



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Raul Peralez

SUBJECT: BART Transit-Oriented
Communities (TOC) Strategy
Study

DATE: December 9, 2019

Approved by:

Date:

12/9/19

RECOMMENDATION

Accept staff recommendation with the following changes:

1. Prior to the Valley Transportation Authority (VTA) Board approval of the TOC plans, request that VTA staff include supplemental language outlining the impacts from recent state legislation on value-capture districts and how these strategies should align with the city's efforts to integrate new state regulation into its land use processes,
2. In regard to the "construction impacts" section of staff's memorandum, agendaize at a future Community and Economic Development committee an update on VTA's Small Business Assistance Study.
3. If the city opts to hire a real estate market consultant to analyze future commercial demands in the four Five Wounds Urban Village areas (Five Wounds, Little Portugal, Roosevelt Park, and 24th and William), include in the analysis how changes to commercial requirements would impact current and future local small businesses.

DISCUSSION

Thank you to VTA staff, City staff, and the numerous stakeholders involved in crafting the TOC playbook for the communities surrounding two of our three future BART stations. The Downtown Station and 28th Street/Little Portugal Station areas are unique with its own histories, cultures and visions for the future. The TOC playbook is another tool to help weave together the different strategies that have been adopted or currently being worked on by the city.

State Legislation Impacts

City Staff recently informed council about the implications of State Assembly Bill 3194. One of the side effects is the change to the Urban Village Implementation and Amenities Framework, specifically:

“AB 3194 prohibits local agencies from requiring a rezoning of properties to facilitate housing projects if the General Plan land use designation supports housing. Since the rezoning requirement is no longer allowed and many of General Plan land use designations in urban villages allow housing, the rezoning can no longer be used to create a value capture mechanism to facilitate building additional public improvements and amenities as was envisioned by the Council-adopted Urban Village Implementation and Amenities Framework (Implementation Framework).”¹

While the TOC playbook illustrates wonderful and picturesque amenities that would benefit the community through a value-capture district, we need to be realistic with our community of what is achievable in this new landscape. Our city staff is working diligently to identify strategies to encourage and perhaps require amenities within the planning process compliant with AB 3194. I am cognizant that the nature of legislation is dynamic and subject to change at any point - nevertheless, it is important that we be transparent with our community.

VTA's Small Business Assistance Study

We have seen firsthand the devastating impacts to small businesses during construction of major transit projects such as the Alum Rock BRT project, which myself and Councilmember Carrasco had to address when we both first took office. In November 2018, myself and County Supervisor Cindy Chavez in our roles as VTA directors requested that staff conduct a Business Interruption Fund Study for BART Phase II.² VTA staff began the Small Business Assistance study this past summer and by early next year should be reporting back with results. It would be helpful that when those results are presented to our CED committee so that our City can provide appropriate input.

Reducing Commercial Requirements

I understand staff's initial hesitation towards undertaking a broad-stroke approach at reducing the community-supported FAR requirements around the 28th Street/Little Portugal station. I agree with that staff that if the minimum FAR are to be reevaluated in these Urban Villages, an analysis by a real estate market consultant specializing in commercial retail should be warranted. While I understand the intent of our Urban Village FAR minimums are for future employment generation, any process at potentially reducing commercial potential should include existing employers of many small mom-and-pop neighborhood serving retailers along this corridor.

¹ City of San Jose (November 2019) *Memorandum: Assembly Bill 3194*. Retrieved at: <https://files.constantcontact.com/7a210436601/b74ee815-2362-4686-942a-e5bbccd23575.pdf>

² Peralez & Chavez (November 2018) *Capital Program Committee Item of Referral: VTA Business Interruption Fund*. Retrieved at: <http://ca-sanjose.civicplus.com/DocumentCenter/View/81346>