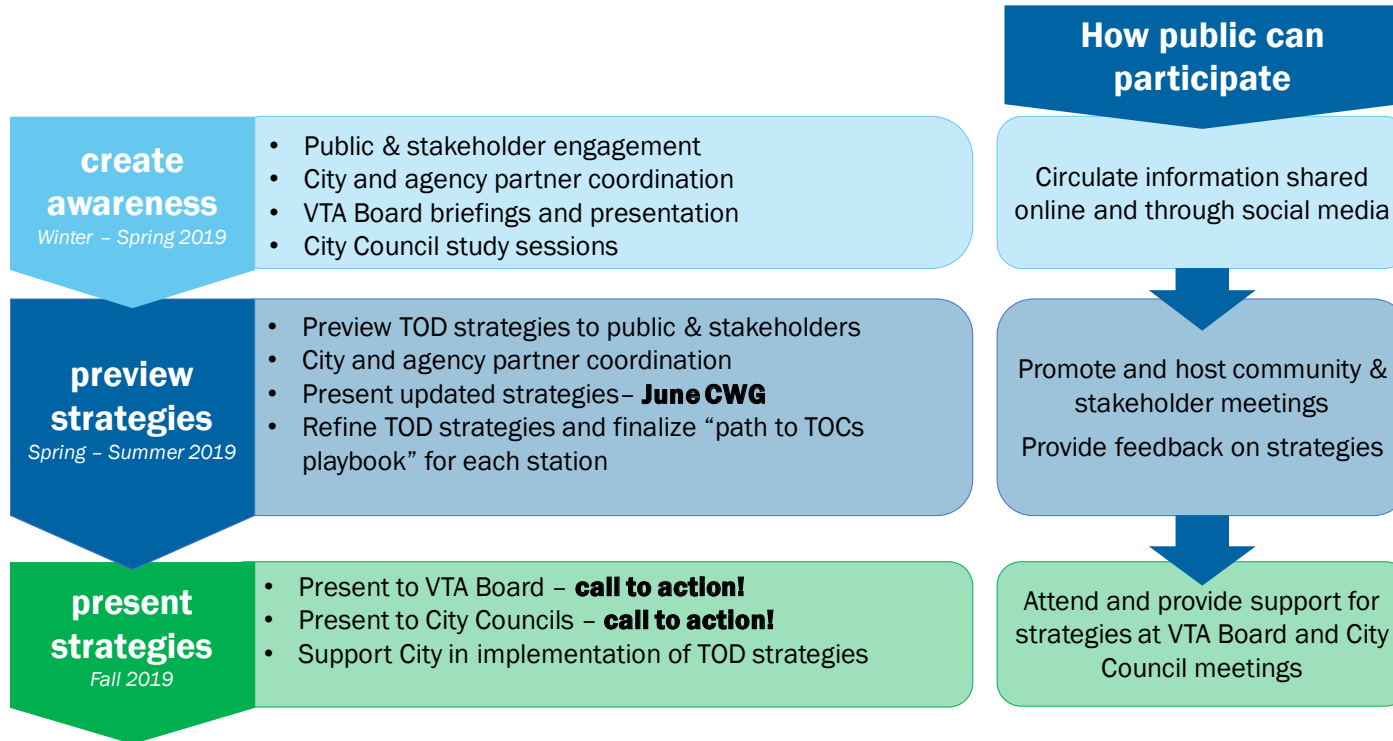
# *DISCUSSION*



*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](mailto:vtabart@vta.org)