



Memorandum

TO: COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE
FROM: Blage Zelalich
SUBJECT: DOWNTOWN PROGRESS REPORT
DATE: June 18, 2021

Approved *Rosalyn Hughes* Date 6/21/21

RECOMMENDATION

Accept the informational report highlighting Downtown progress from July 2019 to June 2021.

OUTCOME

The Community and Economic Development Committee (CED Committee) will receive a progress report related to Downtown commercial and residential development, economic vitality initiatives, public life and place-making, clean and safe activities, special events, and convention and cultural activities.

BACKGROUND

A vibrant city center is eclectic, interesting, and inviting; has strong commercial and residential development; is socially, economically, and ethnically diverse; is easily accessible from a variety of transit options; has a healthy mix of land uses; and attracts a variety of talent. Downtown San José is Silicon Valley's city center, its only true urban environment. To this end, the City of San José (the City) is committed to thoughtful but aggressive growth and planning efforts Downtown. A full-time Downtown Manager, embedded within the Office of Economic Development (OED), provides a central point of contact between City departments as well as a liaison for external partners and stakeholders on Downtown-related matters.

The Downtown Manager has provided this annual progress report to the CED Committee since 2017. No report was delivered in June 2020 because of the COVID-19 pandemic; therefore, this report covers a twenty-four-month period.

Vibrant and successful city centers include four key components – work environment, urban living, arts and entertainment, and shopping and dining – connected through the public realm.

Framework for a Vibrant City Center



ANALYSIS

The past twenty-four months have been both the best of times and the worst of times for San José’s city center. The June 2019 Downtown Progress Report outlined the continued positive momentum that Downtown had been experiencing as a result of growing amenities, proximity to transit options, and attractiveness to a highly talented workforce. Nine months later, the words “COVID-19” and “pandemic” became part of our daily vocabulary and Downtown’s positive momentum paused substantially. Downtown streets have remained largely devoid of people since that time as the industries that drove the downtown economy – commercial office, conventions, hotel business, San José State University, bars and nightclubs, arts and cultural offerings, and events at the SAP Center – shut down for most of the last year. Now, the level of activity on downtown streets, while nowhere near that of the activity before March 2020, is picking up.

Two clear indicators of the effect of the pandemic on the downtown landscape are sales tax collection and parking data. When comparing 2019 and 2020 sales tax collections, the overall drop in citywide collections was approximately 21%; however, the decline in collections within the Downtown Growth Area was significantly higher, at approximately 50%. Additionally, when looking at the day-to-day metric of on-street and parking garage utilization rates and revenue collections, you can see that both the volume of cars parked, and revenue generated by those cars, plummeted to virtually zero from March to August 2020. Through April 2021, occupancy and revenue numbers have only recovered to 50% of what they were pre-pandemic.

To survive, many businesses took advantage of emergency government funding. San José businesses received \$1.75 billion in payments from the federal government's Paycheck Protection Program (PPP) and \$31 million in funding from the California Small Business Relief Grant program. The three zip codes within the Downtown Growth Area (See Exhibit A) – 95110, 95112, and 95113 – received a healthy portion of this funding (\$556 million), with the 95112 receiving the largest amount of funding of any zip code in the city (\$298 million). Staff is analyzing the data further to determine the level of state and federal funding into businesses in the Downtown Growth Area and should have this data at the time of the CED Council Committee meeting.

The status of the commercial eviction moratorium will have a significant effect on the timing and trajectory of business recovery and how it plays out over the next 12 to 18 months. Currently, the State has extended the moratorium through mid-August 2021, setting the timeline for when the first portion of rents needs to be repaid by early 2022. As we move past June 15, it seems that a substantial sector of the population is eager to go out to restaurants, get back to their offices, attend meetings, conventions and events, gather with friends and colleagues, and celebrate culture. It is still unclear just how eager they are and how much the downtown economy will be bolstered by their desire to get back to a new normal.

Work Environment

There are approximately 33,000 jobs in the Downtown Growth Area and approximately 8.5 million square feet of commercial office inventory. Approximately 3,700 businesses are in the Downtown Growth Area, with the average age of a business being just shy of 11 years. City of San José 2021 Business License Data shows the distribution of businesses by sector in the Area as approximately 22 percent Business Services and Tech; 18 percent Retail and Personal Services; 16 percent Real Estate; 14 percent Construction and Utilities; 10 percent Leisure and Hospitality; and a variety of other sectors in single digits.

Not surprisingly, employment in the Downtown Growth Area is concentrated in large businesses. There are 110 large businesses with a headcount over 35 employing 20,050 workers (the equivalent of 61% of all jobs in the area) matching a classic business district/city center profile. Businesses with the largest headcount (aside from San José State University) are Adobe, Accenture, EY and PWC. The Downtown Growth Area has 1,644 small businesses (45% of all businesses) with a headcount of two to 35 employees which contributes 10,994 jobs. Fifty-two percent of businesses in the Downtown Growth Area are sole proprietors/self-employed. The City's business license data shows 160 licenses that are less than one year old indicating a new or relocated business.

During the pandemic, leasing activity slowed to a crawl as companies put expansion or move plans on pause. In 2019, Downtown's vacancy rate hovered around 13% all year, but in 2020 (during the pandemic) it increased to about 15%. It is currently about 17.4%, equating to about 1.5 million square feet of available space. It is important to remember that downtown is a very small market, so even a small vacancy change can make a big difference in the overall numbers. According to Costar data, this vacancy rate is the highest it has been since mid-2012. However,

market asking rents have not fallen back to 2012 levels – in fact, they have remained stable – as landlords seek to maintain market stability and bet on a return to normal activity. Asking rents are currently at about \$4.54 per square foot for office space. In the summer of 2019, the average asking rent for high-end Class A space was \$4.67 full service.

Notable transactions since January 2020 with respect to downtown commercial buildings include the purchase of the Hilton San José by GEM Realty Capital for \$117.5 million or \$330,000 per room. In June 2020, Essex Property Trust sold the One South Market apartment tower at the corner of Market and Santa Clara Streets to OSM Property, LLC for \$175 million or \$560,000 per unit, and Beacon Capital Partners sold 303 Almaden at the corner of Almaden Boulevard and San Carlos Street for \$135 million. More recently in 2021, Oracle sold 488 Almaden Boulevard to Lane Partners for \$157 million, and Leisure Sports, Inc. sold its building on the northeast corner of First and Santa Clara Streets (2 North First) for \$14.6 million. Leisure Sports, Inc. paid \$15.5 million for this building in 2019.

As expected, there was a significant slowdown in downtown leasing activity in 2020 and 2021, which began toward the end of 2019. Prominent leases executed over the past two years include Northeastern University taking 17,000 square feet at 4 North Second Street, Hoge Fenton lawyers relocating from 60 South Market and leasing 23,000 square feet in 55 South Market, and CREATV leasing the 18,000 square-foot space on Second Street, between Santa Clara and San Fernando, formerly home to The Tech Shop.

The COVID-19 pandemic appears not to have diminished confidence in Downtown's long-term future as 5.2 million square feet of office space, and 100,500 square feet of retail space are under planning review. The City has approved entitlements for 5.1 million square feet of office and 150,000 square feet of retail. Construction is currently underway on 3 million square feet of office space and 113,000 square feet of retail space. Commercial development under construction includes Jay Paul Company's office building at 200 Park Avenue, Adobe's fourth tower at 333 W. San Fernando Street, and Urban Catalyst's conversion of the former Camera 12 cinema into creative office space along the Paseo de San Antonio. At the corner of First and Santa Clara Streets, Jay Paul Company's One West and Divco West's 2 West. Santa Clara (former home of Walgreens) both are near completion, just as the rehabilitation on the Bank of Italy building resumes and Urban Catalyst's 67,000 square foot Fountain Alley project begins. Projects that have received entitlement approval over the past 24 months include 3.4 million square feet at City View Plaza, The Sobrato Organization's Market Street towers at Market and San Carlos Streets (495,000 square feet), and DiNapoli Corporation's Almaden Boulevard Tower at Almaden Boulevard and Post Street (596,000 square feet). Projects currently under Planning review, with expected entitlements in 2021/2022 include Boston Properties and KT Urban developments on Almaden Boulevard, as well as Westbank's proposals for Park Habitat on Park Avenue, the Orchard in SoFA, the Energy Hub in Fountain Alley, and Arbor in the North San Pedro area.

There has been significant progress over the past year toward development of the Diridon Station Area. On May 25, 2021 the City Council approved Google's Downtown West mixed-use development project, as well as City-initiated amendments to the Diridon Station Area Plan and

the Diridon Affordable Housing Plan. This key milestone in the evolution of the Diridon Station Area followed more than three years of community engagement, centered around the Station Area Advisory Group. The next stage of work will focus on implementing the first building phase of the Downtown West project and advancing other projects such as the Diridon Integrated Station Concept Plan, which is intended to deliver a world-class transportation hub that provides seamless customer experience for movement between transit modes within the station and into the surrounding neighborhoods and downtown. At buildout, the Downtown West project will result in \$200 million in equity-centered community benefits and over \$1 billion in other project features and infrastructure investments.

There is positive news coming out of San José State University (SJSU), which is educating and graduating a diverse population (83% students of color, 42% first-generation college students), while also producing cutting-edge research. Faculty, staff, and students at SJSU will be returning to campus in fall 2021. SJSU generates \$776 million in annual economic activity in San José and contributes over \$1 million in in-kind support to the local community through engagement efforts.

With a student body of 36,000, it is wonderful to hear that dorms are filled at more than 90% capacity. San José State's plans for the Alquist Building continue to move forward, which include up to three towers dedicated to affordable housing for faculty, staff, and graduate students. Construction on the Interdisciplinary Science Building continues with an expected completion date of August 2022. The building will include spaces for teaching and research laboratories, and laboratory support areas for the biology and chemistry departments and will house the College of International and Extended Studies. This building will be the first new academic building on campus in 30 years. Construction also continues on the 57,000+ square foot Spartan Athletic Center – expected to be completed in June 2023.

Urban Living

To realize its true potential as an active and vibrant urban core, Downtown must attract significantly more residents and provide housing at varying income levels. Never was this more evident than during the pandemic when we saw residents staying close in their neighborhood for meals and the fulfillment of daily needs and services.

There are approximately 24,000 residents living within the boundaries of the Downtown Growth Area. According to the American Community Survey 2019 five-year estimates, 37% of residents identify as White Non-Hispanic, 28% as Asian, 24% as Hispanic, 6% as African American, and the remaining population as Native American or a mixture of races/ethnicities. Median household income in the area is \$113,897 compared to \$109,593 for the city overall; however, the population living below poverty in the Downtown Growth Area is 18.3% compared to 8.7% citywide.

Since July 2019, 1,102 residential units have been completed in the city center. This includes The James across from Saint James Park, Modera at San Pedro Square, Sparq and The Grad in

SoFA, The Julian in the North San Pedro area, and Vespaio on Stockton Street. The Grad, student-focused housing, opened just one block away from SJSU in 2021 with 1,039 beds. Overall, there is a 65% occupancy rate at downtown's newest residential developments. 1,652 units are currently under construction at 188 West Saint James in San Pedro Square, Miro across the street from City Hall, The Firestone in SoFA, and 715 West Julian Street. These units are all scheduled for completion in 2021 or 2022.

Shopping and Dining

While Downtown continues to build toward commercial and residential densities that will support more shopping activity, the number of Downtown dining options remains substantial despite the fact that many sectors of the economy that support restaurant activity were shut down or operating at a reduced capacity over the past 15 months.

The City Council directed the implementation of the SJ Al Fresco initiative in May 2020 to help businesses survive through the pandemic. SJ Al Fresco enables businesses to extend their operations outdoors onto public and private property through a streamlined and free registration/permit process. More than 30 downtown businesses participate in the SJ Al Fresco initiative.

Together, the City's Small Business Allies and OED's and San Jose Downtown Association's business development teams have assisted approximately 300 ground-floor business and property owners in the past 24 months. The following is a sampling of ground-floor activity in Downtown's three primary districts:

San Pedro District – The neighborhood said “goodbye” to long-time retro-themed diner Peggy Sue's, but a new concept is already in progress. It welcomed Dr. Ink boba tea on the ground floor of the Centerra residential development and Blanco Urban event venue on San Pedro Street. New to the neighborhood as well is a Carbon Health Primary and Urgent Care clinic on the ground floor of Modera at San Pedro Square. Coming soon to additional ground-floor spaces in the residential development are Gyu Kaku Korean restaurant and Simply Dumplings. The San Pedro Market welcomed new eateries Jora (Peruvian), Gameday, and Hyland House Sushi along with Urban Ritual, a boba tea stand. The Market said “goodbye” to Blush Raw Bar, Konjoe Burger Bar, Treatbot ice cream, and Vino Vino wine bar. MOMENT, four micro-retail kiosks on the ground floor of the Market/San Pedro Garage, celebrated its third anniversary in May 2021, providing an opportunity for 11 local, minority entrepreneurs to test their business model with a brick-and-mortar presence over the past two years. A second downtown Scott's Chowder House location is slated to open in the former Village Cheese House Deli location on the ground floor of 111 North Market Street in 2021. Also, opening is San Pedro Social, downtown's newest destination for food and drinks along with arcade games, pinball, pool, bowling, and karaoke. Andy's Pet Shop is relocating outside of downtown as a result of The Carlyle commercial/residential development slated to begin construction in 2021.

SoFA District – The husband-and-wife team that opened the Culinary Corner Bistro in January 2019 with great pageantry fell victim to the effects of the pandemic in early 2021. Next door neighbor Cuba Mex did as well. At the SoFA Market, Natural Sweet Delight opened in 2021 serving Colombian and Italian coffee and pastries along with unique special occasion cakes. Just a few steps from the SoFA Market, Petiscos by Adegá, serving traditional Portuguese small plates; Nirvana Soul, a place where coffee, community, and culture meet; and The Good Spot, the neighborhood’s newest fine-casual gastrolounge, opened over the last year. Coming soon is Lee’s Sandwiches on the ground floor of The Grad as well as The Guildhouse for E-sports gaming and tournaments. District neighbors Uproar Brewing and LVL Up are teaming up for a combination of locally brewed beer, elevated pub food, and retro arcade gaming.

Historic District – Inspired vegetarian and vegan pizza is on the menu at Pizza Flora which opened in Fall 2019 on First Street between Santa Clara and San Fernando Streets. Just a bit north on that same block, one will find the comfort of delicious cookies, brownies, and cookie cakes that can be delivered to your door until 3 a.m. at Insomnia Cookies. Coming soon to the neighborhood are nighttime hotspots Rec Room and Nova located on San Fernando and Second Streets, respectively. The Shop by Chef Baca has set up shop along Fountain Alley, between First and Second Streets, with Scratch Hot Chicken and Academic Coffee soon to join as neighbors. After an eight-year run, Chacho’s Restaurant closed its doors in December 2020, with an unfortunate building fire forcing next-door businesses – San Patricios, Social Lady, and Cinabar – to close shortly thereafter.

The Paseo de San Antonio has experienced some shifts in businesses, with Muji, McCormick and Schmick’s, Bedlam Beauty & Barber, and Spread! closing. Scott’s Seafood and Morton’s Steakhouse both relocated to the paseo from their long-time spaces at City View Plaza. Scott’s opened a second fast-casual concept, Scott’s Chowder House, on the paseo between First and Second streets and FAB Sports Bar set up shop in the space previously occupied by Spread! on the paseo between Third and Fourth Streets. Tacomania on the paseo between First and Second Streets is transitioning to a new concept called Mas Pizza.

Along Santa Clara Street, Holy Cannoli, Plant Lush, and Kronos Mediterranean opened in 2021, with Café Eden, Ruchulu Indian Restaurant, and MLKY boba tea shop closing their doors. Starbucks is in the process of relocating from the corner of Third and Santa Clara Streets to the corner of Fifth and Santa Clara Streets in the east tower of the new Miro residential development. HSBC Bank replaced corner coffee shop, A Proper Cup, at Market and Santa Clara Streets, and KBM Hogue office furniture proprietors relocated its offices and showroom to 84 West Santa Clara Street. A-K Mini Mart consolidated its Second Street and Santa Clara Street locations into one new space along downtown’s primary east/west corridor.

Just before the pandemic set in, Downtown welcomed a gem in the Saint James Neighborhood, Devine Cheese & Wine, and also said “goodbye” to Tony DiMaggio’s Pizza and Strombolis on San Pedro and San Fernando Streets and lunchtime hotspots Our House and Peggy Sue’s 2 in City View Plaza.

In 2019-2020, four out of 10 Storefronts Assistance Grants were awarded to Downtown businesses: one vacant storefront grant was awarded to the San José Fire Museum, and the remaining exterior grants were awarded to Angelou's Mexican Grill, Cinabar, and The Ritz Night Club. In 2020-2021, 10 out of 21 Storefronts Assistance Grants were awarded to Downtown businesses: one vacant storefront grant to The Good Spot and the remaining nine exterior grants to Academic Coffee, The Nest, Guild House, Scratch Hot Chicken, The Shop by Chef Baca, Mas Pizza, Nirvana Soul Coffee, Blanco Urban Venue, and The Good Spot. A total of \$160,000 in Storefronts Assistance Grants was distributed to downtown businesses over the past two years.

Arts and Entertainment

Under the stewardship of the Office of Cultural Affairs’ Public Art Program, Downtown enjoyed a variety of temporary and permanent art installations over the past two years. Three local artist curator teams were invited to create design proposals for the Third Street Parking Garage. The design selected, and ultimately installed, was by Local Color and artist Patrick Hofmeister. The 4,000 square foot mural, titled *Labor of Our Fruit*, was completed in July 2020 and was commissioned in partnership with the Downtown Property-Based Improvement District and Harvest Properties.

No Swimming, by Oleg Lobykin, was installed outside at the SAP Center, and the bead-covered dinosaur skeleton, Ichiro Sacred Beings, at Children's Discovery Museum in 2020. These installations are part of the Playa to Paseo partnership with the Burning Man Project.

Bay Area Artist Mona Caron completed a beautiful 3,300 square foot mural titled *Limonium* on the Convention Center Parking Garage. The artwork has received significant national and international publicity. The response has been so enormous it crashed [Mona’s website](#)¹ (a problem she has since fixed).

Middle and high school students in San José were invited to submit short poems that inspired the use of public litter cans, protecting nature, wildlife, and our streets. Called “Litter-ature,” the project was a joint effort with the City’s Environmental Services Department and Office of Cultural Affairs. The final artwork was fabricated in aluminum and permanently affixed to 50 public litter cans downtown. The project was completed in May 2021, and all 500 “Litter-ature” in various neighborhood business districts have been installed.

Looking ahead, *Sonic Runway*, the light-art-sound installation that visualizes the speed of sound created by Rob Jensen and Warren Trezevant, will return to City Hall in fall 2021. The design has been newly engineered and re-fabricated to be more robust, ADA compliant, and offer more

¹ <https://monacaron.com/street/mona-caron-artist>

programming features for performers. This artwork was first installed on City Hall Plaza in 2017/2018 and was extremely well-received by the community.

Three additional art installations completed during the pandemic include The San José Downtown Foundation's Downtown Doors, Local Color's Hella Gardens installation, and Project MORE's mural in the Qmunity District on Post Street. A total of 98 local high school submissions netted 10 new Downtown Doors on service doors and boxes in the core. The Hella Gardens installation beautified exteriors of vacant storefronts along Santa Clara Street, from Third to Market Streets and along First and Second Streets, as well as the k-rail surrounding Al Fresco parklets on Santa Clara Street. Local artists Nick Ybarra and Houyee Chow transformed the west wall of Splash Nightclub at Post Street and Lightston Avenue with a vibrant mural depicting pioneers and champions of the LGBTQ+ movement as part of the Pride-ify Post Street initiative.

With respect to outdoor special events, the focus in 2020 and early 2021 had to be on how to attract people downtown while adhering to state and local COVID-19 protocols. During the holidays, the public was invited to experience the Light the Holiday Nights initiative which featured creative and intricate video projections on the Saint Joseph's Cathedral, the illumination of buildings along First Street from the SoFA District to Santa Clara Street, and an illuminated wonderland in Plaza de Cesar Chavez Park. The illumination theme was carried forward for Valentine's Day and St. Patrick's Day with video projections on the side of the Fairmont Annex, the installation of a San José selfie arch, and accompanying downtown business promotions driven by a social media campaign through the San José Downtown Association.

Thankfully, some annual special events are positioning themselves to make a comeback this summer. This includes the Friday Farmers' Market that kicked off in May; First Friday ArtwalkSJ, Make Music Day, and the SoFA Music Festival in June; Starlight Cinemas in July; San José Jazz Summer Fest, Music in the Park, Silicon Valley PRIDE, South First Fridays + Street Mrkt, and City Dance in August; and the Rock-n-Roll Marathon in October. Looking ahead to winter, beloved holiday traditions Christmas in the Park, Downtown Ice, and Winter Wonderland return downtown in November.

After a pandemic-related hiatus, Viva Parks! Downtown kicked off in Saint James Park and Plaza de Cesar Chavez on June 7. A combined total of 135 activations will be held in the parks at midday and in the evenings through August. Mid-day activations will consist of large lawn games, tables and umbrellas to eat lunch, light music, and information on future events. Evening activations on selected Thursday and Friday nights in Plaza de Cesar Chavez will consist of live music, food trucks, large lawn games, local vendors, and a beer garden. On selected Wednesdays, it will be home to Wine & Paint nights. Saint James Park will host a Saturday evening concert series.

Operations at the McEnery Convention Center were turned on their head at the onset of the pandemic with all scheduled conventions, conferences, and events canceled in March 2020. Team San José (TSJ) pivoted to support the needs of the community by providing building support for the set-up of Parkside Hall and South Hall as temporary homeless shelters and

preparation and delivery of meals. Parkside Hall operated through August 2020 at full capacity of 75 beds and South Hall is operating at full capacity of 285 beds through mid-July. TSJ is currently preparing and delivering an average of 11,000 weekly meals with a record peak of 22,000 meals. TSJ has served 830,000 meals since April 2020.

The Convention Center and San José Theaters were the first in Northern California to receive Global Biorisk Advisory Council STAR facility accreditation, making the Convention Center the first convention center in Northern California to be industry-accredited in outbreak and infectious diseases preparation and response, and the theaters the first accredited performing arts venues on the west coast. This accreditation might have enabled the Convention Center to beginning booking events back sooner than other locations resulting in Beyond Van Gough in South Hall in August, Designcon and Silicon with Adam Savage in the Convention Center in August, and OCP Global Summit in November. Thirty events in the TSJ-run theatres are scheduled through the end of the year, including a one-week run of Hamilton and Hair Spray at the Center for Performing Arts.

Public Realm

Downtown Property-Based Business Improvement District services through Groundwerx have had a significant positive impact on cleanliness and safety in the core since service delivery began in 2008. These services continued over the past 12 months through the COVID-19 pandemic. Groundwerx ambassador services received an approval rating of 73.4 percent in the recently completed member survey. Beautification/street life projects resonated with ratepayers with an 85 percent approval rating, and the Groundwerx cleaning program maintained a strong approval rating at 91.8 percent; however, the ratepayers' overall satisfaction with downtown registered just below 56.4 percent. The Groundwerx clean team has received an approval rating of 90 percent or more the last eight years. Groundwerx crews provided the following average services each month from July 2020 to May 2021:

- 1,174 pan and broom hours
- 666 power washing hours
- 682 ambassador hours
- 1,639 bags of debris/litter collected
- 1,301 stickers, handbills, or tags removed
- 397 hot spots (biohazards or other immediate cleaning needs) addressed
- 185 hours of enhanced security through the utilization of San José Police Department Secondary Employment Officers

One of the resources Downtown residents and businesses can access for support with issues related to homelessness is People Assisting The Homeless (PATH), the City's Downtown outreach services provider. Despite the challenges brought on by COVID-19 or the California wildfires, PATH's team of essential workers continued their field-based work, meeting with unsheltered people to provide supportive services geared towards obtaining housing and also increasing their ability to safely shelter in place. PATH outreach workers served 519 individuals

experiencing homelessness. Throughout the pandemic, their staff continued meeting clients and offered 2,085 unique sessions of mobile case management (an increase from 1,409 in 2020). In addition to typical case management responsibilities, PATH worked with the City to deliver over 3,000 meals to unhoused people when they may not have been able to eat, due to the closure of congregate meal settings. PATH helped 176 people move from the street into temporary shelter settings (an increase from 118 people in 2020) and 70 people move from the street into permanent homes (an increase from 27 people in 2020).

Staff from the Parks, Recreation and Neighborhood Services, Housing, and the Office of Economic Development departments continue to work with Opening Doors 2020 to manage an alternative feeding program close to Saint James Park. Opening Doors 2020 initially served meals at the African American Community Services Agency at Sixth and Julian Streets. When the pandemic hit and physical distancing restrictions were implemented, Opening Doors 2020 shifted to provide their services in an outdoor area at the northwest corner of Saint James and Second Streets. Since the program's inception in 2019, 14,412 meals have been served, ranging from 50 to 100 meals on any given Wednesday, Saturday, or Sunday; 55 volunteers have transitioned from distributing unpermitted meals at the park to the Opening Doors program; 324 program volunteers have been recruited and; five key groups formerly serving at Saint James Park for 10 to 15 years have transitioned their community service to the Opening Doors program.

Despite significant ongoing investment by both the public and private sectors to address Downtown homeless and mental health issues, challenges persist. The production of more permanent supportive housing will help to address these challenges. In March 2020, PATH's Villas on the Park development opened and offered an immediate solution for 83 chronically homeless households — many with pre-existing vulnerabilities and health conditions — to shelter in place. First Community Housing's Jamesi Village in the North San Pedro Area is currently under construction with 135 units scheduled to be completed in the fall. Satellite Affordable Housing Associates plans to finish an 87-unit development at 500 Almaden Boulevard by the end of 2021.

Staff continued to engage in substantial place-making initiatives such as work on the Park Paseo project which is a new pedestrian-oriented and curbside street design for Park Ave between Plaza de Cesar Chavez and the Woz Way. This work is currently at 25% schematic design and is being incorporated into the development plans for 200 Park Avenue, City View Plaza, and Park Habitat.

The Department of Parks, Recreation and Neighborhood Services (PRNS) has made significant progress in planning and design within downtown parks in the last two years. In the North San Pedro Area, design is complete, and construction will commence on Pellier Park in Summer 2021, and final construction documents are in development for Bassett Street Park and North San Pedro Street Park. The Master Plan and Environmental Impact Report for Saint James Park were approved by City Council in fall 2020 and the next phase of design will commence in summer 2021. In the Diridon Station area, staff worked extensively on planning for future parks there and within the Downtown West project. This month, property at 460 Park Avenue will transfer to PRNS ownership, setting the stage for the first new park for the Diridon Area. At Arena

Green, the Urban Confluence project received authorization from City Council in May 2021 to advance planning on the next phase of its design.

In February 2021 the SoFA Pocket Park, intended to provide more amenities for current and future district residents, opened in an abandoned parking lot on First Street, between Williams and Reed Streets. Funded through the Downtown Property-Based Improvement District, the SoFA Pocket Park will be a hybrid dog park/Veggielution demonstration garden with community-inspired programming and events.

The Guadalupe RiverPark Conservancy (GRPC) continues to be a trusted partner for operation and management of the Guadalupe River Park. The GRPC in partnership with POW! WOW! San José painted three new murals along the Guadalupe River Trail, and Gensler and McCarthy Construction supported a new environmental mural at the GRPC Visitor Center. To the delight of many young children (and those young at heart) the Rotary Play Garden reopened in early 2021 with over 1,000 attendees during the first weekend. Through the support of the City and many volunteers, major elements of the Heritage Rose Garden are being restored: new pathways, repainted signage, and future new rose arbors. Through support by Valley Water, GRPC has partnered with the Downtown Streets Team and San José Conservation Corps to employ unhoused residents and young adults to support additional trail maintenance and litter removal. Volunteer programs continued throughout the pandemic, and GRPC pivoted their annual Pumpkins in the Park harvest festival to host a COVID testing and flu shot day with Santa Clara County Public Health.

Shortly before the onset of the pandemic, Department of Transportation (DOT) staff began work on the Downtown Transportation Plan (DTP) which will provide a long-range framework for transportation in Downtown San José. The DTP will define priorities, street typologies, and projects designed to improve getting around, whether by foot, bike, transit, or car; improve transportation equity and access to places for everyone; improve the comfort and attractiveness of streets, public plazas, paseos, and parks; and support and complement the identity of Downtown. Engagement will continue through 2021, and City staff is seeking broad participation. More information on the DTP is available at www.movesanjose.org. Another Downtown DOT project is the reconstruction of sidewalks along North Bassett Street at First Street to make them wider, accessible for people of all abilities, and more comfortable. This work is funded through a state Affordable Housing & Sustainable Communities grant. Construction will start in summer 2021.

Lastly, the City is advancing design plans for the San Fernando Better Bikeways project – a grant-funded project to make the protected bikeways along San Fernando Street permanent with signal and curb work, integration with surrounding parklets, and complementing new development project under construction.

Wayfinding program efforts continue to progress at the local level. The City entered into a master agreement with City ID to advance urban wayfinding – maps and totems to help people navigate and explore downtown. The North San Pedro area has been selected for deployment of navigational totems as an element of the larger Saint James Station Affordable Housing and

COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

June 18, 2021

Subject: Downtown Progress Report

Page 13

Sustainability Communities (AHSC) grant program. Staff are currently working with City ID to finalize totem designs. Implementation is anticipated in 2022.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the June 28, 2021 Community and Economic Development Committee meeting.

COORDINATION

This memorandum has been coordinated with the Department of Parks, Recreation and Neighborhood Services; the Office of Cultural Affairs; the Department of Transportation; Team San José; PATH; and the San José Downtown Association.

/s/

BLAGE ZELALICH
Downtown Manager

For questions, please contact Blage Zelalich, Downtown Manager, (408) 535-8172.

Attachment

Exhibit A – Downtown Growth Area Map

Exhibit A – Downtown Growth Area Map

