

July 13, 2020

San Jose City Council & Mayor  
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Dear Mayor Liccardo, San Jose City Councilmembers, Ms. Hughey, Mr. Schoennauer, Mr. Borelli, Mr. Bumb & Ms. Bumb,

With the Berryessa BART Station opening last month, it's a good time to focus on the future of the Berryessa Flea Market site.

Our organizations believe that the remaining land slated to be redeveloped at the Berryessa Flea Market - the "South Village" of Market Park - is one of the most important development sites in all of Silicon Valley. Not only is it a massive parcel of land owned by a single entity, but it is also closest to the most important new transit center in Silicon Valley in decades. In addition, the site includes the Berryessa Flea Market, an important part of our region's culture, commerce, and history for 60 years. It has provided recreational opportunities for millions of annual visitors, as well as economic benefits and affordable goods for thousands of merchants, employees and shoppers, particularly those on the lower end of the income spectrum whose basic needs are typically unmet.

And while the recent stages of the redevelopment of the Flea Market yielded some benefits such as multi-story housing and commercial retail, these projects on Berryessa Road at or nearing completion continue to hew too closely to the old, outdated model of development in our Valley. For instance, they are flawed because:

- the density of the buildings is not nearly high enough considering they are directly across the street from major transit service;
- they lack any inclusion of affordable homes on-site; and
- a giant, ground-floor parking lot is going up starting on the main street of Berryessa Road, with the new auto-oriented grocery store well off the main street.

We can't afford to fall back on the old ways and make these same mistakes again in the next stages of development. This is our last chance to build the kind of vibrant, walkable, and equitable community at the Berryessa Flea Market of which our community can be proud.

Looking forward, we'd like to focus on what the City of San Jose, VTA, and the property owner/developer can get right this time. On behalf of the organizations listed below, we'd like to share our priorities when it comes to the development of Market Park.

### **Our Priorities:**

1. **Lots of housing.** Perhaps the greatest problem our city and Valley currently face is a lack of housing, period. Whatever is proposed at the remaining Flea Market site should include an extremely large number of new homes, more than the 3,450 currently proposed for the South Village.<sup>1</sup>
2. **A premium for affordable housing.** And if a lack of housing generally is a problem in San Jose, then a lack of affordable housing specifically is the highest need in terms of housing.<sup>2</sup> To make this new neighborhood inclusive, diverse, equitable and integrated, the new housing must include a high number of affordable homes, including for people at the lowest levels of area median income.
3. **Higher densities.** To achieve the number of homes required to put a dent in housing costs and displacement, the buildings erected at this site should be higher than any we've ever seen in San Jose. In the next decade, there will probably be no greater opportunity in Silicon Valley for building development near major transit than this site. Our organizations expressly support building taller on this site. Higher densities will encourage increased ridership for the new BART and VTA transit service opening across the street at the Berryessa Transit Center. More riders are essential to ensuring the public investment taxpayers and government agencies have made in the new Berryessa Transit Center will be worth it. Moreover, the higher densities of the buildings, the greater the chance that the development can dedicate more space for public uses.
4. **A mix of uses that includes jobs, high-quality public space, and green space.** One of the keys to building vibrant, dynamic neighborhoods, as well as reducing peoples' need to drive everywhere, is to build mixed-use neighborhoods around transit. So while a large number of housing units should be the highest priority on this site, it is also imperative that the development includes a mix of jobs, public gathering space, and green space. We are grateful that this is already a major consideration in the current development proposal.
5. **Continuing the legacy of the Flea Market.** The Flea Market has been a significant part of San Jose's culture for 60 years.<sup>3</sup> As part of the project's build-out of public space, let's find a way to provide the recreational and economic benefits of the Flea Market. In our Valley, we often fall prey to ignoring our history and demolishing its legacy. Let's not

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<sup>1</sup> <https://www.bizjournals.com/sanjose/news/2020/06/11/berryessa-san-jose-market-park-bart-development.html>

<sup>2</sup> <https://www.mercurynews.com/2018/03/17/san-jose-lags-on-affordable-housing-as-home-prices-soar-beyond-1-million/>

<sup>3</sup> <https://www.sifm.com/aboutus/OurHistory.aspx>

do that again with this final phase of development by washing away what has been one of San Jose's biggest attractions for decades.

We are confident the developer can find a way to recreate aspects of the Flea Market and continue its legacy in a more compact, urban design. With an extremely large development site like this one, there is a greater opportunity to dedicate public and recreational space to uses such as those of a public market. We would like to see a portion of the development recapture the characteristics, businesses, customers, affordability of goods, and culture of the current Flea Market. One way to do so would be by creating a new indoor/outdoor market space that dedicates space to existing sellers, in the form of so many other world-class urban markets such as Pike Place in Seattle, Granville Island Public Market in Vancouver, Viktualienmarkt in Munich, Germany, Mercado Municipal Paulistano in Sao Paulo Brazil, and Mercado Libertad in Guadalajara, Mexico.<sup>4</sup>

- 6. Preventing and mitigating commercial and residential displacement.** Displacement of existing residents and businesses is a major concern in Silicon Valley right now. The high cost of land, both commercial and residential, is pushing out many folks of our Valley. Those most susceptible to displacement are those with the fewest resources or stability. Countless individuals and businesses who have been selling their products and making their living thanks to the Flea Market fit this description.

As known in the Latina/o community, the loss of "La Pulga de San José" could become the most blatant example of displacement for small minority-owned businesses facilitated by government action in potentially the entire state in generations. Given how much small businesses and working people are already struggling under the current COVID crisis, the loss of these businesses and jobs needs to be avoided. Let's turn this potential travesty into a success story by applying the kind of initiative and innovative thinking that has put this valley on the map.

Workers in the construction industry are among those at highest risk of displacement and exploitation, and must also be considered. All construction on the site should require wages and benefits that are standard for the area, and should support local area apprenticeships that lead to family-supporting careers for this vulnerable class of residents.

Let's keep these businesses and workers in San Jose by providing them with meaningful support (in the same way actions are being taken at all levels of government in response to the economic crisis resulting from the current pandemic). Another way to prevent displacement would be to subsidize or guarantee stabilized rents for existing businesses.

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<sup>4</sup> <https://www.pps.org/gps/public-markets>

Informed by organizations like SOMOS Mayfair and its Development Without Displacement platform, we are open to multiple and other ways.<sup>5</sup>

7. **Fewer parking spaces.** Below are three main reasons why the Flea Market development should have few parking spaces built as part of it.

I. There's enough parking supply already.

- *VTA has parking capacity next door.* Directly across from the Flea Market, VTA has over 1,500 parking spaces that are completely open to any member of the public, regardless of whether or not they ride BART or VTA.<sup>6</sup> VTA estimates that the capacity of the new parking lot and garage are sufficient to meet the demand for many years.<sup>7</sup>
- *San Jose is currently over-parked.* San Jose has an excess of parking spaces already. According to the nonprofit TransForm's GreenTRIP Parking Database, in its survey of 29 buildings in San Jose, 25% of the 4,791 parking spaces in those buildings were unused. The estimated cost of construction for all these unused spaces is \$53.6 million.<sup>8</sup>
- *Massive parking garages are going away.* The era of building an unending sea of parking lots or giant parking garages is over. There have never been more types of ways of getting around than there are in Silicon Valley right now. As new transportation technologies continue to emerge, this site should account for changing habits, desires, and needs.
- *Parking demand may be dropping as more employers allow employees to work from home.* With an increase of people working from home, further spurred on by COVID, employees may be driving and needing a car less. The County of Santa Clara is exploring ways to encourage this "commute-free commitment" as the pandemic subsides.<sup>9</sup>

II. Less Parking Means Stabler, Healthier, Communities

- *Less parking = more opportunities to use public transit.* Again, the best way to recoup the public investment in transit and the agencies that run transit is to encourage transit ridership, not encouraging auto use. In addition to the BART station, VTA's Next Network (aka new transit service plan) has directed huge public resources to providing high levels of

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[https://static1.squarespace.com/static/59c2ef99e5dd5b9e02e383e7/t/5c06c5b58a922d6164ed2292/1543947703418/SOMOS+Thriv+Community+Platform\\_2018.pdf](https://static1.squarespace.com/static/59c2ef99e5dd5b9e02e383e7/t/5c06c5b58a922d6164ed2292/1543947703418/SOMOS+Thriv+Community+Platform_2018.pdf)

<sup>6</sup> <https://www.vta.org/projects/bart-sv/phase-i>

<sup>7</sup> <https://www.vta.org/projects/bart-sv/phase-i/parking#accordion-do-you-expect-all-the-parking-spots-to-be-full%3F>

<sup>8</sup> <http://database.greentrip.org/>

<sup>9</sup> <https://www.mercurynews.com/2020/05/04/coronavirus-made-telework-necessary-santa-clara-county-to-explore-ways-to-keep-it/>

connectivity to the Berryessa Flea Market site. Let's not squander these hundreds of millions of dollars of public investment by overbuilding parking. Good transit encourages transit ridership.

- *More parking = more cars = more traffic, more pollution, & more risk to public safety.* Conversely, an abundance of parking encourages an excess of cars and parking. We've seen this countless times when we widen roads and highways.<sup>10</sup> This concept is known as induced demand. If we make it easy for cars to exist, that's exactly what we'll get. More parking means more cars. And more cars cause more congestion. More cars also means more air pollution. A glut of new cars is beyond what our land, our roads, and our air can sustain. More cars make it more difficult for pedestrians, bicyclists, scooter riders, and others to travel safely.
- *More parking = higher rents, especially for low-income folks.* The costs of building parking are passed on from the developer to the individuals occupying that building. Santa Clara University Professor C.J. Gabbe's research finds that average American renters - including those who may not have a car or use a parking spot - spend an additional 17% of their rent on parking in their building's garage.<sup>11</sup> This disproportionately impacts low-income people.

### III. Parking is Burdensome

- *Parking takes up a lot of space.* Each parking space takes up a lot of square footage in a development.<sup>12</sup>
- *Parking is very expensive to build.* According to WGI - a national design firm focused on the construction of public infrastructure and real estate development - the cost per parking space in the San Francisco Bay Area is one of the most expensive in the nation.<sup>13</sup> An analysis from TransForm - affirmed by local developers such as Urban Catalyst<sup>14</sup> - indicates the cost of structured parking costs is \$50,000 to \$80,000 per parking space (this excludes regular maintenance costs). Up to 14,250 parking spaces are proposed as part of the upcoming "South Village" development on the Flea Market Site.<sup>15</sup> That could drop to closer to 7,000 if the developer pursues a reduction, according to City of San Jose staff. Either way, most parking spaces at South Village will be in the form of structured parking.

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<sup>10</sup> <https://www.citylab.com/transportation/2018/09/citylab-university-induced-demand/569455/>

<https://www.chicagotribune.com/business/ct-biz-road-congestion-report-getting-around-20180807-story.html>

<sup>11</sup> <https://newsroom.ucla.edu/stories/low-income-renters-pay-a-high-and-hidden-price-for-city-parking-requirements>

<sup>12</sup> [https://sanjose.granicus.com/MediaPlayer.php?view\\_id=51&clip\\_id=11466](https://sanjose.granicus.com/MediaPlayer.php?view_id=51&clip_id=11466)

<sup>13</sup> <https://wginc.com/parking-outlook/>

<sup>14</sup> <https://www.youtube.com/watch?v=buV1Lsf1JdI&t=1005s>

<sup>15</sup> <https://www.bizjournals.com/sanjose/news/2020/06/11/berryessa-san-jose-market-park-bart-development.html>

Multiplying the lower estimate of \$50k per parking space by the number of possible spaces, that would cost over \$350 million on the low end and \$712 million on the high end just to build the parking spaces.

- *Parking takes away from more important priorities.* Every parking space built is not only a financial cost for a developer, but it is also a wasted opportunity to build housing or other community benefits from which more people can benefit. Renowned parking expert and UCLA Professor Donald Shoup finds that parking requirements in LA reduce the number of homes in a residential building by 13%.<sup>16</sup>

In 2020, the City of San Jose is considering reforming its parking requirements, including a possible reduction in those requirements.<sup>17</sup> Development at Berryessa could account for this possible change.

With the precious Flea Market land we have left, let's put the top priority on those who need homes, those who run businesses, and those in the broader community who will benefit from this promising new neighborhood in San Jose.

8. **A Place for People First, Cars Second.** The whole purpose of a neighborhood built around transit like this one is to allow people to get around using means other than the car. To do so, mobility by active transportation and micromobility (e.g. walking and biking) must be placed as a much greater priority than it has been for decades across Silicon Valley. One of the ways to make the streets more safe and inviting for pedestrians is to build smaller blocks. Smaller blocks have been found to be the best design to encourage walking.<sup>18</sup> Let's employ that strategy at the Flea Market and many more to make this new place one for everyone to exist safely, regardless of whether or not they drive a car.

As the City of San Jose, the Borelli Investment Company and the Bumb family redevelop this significant place, we strongly urge you to design it according to the above priorities.

In doing so, you will have a much better chance of receiving support from our organizations for the project, as well as from many in the community.

If you have any questions about our priorities, please let us know. We are happy to talk further with you.

Thank you very much for considering our perspectives.

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<sup>16</sup> <http://shoup.bol.ucla.edu/HighCost.pdf>

<sup>17</sup> <https://www.sanjoseca.gov/Home/ShowDocument?id=50769>

<sup>18</sup> <https://news.harvard.edu/gazette/story/2017/01/why-city-blocks-work/>

Sincerely,

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*Sarah Cardona, Director of Climate Policy &  
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*Ann Cheng, GreenTRIP Director  
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