



Memorandum

TO: BUILDING BETTER
TRANSPORTATION
COMMITTEE

FROM: James Helmer
Stephen M. Haase

**SUBJECT: REPORT ON TRANSIT-
ORIENTED DEVELOPMENT
POLICIES AND PROGRAMS**

DATE: July 26, 2004

Approved:

Date:

Council District: Citywide
SNI: All

RECOMMENDATION

Accept the report on transit-oriented development policies and programs.

BACKGROUND

Last fiscal year, the Building Better Transportation Committee requested information regarding transit-oriented development policies and programs. In particular, the Committee expressed interest in understanding successful elements of such policies and programs. This report focuses on San Jose's experience, and to the extent possible, staff will report on experiences from other cities at the Committee meeting in August.

What is Transit-Oriented Development?

While the academic literature debates definitions of transit-oriented development, the San Jose 2020 General Plan defines specific transit corridors and nodes as being appropriate for higher density residential development, more intensive supporting non-residential activities, and mixed uses. The corridors are centered along existing or planned Light Rail Transit (LRT) lines and/or major bus routes. Station areas are defined as 2,000 feet from a LRT station and within 3,000 feet of a planned Bay Area Rapid Transit (BART) station. The Downtown Core and Frame Areas as well as several of the City's specific plan areas (e.g., Tamien and Midtown) are within these locations.

The primary objective of transit-oriented development is to create places in which people have a safe and pleasant walk or bicycle ride from a transit station to their home, workplace, day care, shopping, restaurant, or other community amenity. Individual land use developments and, particularly their design at the street level, contribute to the overall character of a transit station area, as does the presence and quality of the sidewalks, street trees, bicycle parking, bike lanes,

and other features. In other words, the desirability of transit is enhanced by a mix of land uses and attractive streets.

Among the benefits of transit-oriented development are:

- Enhanced quality of life and health due to having homes, shopping, jobs, and/or other places close together and close to transit, thereby encouraging walking or bicycle riding rather than driving between separate locations;
- Increased transit ridership to support the investment in public transportation;
- More efficient use of existing infrastructure, such as water supply;
- More efficient use of land by increasing densities of development; and
- Preservation of outlying open space by accommodating development within existing areas and not needing to sprawl outward.

ANALYSIS

San Jose's Land Use and Transportation Policies Promote Transit-Oriented Development

San Jose's policy framework has facilitated the construction of thousands of housing units in close proximity to existing or planned transit facilities. The following discussion describes the major policy efforts and the resultant development that has occurred since 1990. These efforts include Downtown, Housing Initiative, Specific Plans, Transit-Oriented Development Corridors, and Housing Opportunity Studies. In summary, since 1990, over 17,000 housing units have been built, another 5,800 units are under construction, and approximately 2,800 units are approved, awaiting future construction. These categories total approximately 25,600 housing units. The attachments contain a map and table of these developments. The table indicates those developments which are affordable to households of very low, low, and moderate income.

Downtown: Since the mid-1970s, San Jose's General Plan has called for the revitalization of the Downtown with a vibrant mix of workplace, convention, entertainment, cultural, and residential uses. Although the concept of transit-oriented development was not yet in parlance, the Council's investments of Redevelopment funds laid the foundation for creating a vibrant mix of uses and activities, improving the pedestrian environment, and fostering the use of transit at Light Rail Stations, bus stops, and the nearby Diridon Station. These endeavors continue today with the CIM development and high rise housing efforts. Since 1990, over 1,800 housing units have been built, are under construction, or approved in the Downtown Core. In the Downtown Frame, there have been almost 2,000 housing units. Many of the developments have ground floor retail, offices, live/work, and/or restaurant spaces.

Housing Initiative: In the late 1980s, as the Guadalupe Light Rail Corridor was under construction, the City Council established the Housing Initiative Study to explore high density

housing and mixed use development opportunities within 2,000 feet of planned stations south of the employment lands in North San Jose. The Housing Initiative determined a land supply for 5,000 new housing units and a market demand for almost as many units. Working with the real estate development community, the City also learned that high density housing was financially feasible in certain circumstances.

As a result of the Housing Initiative Study, in the early 1990s, the Council approved General Plan land use amendments to protect high density residential and mixed use development opportunities for certain station areas. In addition, the Council created a General Plan land use designation called Transit-Oriented Residential with a minimum density originally of 12 units per acre (now 20 units per acre) and no upper limit. Retail uses are also allowed with this designation. The flexibility of the designation allows developments to be designed to fit their neighborhood context.

Since 1990, almost 6,000 units have been built, are under construction, or approved in the Housing Initiative Area. These numbers do not include the Downtown, Specific Plan areas, or Transit-Oriented Development corridors which overlap portions of the Housing Initiative Area.

Specific Plans: Based on the findings of the Housing Initiative Study, the Council also directed the completion of several Specific Plans for strategic areas near transit. These Specific Plans included Jackson-Taylor, Midtown, Communications Hill, and Tamien. These Plans created opportunities for thousands of new housing units, parks, schools, retail, offices, and other related uses. These Plans were completed with extensive community input in the form of task forces, community meetings, and public hearings. Since 1990, over 6,000 units have been built, are under construction, or approved in these Specific Plan areas. These Plans have the potential for an additional 8,000 units. Retail and other uses (e.g., day care) have also been built.

Transit-Oriented Development Corridors: In 1994, the City Council adopted a comprehensive update of the General Plan called San Jose 2020. This Plan continues to guide land use and development in San Jose today. One of its major features is the Transit-Oriented Development Corridor to recognize key streets in San Jose that can support higher densities of both residential and non-residential uses based on the function of these streets in the community and the planned future transit investments. Since 1990, 3,800 units have been built, are under construction, or approved. Some of these developments have ground floor retail or restaurants.

Housing Opportunity Studies: As the City Council continues to explore ways of creating more housing for its residents, the Council has directed Housing Opportunity Studies. These Studies identify potential sites for higher density housing and mixed use development, which are then considered for General Plan amendments by the City Council. Most of the sites considered have been in the Downtown Frame Area or Transit-Oriented Development corridors. The unit counts for these sites have been accounted for in the Downtown Frame and Transit-Oriented Development Corridor categories.

Transit Ridership

The best available data regarding transit ridership are from a 2002 Valley Transportation Agency (VTA) mail survey. VTA conducted a mail survey of 10,000 randomly selected residential

addresses located within a five minute walk from the Guadalupe and Tasman Corridors. The Tasman Corridor extends from North San Jose west to Mountain View. Completed surveys were received from 1,125 respondents. Key findings from the survey include:

- “45% of respondents who moved to their present address after the start of Light Rail were influenced ‘a lot’ (19%) or ‘somewhat’ (26%) by the presence of Light Rail in their decision to move to their current address.
- “Of all respondents, 6.4% said they used Light Rail ‘one to three days per week.’ Another 6.3% said they used Light Rail ‘four or more days per week.’ Of those who use Light Rail, 67% ‘typically walk’ to the Light Rail station and 14% reported that they ‘drive.’
- “Of respondents who are employed full or part-time (69% of all respondents), 15% indicated that they take either Light Rail or bus transit to work at least three times per week.
- “50% of respondents reported driving alone to work ‘five days a week.’ Respondents indicated that they used alternative transportation at least one day a week, as follows: ‘Light Rail’ (19%), ‘carpool or vanpool’ (5%), ‘take a bus to work’ (4%), or ‘walk or bike to work’ (9%).”

These data indicate that the Light Rail and bus transit systems are not used to their potential. Transit experts have observed that better ridership could be expected as:

- The transit network becomes more extensive.
- There are better connections to regional transit (e.g., BART).
- Congestion increases on the area’s roads and freeways.
- The transit time no longer exceeds the driving time to a destination.
- Parking becomes more expensive or difficult to find at destinations.
- Land uses become more mixed at transit stations.

Lessons Learned

While San Jose’s strong policy framework has resulted in significant amounts of new housing construction near transit, several lessons have been learned over the years. These lessons are being applied to future projects with the intention of creating even stronger and more livable communities as development continues in these strategic areas.

Design: Attractive high density housing development is critical to community acceptance. It is also important for the building heights and setbacks to respect adjacent uses, particularly lower density homes. While the City’s Residential Design Guidelines and the guidelines contained in individual Specific Plans have provided general design direction, staff is working with ROMA Urban Design to complete guidelines to address high density, transit-oriented development with particular emphasis on design parameters adjacent to single-family neighborhoods. The guidelines should provide certainty for neighborhood residents as well as developers in terms of

handling this sensitive interface. The new guidelines are expected to be complete by the end of the calendar year.

High quality architecture and active street frontages (e.g., display windows, café seating, etc.) are other key elements of successful transit-oriented development. Through the development review process, staff works hard to achieve high quality design and community input, while balancing the need for timely project processing and cost effectiveness.

Retail: In some cases, ground floor retail has not been successful for two main reasons. One prevailing reason is that homebuilders are not familiar with retail and the spaces are too small to be marketable (e.g., Pavona Apartments in Jackson/Taylor). Second, market conditions have not always been favorable to attract retailers to mixed use developments due to more traditional suburban retail being within close proximity (e.g., Ohlone-Chynoweth Commons).

In 2003, San Jose hosted an Urban Land Institute (ULI) Mayor's Forum on transit-oriented development. Elected officials, government staff, academicians, developers, and other experts from around the nation discussed elements for successful transit-oriented development. Among the discussion points was that retail needs to be tailored to the immediate surroundings, and not to assume its success just because of the presence of transit.

Parking: San Jose's Zoning Code provides for parking reductions of approximately ten percent from typical requirements for developments within a prescribed distance from transit. While some developments have taken advantage of this opportunity, many have not because some lenders do not finance projects that have less parking believing that consumers desire ample parking. More creative approaches, such as car sharing, may be another approach to reduce the amount of space devoted to parking. At the aforementioned ULI Mayor's Forum, the participants agreed that shared parking could be a viable approach in order for it to serve multiple needs (e.g., park and ride as well as retail or workplace).

Transit Station and Street Design: Since the construction of the Guadalupe Light Rail Corridor, subsequent Light Rail Corridors have been built with improved station placement to reduce jay-walking and more attention to the entire streetscape near station areas, including wider sidewalks, appropriate lighting, and landscaping. These lessons learned are particularly apparent in the proposed multi-modal concepts for the Capitol Corridor in Evergreen.

Challenges

Several challenges exist to future, successful transit-oriented development: insurance, lending institutions, transportation Level of Service Policy, and community concerns. Insurance challenges surround condominium development due to construction defect litigation. The high cost and unavailability of insurance has constrained the production of condominium development in San Jose.

Lending institutions tend to be very conservative and are reluctant to finance more innovative mixed use development. For this reason, small successes in San Jose can help prove the marketability and consumer acceptance of new development types, hopefully leading to more available financing.

The City's Transportation Level of Service Policy is currently under revision to facilitate development within Transit-Oriented Development Corridors and certain Specific Plan areas by allowing alternative transportation improvements instead of only roadway widening to resolve traffic problems. In this way, quality of life can be preserved in the neighborhoods (e.g., narrow streets, traffic calming, street trees, etc.). As described in prior Building Better Transportation Committee meetings, this Policy update is expected to be brought before the Committee before the end of this calendar year.

Community concerns about density and building heights are expected to be ongoing challenges for new transit-oriented developments. Planning staff are working on three efforts to address these issues. First, staff have been conducting presentations at neighborhood association and Strong Neighborhood Initiative (SNI) Neighborhood Advisory Committees (NACs) to explain the planning and development process, review existing City policies regarding the placement of growth and development, and describe effective ways of community engagement in the process. Second, staff are preparing a "Guide to Planning" to inform community members about the development process and effective participation in the process. This is expected to be complete in the fall. Third, Planning staff is working with SNI neighborhood leaders and development community interests to update the City's Public Outreach Policy. A key element of the draft revised policy is increased early notification of new development applications that have been filed with the City. With early communication, neighborhoods have an opportunity to participate effectively in the design of the proposed development.

CONCLUSION

San Jose has accomplished much in terms of transit-oriented development. A strong policy framework contained in the San Jose 2020 General Plan and adopted Specific Plans has directed significant new construction in transit areas. San Jose continues to learn from these experiences, and address its challenges proactively to create more livable neighborhoods with viable transportation options for its workers and residents.

PUBLIC OUTREACH

While public outreach was not conducted specifically in the preparation of this informational report, public outreach is an integral feature of the transit-oriented development efforts described in this report.

COORDINATION

Preparation of this memorandum was coordinated with the Redevelopment Agency and the City Attorney's Office.

BUILDING BETTER TRANSPORTATION COMMITTEE

Subject: Transit-Oriented Development

July 26, 2004

Page 7

CEQA

Not applicable.

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Attachments:

Map of Transit-Oriented Developments

Table of Transit-Oriented Developments