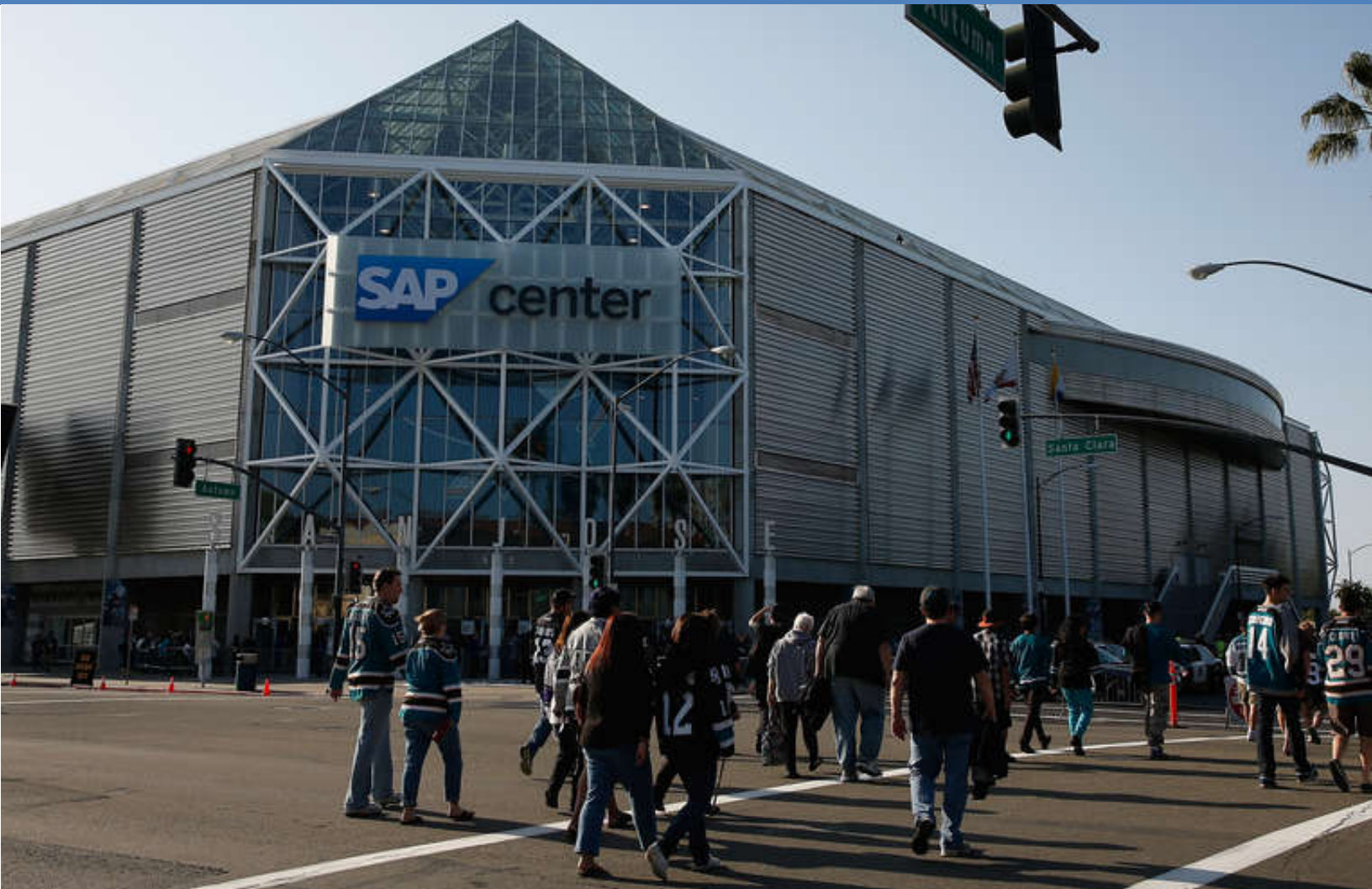


san jose

Urban Redevelopment around Diridon Station



CENTER FOR COMMUNITY INNOVATION
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Urban Redevelopment around Diridon Station

Case Study on Gentrification and Displacement Pressures around Diridon Station of San Jose, CA

Introduction

Within the Bay Area, San José stands out for long providing affordable homes for a wide range of incomes, and an ethnically diverse population including many immigrants. By annexing more and more land throughout the 20th century, San José's sprawling housing development has "carried the burden of housing for decades" in Silicon Valley, in the words of former Mayor Chuck Reed (Hepler, 2014b). It is now the biggest city in the Bay Area, and city leaders have their sights set on jobs, with a "jobs first" general plan meant to correct its jobs housing imbalance. As a city planner stated, San José is "the only city over 500,000 people that's a bedroom community" with a jobs-to-employed-residents ratio below 1 – "even Detroit is better than us!" At the same time, there are efforts in San José to move away from the city's suburban reputation with denser, concentrated development focused on "place-making" through designated Urban Villages. As it embarks on this path, it is not clear that the city will be affordable to low-income people who fill some of the new jobs that are created. This case study outlines this tension, discussing the new jobs focus and several development plans, as well as proposals and efforts to ensure these changes are inclusive of low-income people.

One major site of attention is Diridon Station, a transit hub on the western edge of downtown San José, with stops for Caltrain, Amtrak, VTA light rail, ACE, and multiple bus lines. The station is also a planned stop for BART's extension to San José and high-speed rail. While there is significant vacant and non-residential land surrounding Diridon, there are also surrounding neighborhoods that are home to low and middle-income residents where displacement spurred by rising housing costs is a major concern. Despite San José's strong track record of building housing, including deed restricted affordable housing, housing costs

in San José are now at an all-time high, while wages for low-income workers are stagnant. Community members have raised concerns about the possibilities for their children to stay in the neighborhoods where they grew up, while service providers report increasing overcrowding, family stress, and need for emergency assistance.

Diridon is also the site of a Station Area Plan passed in June 2014, which includes plans for significant residential and mixed-use infill. The area overlaps with two "Urban Villages," corridors where the city hopes to target further residential and commercial development. Gentrification seems evident in some of the surrounding neighborhoods, particularly directly adjacent to the station, where new market-rate condominiums have been constructed in the past decade, and wealthy and highly educated residents have moved in. The area's trajectory will also be impacted by the policies laid out in San José's Housing Element, as the City struggles to come up with viable funding mechanisms for producing much needed affordable housing. There is also a significant historical component to this case, as the study area, particularly parts that overlap with downtown, saw direct displacement and destruction of housing units due to redevelopment in the 1980s and 90s. By taking a longer view, this history allows us to see how the area may have been primed for gentrification beginning decades earlier.

The case study begins with a qualitative discussion of some key residential neighborhoods surrounding Diridon Station, and their relationship to the census tracts included in the study area. It then reviews a number of demographic and housing indicators, based primarily on census data, for 1980 to 2013. Next, it explores the current planning contexts and struggles over housing affordability and rights in the area, concluding with comments on broader issues of income inequality.

Methods

The case study uses mixed methods to study demographic and housing changes in the neighborhoods surrounding Diridon Station area since 1980, as well as current issues surrounding planning and housing. It uses data from the U.S. Census for tracts 5003, 5008 and 5019, shown in Figure 1. Because there is considerable diversity at times between the tracts, some data points are presented separately for each tract, while others are presented for the area as a whole. The indicators presented in this case study are those associated with processes of gentrification and residential displacement, and/or thought to influence susceptibility to such processes (Chapple, 2009). Unless otherwise noted, data on these characteristics is from the decennial Census for the years 1980, 1990, 2000 and 2010, and from the American Community Survey for the periods 2009-2013. Data from 1980 to 2010 is from the Geolytics Neighborhood Change Database, normalized to 2010 Census Tracts, which allows for standardized comparisons across decades (Geolytics, 2014). Data on residential sales and housing permits was taken from DataQuick.

The data used in this report was validated through a “ground-truthing” methodology that involved a systematic survey via visual observation of all residential parcels on a sample set of four blocks within the case study area. The data gathered through ground-truthing was subsequently compared to Census figures and sales data from the Santa Clara Assessor’s Office, which was obtained through Dataquick, Inc. Of the sample blocks’ 183 parcels recorded in the assessor dataset, field researchers were able to match the parcel numbers of 69 percent and land use of 71 percent of parcels through ground-truthing. These results suggest that some error may exist in either the Census or Assessor’s reported count of housing units and unit type, perhaps due to rapid or unpermitted changes to parcels that may go unaccounted for.

In order to account for possible errors, we cross-referenced the data with qualitative field observations, archival research, and interviews with key informants. Interviews with local stakeholders provided differing and valuable perspectives that informed our understanding about the current political and social climate within the community and in the city as a whole. It incorporates information from seven interviews from a range of individuals, including housing advocates, service provid-

ers, planners and developers. Archival research from newspaper articles and planning documents provided context about key historical events that shaped the city’s evolution. Finally, draft reports were reviewed by Working Partnerships USA to guarantee accuracy.

The Diridon Station Area Neighborhoods

Today the area surrounding Diridon Station is home to a wide range of neighborhoods and land uses, including industrial commercial areas, residential neighborhoods dominated by single-family homes, new luxury condominium development and lower income renter communities. In one interview, a San José resident and community organizer described the station as at “the intersection of a number of neighborhoods, but lack[ing] a strong identity of its own.” Highway 87 and Highway 280 divide the station area from nearby neighborhoods to the east and south respectively (Figure 1). While Diridon Station itself is considered to

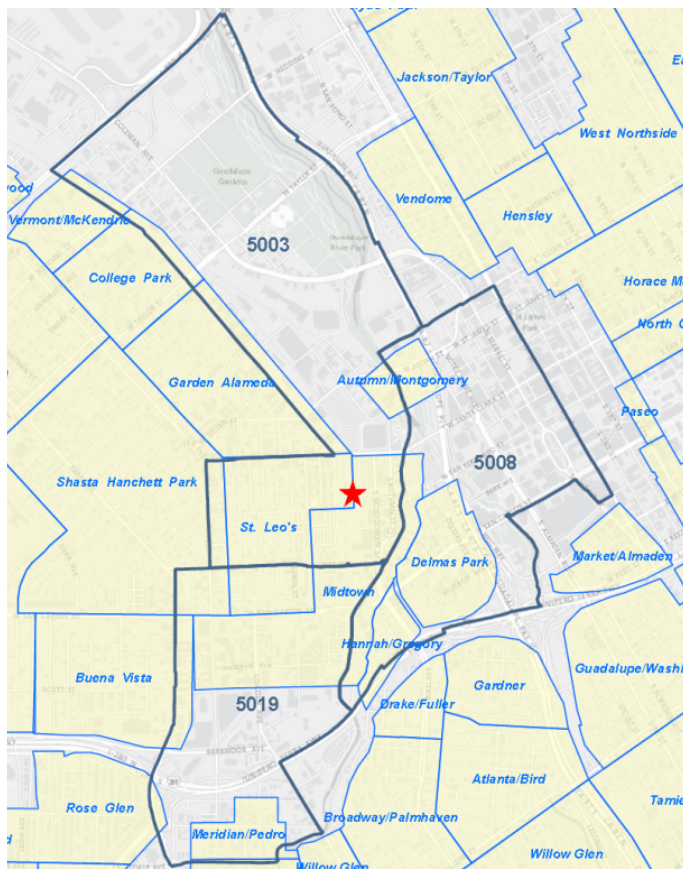


Figure 1: Neighborhood Boundaries in Diridon Station Area

Note: Diridon Station is marked with a red star. Source: City of San José (City of San José, Planning Services Division, 2004)

be in downtown San José, Highway 87 creates a barrier between the station area and the denser parts of downtown; though one can walk or drive directly from the station to downtown, the highway limits high-density development in this area. The Diridon Station Area Plan, passed by the City of San José in June 2014 and discussed further below, does contain design recommendations to strengthen some of these connections, but the freeways will certainly remain defining features of the area.

Because the census tracts used in the demographic analysis for this case study do not neatly align with the neighborhoods surrounding the station, the census data can mask some of the diversity within the area. Stakeholder interviews, as well as neighborhoods descriptions provided by our partners at Working Partnerships USA, provide the additional context to introduce the neighborhoods in the following section. Figure 1 shows neighborhood boundaries developed by the City of San José as part of a neighborhood planning initiative in the late 1990's.

Tract 5003

The neighborhoods in this tract have experienced significant investment, including the opening of several large condominium buildings and a Whole Foods. The Garden-Alameda, a residential neighborhood between The Alameda and the light industrial commercial areas to the northeast of Stockton Ave, extends almost to Diridon Station, and has been a site of notable recent market rate residential development. While the majority of this neighborhood is just to the west of census tract 5003, and so technically outside of the study area analyzed for this case study, nearly every stakeholder interviewed agreed that the Garden-Alameda was a key factor in the area, and that it was one of the more desirable urbanized neighborhoods within San José. The Alameda is a site of ongoing streetscape improvements totaling \$4.5 million in investment, and the corridor will continue to see attention from the City of San José, as it has been identified as one of 70 “Urban Villages” in San José’s 2040 General Plan – areas where the city hopes to direct commercial and residential development (Donato-Weinstein, 2014; Field Paoli et al., 2014). A planner involved in economic development at the city stated in an interview “if you wanted to invest in property anywhere in San José, you should do it on The Alameda.” A number of market-rate condo developments have been built along the boulevard in



Figure 2: Plant 51 Condominium on The Alameda, a 5-minute walk from Diridon Station

the past 10 years, including some major developments very close to Diridon Station and within census tract 5003. One example of this is the Plant 51 building, shown in Figure 2; an old cannery building that was converted to 265 market-rate condominiums in 2008. It is a 5 minute walk from Diridon Station and within the case study area (“Plant 51,” 2011).

Just across The Alameda from Plant 51, bordering the study area, a new Whole Foods Market has recently opened. Several stakeholders cited the Whole Foods as a “game-changer.” One sustainable planning advocate involved the Diridon Station Area Plan stated that the new Whole Foods “could be considered a catalytic project, part of why we’re seeing huge amounts of development” in the area. A spring 2014 article in the Silicon Valley Business Journal cited the “Whole Foods effect” as spurring further, high-end commercial and residential development. Right next to the new market, a mixed-use development including 132 luxury apartments is slated to break ground in 2015, and developers acknowledged that the grocery store was a big attraction, saying “It’s not just a grocery store, it’s exactly the one you would want” (Chandler Pratt & Partners, 2014; Donato-Weinstein, 2014). The higher end development along The Alameda has largely been welcomed by residents of the Shasta-Hanchet neighborhood, a wealthy neighborhood of primarily single-family homes adjacent to Garden-Alameda to the southwest.

This development along The Alameda borders the St. Leo's neighborhood, which is dominated by small single- family homes. Right next to Diridon station, a number of stakeholders identified St. Leo's as an area where both renters and owners are feeling pressures associated with rising property values (WP USA, 2014). The neighborhood is home to a lower-income, largely Latino immigrant population, including "long-standing local businesses with a working class feel" (WP USA, 2014). According to one local service provider, rising property values have encouraged longer-term residents who do own their homes to "cash out" and sell to younger buyers. In 2004 Georgetown Place, a development with 94 market rate units including condos and townhomes, was completed in St. Leo's. In an interview, the developer of that project described the neighborhood as a "very strong, desirable market...If somebody could wave a magic wand and say, 'OK right across the street from Georgetown was vacant property, you could build the same thing right now today'...I'd do it in a minute, it'd be perfect." The question for low- and middle-income residents of St. Leo's is whether this desirability will translate to benefits for them (WP USA, 2014).

Tract 5008

This tract contains neighborhoods with a mix of uses as well as part of downtown San Jose. To the southeast of Diridon station is the Delmas Park neighborhood. Located in a pocket created by highways 280 and 87, Delmas Park is east of Diridon Station in tract 5003, and contains a mix of commercial, light industrial and residential uses. In this area, a challenge is to successfully create a pedestrian- and transit-friendly environment, with commercial uses that serve residents, without displacing the industrial uses that provide viable jobs (WP USA, 2014). The neighborhood is the site of a prominent affordable development, the Delmas Park Apartments, a mid-rise building completed in 2007 with 123 below-market-rate apartments ranging from \$575 per month for a studio to \$1,498 per month for a two-bedroom (Delmas Park Apartments, n.d.). The project is aimed primarily at providing housing for teachers (Simonson, 2007).

Tract 5019

This tract hosts a commercial corridor (West San Carlos) surrounded by older residential neighborhoods which have experienced varying levels of change. Like the Alameda, West San Carlos has been slated as an Urban Village in the San José General Plan. A plan-

ner described this commercial corridor as "full service, with a gritty character... it is the most practical street in the whole city! ... [P]eople think of it as pretty funky, and we got push back from the community – we want to keep the funk."

West of the study area on the south side of West San Carlos is the Buena Vista neighborhood. While it is only partially within the census tracts explored in this case study, stakeholders repeatedly identified this neighborhood as an area where low-income renters, many of them Latino immigrants, faced rising housing costs and immediate threats of eviction. When discussing the Urban Villages plan, a city planner noted that while along the Alameda, "the issue is inclusion, in West San Carlos we're more worried about displacement." There are additional concerns about displacement of locally owned commercial establishments in favor of chain stores. We return to this neighborhood and to issues faced by renters there later in the case study.

Demographic and Housing Changes

The study area overall saw significant population growth from 1980 to 2013, but only after a loss in population in the 1980s. As shown in Table 1, population growth accelerated in the 2000s. The area's growth has gone in an opposite trajectory as San Jose as a whole, which showed a faster pace of growth during the 1980s and 1990s.

Table 1: Total Population in Diridon Study Area and City of San José, 1980-2013

Year	Diridon Study Area		San Jose	
	Total	Change (%)	Total	Change (%)
1980	7,668	--	629,442	--
1990	7,133	-7%	782,225	24%
2000	7,761	9%	894,943	14%
2013	11,662	50%	968,903	8%
Percent Change 1980-2013	--	52%	--	54%

Not all of the areas around the station grew at the same rate. For example, Tract 5008 lost population from 1980 to 2000, after which it grew by 35% from 2000-2013. Tract 5003 experienced the same trend. Tract 5019 showed a steady increase in population throughout the decades, with a dramatic increase between 2000 and 2013.

There were significant changes in the area's racial composition from 2000 to 2013, when the White and Asian population increased dramatically. Latinos decreased in this same time frame (Figure 5). Compared with the city of San José overall, the study area has a notably smaller percentage of Asian residents.

More dramatic than the changes in race and ethnicity, the study area has seen major changes in educational attainment in the past thirty years, shown in Figure 6. The percentage of residents without high school degrees has steadily decreased, while the percentage with college degrees has steadily increased, a common indicator of gentrification. The City of San José as a whole has shown similar increases in educational attainment, particularly since the 1990s. However, the increase in residents' educational attainment between 2000 and 2013 was quite pronounced in the Diridon Study Area.

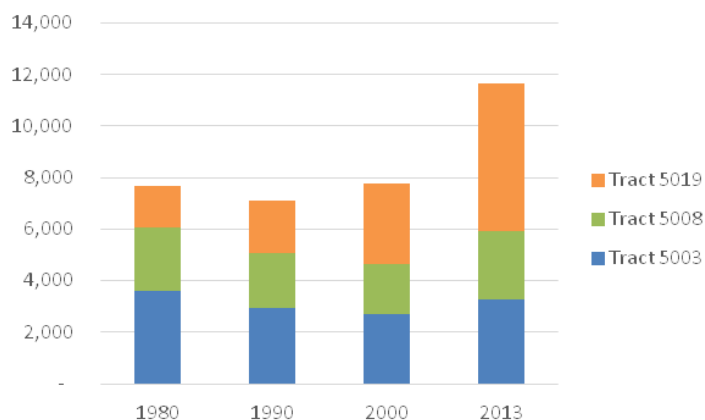


Figure 4: Total Population in Diridon Study Area by Census Tract, 1980-2013

Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013

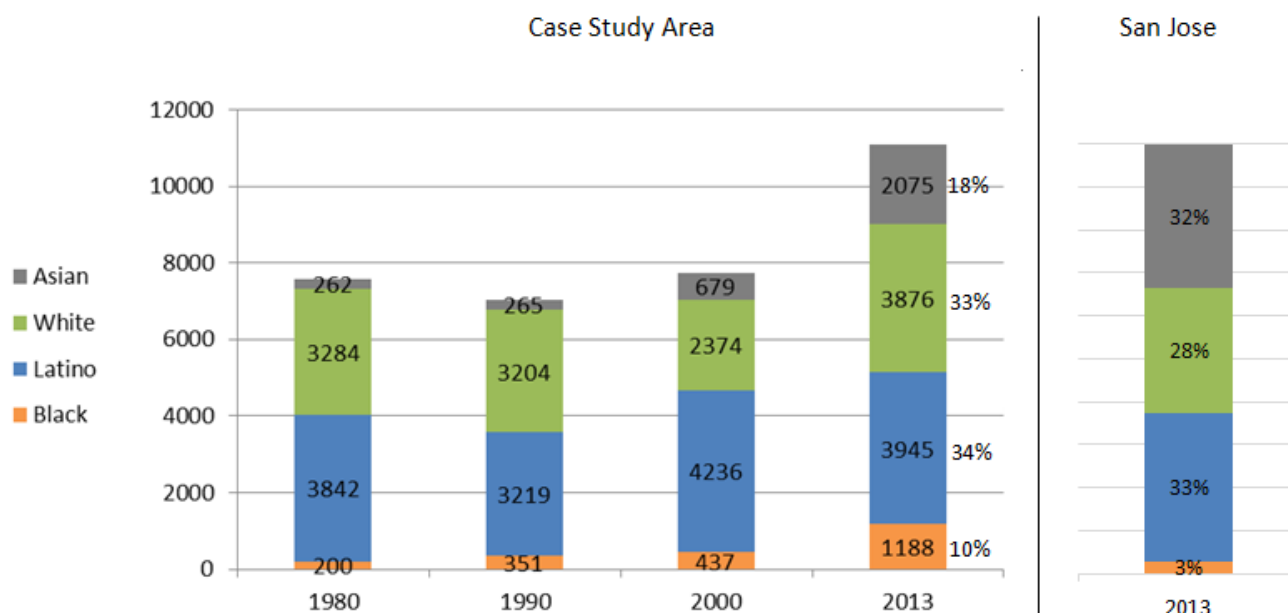


Figure 5: Race/Ethnicity, 1980-2013

Source: U.S. Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013.
San Jose bar shows percent, not number of residents.

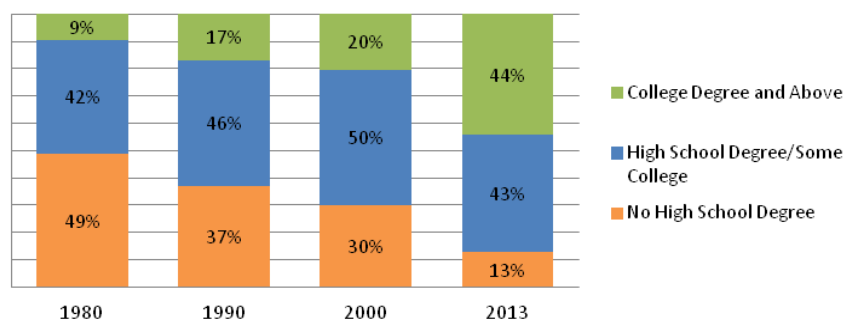


Figure 6: Diridon Study Area Educational Attainment, 1980-2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013

Since 1980, the area has had a significantly lower percentage of family households than San José as a whole, which is an indicator considered to be related to gentrification (Chapple, 2009). Just under half of the households in the area were families in 2013. By way of comparison, $\frac{3}{4}$ of San José's 300,000 households were family households in 2013 (Figure 7). The median household income in the study area is just about even with San José overall. While median income in San José dipped during the recession, median income in the study area continued to climb. However, there are significant differences in income between the Census tracts. Most notably, Tract 5003, the site of major

investment, saw a spike in household income from 2000 to 2013, surpassing median income in the city, as seen in Figure 8. This may be indicative of higher income residents moving in, many of whom likely moved into new housing built during this time period. The study area has been dominated by renter households since 1980, and as Figure 9 shows, the percentage of renter occupied units changed little from 1980 to 2000. However, there was a notable shift from 2000 to 2013, when the percent of units that are owner-occupied jumped to 37% from 22% as new condominiums were built in the area.

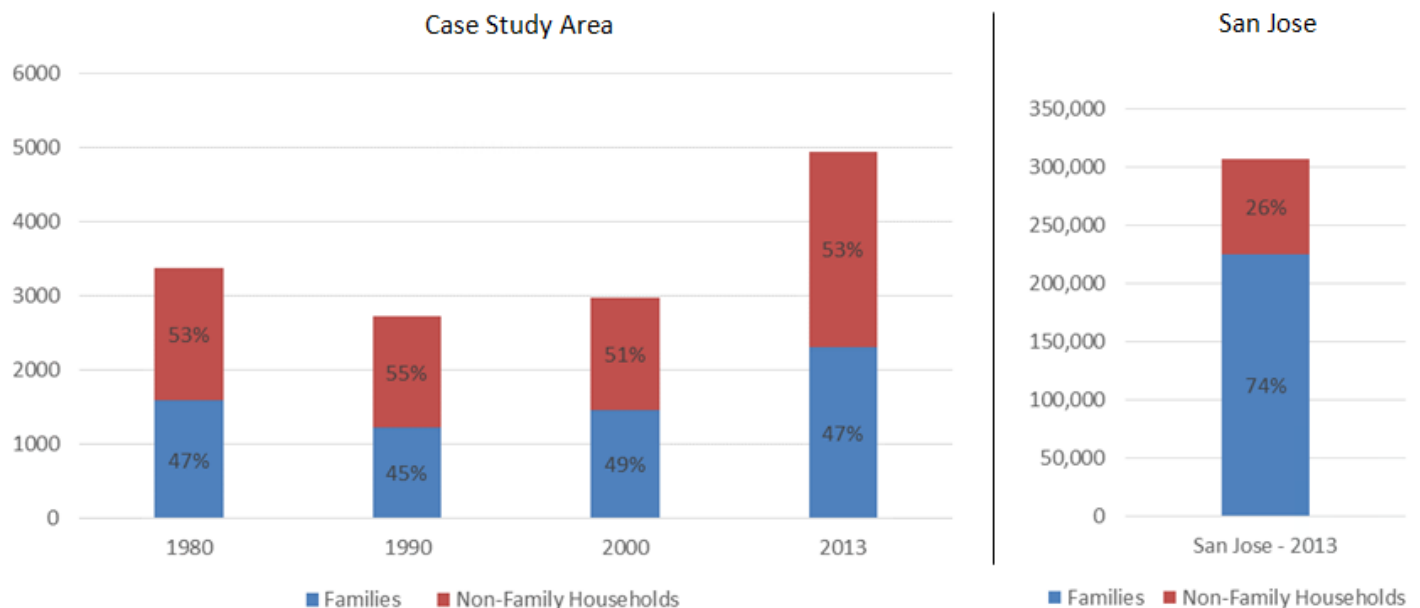


Figure 7: Household Composition in Diridon Study Area, 1980-2013, and San Jose, 2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013

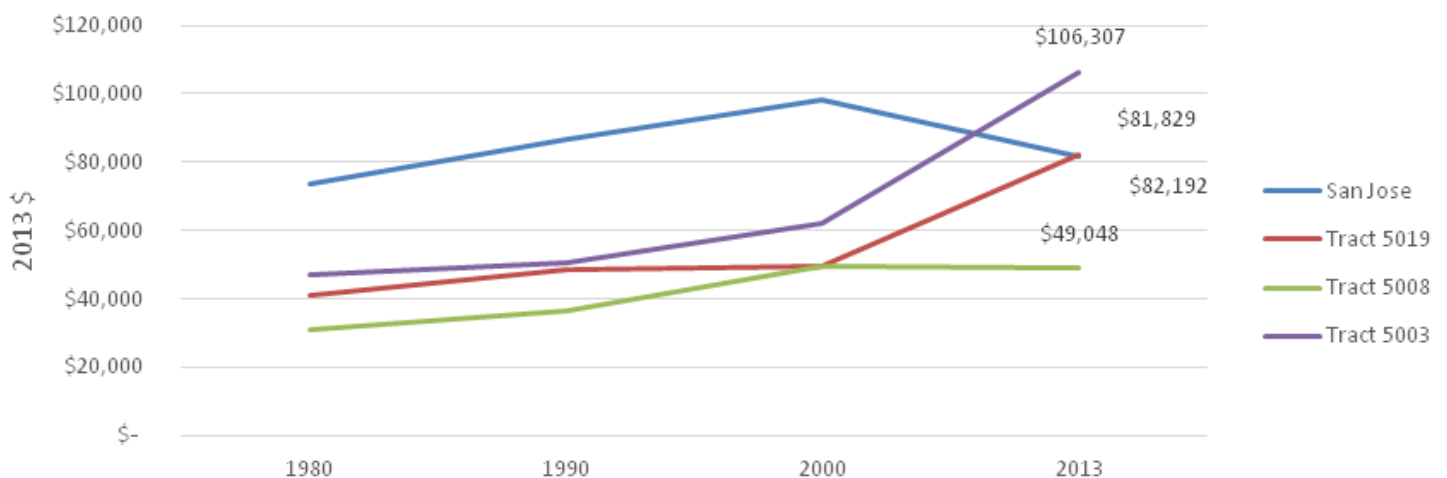


Figure 8: Median Income in Diridon Study Area by Census Tract, 1980 – 2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013

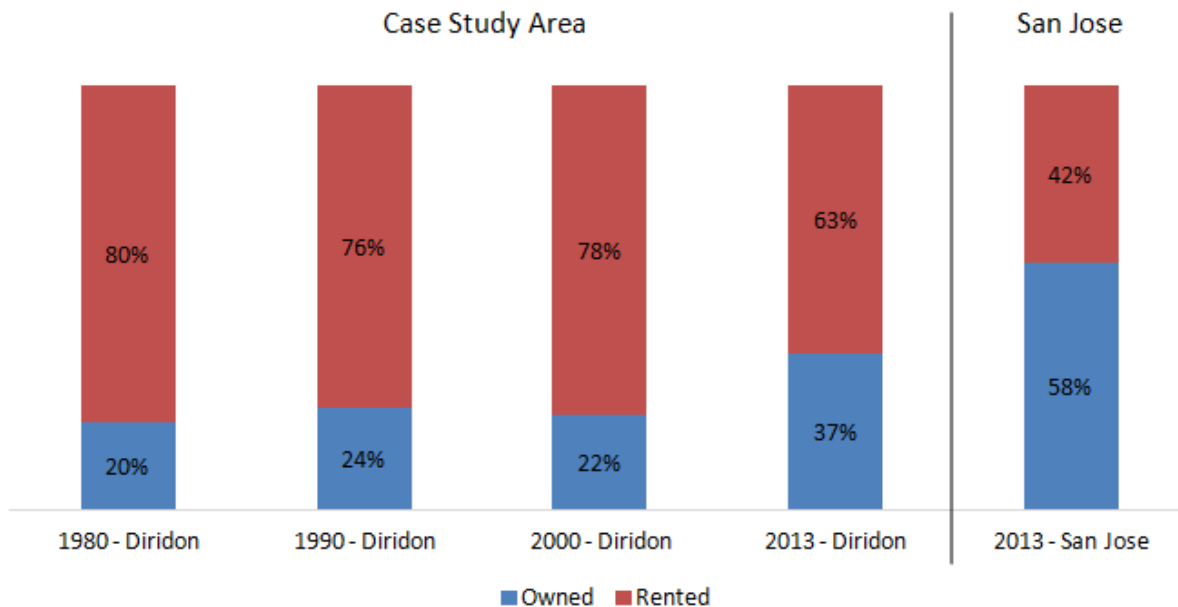


Figure 9: Housing Tenure in Diridon Study Area, 1980-2013, and San Jose, 2013

Source: US Census 1980, 1990, 2000; American Community Survey 2009-2013 (Geolytics, 2014)

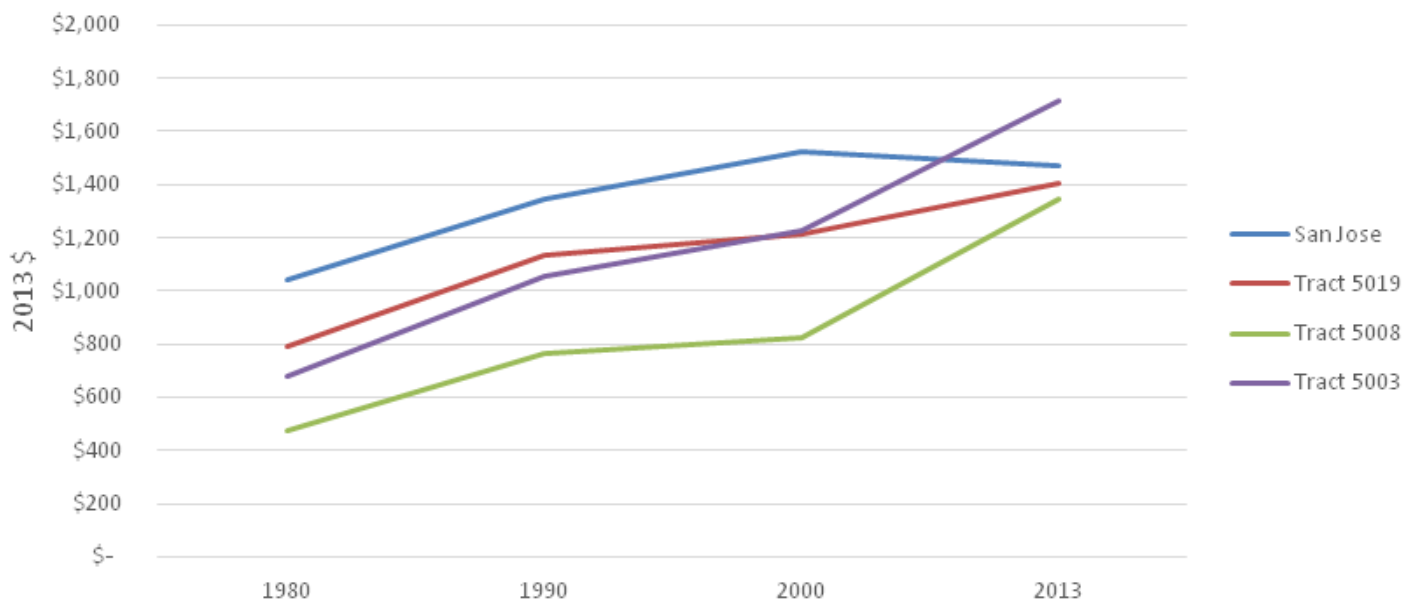


Figure 10: Median Monthly Rent in Diridon Study Area and San José, 1980 – 2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013

The share of renter occupied units is still twice as high in the Diridon study area than in San José as a whole. Rents have been climbing in the study area since 1980, although historically they have been significantly lower than in the city as a whole, as shown in Figure 10. In the 2009-2013 period, rents shot up in Tract 5003 as new market-rate buildings were constructed, surpassing rents in the city.

Yet advocates have expressed concern that it is really within the last several years that housing costs have skyrocketed, and the recently released draft Housing Element confirms that rents in the city at large are at an all-time high with average the rent now at \$2,169. This average underestimates the cost of newly constructed rental housing which can range between

\$2,200 - \$2,700 per month for a one-bedroom unit and between \$3,000 - \$3,500 for a two-bedroom unit in North San José (City of San José, 2014). Figure 11 shows monthly rent per square foot for zip codes in the area from Zillow and shows that rent has indeed crept upwards in recent years.

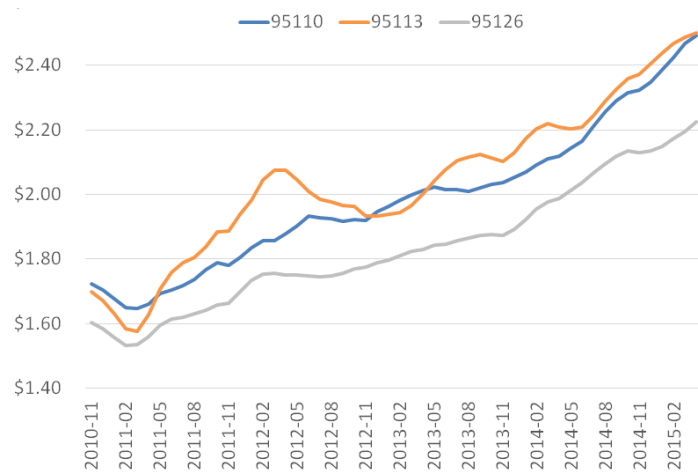


Figure 11: Monthly Rent Per Square Foot in Diridon Study Area by Zip Code, Nov 2010-Jan 2014

Source: Zillow 2014

Increases in rent have occurred as the area has added a significant amount of housing since 2000, as shown in Figure 12. Yet development activities, including a significant loss of housing units in the 1980s, may have primed this area for the gentrification it is experiencing today. The next section reviews some of the historical context of direct displacement in the study area.

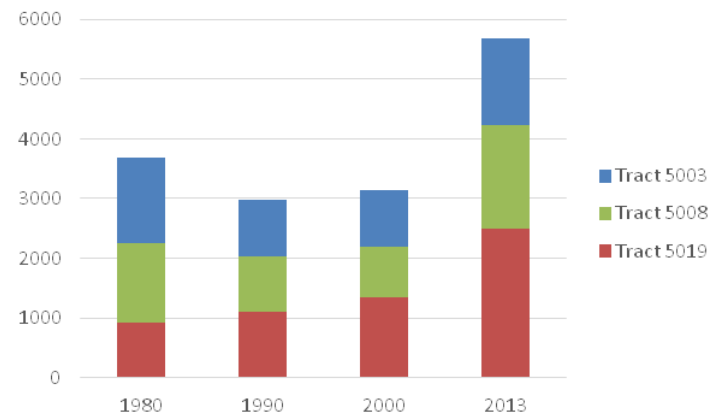


Figure 12: Total Housing Units in Diridon Area by Census Tract, 1980 – 2013

Source: US Census 1980, 1990, 2000 (Geolytics, 2014); American Community Survey 2009-2013

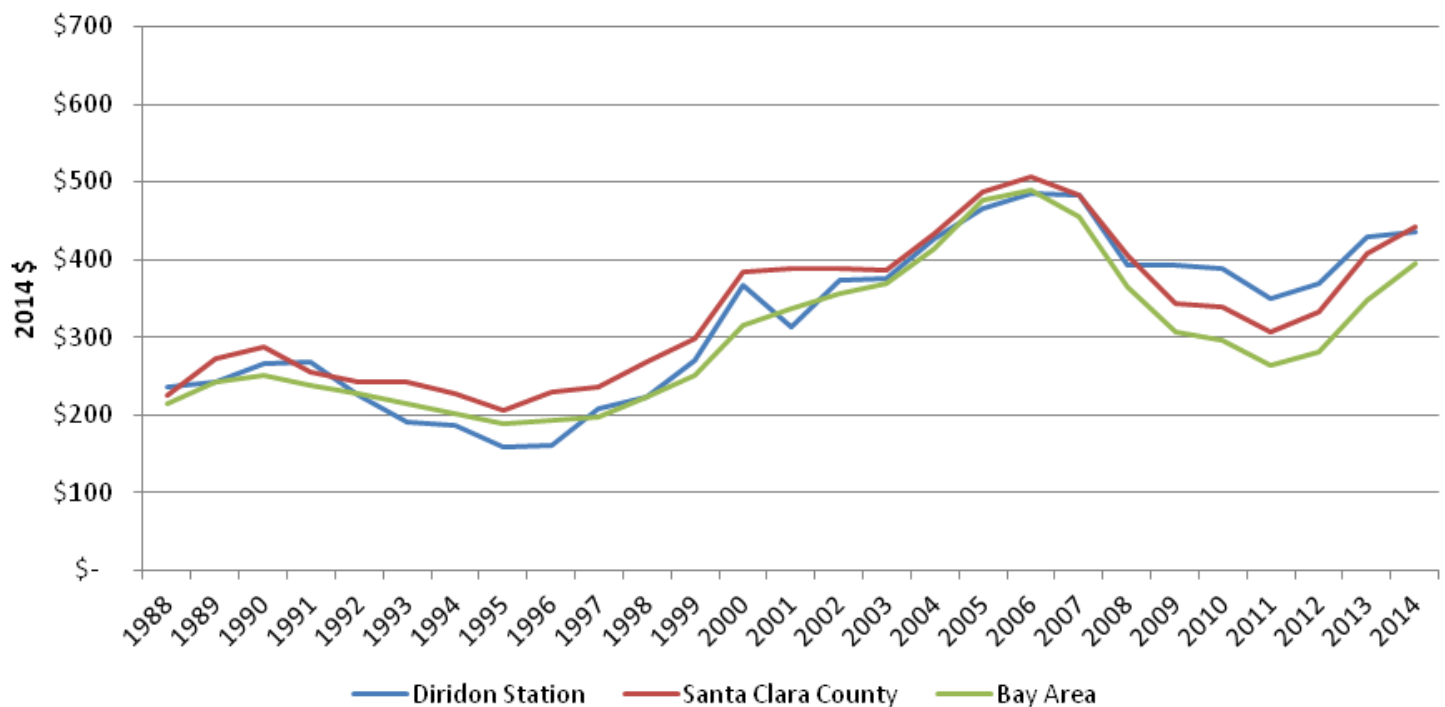


Figure 13: Median Sale Price Per Square Foot – Multi-Family Properties

Source: Dataquick, 2014; "Bay Area" includes all tracts in the 9-county area

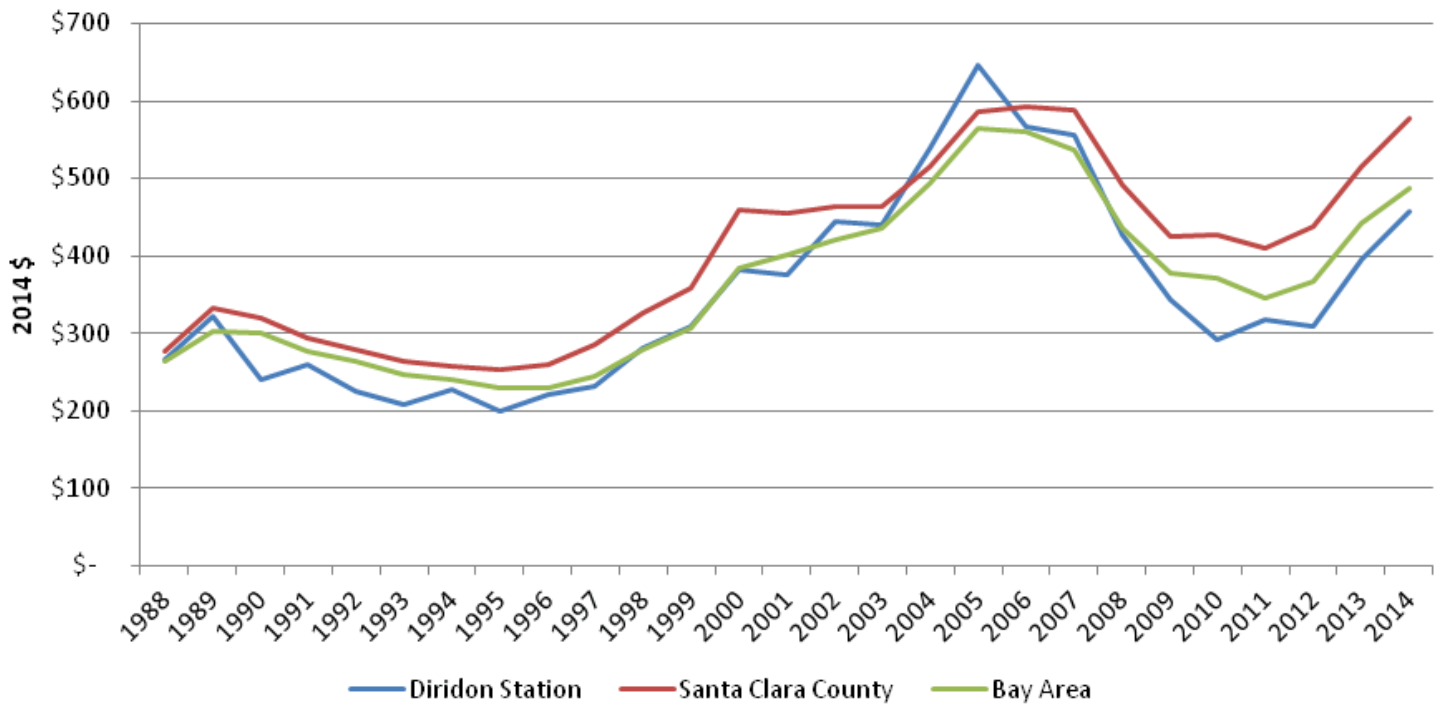


Figure 14: Median Sale Price Per Square Foot - Single Family Homes

Source: Dataquick, 2014; "Bay Area" includes all tracts in the 9-county area

While the Diridon Station Area neighborhoods have experienced other changes consistent with gentrification, multi-family and single-family home sales have closely tracked Santa Clara County and the Bay Area overall (Figure 13 and Figure 14). However, while the price per square foot of multi-family properties in Diridon Station had usually been lower than in Santa Clara County overall, beginning in 2009 it surpassed it; the recession hit the county harder than the case study area. For single-family homes, the opposite is true: the lows in Diridon Station were deeper than in the county overall, and the case study area only surpassed the county briefly in 2004-2005.

“No strangers to displacement”

As the population data discussed above shows, part of the study area lost residents from 1980 to 1990. As seen in Figure 12, while tract 5019 added housing units each year, tracts 5003 and 5008 both saw a major loss of units during the 1980s, and then large numbers of new units constructed in the 2000s. This loss of housing was due at least in part to the activities of San José’s Redevelopment Agency, particularly in tract 5008, about half of which is east of Highway 87 and in downtown San José.

Before its dissolution in 2012, San José was known for having a particularly powerful Redevelopment Agency, and beginning in the 1980s the agency made almost \$2 billion in public investments, and devoted “nearly all its money and power,” to an attempted revitalization of its downtown (Terplan, 2013). The City achieved this by merging redevelopment tax revenues from across the city, so that revenues generated by redevelopment in north and south San José, could be used to fund development Downtown (Terplan, 2013). A number of the Agency’s Downtown Project Areas, which were eventually merged into a single area, overlap with the study area. These Downtown Redevelopment Areas are shown in the map in Figure 16. Redevelopment projects included construction of a convention center, a luxury hotel, expansion and construction of multiple museums, renovation and construction of parks and plazas, over 500 units of market rate and moderate income housing, and 1.2 million feet of new office space (Kutzman & Farragher, 1988).

Three of the projects were the Guadalupe corridor transportation project, a widening of the Guadalupe River channel, and the construction of a large arena (now the SAP Center). From planning reports obtained about these three projects, we can get a sense of the nature of the displacement that was occurring. The transportation project, meant to improve State Route

85 and US Highway 101 with light rail, expressway and bicycle infrastructure, was projected to displace 225 people, mostly Hispanic (58%) and with lower incomes than San Jose at large (Santa Clara County, 1983). A second project, focused on combating flooding downtown, was to expand the river channel, which would displace 173 residents who were mostly Hispanic and renters paying below-market rents for housing units in “fair to poor condition...there was little maintenance being done” (Klingensmith, Arthur P. K, 1988). A third project was a large arena that replaced about 25 businesses but only two homes (Santa Clara County, 1987).

The flooding study, and several others, opens with an interesting high-level overview of the state of San Jose in the 1980s:

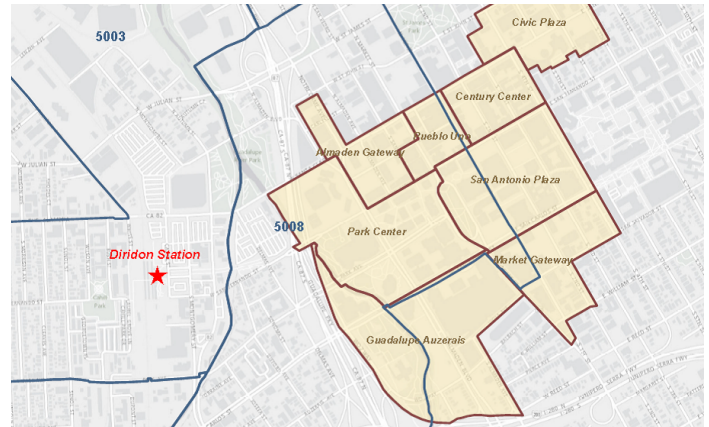
“San Jose and the surrounding cities that make up Santa Clara County have become economic leaders in the Bay Area. In the not so distant past, San Jose was primarily an agricultural producing, packing and distribution hub. With the advent of high technology and computer related industries, the Santa Clara Valley has created a more balanced economic base” (Klingensmith, Arthur P. K, 1988).

This sense that San Jose’s economy had changed significantly seems to be a driving motivation for the redevelopment at the time. This foreshadows today’s jobs-focused development strategy.

The Guadalupe-Auzerias redevelopment area, partially contained within census tract 5008, was a low-income Latino residential neighborhood of about 12 square blocks. This neighborhood was selected in 1984 as the site for a pair of museums, the Technology Center of Silicon Valley and the Children’s Discovery Museum (Novoa, 1985).³ A relocation study for the technology center stated that:

“[The area] has excessive substandard structures which have undergone major physical and economic decline since the 1950s. Since the construction of State Route 87 and US Highway 280, it has become an isolated neighborhood, suffering blight and deterioration caused by heavy commercial traffic, slight-to-moderate deferred maintenance structures, and inadequate lot sizes (City of San Jose, 1985).

³ Both of these museums are located within tract 5008.



**Figure 15: San José Downtown
Redevelopment Areas**

Source: Successor Agency to the Redevelopment Agency of the City of San Jose, (Redevelopment Agency of the City of San Jose, 2006)

The neighborhood was demolished, and about 300 households eventually displaced over the course of several years (Fujioka, 1986). In the words of one service provider who works with low-income renters in the city, and witnessed the Downtown’s redevelopment, the neighborhoods around Diridon are “are no strangers to displacement. A whole barrio was displaced for the Children’s Discovery Museum.”

After mounting a fierce legal campaign, residents of Guadalupe-Auzerias who were evicted received a settlement package that included relocation benefits. Costs of moving would be covered by the city, and tenants received rental subsidies until the city could make new below-market rate apartments available, which were supposed to be “in reasonable proximity” to the downtown area (Farrell, 1986). Yet it is unknown how many of these residents actually returned to the neighborhood, and for some housing activists in San José, this process was indicative of the city’s disregard for its low-income residents. One of the final buildings to be torn down in 1989 was one of downtown’s few remaining single room occupancy hotels, described as “one of the last bastions of low- cost housing downtown” (Grant, 1988). In an op-ed in

the San José Mercury news, Gen Fujioka, who served as legal aid for Guadalupe-Auzerias residents, decried the downtown’s redevelopment as gentrification, in an argument that parallels advocate’s fears about San José’s current planning strategies:

This process of “gentrification” will, in turn, force out many existing residents and businesses. A retired cannery worker on a fixed income cannot compete on the rental market with an unmarried accounts manager with money to spare. Similarly, many neighborhood businesses will not be able to compete for commercial rentals with boutiques, espresso and fashion shops, and expensive restaurants...The irony here is that communities that have maintained the vitality of the downtown area through many lean years of marginal public and private services will now be pushed out of their historic neighborhoods exactly at a time when the area becomes, because of massive public investment, a “desirable” place in which to live and do business (Fujioka, 1986).

Redevelopment did provide the city with a robust fund for below-market rate housing, but advocates also raised concerns that spending was not focused enough on the residents with the lowest incomes. Half of the city’s housing funds went to very low- and low-income households, with the remainder going to moderate-income households. In the late 80’s a special task force on housing recommended that 85 percent of the funds should go to very low- and low-income households, arguing that then Mayor Tom McEnery’s vision for downtown was too exclusive: “He wants yuppies—people who’ve got the money to spend in his 24-hour downtown” (Farragher, 1988). While these recommendations were not fully adopted, an advocate who is still active in housing issues today noted that to the extent that San José did build housing for households with the lowest incomes, it was in response to persistent community organizing. In the current planning context – such as the Diridon Station Area Plan, discussed next – advocacy and activism are still crucial parts of the equation for housing affordability.

The Diridon Station Area Plan

The city of San José passed the Diridon Station Area Plan (DSAP) in June 2014 for a 250-acre area surrounding Diridon Station, largely contained within census tract 5003. The area included in the DSAP is shown in Figure 16.

Diridon is already a significant transit hub, with stops for Caltrain, Amtrak, VTA light rail and multiple bus lines, and the station is a planned stop for both BART’s extension to San José and high-speed rail. The DSAP, in the works for over five years, also assumes the

inclusion of a proposed future baseball stadium just south of the station. This aspirational plan envisions an “iconic world class work of architecture for the new terminal building,” as well as an urban design and land use overhaul to “establish the Station and surrounding area as the local, citywide, and regional destination,” and “foster a vibrant public realm” emphasizing pedestrian and transit uses (Field Paoli et al., 2014, 1-9 - 1-10).

The DSAP prioritizes ground-floor entertainment and retail uses in the central area where the station is located, and an “Innovation District” to the north. This “high-intensity business district in an urban format,” is designed specifically to attract high-technology businesses (Field Paoli et al., 2014, 2-1). The plan calls for increased residential densities and mixed-use development, projecting a total of 2,600 new units of housing, along with 420,000 square feet of retail and nearly 5 million square feet of office space (Wampler, 2014). Owing to persistent efforts from local and regional advocates, it also contains language designed to ensure that at least 15% of new housing will be affordable to low- and moderate-income households, with some council members advocating for 20% (Beasley, 2014). The challenge now is ensuring there are mechanisms available to create that affordable housing – and concerns remain about whether 15% or 20% of housing will be enough to prevent displacement as property values rise.

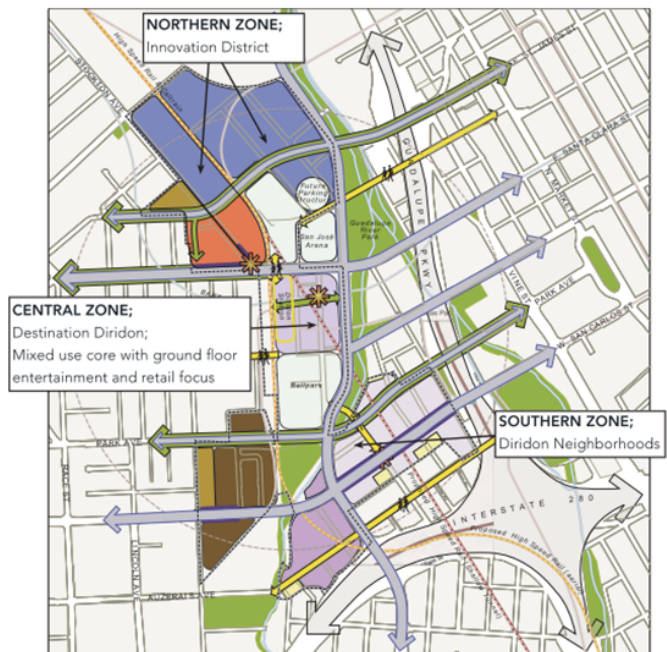


Figure 16: Diridon Station Area Plan

Source: City of San José (Field Paoli et al., 2014)

In an interview, one advocate noted that when DSAP planning began in 2009, San José was a clear leader in housing supply and housing affordability. At that point the city was confident that they had tools to ensure that at least 15% of housing would be affordable: “The draft plan was released in 2011, [it said], ‘we recognize that affordable housing is important, we have an inclusionary zoning ordinance, and there’s the redevelopment agency, so we’re covered.’” Shortly after that, however, redevelopment agencies across California were dissolved, leaving a large shortfall in affordable housing dollars. Inclusionary zoning has also been limited due to legal challenges in San José and across California (Kirshbaum-Ray, 2013). In the state-wide inclusionary housing case, *Palmer/Sixth Street Properties LP vs. City of Los Angeles*, the California Supreme Court let stand a lower court’s ruling that held jurisdictions may not mandate developers to build inclusionary rental housing units, since doing so entails the setting of rents by the city, which was banned by the *Costa-Hawkins Rental Housing Act* (California Planning and Development Report, 2009; Reuben, Junius & Rose LLP, 2009). In the case of the DSAP, it may not apply, since it does not place the full burden on the developer to price the units below market, but simply requires that 15% of all units constructed end up affordable through whatever means, including grants and other public funding. The Palmer ruling does not affect inclusionary policies for ownership units. However the building industry’s lawsuit against the City of San Jose’s inclusionary law that applies to ownership units has now reached the California Supreme Court, potentially limiting this mechanism as well.

A draft Environmental Impact Report of the plan, released in December 2013, assumed that at least 15% of new housing in the station area would be affordable, even as the document acknowledged that there were no mechanisms to guarantee this percentage (Nzegwu, 2014). Public Advocates, a non-profit law firm and advocacy organization, argued in their comments that “affordable housing and anti-displacement strategies must be a concrete part of the Final Plan and its implementation” or that significant environmental impacts would result, for example through increasing vehicle miles travelled if available housing does not address the needs of new workers (Nzegwu, 2014).

Two community groups, Greenbelt Alliance and Public Advocates, came together in a coalition with several organizations with an interest in the plan to submit a letter voicing concern about several aspects, including

requesting a higher proportion of units affordable--20% instead of 15%. The letter received attention from the city, according to a stakeholder, and in particular by one council member, Donald Rocha, who, following this advocacy, came forward in support of much stronger terms to ensure affordable housing. In a memo to the mayor and city council, Rocha plainly recognized that economic realities necessitated more stringent affordable housing objectives, “to help ensure that Diridon is a neighborhood open to all of our citizens.” The concerns expressed by Rocha in some ways echoed those of advocates who felt low-income residents were being excluded from downtown redevelopment decades earlier:

“I am mindful that while high-tech clusters and impressive architecture may be necessary components for a great city, they are not the only components. An iconic station building will need janitors to clean the floors. Knowledge workers will need teachers to educate their kids. An entertainment zone needs waiters and a stadium needs ushers. The stations and stadiums, the prestigious tech companies-all will rely, at least in part, on the labor of people who do unglamorous work for modest pay and spend a good portion of their income on just getting by. I believe there should be some consideration in our plan for them” (Rocha, 2014).

Ultimately, the recommendations that Rocha made were adopted by the city in the Final DSAP, which stated that, “[i]t shall be the policy of this plan to achieve a rate of affordable housing production at 15% of the housing units built within the plan area” (Field Paoli et al., 2014). It recommends considering policies that would direct any fees generated by new housing either within the Diridon planning area or to immediately adjacent neighborhoods. The DSAP then identifies a suite of potential strategies to achieve affordable housing goals, including:

- Impact fees
 - Development agreements
 - Public-private partnerships
 - Tax increment financing
 - Assessment districts
 - Planning tools such as density bonuses, overlay zones, or public benefits conferred through rezonings
 - Development of affordable housing on publicly owned land
 - Use of proceeds from development of publicly owned land to fund affordable housing
 - Phasing of market rate residential units contingent on achievement of affordable housing targets
- (Field Paoli et al., 2014)

Some of these are only just starting to be explored, and may not end up being viable in San Jose. Activists have been successful in elevating the issue of housing affordability within the planning department. Even if new, subsidized housing is built, it may not be enough for San José's low-income workforce. Ensuring the policies are implemented will require ongoing pressure and organizing as described by one stakeholder: "The city of San José is totally burnt out on Diridon... but as advocates...we've gotta keep their feet to the fire."

Jobs-Housing Strategies: Urban Villages and the Housing Element

Urban Villages

The DSAP also sits within a web of other policies and plans, including San José's Urban Village strategy and recently-released Housing Element. As previously mentioned, the major current planning and "place-making" strategy within San José is its Urban Villages plan, articulated in Envision San José 2040, the General Plan update passed in 2011. 70 sites in total have been identified as Urban Villages and two of them intersect with the study area: The Alameda and West San Carlos. The vision articulated for Urban Villages across the city aspires to planning ideals of livability and sustainability:

"...active, walkable, bicycle-friendly, transit-oriented, mixed-use urban settings for new housing and job growth attractive to an innovative workforce and consistent with the plan's environmental goals. Urban villages will enable location of commercial and public services in close proximity to residential and employee populations, allowing people to walk to services while also providing greater mobility for the expanding senior and youth segments of the population." (City of San Jose, 2011)

Urban villages are also a primary strategy in the city's attempt to remedy its jobs-housing imbalance, wherein the city has a disproportionate amount of housing. San José intends to develop plans for each site, and sites without specific plans are currently open only to commercial and mixed-use development. The City hopes that this strategy will pave the way for value capture mechanisms – such as a housing impact fee current-

ly in the works – but housing advocates are wary of the short-term impacts of the jobs first approach, and want explicit policies to ensure that Urban Villages are affordable for the lowest income households. As described by one stakeholder:

"[Y]ou have the Planning and Economic Development staff saying that San Jose has, for so long, been housing the region's folks, and now it's time to put a stake in the ground and overemphasize jobs...They are working on the housing impact fee and looking to the raising of land value in Urban Villages, and we should be strategic in how we capture some of that. [But we] think some of that should be focused on preventing displacement."

In interviews, advocates and activists also raised the issue of the jobs-housing fit, rather than just a focus on jobs-housing balance. This "fit" measures the extent to which an area provides sufficient housing for the low-wage workers employed there. In this regard, despite being a regional leader in producing both market-rate and affordable housing, there are still major gaps in affordability for San José low-wage workers. While the jobs-housing balance ratio is relatively low at 1.18 for San Jose, the low-wage jobs-housing fit is much greater at 3.98 meaning that there are almost 4 low-wage jobs to every affordable housing unit (UC Davis Center for Regional Change). The UC Davis Center also estimates that there is an affordable housing deficit of 18,416 units in the city, which is high compared to other cities in Santa Clara county. San José's former mayor Chuck Reed expressed in a recent interview that the city would continue to gauge success based on the overall ratio of jobs-to-employed residents: "The low-income jobs versus low-income residents is an interesting question, but it doesn't address the fiscal sustainability that drives our interest in improving the jobs to housing ratio" (Hepler, 2014a). To follow the intent of the Urban Villages, as walkable places where people live and work, the City should pay attention to this jobs-housing fit, since the new commercial and retail development will likely create low-wage jobs, whose workers will only be able to live nearby if affordable housing is constructed.

Housing Element

The city has completed a draft Housing Element for 2014-2023 in which it attempts to craft a strategy for meeting the state mandated Regional Housing Needs Allocation: over 35,000 units of new housing in the

next seven years (by 2022), with over 15,000 of those units for households with low or very low incomes. As context, the city produced less than half that amount in a previous 7-year period: between 1999 and 2005 the city added 6,361 affordable units through new construction and made provisions for another 10,152 units through rehabilitation and acquisition (City of San Jose Department of Housing 2006). The draft Housing Element lays out a variety of potential strategies, similar to the list presented in the DSAP (City of San José, 2014). This increase in housing is critical given projected employment growth of 147,000 jobs between 2010 – 2040 (Association of Bay Area Governments & Metropolitan Transportation Commission, 2013).

One avenue San José is pursuing to fund affordable housing is a housing impact fee, with a nexus study completed in June 2014 and a City Council resolution to adopt it in November of that year. The nexus study calculated the city's maximum legally defensible impact fee at about \$28 per square foot per new market rate apartment, and in its initial policy recommendation, the city's Housing and Community Development Division recommended a fee of \$17 per rentable square foot, which was later adopted by the City council (Corsiglia, 2014). The total subsidy required for building a new unit of affordable housing, as reported in draft Housing Element, ranges from about \$77,000 to \$136,000, and one advocate involved in the DSAP acknowledged, "the housing impact fee is great, the problem is, it is just a trickle of money – it's very small when compared to the need." According to another stakeholder, the impact fee would not come anywhere close to restoring previous funding for affordable housing; an organizer said that advocates were "pushing the housing impact fee because it is viable politically, [but] other tools are more ideal – those that won't ebb and flow with the market." They raised the idea of a parcel tax, but recognized that new taxes presented a major political challenge. Other strategies advocates are looking at include Cap & Trade funding, commercial impact fees, boomerang funds, and more, according to a stakeholder.

Weak Renter Protections

Parallel to the focus on producing new affordable units, there are concerns about San José's existing rental stock. The city has relatively weak protections for renters, with no just cause required for eviction, and a rent control ordinance that several interviewees described

as full of loopholes. The City has stated an intention to revisit existing renter protections in its Housing Element, a possibility that city planners also raised in interviews, but no clear timeline has been set for such a process. This issue is a significant concern in the neighborhoods along West San Carlos, such as Buena Vista. As mentioned above, the West San Carlos corridor has been designated as an Urban Village. The area includes an unincorporated county pocket, and is home to many undocumented immigrants, many whom are distrustful of the City and face immediate needs associated with housing rights and immigration status. In an interview, one advocate described the challenges in attempting to mobilize low-income parents at a local school to get involved in long term planning processes at the city:

"We found it difficult to engage, the principal told us they were distrustful of the City, they hear about all this redevelopment, and they're not quite sure how it's going to benefit them. They're dealing with being [undocumented], they have landlords that illegally lock them out of their apartments...and planning out 30 years is not that important...We needed to address immediate needs, they didn't know what their rights were...And then they we're wondering, how come San José doesn't have better tenant protections?"

One reason the City lacks stronger tenant protections is its relatively smaller share of renters: 42% of occupied housing units rent. This means there is a smaller political base to support better protections, according to a stakeholder. In the short-term, advocates have partnered with legal aid organization to offer fair-housing workshops, hoping this will spur community organizing that can also push for longer term strategies. But this also points to the need to ensure that renters in sites slated as Urban Villages are not directly displaced through evictions as the areas become more desirable sites of investment. Advocates who are wary of the Urban Village strategy fear that without protections, displacement will lead to homogenization as lower-income households move out. And one planner at the City of San José predicted this could occur in Buena Vista: "It will become more educated and more affluent. It will reflect that the middle class is shrinking, and those that don't fall in that category will be moving out of the area. When the patriarch and matriarch die the kids will sell the house and move to Stockton." In response to this, a second planner had a somewhat more optimistic approach: "It depends on how successful we are at creating inclusive, equitable communities."

Affordability Means Higher Wages

Ultimately, getting to jobs-housing-fit in San José will require not only affordable housing, but living wages. Like the Bay Area at large, San José faces persistent economic inequality. According to a San José planner, new affordable developments will not be able to meet the need on their own: “the Gini coefficient [a measure of inequality] for Silicon Valley is the highest in the country...There is a market failure and disconnect between the labor and housing markets.” If San José’s efforts to attract new commercial development are successful, at Diridon Station and across the city, new jobs will continue to produce the service sector jobs that support higher wage industries. Under that scenario, even housing advocates acknowledge that housing on its own will not be enough to ensure new employees can live in the city, too: “Wages are stagnant and costs just keep going up. It isn’t just that we need more affordable housing, people need to be earning more money. That’s why we not only have overcrowding, but also people working two jobs. This is a whole societal issue and not just one thing is going to fix it.” This is part of the reason many of affordable housing advocates are also involved in living wage activism.

Conclusion

Organizing around increasing wages has had success: Working Partnerships USA, a community-based organization, was involved in a 2012 effort that raised the minimum wage from \$8 to \$10 an hour, with inflation indexing. The issue is “widely and deeply felt among residents,” according to a stakeholder, and San Jose “led the recent wave of cities” increasing their minimum wages.

In addition, following Working Partnerships USA’s August 2014 report “that highlighted the poor working conditions of janitors, security guards and other contract staff, supplied by third-party companies” at large technology companies, Google committed to putting security guards on its payroll; Apple has followed suit in March 2015 (Ribeiro, 2015). With a coalition of workers, faith leaders, and other organizations, they launched a new effort, Silicon Valley Rising, in February 2015, “to advance the singular cause of raising the standard of living for the often ‘forgotten’ workers and families in the Silicon Valley tech economy” (Working Partnerships USA, 2015). The coalition is focused on

raising wages and increasing affordable housing. Organizing efforts like these are key to addressing displacement pressures in San Jose, especially given the overall political dynamic in San Jose, well summarized by this stakeholder:

Of the urban cities in Santa Clara county, San Jose has the worst tax base...during the 1960s and 1970s, it was just endless urban sprawl, which you could get away with fiscally before Prop 13—obviously no longer true. So San Jose has been frantically trying to play catch up and is very much aware that its imbalance between residential development and industrial/commercial development is a cause of much fiscal distress, so San Jose is very reluctant to allow housing development of any kind—market rate or affordable. So the general plan reflects that political view. San Jose wants more jobs, more industrial/commercial development, and doesn’t want to continue to be the housing location for the whole county.

Existing community organizing among residents around issues like immigration may provide a base for organizing on issues related to housing and resisting displacement (WP USA, 2014). Recent efforts have focused on implementing a housing impact fee to collect a city-wide pool of money to fund affordable housing; establishing a just cause evictions policy; and creating a value capture mechanism for the increased densification associated with urban villages. Legislation directing city staff to study and propose new tenant protection policies is working its way through the Council. These would include expanding rent control, implementing a “just cause” evictions policy, a mobile home park conversion ordinance, a policy prohibiting discrimination based on source of income, and more(Agenda: May 13, 2015, n.d.).

Challenges remaining in San Jose include how to ensure that the goal of 15% of new housing in the Diridon Station Area be affordable to the low income is reached, particularly given the legal restrictions on inclusionary housing. Impact fees seem to be a promising development, but several stakeholders have pointed out these are often minimal and difficult to use effectively. One stakeholder felt a “value capture” scenario, wherein part of the increased value of upzoned land is given to the city to invest in affordable housing, is probably the best way to go. That stakeholder felt that, before any zoning is changed in the Diridon Station area, there should be either a citywide or urban village-specific public benefits zoning policy implemented. As investment continues flowing into the Diridon Station area, these and similar policies may be the only way to avoid continued displacement.

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Appendix A: Ground-Truthing Analysis

To tell the story of gentrification and displacement in the Diridon Station area of San Jose, California, we relied on data from the assessor's office, Census data on demographic and other change, several other secondary data sources, and qualitative policy reviews and interviews with key stakeholders. However, secondary data sources are incomplete, at best, and outright wrong, at worst. Therefore, here we employ a "ground-truthing" methodology to verify the validity of these datasets. The ground-truthing, which is described in more detail below, essentially consists of walking from structure to structure on a few sample blocks and taking detailed notes on several variables, like number of units, state of maintenance, and more. With this data in hand, we can compare the story of gentrification the secondary data sources are telling with data obtained "on the ground," while also increasing the richness of our narrative overall from the visual observations we make on the blocks.

In this appendix, we discuss four sample blocks in the case study area. For each, we first present the secondary data sources—assessor and Census. We analyze this data to ascertain the nature and extent of recent neighborhood change on those blocks. Next, we describe the ground-truthing data and offer a similar analysis in terms of neighborhood change, but this time based solely on the ground-truthing. Finally, we reconcile the two data-sets: are they telling the same story? Where are the discrepancies? What do those discrepancies reveal?

Methodology

For this analysis, we selected blocks from the case study area that seemed to have experienced a range of degrees of change, based on secondary data (see Figure A1). We consulted with a community-based organization familiar with the area to choose blocks they thought were illustrative of the varying amount of change occurring in the area.

To prepare this appendix, we consulted the following data sources:

Assessor Data: Using a dataset purchased from Dataquick, Inc., we accessed assessor and sales data from the County of Santa Clara, which is current as of January 22, 2014.

US Census Bureau: We also consulted block-level decennial Census data from 2000 and 2010.

Ground-truthing data: This information comes from a visual observation of each structure on the block by walking around and noting the building's type (multi-family, single-family, business, etc), the number of units it appears to hold, and a long list of signs of recent investment, like permanent blinds and updated paint, as well as signs of perceptions of safety, like security cameras. The parcel numbers used to organize this data come from the Boundary Solutions data set, which is current as of March 7, 2012.

The ground-truthing methodology is based on one used by Hwang and Sampson⁴, who used Google Street View images to analyze neighborhood change in Chicago. We created an observation tool based on their work and, with that in hand, conducted a pilot ground-truthing of several blocks in one of the case study areas (the Macarthur BART station area of Oakland, California). The research team revised the methodology based on this pilot; the final observation tool appears in the appendix.

On December 13, 2014, a researcher from the Center for Community Innovation surveyed three blocks in the area: 2015, 2020, and 2021. On January 8, 2015, a different researcher from the Center surveyed block 1007, accompanied by a representative from the San Jose Department of Housing and a consultant with knowledge of the area.

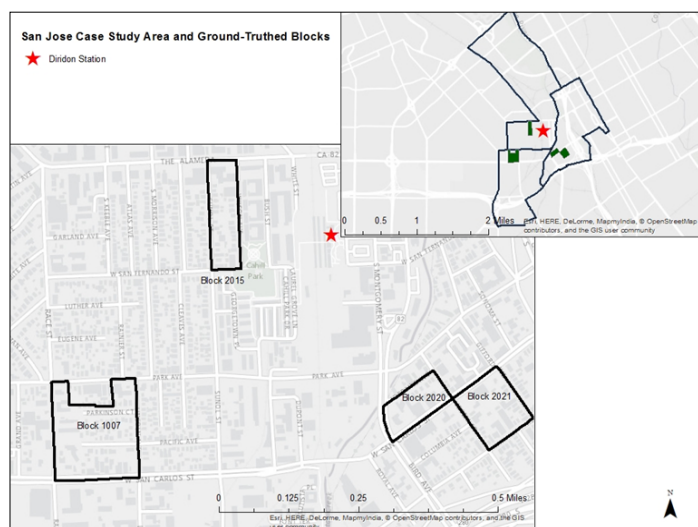


Figure A1: Map of Case Study Area and Ground-Truthed Blocks

Blocks are highlighted in green on the case study map (right) and outlined in black on the zoomed-in map; both feature Diridon Station with a red star.

⁴ (Hwang & Sampson, 2014)

Unmatched Parcels

The ground-truthing exercise is meant to provide an additional set of data to verify conclusions reached through analyzing assessor and Census data. Complicating this effort is that the data sets do not have the same set of parcels. All data reported from the assessor data (Dataquick) includes all parcels in that set; likewise, all data reported from the ground-truthing data collection includes all parcels in that set (which is based on parcels from Boundary Solutions). For two variables—land use and number of units—comparisons are made on a parcel-by-parcel basis; only parcels that appear in both data sets are used for this comparison. Census data is not provided on a parcel level, and so includes all households surveyed by the Census.

On Block 1007, most of the 31 parcels from the assessor data that does not appear in the ground-truth data is due to one condominium building whose parcels did not appear in the dataset used to perform the ground-truthing. Perhaps this building was constructed between 2012 (when the ground-truthing parcel numbers are recent to) and 2014.

Tables A1 and A2 provide a summary of relevant secondary data for each block, the case study area, and San Jose overall. For each block, after explaining the stories told by secondary and ground-truthing data about gentrification, we will examine the overlap and differences between the data sets. For each block, the total number of units based on three different data sets are roughly comparable (Table A3). On Block 1007, only 53% had the same number of units. The other three blocks had over 60% matches for land use and number of units.

Table A1: Unmatched Parcels

Block and Census Tract	# assessor parcels matched to ground-truth parcels, of total assessor parcels	# ground-truth parcels matched to assessor parcels, of total ground-truth parcels
Block 2015 Tract 5003	3 / 37	0 / 36
Block 2020 Tract 5008	8 / 22	0 / 14
Block 2021 Tract 5008	8 / 31	2 / 28
Block 1007 Tract 5019	31 / 93	16 / 78

Source: Dataquick, 2014

Table A2: Sales History and Assessed Value of Parcels

Block	Median Year of Construction	Median Year of Last Sale	Percent Sold 2010-2014	Median Sale Price of Last Sale	Median Sale Price of Last Sale	Assessed Value Per Square Foot (2013)
2015	1907	2002	19%	\$372,750	\$201	\$215
2020	1924	1995	0%	\$300,000	(insufficient data)	\$37
2021	1915	2004.5	27%	\$270,000	\$213	\$226
1007	1948	1999.5	20%	\$435,000	\$339	\$157
Diridon Station	2004	2008	37%	\$450,000	\$351	\$301
San Jose	1971	2003	22%	\$390,000	\$258	\$233

Source: Dataquick, 2014. These figures refer to all parcels in the area, including non-residential uses.

Table A3: Indicators of Neighborhood Change: Census Data/Demographics, 2000 -20101

Block	Population Growth (Percentage Change)	Average Household Size (Percentage Change)	Percent Change in Percent White ⁵	Percent Change in Percent Hispanic	Percent Change in Percent Family Households	Percent Change in Percent Rental Units
2015	20%	47%	14%	99%	38%	-79%
2020	6%	-4%	43%	11%	-20%	-1%
2021	7%	24%	-14%	-17%	-22%	-67%
1007	73%	1%	30%	1%	-29%	5%
Diridon Station	34%	Not available	15%	-28%	-7%	-24%
San Jose	6%	-3%	-20%	11%	-1%	9%

Source: Decennial Census 2000 and 2010, accessed through NHGIS.

Table A4: Summary of Parcel Matches and Primary Land Use Between Assessor and Ground-Truth Data

Block	Primary Land Use, based on Groundtruthing data	Percent Land Use Matched	Total Number of Units on Block			Percent of Parcels whose Number of Units match between Assessor Data and Visual Observation
			Assessor Data (Dataquick)	Visual Observation (Ground-truthing)	Census Data: Total Housing Units – 2010	
2015	Mostly single-family homes	70%	41	44	42	81%
2020	Half single-family detached, half commercial/light industrial	64%	10	8	12	79%
2021	Half single-family detached, half commercial/light industrial	68%	23	35	21	64%
1007	Mix of single-family detached and commercial/industrial uses	81%	115	125	120	53%

Note: Percent Land Use Matched and Percent Units Matched take as their denominator only those parcels for which a land use or number of units was indicated by both assessor data and ground-truth data.

⁵ Note: For the blocks, this figure refers to all Whites of one race, including those that are Hispanic. For the Diridon Station and San Jose figures, it refers to Non-Hispanic Whites. The “Percent Change” figures all compare percentages over time; for example, in Diridon Station, the percent Non-Hispanic White in 2000 was 31%, which increased to 35% in 2010—a 15% change.

Block 2015

Secondary Data

This block appears to be changing, but less recently and less dramatically than Diridon Station overall. Its parcels have a recent median year of last sale (2002); 19% of parcels sold between 2010-2014 (compared to 37% in the case study area); and population increased 20% between 2000 and 2010 (compared with 34% in the case study area).

However, the most dramatic changes on this block have been inconsistent with gentrification. Its average household size increased 47% from 2000 to 2010, compared with a 3% decrease in San Jose overall. Plus, its share of residents who are Hispanic increased 99% between 2000 and 2010, compared to a 28% decrease in the case study area.

Taken together, these changes do not paint a consistent picture of either stability or gentrification.

Ground-truthing Data

The block is just a stone throw away from a CalTrain station. It is mostly residential but with some commercial uses on one shorter side. Residential properties are well maintained and some on-going renovations can be observed. There is a good level of public investment, and the block is also next to a well-maintained public park.

There seems to be some new residents and renters based on a few conversations with residents, including with one young professional who has been renting for two years; he mentioned that the garage on the same parcel has been turned into another unit and a new renter has just moved in. Another was a middle-aged Latina woman who is a long-term resident and said the neighborhood has improved over the years.

It appears to be a safe and fairly affluent neighborhood. Racially, the neighborhood was very mixed. There is a notable Latino population but there were also residents of other races/ethnicities including Indian, black and white, and of various ages. There was Spanish-language music playing out of two passing cars and a few people speaking Spanish. There were dog walkers, runners, and cyclists. There were people standing on porches.

The block has a low level of maintenance, with 64% of parcels appearing “average,” and none appearing “new.”

Signs of investment include:

- Windows are in good condition and with no bars
- 25% of parcels have new or maintained paint

Signs of disinvestment include:

- 22% of parcels have peeling or fading paint

Signs of perceived lack of safety include:

- 11% of parcels have metal security doors
- 36% of parcels have security alarm signage

Public Investment: The block has municipal lighting, on-street residential permit parking, bike racks, and is situated next to a nice public park with a playground and basketball court.

Comparison

Overall, the assessor, Census, and ground-truthing data are roughly consistent. They show a block that is mixed racially and in terms of the quality of its housing; it is neither fully gentrified nor untouched by new investment.



New windows being installed through out the whole house.



On-going renovation.

Figure A2: Buildings on Block 2015

All photos courtesy of FernUennatornwaranggoon and Mitchell Crispell.



There are also some long-term, owner residents whose houses are more personalized and look lived-in for a long time.



The block face on The Alameda road consists of fairly nice office spaces, shops (right) and one quite old and run down garage (left).

Figure A2: Buildings on Block 2015

All photos courtesy of FernUennatornwarangoon and Mitchell Crispell.

Block 2020

Secondary Data

This block does not appear to be gentrifying. From the assessor data, it shows almost no recent change: no parcels have sold between 2010 and 2014, and the median year of last sale is 1995. The median sale price was \$300,000, not far off from San Jose's \$390,000. Census data shows minimal population growth, change in average household size, or change in the portion of units that are renter-occupied between 2000 and 2010. The portion of households that are families decreased 20% and the portion of residents who are white increased 43%, both over the same time frame. It is unclear why the portion of whites increased so much; it is unlikely due to an influx of investment, given the minimal population growth and assessor data.

Ground-truthing Data

The block is across a large road from Diridon station and it is difficult to walk to the station. It hosts residential properties as well as some heavy commercial uses, including quite a few car garages on one side of the block and a large packing/shipping store. It appears to be a lower-income block. The properties are well kept.

Residents are mostly Latino, mainly families and appear to have lived on the block for a long time, including one woman who said she had lived there seven years. Many residents were visible on the block, mostly doing house chores. One resident, who had immigrated from Mexico a long time ago, mentioned that the neighborhood hasn't changed much. There were a few cyclists passing through, plus a few people (white, possibly 20's or early 30's, well dressed) who seemed to be just passing through.

The researcher's gut feeling was that this block is unlikely to gentrify as it is pretty run-down and is tucked between two wide busy roads. Several cars passed playing loud music. However, there is a nice-looking high-rise apartment opposite one side of the block. There was also a small motorcycle fair on the opposite block which was quite loud and seemed disruptive at first; however, there were families with a few young children participating. There was a police patrol car near the block which stayed for a long while.

All parcels were "average" or "below average," split evenly among these two categories. There were no

significant signs of investment. The only significant sign of disinvestment was that 36% of parcels have peeling or fading paint.

Signs of perceived lack of safety include:

- 21% of parcels have security alarm signage
- 21% of parcels have "beware of dog," "Private," or "No Trespassing" signs

Public Investment: Municipal Lighting.

Comparison

The assessor data for this block shows minimal gentrification or change, and the ground-truthing data showed the same. The only discrepancy is with the portion of households who are families: while Census data shows this figure decreased, during ground-truthing there appeared to be mostly families living on the block.



Figure A3: Buildings on Block 2020

Residential properties appear to be owner-occupied with personalized, 'homey' touches.



Some fairly heavy commercial uses are right next door to residential housing.

Figure A3: Buildings on Block 2020

Residential properties appear to be owner-occupied with personalized, 'homey' touches.

Block 2021

Secondary Data

This block has experienced recent change consistent with gentrification: 27% of parcels were sold between 2010-2014, the median year of last sale was 2004.5, and the percent of households that were families decreased 22% between 2000 and 2010. However, between 2000 and 2010, the portion of residents who were white decreased by 14%, which is opposite the trend in Diridon Station overall, where the portion white increased 15%.

Ground-truthing Data

This block is similar to the above where one block face is commercial use (mainly garages/car repair shops) but not heavy-duty like on Block 2020. There were a number of Hispanic residents (speaking Spanish) but the racial/ethnic composition appears more mixed than Block 2020, including a few white residents, one black owner resident, and a young Russian couple). The houses are also larger; a handful have Christmas decorations. Houses across one side of the block (Gilford St) appear much nicer and there was some on-going renovation. There were a few properties that shared a very large backyard that seemed to have additional small units and a playground.

Houses across Gilford Street are much nicer, with on-going renovation. Across Josefa Street was a biker fair, a bit loud but fairly orderly, families with young children attended. 19% of parcels had children or toys visible, indicating a high number of family households.

41% of parcels were in “average” condition, with another 19% “below average,” and only 7% “above average.” The block was very middle-of-the-road; there were no significant trends in terms of signs of investment nor disinvestment.

Signs of perceived lack of safety were only a few neighborhood watch signs.

Public Investment: Municipal lighting.

Comparison

Broadly, the assessor, Census, and ground-truthing data are consistent on this block: all show some degree of change and investment. However, the ground-truthing data shows less significant investment than the assessor data does, since, for example, there were not many of the usual signs of investment.



Figure A4: Buildings on Block 2021



Figure A4: Buildings on Block 2021

Block 1007 Secondary Data

This block has also experienced recent change. The structures were built more recently than the other blocks (median year construction 1948), but show comparable recent turnover (20%, between 2010-2014). This block has a median sale price (\$435,000) higher than the other three blocks and San Jose (\$390,000), but still lower than the Diridon Station area (\$450,000). Census data also shows some change, with a 73% population growth between 2000-2010.

Ground-truthing Data

The block is mostly residential, however on three sides of it—out of 8, given two dead-end streets that cut into

the middle of the block), over half of the buildings are stores, offices, or light industrial uses. Only one building was taller than two stories. The nicest businesses were on Race Street, which was a main street, but still relatively quiet. San Carlos, by contrast, is a major thoroughfare, and its businesses were much more run-down; there was almost no new investment on that stretch. Lincoln, Race, Park, and Pacific were all fairly quiet. Park Avenue is an eclectic street.

The stores are mixed between old businesses and new ones; for example, there are several salons, one that had all African-American people in it, one whose workers were all Asian and also did nails, and a third that opened in 2012 and had mostly white people inside. The block hosts mainstream businesses, like a used car lot, several restaurants (Cuban, Ethiopian),

a laundromat, a flower store, etc. However, it also had some unusual, alternative-serving businesses, including several non-traditional exercise/dance studios, two tattoo parlors, one store offering drum lessons, a thrift shop, and a Latin American home goods store. Some businesses seemed oriented towards low-income consumers, like a check-cashing store. On top of these uses, the block hosted a handful of parking lots, a junk yard, and, on one lot, both an antique store and an auto body shop.

On top of these varied non-residential uses, the block's residential buildings were certainly not all of a kind. There were homes at all levels of maintenance, including some that appeared abandoned and others that appeared recently renovated. Most homes were single-family detached, except for one condominium complex.

The two dead-end streets on their own demonstrate the changing nature of this block and neighborhood. On one, Pacific Avenue, the sidewalk only extended halfway down the street. Most homes were run-down, with unattractive security fences, debris-strewn yards, and dogs—dogs at almost every home on a quarter of the block. The next dead-end, Parkinson Court, not 500 yards from the first one, looked immediately different. The street is wider, it has a full sidewalk, and not one dog—by contrast, there were many cats on this block. Most homes were much nicer and better maintained here, including one that was striking for its level of maintenance and landscaping. The photos in Figures 5 and 6 illustrate the contrast between the streets.

Other notable features of the block include:

- The older commercial buildings had cameras and security signs; the newer ones did not.
- According to the representative from the Department of Housing, the area is known for hosting car shops, antique stores, and gyms—which all appeared on this block.
- The block is nestled between two areas the city has identified for its “Urban Villages” program. New development could be seen down a few blocks on San Carlos.

-The area is diverse. We saw people of all races on the block. However, the housing department representative commented that just a few blocks north of Park is much whiter, and west of Race is a really nice neighborhood. So this block seems to be the “edge” of already-completed gentrification.

-There did not appear to be much public investment throughout the block. However, on Park Avenue, bike lanes are coming in soon, which will mean the on-street parking will be gone. Businesses have been concerned about this. San Carlos will also be receiving some public investment soon.

The block has a wide range of levels of maintenance: 2% new, 38% above average, 35% average, 15% below average, and 3% poor.

Signs of investment include:

- 46% of parcels have new or maintained paint
- 15% have a new or updated front door
- 15% of parcels have fencing for aesthetic purposes

Signs of disinvestment include:

- 5 abandoned parcels (6% of all parcels)
- 5 parcels with cracked windows, bars on windows, boarded windows, and/or dirty windows.
- 26% of parcels have peeling/fading paint
- 17% of parcels have litter or debris

Signs of perceived safety include:

- 21% of parcels have a metal security door
- 15% have signs saying “Beware of dogs,” “Private,” or “No trespassing”

Public Investment: Municipal lighting, transit (bus) stops

A stakeholder who toured the blocks with us commented that he expected the block to change more in future years as the development that has been happening just a few blocks away spreads.

Comparison

Here again, the data sets align. Both paint a picture of change, with much recent investment but still some existing run-down and industrial structures.



Figure A5: Parkinson Court, with its broad street, sidewalks, and nice homes



Figure A6: A home on Pacific Ave, which was only one block away from Parkinson Court but not as well-maintained, with half the street missing a sidewalk

Conclusion

Broadly, the secondary data sets and ground-truthing data paint similar pictures of change on these four blocks. One is neither invested nor disinvested; another appears to not be experiencing much gentrification at all; the third shows gentrification, but it is more pronounced in the secondary data than in the ground-truthing data; and the last shows significant change through both data sets.

All four blocks, however, have the potential to gentrify given their proximity to Diridon Station and the many changes happening around them and throughout the case study area. On Block 2021, for example, where secondary data showed many recent sales but ground-truthing data showed minimal investment, perhaps gentrification is just beginning: homes are turning over ownership, demographics are beginning to change, etc, and the physical signs will follow soon.

In terms of comparing data sets, unmatched parcels was not a major problem. However, land uses frequently did not match. While the number of units recorded for each parcel was often unmatched, the total number of parcels on the block according to three data sets were roughly comparable.

The quality and age of buildings was comparably assessed by both methods, while perception of safety and public investment cannot be ascertained from the secondary data sources but only from ground-truthing. The limited number of signs of ethnicity across all blocks made it difficult to ground-truth demographic data.

WORKSHEET: Visual Demonstration of Neighborhood Change

Instructions: Physically walk predetermined neighborhood blocks and note evidence of deterioration or improvement using Section One. Parcel or building specific information should be collected in Section Two. Each block should be named according to its main corridor (indicated on your map as the street with parcels on both sides). Bring a camera to take a photograph of each building.

*One whole worksheet should be completed for each block section

Block Name: _____ Observer: _____

Physical Observation date and time : ____/____/____ Start ____:____ AM/PM End ____:____ AM/PM

SECTION ONE: Block Overview and initial impressions

1. The primary land use for the block face is:

- ☐ Residential
- ☐ Commercial
- ☐ Institutional (school, hospital, churches):
- ☐ Industrial
- ☐ Other: _____

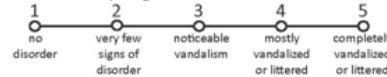
2. Public investment + existing public infrastructure:

- ☐ transit stops
- ☐ municipal street lighting
- ☐ on street residential permit parking
- ☐ street furniture (including parklets)
- ☐ bike racks
- ☐ public trash cans
- ☐ parking pay machines
- ☐ newly paved streets
- ☐ Other: _____

3. Describe any visible people, noting race or ethnicity, age, number, and activities they might be engaged in:

4. The # of signs discouraging disorder such as neighborhood watch, anti-littering/loitering/drug use/vandalism/graffiti: _____

5. Physical disorder such as garbage, litter, graffiti, or vandalism by degree of observations:



6. Please describe indicators of international or immigrant presence (note ethnicity, signs in a foreign language, or locally-owned foreign/ethnic business).

7. Additional notes on block overview: _____

SECTION TWO: Block/Parcel Data

*located on the following pages

Using your pre-printed parcel map, carefully walk the block and record your observations for each building. Allow for ~1.5 hours of field time. Be sure to take a photograph of each building for comparison with past year data later. 📷

APN/Parcel # _____

Street Address _____

1. Does the building appear to be well-maintained?



2. The # of units the structure appears to have: _____

The # mailboxes _____
The # doorbells _____

3. The # vehicles off-street vehicles present _____

- ☐ no off-street parking
- ☐ existing driveway or parking lot
- ☐ existing garage

4. Notes on visible people, building, and outdoor space; incl. implied information about household size and composition:

5. Building type and units:

- ☐ Multi-family - apartment building
- ☐ Multi-family - house
- ☐ Single family - attached
- ☐ Single family - detached
- ☐ Mixed use
- ☐ Public or subsidized project housing
- ☐ Unknown or other

6. Other building/occupant characteristics:

- ☐ Abandoned
- ☐ For Sale sign
- ☐ For Rent sign
- ☐ Blinds or curtains - permanent
- ☐ Blinds or curtains - temporary
- ☐ Cracked windows
- ☐ Bars on windows
- ☐ Boarded windows
- ☐ Dirty windows
- ☐ Metal security door
- ☐ Vegetable garden
- ☐ New addition
- ☐ New or maintained paint
- ☐ New or updated front door
- ☐ Ongoing renovation/construction
- ☐ Fencing (check all that apply):
New _____ Old _____ For safety _____ For aesthetics _____
- ☐ Security alarm signage
- ☐ CCTV/Security cameras
- ☐ Children/toys visible
- ☐ Peeling/fading paint
- ☐ Spraypaint/graffiti
- ☐ Litter or debris
- ☐ Beware of Dog, Private, No Trespassing signs
- ☐ Signs of ethnicity

Figure A7: Ground-truthing data collection worksheet