



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rosalynn Hughey
John Ristow

**SUBJECT: BART TRANSIT-ORIENTED
COMMUNITIES STRATEGY
STUDY**

DATE: December 4, 2019

Approved

Date

12/5/19

COUNCIL DISTRICTS: 3, 4, 5, 6

REPLACEMENT

REASON FOR REPLACEMENT

The purpose of the replacement memorandum is to include the following:

1. Addition of Appendix A, which provides detail on updates to City documents and processes that would be required in order to align with the recommendations in Santa Clara Valley Transportation Authority's Playbooks; and
2. Changes to the funding and financing tools in the Analysis section in regards to the possible workload implications related to implementing the Playbook recommendations.

RECOMMENDATION

Accept the report from the Santa Clara Valley Transportation Authority on the BART Phase II Transit-Oriented Communities Strategy Study and endorse the approach outlined in the study for creating transit-oriented communities in San Jose, subject to the conditions.

OUTCOME

The City Council will have information about Santa Clara Valley Transportation Authority's BART Phase II TOC Strategy Study and Playbooks, the alignment of this work with existing city policies, and city staff analysis of proposed changes to City policy and standards, as well as staff capacity to implement recommended changes.

BACKGROUND

Since February 2018, Santa Clara Valley Transportation Authority (VTA) has collaborated closely with the cities of San José and Santa Clara, as well as BART, to proactively plan for Transit-Oriented Communities (TOCs) at the Little Portugal/28th Street, Downtown San José, and Santa Clara BART station areas. The TOCs Strategy Study was funded through a Federal Transit Administration (FTA) grant for transit-oriented development planning. The TOCs Strategy Study also complements the Diridon Station Area Plan update, as well as the Diridon Integrated Station Concept Plan process, both of which are currently underway.

City Staff from the Office of Economic Development (OED), Planning, Building and Code Enforcement (PBCE), and the Department of Transportation (DOT) participated in the Technical Advisory Group (TAG) for this study that guided its preparation.

VTA's BART Silicon Valley Phase II Extension through Downtown San José and Santa Clara presents an extraordinary opportunity to sustainably organize Santa Clara Valley's future growth around the future BART stations. High demand for housing of all types, a strong job market, and new transit options provide the essential ingredients for developing TOCs that are equitable, walkable and thriving places.

By design, TOCs make access and use of transit easy and convenient, resulting in less driving, more walking, and fewer impacts on existing communities. TOCs also enable a diversity of jobs, housing types, and economic opportunity, while providing affordable housing choices and furthering the Bay Area's goal of increased transit use.

For the Study, VTA reviewed previous City and community plans, collected data, identified opportunities and challenges, and engaged the community and various stakeholders. Together, these items informed specific recommendations for each station area.

Recommendations are contained in concise, step-by-step "Playbooks" that are tailored to each station area. The Playbooks lay a foundation for accelerated and coordinated and collaborative TOCs implementation through strategies and policies that protect existing residents and businesses, while also providing paths to secure funding and implementation for TOCs. To these ends, the Playbooks call for VTA and the City of Santa Clara and the City of San José to pursue the following "Big Moves":

- Update adjacent Urban Village Plans and General Plan land use designations to ensure successful TOCs
- Focus high intensity employment adjacent to BART station, support small business, and enhance commercial areas
- Protect and produce workforce and affordable housing
- Create vibrant and active places and destinations

- Improve access to and from station areas and adopt a shared mobility district
- Prioritize funding and implementation of the Strategy Study's recommendations
- Make TOCs a priority through leadership and cooperation between VTA and the cities of Santa Clara and San José

The implementation of many of the recommendations in the Playbooks will be the result of the actions and decisions made by City. VTA is requesting that the Mayor and San José City Council make the following specific commitments to further implementation of the TOCs:

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

ANALYSIS

City staff have reviewed the TOC Playbooks and are generally supportive of the strategies that these documents recommend, as they support a number of important City goals. In particular, VTA's call for (1) creating walkable mixed-use areas around stations, (2) establishing minimum densities for office and residential development in station areas, and (3) prioritizing office development closest to the BART stations align well with San Jose's guiding policy documents. These documents include San Jose's *Complete Streets Design Guidelines* and the *General Plan Land Use and Employment Goals*, which aim to intensify employment near transit (IE-1.5, IE-1.6) and enable compact, mixed-use development with walkable and bikeable public streets and trail networks (IE-1.13).

The TOC Playbooks aim to concentrate retail at ground levels, which is consistent with the Urban Village Plans for the area and supports the Downtown Design Guidelines goal to activate the pedestrian environment at the ground level with diverse, active, and attractive uses to pedestrians. Additionally, the TOC's policies to protect affordable housing and expand the supply of new affordable housing align with the Mayor's Housing Plan.

While generally supportive of the recommendations in the Playbooks, City staff see challenges in pursuing some of the financial strategies contained within them. Additionally, staff have concerns about the level of effort required and staff resources available to implement some of the recommendations. Therefore, some recommendations would require specific Council direction and resource prioritization at a future date in order to be pursued.

Overarching Comments on Playbooks

The VTA TOC Playbooks contain a variety of recommendations that will help inform updates to the City's land use, transportation, housing, economic development, housing, and other City policies in the BART Phase II station areas. Modification of such policies will be considered individually for each station since the Playbooks contain different recommendations for each of the three station areas in San Jose: 28th St. / Little Portugal, Downtown, and Santa Clara Station (a portion of which is in San Jose).

The analysis below summarizes staff's evaluation of many of the Big Moves and key strategies in the Playbooks, and highlights some issues that warrant further consideration.

Appendix A highlights existing policy documents and planning processes that relate to Playbook recommendations, as well as additional planning efforts that would be necessary to align City processes and policy documents more completely with Playbook recommendations.

Land Use. Overall, staff supports the land use recommendations in the TOC Playbooks and some of the recommendations are in the process of being implemented. For example, as part of the Four Year Review of the General Plan process currently underway, the Task Force and Council will consider increasing the jobs and housing capacities of Downtown. Furthermore, the Task Force and the Council will also consider staff's recommendation to move the Five Wounds and 24th and William Urban Villages to Horizon 1. As part of the Downtown Strategy update, the Council has already adopted an Employment Priority Area overlay on the blocks surrounding the future BART station to reserve these blocks for high intensity employment uses. Staff supports working with the community to update the four Five Wounds Urban Village Plans (Five Wounds, Little Portugal, Roosevelt Park and 24th and William), identifying adjustments to these plans to facilitate a successful transit-oriented community that supports the BART investment and enhances the surrounding communities. Staff plan to initiate updates to the four plans in the summer of 2020.

Construction Impacts. Construction of BART Phase II will have an impact on the businesses adjacent to the construction. As such, staff believe that VTA should establish a construction mitigation fund that will be used to assist small businesses during the construction period. Programs such as the City's Storefront Grant Program, lease negotiation assistance, and marketing assistance are valuable elements to consider in any VTA construction mitigation program.

Displacement (Residents, Small Businesses). The TOC Playbooks make recommendations to address the issues of residential and small business displacement. The City is also actively developing strategies to address both types of displacement, and asks that VTA continue to coordinate with the City on these and help the City implement effective policy and programmatic

approaches to lessen potential displacement effects. The City intends to release a high-level residential anti-displacement strategy in early 2020 and has initiated a small business anti-displacement pilot in the Alum Rock Corridor. Additional place-based analysis and strategies will be needed to proactively guide future affordable housing funding decisions around these BART station areas.

Housing. The Playbooks align with the City's housing-related policies, including the Council's Housing Crisis Workplan. Staff urge VTA's continued engagement with our housing and planning teams to advance these initiatives.

Job Generation. VTA and the City should continue to coordinate to ensure that land uses support job generation goals. Staff also recommend that VTA develop mechanisms to ensure that both housing and jobs are developed on their properties.

Parking. The City looks forward to coordinating with VTA on the development of parking districts that can be implemented as transit amenities are constructed and as infill development accelerates. The timing of district implementation will be critical to supporting both new development and behavior change. Developing the financing mechanisms to support the parking district is needed in order to facilitate the development of the parking districts.

Trails. Staff encourage VTA to promote the development of critical multimodal transit access improvements, including off-street trails, and also TOD-supportive open space elements like parks. Adopted City plans call for the development of the Five Wounds Trail and Coyote Creek Trail as Class 1 facilities.

Sustainability. We appreciate the Playbooks' focus on sustainable mobility. It would be helpful to also underscore the importance of sustainable buildings and public spaces as part of transit-oriented communities.

Financing Tools. The Playbook recommendations requiring the greatest amount of work relate to the financing and value capture tools proposed. The City understands VTA's interest in value capture, particularly the use of community facilities districts (CFDs) and enhanced infrastructure financing districts (EIFDs), to support infrastructure, public facilities, and affordable housing. It is important to note that the City, and not VTA, would need to establish CFDs and EIFDs within the City. However, there are a number of challenges to implementing these tools effectively, including:

- The formation of CFDs and issuance of CFD bonds is a multi-step and lengthy process that will require a significant level of effort required on the part of City staff as well as cost of the required consultant support.
- The need for Santa Clara County to participate in the EIFDs; without County participating the revenue collected will be minimal.
- With respect to EIFDs, existing redevelopment areas that, until 2035, will still be collecting tax increment financing to pay off the former Redevelopment Agency debt;

there is not capacity in these redevelopment areas to collect significant additional tax increment.

These are high-level issues. As City staff reviews VTA's specific proposals to establish specific CFDs and EIFDs, other issues may be identified.

Workload assessment. The level of effort required to carry out many of the recommendations in this memo is significant. In endorsing the Playbooks, staff recommend that VTA and City staff work together to

- Conduct an assessment of the resource needs to carry out recommendations, including the need for in-house and consultant staff time.
- Identify funding to pay for these resources.

CONCLUSION

The City appreciates VTA's leadership in preparing the TOC Playbooks. These documents will serve as a useful starting point for initiating modifications to land use, transportation, economic development, housing, and other City policies in the BART Phase II areas to achieve VTA's and the City's mutual goal of creating successful transit-oriented communities.

EVALUATION AND FOLLOW-UP

VTA, in collaboration with City staff and other stakeholders, commit to review implementation of the TOCs on a regular basis and to return to the City Council Transportation & Environment Committee for updates in 2020.

CLIMATE SMART SAN JOSE

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

As part of this project, VTA has undertaken a significant stakeholder and public engagement program. This has included the following:

City and Agency Collaboration:

- Over 20 monthly coordination meetings with City staff
- Seven Technical Advisory Group meetings with City, BART, and VTA staff

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- Over 14 briefings with city councilmembers, VTA Board members, and regional agencies

Stakeholder Briefings: 38 briefings with community organizations and local stakeholders

Public Workshops and Presentations: Twelve interactive public workshops, over 25 presentations at VTA's BART Phase II Community Working Groups, as well as ongoing pop-up events through November 2019.

VTA will continue to lead engagement activities, both with city partners, community groups, and the other stakeholders, as implementation of the Playbook recommendations moves forward.

COORDINATION

This memorandum has been coordinated with the City Manager's Office, the Office of Economic Development, and the City Attorney's Office.

CEQA

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action.

/s/

ROSALYNN HUGHEY
Director, Planning, Building &
Code Enforcement

/s/

JOHN RISTOW
Director, Department of Transportation

For questions, please contact one of the following City staff members:
Eric Eidlin, DOT Station Planning Manager, at (408) 795-1638
Charla Gomez, PBCE Planning Station Area Team at (408) 793-5543
Blage Zelalich, OED Downtown Manager at (408) 535-8172

Attachments:
Appendix A
VTA Letter

Appendix A

The analysis below summarizes staff’s evaluation of the recommended “Big Moves” and key strategies in the TOC Playbooks. This information is divided into two columns: the left column discusses existing policy documents and planning processes that relate to Playbook recommendations. The right column discusses additional planning efforts that would be necessary to align City processes and policy documents more completely with Playbook recommendations. This column also describes the anticipated level of staff and consultant resources needed to carry out this work.

Big Move	How existing City documents and processes address this issue currently	Additional work needed to align City processes with Playbooks
<p><u>BIG MOVE:</u> <u>Prioritize Funding & implementation</u></p>	<p>City staff is supportive of engaging local partners to expand community and economic development activities, as well as establishing a framework for ongoing collaboration between the City of San José and VTA. Such a framework shall include community outreach mechanisms that the City uses for modification and approval of existing Urban Village Plans, which orchestrate direction from various city efforts (i.e. MTIP’s, and specific City Department Master Plans). City will partner with VTA to increase production of affordable housing, preserve existing affordable housing, and prevent displacement of households in close coordination with the City’s Housing Department.</p>	<p>The City has limited resources to study and implement the recommendations of the Playbooks. City staff will work with VTA to determine the appropriate financing mechanism(s) to implement improvements and other related work resulting from final recommendations of policy changes adopted by the City, likely on a Station-by-Station and Urban Village basis. City staff will also coordinate with VTA to identify grants and other upfront funding sources to support TOC implementation, including funding City position(s) dedicated to studying and modifying existing City polices applicable to the stations, and other implementation actions identified in the Playbooks.</p>
<p><u>BIG MOVE:</u> <u>Update Land Use Across the Station areas to Ensure good TOCs</u> <i>Establish Minimum Densities in all Station Areas</i></p>	<p>The City’s four Five Wounds Urban Village plans establish minimum densities and commercial Floor Area Ratios (FAR’s). The Playbook proposed densities that are much higher than these, based on economic projections to estimate housing and jobs capacities.</p> <p>The Downtown does not currently have minimum densities for commercial or residential development</p>	<p>Establishing higher minimum densities in the four Five Wounds Urban Village Plan areas (Five Wounds, Little Portugal, Roosevelt Park, and 24th and William) will need to be explored as part of a process to amend these plans.</p> <p>Staff anticipates having the staff and non-personal resources needed to update the 4 Five Wounds Urban Village plans in FY20/21. Council has already directed staff to consider minimum residential densities and/or heights in Downtown. This item is part of the Housing Crises Workplan.</p>

		<p>Establishing minimum commercial FAR's Downtown is not part of staff's current work program, and while staff are not opposed to establishing minimum's, staff do not see a significant need to do so; there is not currently market interest in developing new low intensity commercial development Downtown and if such development was built, there is not an anticipated barrier to redeveloped these low intensity sites for high intensity commercial buildings when the market supports such development.</p>
<p><i>Prioritize Office Development Adjacent to Stations</i></p>	<p>The General Plan and Five Wounds BART Urban Village Plan prioritize office development directly adjacent to the BART stations.</p> <p>As part of the Downtown Strategy update, the Council has also already adopted an Employment Priority Area overlay on the blocks surrounding the future BART station to reserve these blocks for high intensity employment uses.</p>	<p>As part of an overall update of the four Five Wounds Urban Village Plans, staff are supportive of exploring how additional development opportunities could be preserved for employment uses adjacent to BART.</p> <p>Staff is open to exploring opportunities to expand the existing Employment Priority Area Overlay in Downtown. Staff also support considering the recommendation that the minimum Floor Area Ration (FAR) for commercial uses in the Overlay be increased for mixed-use commercial and residential buildings; the overlay does not have a minimum commercial FAR for stand-alone commercial buildings. This work is not currently part of staff work program but could be added without additional resources.</p>
<p><i>Reduce Commercial FAR Requirements in Mixed-Use Development in the four Five Wounds Urban Villages</i></p>	<p>Staff do not agree that in most cases or locations the FAR requirements for commercial uses in mixed use projects are too high. However, staff recognizes that there are locations where these requirements need to be adjusted downward.</p>	<p>Reducing commercial requirements in the four Five Wounds Urban Village Plan areas (Five Wounds, Little Portugal, Roosevelt Park, and 24th and William) will need to be explored as part of an overall process to amend these plans. Staff recommend hiring a real estate market consultant to analyze future commercial demand within these Villages.</p>
<p><i>Allow Mid-Scale Residential Development in Near Term in the</i></p>	<p>The Five Wounds and 24th and William Street Village preclude residential development until BART phase II is fully funded, permitted, and</p>	<p>The City Council has directed staff to work with the community to amend the Five Wounds Urban Village Plan</p>

<p><i>Five Wounds and 24th and William Urban Village</i></p>	<p>scheduled for construction. These two plans will need to be amended to implement this recommendation.</p>	<p>to allow housing to move forward sooner rather than later.</p> <p>Staff recommends implementing this Station Area Playbook recommendation in both plan areas as part of the larger effort to amend the four Five Wounds Urban Village Plans, which is anticipated to be initiated in FY20/21.</p>
<p><u>BIG MOVE:</u> <u>Support Small Business and Enhance Commercial Nodes</u></p>	<p>Staff continues to implement the Storefront Assistance Program city-wide, providing grants to small businesses for both internal tenant improvements and exterior façade renovations. Staff is currently piloting key aspects of support for small business impacted by public and private development in the Alum Rock area. This includes actively working to capacity build local business associations and support networks. Sourcing specialist technical assistance providers through the Business Owner Space (BOS) partnership and attracting access to SBA-backed loan capital and other FDIC regulated grants are available. The City is also promoting dedicated neighborhood programs in Alum Rock such as storefront grants and other local asset enhancing activity. Recently adopted Downtown Design Guidelines outline specific parameters for ground-floor spaces for small business and staff's ongoing marketing of San Jose's Opportunity Zones and implementation of recently completed retail strategies, align with Big Moves outlined in the TOC handbooks.</p>	<p>Providing a source of on-going funding for resources to support small business and enhance commercial nodes in TOC areas will be extremely important, as the resources currently being expended in these areas for small business support are from predominantly one-time funding sources. Evaluation of the Alum Rock Pilot will take place and options for a phase 2 roll out will be considered by the city from the Summer of 2020 onwards. San Jose is enhancing access to business data designed to inform location targeting and the demand for services across industry sectors and neighborhoods. The City intends to design and model the establishment of local business improvement districts to enhance commercial nodes. The City expects VTA to support this approach and resource programs to ensure small business and commercial nodes are protected, in line with the TOC Strategy.</p>
<p><u>BIG MOVE:</u> <u>Protect and Produce Workforce and Affordable Housing through the Station Area</u></p>	<p>San Jose has hired a consultant to conduct an in-depth study of affordable housing opportunities in the Diridon Station Area. Replicating this process in the TOC areas would help developed tailored place-based strategies. For example, a parcel level analysis on the feasibility of affordable housing would help identify specific parcels to reserve or target for affordable housing. Similarly, analysis</p>	<p>In many cases affordable housing restrictions expire after 50 years. Given the unique opportunity that exists to locate affordable housing near these BART stations, it is imperative to ensure that housing within station areas remains affordable in perpetuity.</p> <p>The mix of unit sizes is also important to consider as large and/or extended</p>

	could identify preservation opportunities for rent-stabilized and “naturally-occurring affordable housing.”	families have trouble finding 3 and 4 bedroom apartments.
<p><u>BIG MOVE: Assist in Strengthening Community Identity</u> <i>Promote Latino and Portuguese cultural identities at 28th St. Station</i></p>	Streetscape, placemaking, and public art polices existing in Urban Village plans are intended to enhance community identity and are designed to protect the community character of each area. For example, many policies address the preservation of historic resources under a broad definition, not just architecture or buildings.	Amendments to Urban Village Plans may include additional or reinforced polices on this regard, but must be developed in close consultation with the local communities.
<p><u>BIG MOVE: Assist in Strengthening Community Identity</u> <i>Establish block size and open space requirements</i></p>	Block size requirements could be relevant around the 28 th St. and Santa Clara St. stations where large-block light industrial and industrial uses currently predominate. The Five Wounds Urban Village Plan currently does promote and plan for pedestrian connections, paseos and plazas to break up these blocks and provide better access to the BART station and the development adjacent to the station.	The need for additional mid-block and pedestrian connections should be evaluated as part of an update to the Five Wounds Urban Village plan. The City anticipates that the new Citywide Design Guidelines will also have additional standards and policies that will address pedestrian and bicycle access.
<p><u>BIG MOVE: Assist in Strengthening Community Identity</u> <i>Require a new urban plaza directly adjacent to the Little Portugal/ 28th Street station entrance</i></p>	The Five Wounds/Brookwood Terrace BART Station Area Community Concept Plan and the Five Wounds Urban Village Plan already envisions a large public plaza or “Town Square” to be located centrally on the San José Steel site. This town square would be surrounded on at least three sides by mixed-use, transit-oriented development and provide space for community events, connections to the BART station portal or portals, a visual and possible direct connection to the Five Wounds Portuguese National Church, and a visual connection to East Santa Clara Street where transit riders may connect to the Bus Rapid Transit (BRT) line.	No additional work needed at this time; however, when VTA begins a master planning process for the Little Portugal/ 28 th Street station area, City staff will need to work closely with VTA and the community to ensure that this mutual goal is achieved to the fullest extent.
<p><u>BIG MOVE: Adopt a Shared-Mobility District</u> <i>Right-size parking requirements, parking management, encourage use of</i></p>	Adopting a “Shared-Mobility District” is similar to City efforts currently underway for District Parking in Diridon and Berryessa BART Urban Village (BART Phase 1). Such efforts can inform future related work in BART Phase II. In addition, the East San Jose Transportation Plan, En	The City could work with VTA to prepare a comprehensive study on each station that addresses both sustainable mobility and parking. Such effort could be called “District Parking & Mobility Study,” and closely follow the study currently underway for the Berryessa BART

<p><i>sustainable modes through Transportation Demand Management (TDM) Strategies</i></p>	<p>Movimiento, and the Downtown Transportation Plan will further this work. Finally, City parking policies are currently under review, with funding through the American Cities Climate Challenge.</p>	<p>Urban Village Plan (BART Phase 1). Such study not only addresses parking management and parking reduction via TDM measures such as shared parking but it is also connected to the City's transportation planning goals of reducing the Single-Occupancy Vehicle (SOV) rate and fostering "Mode Shift" towards other mobility choices. The study can leverage from station-specific, multimodal travel analysis started by VTA as part of BART Access planning. Recommendations of the study can help refine access planning, infrastructure improvements, effectiveness of programmatic (TDM) measures, and policy/code changes as resources allow.</p>
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November 27, 2019

Dear Mayor Liccardo, Vice Mayor Jones, and Members of the San José City Council,

The BART Silicon Valley Extension Phase II project presents a once-in-a-century transformational opportunity to advance the vision and goals of the City's General Plan, organize more of the region's future growth around the new BART stations, and benefit the existing communities around these stations. We are writing to describe the vision and opportunity for the creation of Transit Oriented Communities around the new BART stations, and the leadership needed to create communities that are healthy, connected, prosperous, and equitable.

VTA, working since last year with the Phase II Community Working Groups, City staff, and other stakeholders has completed the Transit Oriented Communities Strategy Study. The Strategy Study includes a suite of comprehensive "best practices" and an evaluation of the strategies, policies, and funding and implementation actions that should be considered to maximize the potential for Transit Oriented Communities.

This work builds upon the City's existing plans and has been summarized in individual "Playbooks" for the 28th Street/Little Portugal, Downtown San Jose, and Santa Clara stations, which are tailored to local opportunities, challenges and needs. The Playbooks are intended as a station area-wide resource for future city and community planning and decision-making.

Only the City can create and implement the plans, policies, programs, and public investments that are needed to fully establish Transit Oriented Communities. While opening of the Phase II extension is in the future, the combination of current challenges and the long lead times for planning and development make it essential that the City, with engagement by VTA, begins this work now.

VTA respectfully requests that the City Council act to:

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

Action by the City Council will set the stage for continued collaboration between City staff and VTA on how to build upon existing city and community plans and policies related to land use and transportation, address displacement concerns, and refine strategies to proactively plan for and implement Transit Oriented Communities in advance of BART Phase II opening.

Successful Transit Oriented Communities will make all transportation modes and transit use both easy and convenient, resulting in less driving, more walking, and fewer impacts on existing communities. They can foster a more vibrant public realm and create opportunities to work, learn,

live, shop, and recreate. The higher-density, mixed-use, mixed-income, residential and commercial development can provide opportunities for local small businesses and create significant amounts of new affordable housing.

City support for Transit Oriented Communities will support VTA's effort to obtain the federal funding needed to build the Phase II extension. VTA is pursuing \$1.4 billion in funding through the Federal Transit Administration's (FTA) Expedited Project Delivery (EPD) Pilot Program, and recently VTA was chosen as the first transit agency in the nation to advance into the funding path for EPD with an initial \$125 million authorization. The EPD Program calls for the use of innovative financing arrangements and the use of public-private partnerships, including value capture tools. VTA's work with City staff on the Transit Oriented Communities Playbooks has begun consideration of how to use these tools to finance public investments, including Complete Streets, streetscaping and street furniture, public art, infrastructure, and other important needs.

VTA looks forward to continued close collaboration with the City to create Transit Oriented Communities. City and VTA staff recently collaborated on a grant application for FTA's Pilot Program for Transit Oriented Development Planning, the same program that funded creation of the Playbooks. Funding from this new grant opportunity would support some of the additional staffing resources that the City will need to plan for Transit Oriented Communities.

Thank you for consideration of a holistic approach to the Phase II station areas to create inclusive and dynamic Transit Oriented Communities; begin work now and build further collaboration and partnerships between the City and VTA; and bring a sustained focus on how to maximize benefits for station area communities, and the entire City from the BART Phase II extension.

Sincerely,



Ron Golem
Director of Real Estate & Transit-Oriented Development