



Memorandum

TO: RULES AND OPEN GOVERNMENT
COMMITTEE

FROM: Councilmember Raul Peralez

SUBJECT: SEE BELOW

DATE: September 10, 2019

Approved by:

Date:

9/10/19

SUBJECT: Review the City Council Study Session Agenda entitled Study Session on Displacement in San José

RECOMMENDATION

Direct the City Manager to:

1. Provide by the September 16 Study Session on Anti-displacement Strategies responses to the following inquiries:
 - a. What are existing city processes that can integrate early notification to the Office of Economic Development to provide resources to potentially displaced commercial businesses?
 - b. What resources does the city have or plan to have to assist businesses with relocation search and advocacy?
 - c. How can the City further develop “community advocates” to recognize early signs of potential displacement and provide support such as connecting business owners to existing resources?
 - d. How is the city participating in the Valley Transportation Authority’s (VTA) business interruption study?
2. Ensure any topics related to displacement due to inequities be included in the October 4 study session on Equity.

BACKGROUND

With a general plan that projects massive growth and several major transportation projects on the horizon, change is inevitable. Development and change in business corridors usually results in the consequential loss of long-time, family-owned small businesses, especially in communities that are historically underserved. Many of these businesses have longed supported the communities they are in, often being a good neighbor and operator.

Recently, four District 3 businesses at 24th Street and E. Santa Clara Street were displaced due to a proposed affordable housing development project. These businesses were minority-owned and have historically adapted to major projects in the area including the installation of a grand Bus Rapid Transit station on their frontage. Unfortunately, the city often is not made privy to any transactions or discussions between property or business owners.

DISCUSSION

This unfortunate circumstance brought to light lessons learned that would be worthwhile to include in the upcoming study session. Most notably, early notification seems to be a reoccurring theme. More often than not, business owners are not made aware, outside of their lease agreement, of a potential eviction. Eviction terms have been no more than 90 days which can be quite a time crunch to search for an affordable space, work out new lease terms, and relocate an entire operation. This all has to be done while maintaining business at their current outgoing location. However, if given even more ample notice, it would allow owners to be better prepared in addressing the next chapter of their business. This is where the city can help. While the city ultimately cannot force a property owner to retain a business on their private property, the city can at least provide a good number of resources to the business owners to ensure that they are not unlawfully being displaced and can look for opportunities to start anew. This is only effective if there is early enough notification which can be included in existing processes such as our Preliminary Development Review process.

Furthermore, a 90 day crunch can be incredibly difficult when considering many business owners do not have the time, expertise or have language barriers that make them unable to recognize potential early signs of displacement and navigate the complex field of resources to find what's best for them. Having community advocates who care about their local businesses can be a powerful tool for owners to get ahead and be informed. We have seen examples of how similar programs such as the city's small business allies, San Jose Downtown Association's Business Development Manager and the various chamber of commerces have been instrumental in advocating on behalf of the health of small businesses. By empowering and developing more of these advocates, especially for non-english speaking populations, information could be delivered much more effectively.

Finally, concerns about business impacts and potential displacement is not exclusive to only land-use development projects but to transportation projects as well. I was proud to coauthor a proposal to VTA along with County Supervisor Cindy Chavez a year ago to

study the possible business impacts from BART Phase II.¹ On August 21, the BART Phase II Small Business Study kicked off and for the next six months will “assess how impacts related to construction might affect small businesses and investigate what other transit and public development projects have offered in terms of technical and financial assistance”. The city should strongly follow this study and participate if given the opportunity.

The issue of commercial displacement is not a new one and the City can be a hub for those who have invested endless time and financial assets into creating a successful business within our city and community.

¹ <http://www.sanjoseca.gov/DocumentCenter/View/81346>