

Implementation 8

This chapter describes the steps necessary to implement this Station Area Plan. It provides a prioritization of improvements outlined in the Plan, indicates conceptual costs for a new Transit Center, and identifies potential funding sources. This chapter also includes strategies for promoting affordable housing.

A. Regulatory Structure

Adoption of this Station Area Plan requires a series of amendment to the City's Zoning Code to incorporate the policies found in Chapter 4, development guidelines and streetscape standards found in Chapter 5, and the parking requirements found in Chapter 6. These regulations are intended to increase specificity for development within the Station Area such that future developers will understand the City's requirements and desires for development in the Station Area.

B. California Environmental Quality Act (CEQA) Requirements

The City of San Mateo certified the Negative Declaration for the Hillsdale Station Area Plan on April 18, 2011. The City's action to certify the Negative Declaration did not constitute approval of the Station Area Plan. Rather, it indicates that the Negative Declaration has been completed in compliance with CEQA, and that the Negative Declaration was presented to and reviewed by the City's decision-makers and the public concurrent with Station Area Plan adoption.

C. Review of Future Development Projects

The concepts recommended in this Station Area Plan have been approved by the City and studied in the Negative Declaration prepared for the Plan. Future development applications that adhere to the concepts recommended in this Plan are expected to be subject to minor additional environmental review, depending on the size and scope of the project. In addition to, or instead, of relying upon the Negative Declaration for this Plan, future projects may be able to use the categorical exemption for infill development projects included in CEQA section 15332.

No subdivision map, use permit, design review application, or other entitlements will be issued for development projects in the Station Area until a finding has been made that the proposed project is consistent with this Station Area Plan.

D. Development Strategies

New development is an integral part of the change envisioned in this Plan. It is inevitable that older properties and uses will transform over time, especially in communities such as San Mateo that are attractive places to live, work, and shop. To ensure that new development helps to achieve the vision and goals expressed in previous chapters of this Plan, the City can assist the development process in the following ways.

1. Land Assembly

The small size of parcels in a number of key site locations in the Station Area is an impediment to development. Working with multiple owners to assemble sufficiently large sites is complex and can deter developers from entering into projects. The City should play an active role in facilitating land assembly in the Station Area by helping to connect property owners and potential developers who could jointly benefit from land assembly, helping land owners understand the development process, and providing technical assistance to these parties. The zoning classifications in the Station Area currently provide incentives for larger developments by allowing for the maximum density on larger parcels.

2. Conduct a Study of Residential Parking Access

The reduced parking called for in this Plan is expected to increase the feasibility of projects by reducing construction costs. Business owners, however, can be hesitant to open businesses without adequate parking, or with parking shared between different uses such as office, retail and residential. In addition, current Building Security Code regulations make it difficult to share residential parking with adjacent uses, except for residential visitor parking. For that reason, this Plan calls for a study to evaluate the feasibility of eliminating the current requirement to provide exclusive use of parking for residents.

3. Hillsdale Station Area Plan Business Improvement District

The Plan envisions new pedestrian-scaled, mixed-use development along El Camino Real to help revitalize a corridor that has been dominated by auto-oriented uses. It is impossible for every parcel to be redeveloped, however, and many buildings, whether or not they are attractively built, will remain. For this reason, a Hillsdale Station Area

business improvement district (BID) should be created. This district will allow property and business owners to vote to collect funds for measures such as façade improvements, public safety measures, banners, event coordination, marketing or maintenance. A BID will help ensure the harmonious marriage between new and existing development and a cohesive identity for the Station Area. A BID can help tie all sections of the Station Area together, including providing an organization for businesses on 25th Avenue to join since the association for that street no longer exists. The Hillsdale Shopping Center may choose not to participate in the BID.

E. Residential and Commercial Displacement

This section examines the potential for displacement of lower-income residents and small businesses as a result of the implementation of this Station Area Plan. It then presents strategies to respond to these concerns, based on conversations with local affordable housing developers and City staff, and a review of the City's Housing Element and Consolidated Plan.

1. Residential Needs Assessment

a. Affordability

The *Hillsdale Station Area Plan Existing Conditions Report* found that ownership housing in the City of San Mateo is generally only affordable to above moderate-income households.¹ The *Report* evaluated the ability of households at various income levels to buy or rent a home in the City, based on recently recorded sales. The analysis showed that despite the recent downturn in the housing market, just 23 percent of single-family homes sold during the sample timeframe were affordable to moderate-income buyers. Condominiums were somewhat more affordable, but still presented a challenge to ownership for lower-income groups. Only 25 percent of condominiums sold would be affordable to low-income households. In terms of rental housing, the analysis found that the average market rate rents exceeded affordable rents for very low- and extremely low-income households.

The real estate market currently remains unsettled due to ongoing unemployment, a tight credit market, and the recent termination of federal tax incentives. However, indicators point to long-term strength and appreciation in the regional market. For example, the S&P/Case-Shiller Home Price Index combines matched price pairs for

¹ The State Department of Housing and Community Development uses the following definitions in characterizing household income: Extremely low-income: up to 30% of Area Median Income (AMI); very low-income: 31-50% of AMI; low-income: 51-80% of AMI; moderate-income: 81 to 120% of AMI

thousands of individual single-family homes to describe residential market trends.² For the San Francisco Metropolitan Area, the index shows an 18 percent increase between May 2009 and 2010, the highest among all regions measured by the Index. San Mateo has historically proven to be one of the region's strongest markets, thanks to its central location, high quality of life, and access to employment centers, transit, and other amenities. As such, San Mateo can expect to be on the leading edge of the Bay Area housing recovery. While this position is a strong one for San Mateo, it does suggest that housing in the City will become even less affordable to lower-income households as the economy recovers and the real estate markets improve.

The San Mateo 2009 Housing Element also highlights the need for affordable housing in the City, citing the growing gap between home values and household incomes. Between 1960 and 2007, the ratio between the median home value and median household income rose from 2.4 to 10.6. The Housing Element further states that due to the lack of affordable housing in the City, overcrowding and excessive cost burden are common concerns among lower-income households, particularly renters.

b. Potential for Displacement

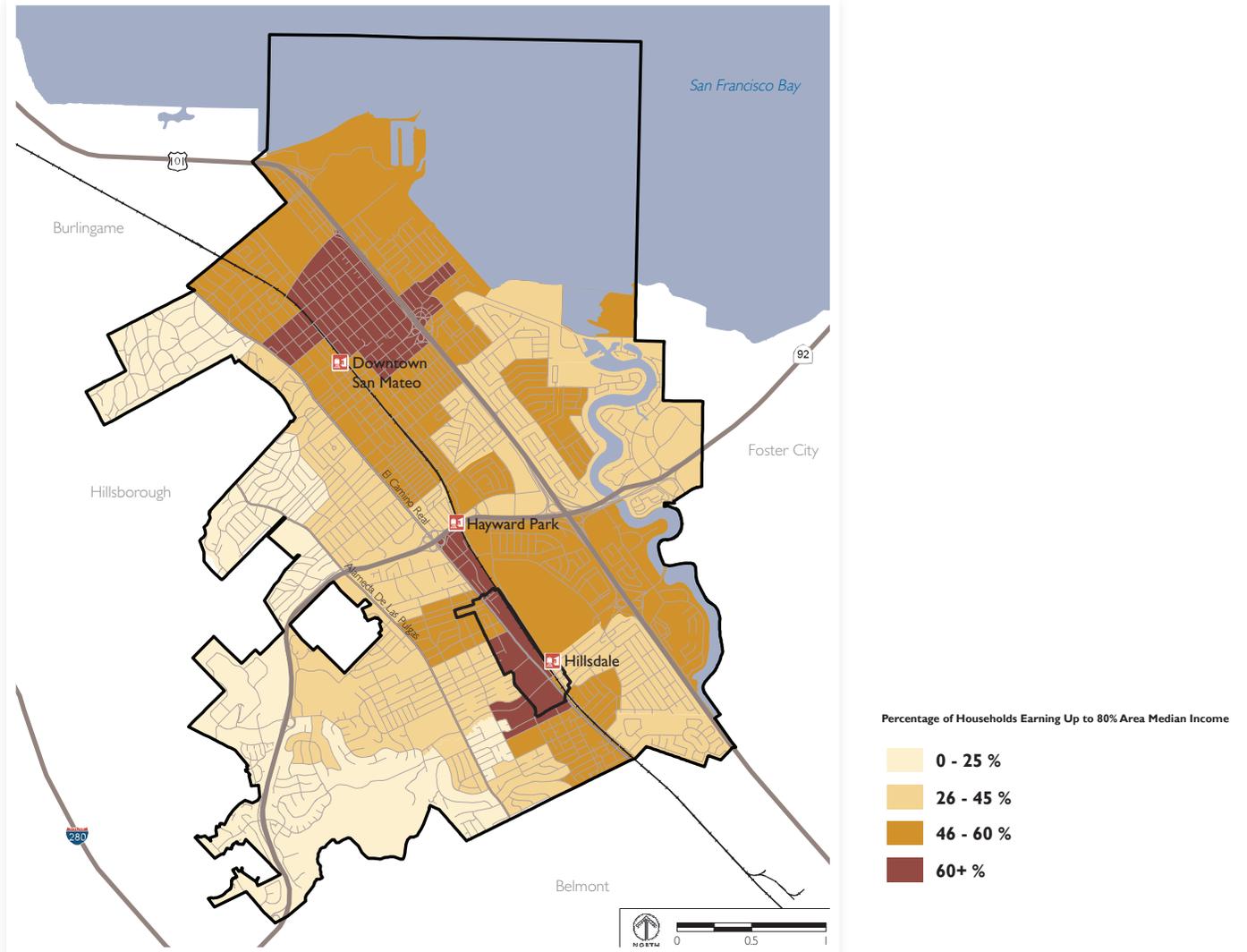
As noted above, new TOD has the potential to boost local real estate values and displace lower-income households in the area. Renters are more vulnerable to displacement than homeowners, as they are subject to rent increases and eviction. The high cost of housing in San Mateo can exacerbate the situation, threatening to price lower-income households out of the City altogether.

The *Existing Conditions Report* estimates that approximately 540 households live in the Station Area as of 2009. These households are less affluent than the City as a whole. In 2009, the Station Area had a median household income of \$53,100, approximately 70 percent of the median income in the City. In addition, the vast majority of households in the Station Area are renters. Approximately 82 percent of Station Area households rent their unit, compared to 53 percent in the City as a whole. This pattern coincides with the prevalence of multi-family units and smaller, non-family households in the Station Area.

Figure 8-1 further examines the Station Area's income profile. The map presents the percentage of low-income households earning up to 80 percent of AMI, by Census block group. Consistent with the income and tenure data above, the map shows a con-

² The Index tracks repeat sales of houses, therefore adjusting for the quality of the homes sold.

Figure 8-1: Percent of Low-Income Households by Block Group



centration of lower-income households in and around the Station Area. These findings reinforce that the Station Area is one of the City’s more affordable neighborhoods, and highlight the need for strategies to address resident displacement and the production of affordable housing as this Plan is implemented.

2. Commercial Needs Assessment

a. Affordability

The Station Area contains a wide variety of commercial uses, ranging from the region-serving Hillsdale Shopping Center to small local-serving businesses along 25th Avenue and El Camino Real. This discussion will focus on the latter tenants and properties, as these are the firms more vulnerable to displacement over time.

The *Existing Conditions Report* found that retail space in the area is currently relatively affordable due to high vacancies and the economic recession. Asking rents on 25th Avenue range from \$1.50 to \$1.75 per square foot, making it one of the more affordable commercial districts in the City. Rents have declined from the peak of the market three years ago when rents ranged from \$2.00 to \$2.25 per square foot. City staff report a vacancy rate of 12 percent in the area. Along El Camino Real, rents are higher due to greater visibility, but the area still suffers from underutilized properties and vacancies. Rents range from \$2.00 to \$2.25 per square foot, down from \$3.00 per square foot at the peak of the market.

b. Potential for Displacement

As with any urban area, the Hillsdale Station Area is expected to redevelop over time, with older uses slowly turning over in favor of higher value development. This process will occur gradually over the timeframe of this Plan, given the need for parcel assembly in much of the area and the uncertain timeframe for relocation of the Hillsdale Station. Moreover, even with today's relatively low lease rates, many commercial uses in the area, such as the strip centers on El Camino Real, generate sufficient economic value to forestall short-term demolition and replacement. The modest market demand for new commercial space, as documented in the *Existing Conditions Report*, will further slow the production of new space.

These factors, combined with the relative affordability of the Station Area as a commercial district, suggest that business displacement is not an immediate concern around the Hillsdale Station. In fact, a soft retail market and vacancies in the area present more immediate threats than displacement due to new development.

Notwithstanding these findings, as redevelopment in the Station Area occurs, the City should continue to monitor the needs and status of local small businesses through its Economic Development and Business Assistance department. Activities to support local businesses include:

- **Continue to provide technical assistance to businesses.** The long-term health of a commercial district relies on business owners having the skills and resources to build and operate viable enterprises. As such, the City should continue to work with business owners in the Hillsdale Station Area on a one-on-one basis, referring them to technical resources such as the San Mateo Business Library and Small Business Development Center. These organizations offer regular classes and technical assistance on marketing, networking, raising capital, business development, and other necessary skills to start and operate a sustainable small business.
- **Encourage and support business organizing efforts.** Organized commercial districts have a greater chance of resisting displacement and achieving long-term viability by coordinating marketing efforts and operational issues, such as parking, streetscape maintenance, and interaction with public planning efforts. With the dissolution of the 25th Avenue Business Improvement Association in 2007, businesses in the Hillsdale Station Area currently lack a central organizing entity. Recognizing this void, the City intends to use the forthcoming undergrounding of utilities on 25th Avenue by PG&E, as well as the upcoming citywide pedestrian and bicycle plans, as platforms to conduct outreach and re-invigorate the business community's organizing efforts. The undergrounding of utilities, in particular, will be a key opportunity to reach out and assist businesses as they work through challenges of sidewalk and street repair, and create opportunities for streetscape improvements.
- **Activate and publicize the district.** As noted above, vacancies pose a near-term challenge for businesses along 25th Avenue. Vacant storefronts can create a vicious cycle, making shoppers feel like the commercial district is struggling, and compelling them to spend their money elsewhere. In response to this concern, the City should continue to work with local brokers, property owners, business owners, and local institutions, such as the First Presbyterian Church, to activate the street and attract patrons. Potential strategies include rotating art galleries in vacant storefronts to maintain an attractive streetscape; highlighting the neighborhood through an updated website and visual displays; supporting local cultural institutions and events that attract shoppers (e.g., the 25th Avenue Block Party and 25th Avenue Farmer's Market); marketing the district through the City's print and online publications; and establishing an identity/brand for the neighborhood that is unique from other parts of the City and builds on the district's small town, "home-grown" character.
- **Promote residential development in the area.** New homes will bring new patrons to local businesses and contribute to the overall vitality of the neighborhood. Small office and professional space also brings lunch-time and after-work shoppers to the district.

F. Affordable Housing Strategy

The City of San Mateo already has a comprehensive array of tools to address the local need for affordable housing. Although not necessarily specific to the Hillsdale Station Area, these programs can be applied to the Station Area to make a multi-tiered affordable housing strategy. The activities, described below, include programs to produce more affordable homes, preserve existing affordable units, and directly assist lower-income homebuyers. Additionally, interviews with staff and local affordable housing developers and a review of TOD best practices identified additional policies to address affordable housing need and mitigate displacement.

1. New Production

Below Market Rate (BMR) Housing Program. The City's BMR Housing Program requires market rate residential developers to set aside 10 to 15 percent of units as affordable homes.³ Affordable rental units must serve low-income households and ownership units must be priced at levels affordable to moderate-income buyers. Since its inception in 1992, the BMR program has led to the development of approximately 236 affordable units in the City.⁴ As new residential development around the Hillsdale Station occurs, the BMR Program will be a key tool to increase the local supply of affordable housing.

Density Bonus Ordinance. The City's Density Bonus Ordinance provides a series of developer incentives to construct affordable housing. Consistent with the State Density Bonus Law (Government Code 65915), the Ordinance allows developers a density bonus ranging from five to 35 percent, depending on the percentage and income group served by the affordable units in the project. A developer whose project includes at least five percent very low-income units or 10 percent low- or moderate-income units, and who also requests a density bonus, also qualifies for incentives and concessions and/or waivers or modifications of development standards. These allowances are meant to offset costs generated by the affordable units.

By effectively increasing a site's "building envelope," the Density Bonus Ordinance helps market rate developers comply with the City's BMR Housing Program and assists with the financial feasibility of subsidized affordable developments.

³ The BMR Program is only applied to developments with five or more units. Developments with 5 to 10 units pay a fractional fee. Ownership developments have a 15 percent BMR requirement for moderate-income households. Rental developments have either a 10 percent BMR requirement for very low-income families, or a 15 percent requirement if the BMR units serve low-income families.

⁴ City of San Mateo Housing Element, 2009, p. 116.

Public Funding of Affordable Housing. The City has a strong history of providing financial support to affordable housing in San Mateo. Assistance to developers can occur through land acquisitions and “write-downs” and/or funding to fill “financing gaps.” The City’s primary funding sources include HOME grants from the Department of Housing and Urban Development (HUD) and Housing Set-Aside funds from the City’s Redevelopment Agency. The Redevelopment Agency anticipates having approximately \$3 million available directly for housing development projects and \$2.6 million for other community development programs over the next five years.⁵ Peninsula Station, a 68-unit affordable housing development by the Mid-Peninsula Housing Coalition, is adjacent to the Transit Center and exemplifies this type of project. The City should continue to look for other opportunities to support new affordable housing development around the Transit Center.

Ground Floor Uses in Affordable Housing. As discussed in Chapter 4: Land Use, this Plan permits ground-floor residential uses for affordable-only housing throughout the Station Area as an incentive to develop affordable housing.

2. Preservation of Existing Affordable Homes

Condominium Conversion Ordinance. As residential values in an area rise, apartment owners are often spurred to convert rental units to condominiums, depleting a valuable supply of unsubsidized affordable housing for low- and moderate-income households. This may be of particular concern in the Station Area because its residential uses are so well-established, and displacement is likely to occur in the form of rising rents and condominium conversions rather than large scale demolition and redevelopment. Moreover, approximately 82 percent of households in the Station Area are renters. However, the likelihood of conversion is reduced somewhat by the fact that the housing stock in the Station Area, due to its age, does not all comply with current code requirements for parking and density. This would make it difficult to convert some existing housing to condominium uses.

In response to this issue, the City’s Condominium Conversion Ordinance requires owners of rental properties being converted to condominiums to provide existing tenants with the first right to purchase and tenant relocation benefits. These benefits include a relocation allowance equal to three months rent and listings of available comparable units and for conversion projects of 25 or more units, and a relocation specialist shall be provided to assist displaced tenants in finding new housing. In addition, elderly and

⁵ *City of San Mateo Consolidated Plan, 2010-2015, p. 61.*

disabled tenants may not be relocated and are granted a lifetime lease with restrictions on rent increases.

3. Financial Assistance to Homebuyers

First-Time Homebuyer Program. The City offers income qualified buyers a “silent second” loan when purchasing condominiums at three complexes constructed with City subsidies. Loans are used for downpayment assistance and are deferred until time of sale, at which time the principal of the loan is transferred over to the new income-eligible buyer. If the unit were released from the program and sold to an income-ineligible buyer at an unrestricted price, the loan plus interest and appreciation share would be paid to City/Agency. Staff reports that this scenario rarely occurs; units are generally resold to income-qualified buyers at below-market-rate values.

In the past, the City has offered a similar program that could be used for homes throughout San Mateo. The program, which was adjusted a number of times over its existence, offered a maximum loan amount of 20 percent of the sales price or \$60,000, whichever is less. Interest and payments were deferred for five to ten years and amortized at 4 percent for 25 years. The program is currently on hiatus due to the lack of funding, and the City’s Housing staff continues to look for grants and other opportunities to restart the program. Staff also direct residents to other funding sources including CalHFA (California Housing Finance Agency) and the Housing Endowment and Regional Trust (HEART) of San Mateo County. A revived citywide program could assist buyers looking to live around the Hillsdale Station Area and other parts of San Mateo.

G. Station Relocation Financing

Because the relocation of the Hillsdale Station, and development of a new Transit Center, are key to the success of this Hillsdale Station Area Plan, a dedicated study was completed to examine costs and approaches to financing the relocated Transit Center. This study is included as Appendix C. Following are the study’s main findings:

- **Begin and maintain communication with the HSRA and Caltrain to assure that the project remains a priority for all stakeholders.** As the HSR project has already identified a need for an elevated four-track design in the Station Area with no at-grade crossings and the relocation of the Hillsdale Station, this sets the stage for the City to engage HSRA regarding financing these costs, as well as contributions to the cost of a new facility.
- **Examine the possibility of adding the project to the City CIP, the Bay Area TIP, and the State TIP.** The City will need to secure funding for the expanded sta-

tion costs, including parking garage and Transit Center improvements. Inclusion of the project in local, regional, and state improvement plans would signal the commitment of the City, MTC, and the State to the project, and make it eligible for federal, State, and local grants. At the same time, the City should monitor new and existing regional, State, and federal grant programs as funding becomes available.

- **Adopt a phased approach to this project, prioritizing the station and Transit Center construction prior to the parking garage.** The Transit Center garage makes up a substantial portion (about 60 percent) of expanded station construction costs for the new Hillsdale Station and Transit Center. Given this major investment, parking should occur on some combination of surface lots on the site and undeveloped parcels in the Bay Meadows Phase II area until ridership levels warrant a new garage and funding can be identified. That funding will most likely be grant funding, so the City and Caltrain will need to work together to identify appropriate pools of money and apply in advance of demand for structured parking.

H. Funding Sources

This section identifies potential funding opportunities that might be utilized to fund the implementation of the recommendations outlined in this Plan.

1. Local Sources of Funding

a. Development Impact Fees

Impact fees are fees levied upon new development to mitigate the effects of that development. Establishment of an impact fee requires documentation through a study that meets the requirements of AB 1600 to establish a clear nexus between the fee to be collected and the improvements that will mitigate the impact of development.

b. Community Development Block Grant

The City of San Mateo receives an annual share of the federal Community Development Block Grant (CDBG) funds for use in low-income areas of the City. Because much of the Station Area, as shown in Figure 8-1, includes a high percentage of residents earning below the area's median income, it is eligible for use of these funds. CDBG funds, however, are limited to expenditures that focus benefits on residents. This means that the funds cannot be used for Transit Center improvements that would primarily benefit commuters. However, streetscape improvements on the residential portions of 28th and 31st Avenues could potentially be funded with CDBG monies.

c. Transportation Improvement Fee Program

The City collects transportation fees as a condition of development approval. These fees are intended to defray the cost of transportation improvements that serve City-wide transportation needs. Several of the improvements identified in this Plan, and highlighted in Figure 7-1 of the Infrastructure chapter, would be eligible for this type of funding. This includes bicycle and pedestrian improvements, as well as the grade-separations and extensions of 28th and 31st Avenues.

2. State Funding for Transportation-Related Improvements

a. Local Transportation Fund (LTF)

Local Transportation Funds are generated by the Transportation Development Act (TDA) which returns ¼ cent of the general State sales tax to the source counties to fund transportation projects. TDA Article 3 provides for 2 percent of County TDA funds to be set aside for bicycle and pedestrian projects. Eligible projects include right-of-way acquisition; planning, design and engineering; and construction of bicycle and pedestrian infrastructure (including retrofitting to meet ADA requirements) and related facilities.

b. Caltrans Community-Based Transportation Program (CBTP)

The Caltrans CBTP grant program is primarily used to seed planning activities that encourage livable communities. Caltrans CBTP grants assist local agencies to better integrate land use and transportation planning, to develop alternatives for addressing growth and to assess efficient infrastructure investments that meet community needs. These planning activities are expected to help leverage projects that foster sustainable economies, increase available affordable housing, improve housing/jobs balance, encourage transit oriented and mixed-use development, expand transportation choices, reflect community values, and include non-traditional participation in transportation decision-making. CBTP grant-funded projects demonstrate the value of these new approaches locally, and provide best practices for Statewide application. CBTP grants require a local match.

c. Bicycle Transportation Account (BTA)

The Caltrans Bicycle Transportation Account provides State funds on a competitive basis for City and County projects that improve safety and convenience for bicycle commuters, including design, engineering, and construction of bicycle lanes and paths. To be eligible for BTA funds, a City or County must adopt a Bicycle Transportation Plan that complies with Streets and Highways Code Section 891.2. Nineteen projects

throughout the State received BTA funding during FY 2008-2009, for a total of \$7.2 million in BTA funds. BTA funds are awarded by Caltrans on an annual basis, with a call for proposals typically in the fall.

d. State Transportation Improvement Program (STIP)

The STIP is a multi-year capital improvement program of transportation projects on and off the State Highway System, funded with revenues from the State Highway Account and other funding sources. The STIP is composed of two sub-elements: the Regional Transportation Improvement Program (RTIP) and the Interregional Transportation Improvement Program (ITIP).

e. State Highway Operations and Protection Plan (SHOPP)

SHOPP is a multi-year program of capital projects whose purpose is to preserve and protect the State Highway System. The State Highway Operations and Protection Plan (SHOPP) is administered by Caltrans. Funding is comprised of State and federal gas taxes. SHOPP funds capital improvements related to maintenance, safety, and rehabilitation of State highways and bridges. Just over \$1 billion is allocated to SHOPP annually. Typically Caltrans decides where this money will be spent. Specific projects can be brought to the attention of SHOPP by contacting the appropriate program manager or appealing to the District's upper/executive management. Projects include rehabilitation, landscaping, traffic management systems, rest areas, auxiliary lanes, and safety improvements. Each project must have a completed Project Study Report to be considered for funding. Projects are developed in the fall of every odd numbered year.

f. Environmental Enhancement & Mitigation Program (EEMP)⁶

The EEMP is a State fund established by Caltrans to fund beautification improvements to roadsides to mitigate the effects of transportation projects. It offers a total of \$10 million each year for grants to local, State, and federal governmental agencies and to nonprofit organizations for projects to mitigate the environmental impacts caused by new or modified public transportation facilities. Typical grants range from \$200,000 to \$250,000. Up to 25 percent local matching is usually required. Eligible projects must be directly or indirectly related to the environmental impact of the modification of an existing transportation facility or construction of a new transportation facility. Grants are awarded in three categories. Highway Landscaping and Urban Forestry grants are given to projects designed to offset vehicular emissions of carbon dioxide. Resource Lands Grants are given to projects for the acquisition or enhancement of resource lands

⁶ California Resources Agency, <http://resources.ca.gov/eem/>, last checked November 16, 2010.

to mitigate the loss of, or the detriment to, resource lands lying within or near the right-of-way acquired for transportation improvements. Roadside Recreation Grants provide for the acquisition and/or development of roadside recreational opportunities.

g. Proposition 1C Housing Bond

The Proposition 1C Housing Bond was passed by voters in 2006, and will raise funds to provide \$2.85 billion to affordable housing and infrastructure across California. Funds are available from the California Department of Housing and Economic Development through a number of different grant programs for a variety of types of projects, including multifamily housing, Transit-Oriented Development projects, transitional housing, lower income housing, rehabilitation of owner occupied housing, assistance to low- and moderate-income home buyers, farm worker housing, housing for homeless, housing for homeless youth, and emergency housing. The bonds are also available for infrastructure improvements, including parks or open space; water, sewer, or other utility service improvements; streets, roads, parking structures, or transit linkages and facilities; pedestrian or bicycle transit facilities; and traffic mitigation.

HCD funding of Prop 1C programs has been subject to the State's financial crisis, so grants under this program are not consistently available.

3. Federal Funding for Transportation-Related Improvements

a. Surface Transportation Program

The Surface Transportation Program (STP) was established by the 1991 Federal Intermodal Surface Transportation Efficiency Act (ISTEA) and continued with the passage of the Transportation Equity Act for the 21st Century (TEA-21) and the TEA-21Restoration Act in 1998. Both new Acts are jointly referred to as TEA-21. Funds are directed to projects and programs for a broad variety of transit and highway work (including work done to streets and roads).

b. STP Safety Program

This funding source is a 10 percent set-aside from the federal Surface Transportation Program that provides funds for safety programs defined by Sections 130 (railroad-highway crossing improvements) the Hazard Elimination Safety Program (HES). Funds are available for safety improvements on all public roads and highways, including publicly-owned bicycle and pedestrian pathways. These funds serve to eliminate or reduce the number and/or severity of traffic accidents at locations selected for improvement. Eligible activities include roadway modifications, installation of traffic signals,

roadway striping, installation of curb ramps and crosswalks, and project engineering and construction. The program is administered by Caltrans, and funding is awarded annually on a competitive basis.

I. Phasing

The Station Area Plan is envisioned in three phases of development with a total Plan timeframe of 20 years. This section provides the general direction for the order of development and public improvements. This phasing strategy is conceptual and should remain flexible in order to respond to future market forces.

1. Phase 1: Prior to Hillsdale Station Relocation

It is likely that new development will proceed slowly until the economy recovers. The most readily available opportunity sites that do not require significant land assembly, for example at the far south of the Station Area, will likely develop in this phase. Case by case development will take place at infill sites that are not near grade separation parcels. Streetscape enhancements on El Camino Real and other streets could happen in this phase. During this Phase, the City should work with Caltrain to plan for station relocation and apply for grants and other funds to help pay for relocation. It is likely that the High Speed Rail Authority will be making design decisions during this phase, so the City should also reach out to the Authority to ensure that they understand the City's preference for station location and can accommodate it to the greatest extent possible.

2. Phase 2: Grade Separation and Hillsdale Station Relocation

In this Phase, the major infrastructure improvement will be the grade separations of Caltrain at 25th, 28th, and 31st Avenues, preparations for High Speed Rail, and the relocation of the Hillsdale Station. A new Transit Center and parking structure will be built to accommodate the immediate increased demand for rider parking, while some temporary parking lots will remain to offset excess demand. The City and Caltrain should work together with Bay Meadows Phase II to identify locations for temporary Transit Center parking that are convenient for passengers and do not restrict Bay Meadows Phase II from moving forward with construction when it is ready to take place. If the City has found only partial funding for station relocation, it should consider working with Caltrain to relocate the station and provide the associated improvements over a period of time. During this Phase, private developers are likely to increase investment in the Hillsdale Station Area. Bay Meadows Phase II will be underway and possibly completed in this phase as well.

3. Phase 3: Fill in the Gaps

Phase Three is the eventual build-out of the Station Area Plan. Bay Meadows Phase II will be fully realized, prompting a larger demand for Caltrain parking. A second parking garage will be constructed on the Bay Meadows Phase II site. Renovations and additions to the Hillsdale Shopping Center could potentially improve connectivity to the Station and surrounding context.

J. Next Steps

1. Initiate Design Process for Public Improvements

This Plan proposes conceptual public improvements, such as the streetscape improvements envisioned on El Camino Real and 25th Avenue, and plaza spaces at the Transit Center. The City should commence more detailed design proposals, cost refinements, and evaluation of opportunities for phasing. The City should work with the Joint Powers Board (JPB) to ensure that the new Transit Center Plaza is consistent with the community's vision for a public gathering space.

2. Initiate Discussions with Developers

The recommendations proposed for the Hillsdale Shopping Center are meant to be conceptual ideas to initiate open communication for the future of a large portion of the Station Area. The City and developers of the site should create a private-public partnership to ensure each side's concerns and desires are heard.

3. General Plan and Zoning Ordinance Amendments

In order to implement the policies, guidelines, and standards incorporated into this Plan, technical amendments to the General Plan and Zoning Ordinance must be prepared. These amendments will codify the concepts included in this Plan into these other, important regulatory documents, and have been adopted in conjunction with this Plan.

4. Redesignate and Rezone the Existing Hillsdale Station Parcel

At the time of relocation of the Hillsdale Station to a site between 28th Avenue and 31st Avenue, encourage the owner of the parcel that the existing station occupies is encouraged to request rezoning of the parcel. This plan proposes the following:

- Following station relocation, a rezoning by the property owner of the parcel north of Hillsdale Boulevard and between El Camino Real and the Caltrain tracks to TOD is encouraged. This parcel will also need to be divided up into two parcels

to allow for the train tracks to continue to be designated Transportation Corridor. Such a rezoning and parcel division would be subject to normal City review and requirements.

5. Create a Station Integration Plan

In conjunction with Bay Meadows Phase II, as well as other property owners, the City should create a Station Integration Plan, as called for in the Conditions of Approval for the Bay Meadows Phase II Site Plan and Architectural Review Planning Applications. It will address items such as appropriate wayfinding signage, fence and gate locations from adjacent properties that abut the viaduct, and other items related to the smooth functioning of the future station once the station design becomes more developed. The wayfinding program should provide a consistent, easy to read, easy to find, and hierarchical set of signage with information to direct passengers to the Station. Stakeholders in the Plan will include Mid-Peninsula Housing, Bay Meadows II master land developer, the owners and developers of the Bay Meadows II Station Blocks, or portions thereof, representatives from impacted Bay Meadows II and El Camino Real businesses, and representatives from the Bay Meadows II master homeowner's association. This effort should focus on clearly identifying the location of the Hillsdale Station, directing passengers to the station from neighboring locations, and creating a cohesive identity for the station. It should also reinforce CPTED-related design guidelines found in Chapter 5: Urban Design to create a safe environment at the Hillsdale Station.

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