



**SPUR**

POLICY BRIEF  
DECEMBER 2025

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# Getting In on the Ground Floor

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Activation strategies for  
downtown San José



# Acknowledgments

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# Introduction

Downtown San José is the South Bay's most dense, walkable, transit-rich, and culturally dynamic urban center. In the last few years, the city implemented land use plans to attract development near existing and future downtown transit stations, invested in major infrastructure projects such as the BART extension and Santa Clara Street, and partnered with employers and developers to bring more housing downtown. Robust nightlife continues to attract evening and late-night visitors downtown, and San José State University's new student housing has boosted foot traffic. However, since the COVID-19 pandemic, a weakened real estate market, combined with the persistence of hybrid work, has contributed to high vacancies in office and commercial buildings. Long-term commercial vacancies and low daytime foot traffic continue to hinder the ability of both new and established businesses to thrive.

Like many urban centers in the United States, downtown San José is in a vicious cycle — vacant and underutilized properties discourage pedestrian activity, which in turn hurts remaining businesses and makes new investment hard to attract. Yet downtown's empty ground-floor spaces present a huge opportunity to attract visitors and patrons for local businesses and to reinvigorate downtown streets.

SPUR has identified five key strategies to capitalize on this opportunity:

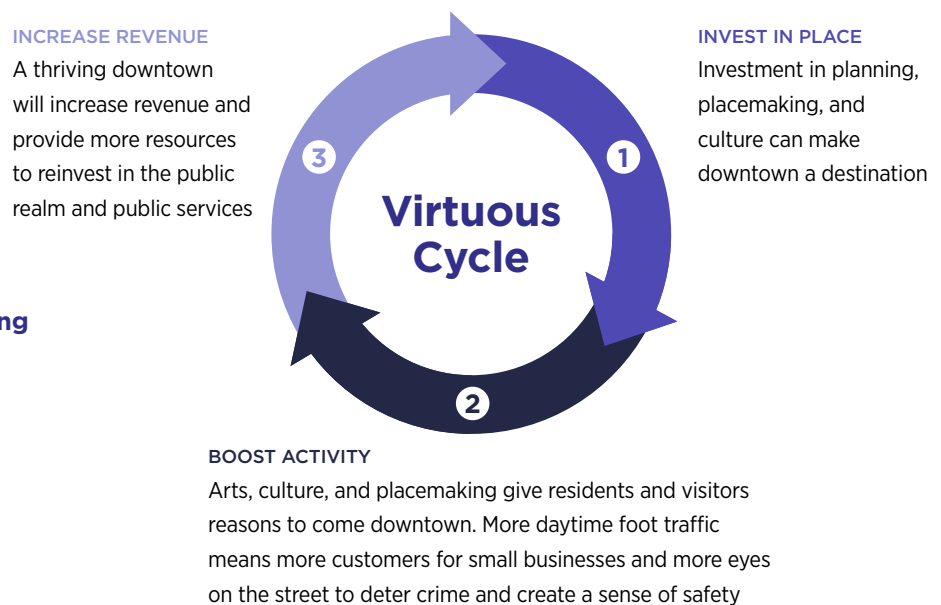
1. Expand the capacity of effective city programs for permitting, placemaking, and public realm improvements by adding staff and funding or by broadening eligibility criteria for program participants.
2. Use incentives and support services to encourage property owners to keep vacant properties in good condition and to find new tenants. Penalize bad actors judiciously.
3. Streamline bureaucratic processes and provide technical support for property owners, small businesses, and arts organizations to help them activate vacant or underutilized ground-floor spaces.
4. Invest in public realm improvements that make it easier and more pleasant for pedestrians to move through and between downtown neighborhoods.
5. Partner with local artists and cultural organizations to develop and implement a comprehensive cultural planning strategy.



This policy brief's recommendations aim to create a virtuous cycle in which ground-floor activation and public realm improvements attract visitors and patrons to local businesses, reinvigorating downtown streets (Exhibit 1). These are near-term recommendations that do not hinge on the factors that will shape the broader transformation of downtown San José. The city's long-range plans include converting obsolete office spaces, building new housing, bringing workers downtown, and boosting tourism. The envisioned transformation requires significant resources and will be shaped by factors largely outside of the city's control, such as general economic conditions, the cost of construction materials, and the availability of labor and private capital. In the interim, our recommendations could quickly improve conditions downtown for residents, visitors, employees, small business owners, artists, and all San Joséans.

**EXHIBIT 1**  
**Investing in Creative Placemaking**  
**Can Create a Virtuous Cycle of**  
**Neighborhood Revitalization**

Source: SPUR.



## SPUR's Approach

In 2024, SPUR began studying new ways to revitalize downtown San José, starting with a workshop convening city leaders, major employers, community groups, urban planners, designers, and other civic leaders. Working with the firm Community Planning Collaborative, we identified four sets of questions that guided our research:

- How can San José activate vacant spaces on the ground floor to create a more welcoming and prosperous mixed-use district? What types of tenants could likely work in these spaces?
- What would motivate property owners to lease spaces to unconventional tenants (such as artists, small businesses, and cultural organizations)? What creative financing strategies could make this strategy work at scale?<sup>1</sup>

<sup>1</sup> Sujata Srivastava, "Developing the Next Steps to Revitalize Downtown San José," *SPUR News*, May 17, 2024, <https://www.spur.org/news/2024-05-17/developing-next-steps-revitalize-downtown-san-jose>.

- How can partnerships between the city and its arts, culture, and educational institutions be strengthened and maximized to enhance their impact on downtown?
- How can San José develop an arts, culture, and education strategy for successful neighborhood revitalization?

To answer these questions, we conducted individual interviews and technical working groups with arts and culture organizations, funders, educational institutions, small business leaders, community groups, architects, developers, and city staff. We then developed policy recommendations, with a special focus on small-scale, short- and medium-term solutions and practical tactics for ground-floor activation.

This policy brief summarizes our analysis of the key causes of commercial ground-floor vacancies, as well as the needs of small businesses and artists seeking spaces in downtown San José. Drawing on SPUR's long-term vision for downtown San José,<sup>2</sup> insights from stakeholder and working group discussions, and best practices to support arts and cultural districts from around the country,<sup>3</sup> we outline the obstacles stymying economic recovery and new development downtown and explore short- and medium-term solutions to support thriving arts and small business sectors downtown.

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<sup>2</sup> Egon Terplan, *The Future of Downtown San José: How the South Bay's Urban Center Can Achieve Its Potential*, March 2014, SPUR, <https://www.spur.org/publications/spur-report/2014-03-17/future-downtown-san-jose>.

<sup>3</sup> Erika McLitus and Sujata Srivastava, *Culture As Catalyst: How Arts and Culture Districts Can Revitalize Downtowns*, January 2025, SPUR, <https://www.spur.org/publications/policy-brief/2025-01-23/culture-catalyst>.

# Findings

San José has sought to position itself as the cultural and entertainment hub of Silicon Valley, but in the wake of the COVID-19 pandemic, downtown has been challenged by anemic foot traffic and persistent vacancies on the ground floor. City leaders and community stakeholders recognize that revitalizing the arts and culture sector is crucial to driving social and economic activity downtown, and SPUR research confirms that there are many opportunities to fortify existing cultural assets through policy and programs. In the short term, San José should begin with filling vacant ground-floor spaces, which would provide benefits to residents, visitors, small businesses, artists, and nonprofit organizations relatively quickly. In the longer term, the city should capitalize on the success of these activations to create a lasting place-based strategy in downtown San José that centers arts, culture, and entertainment.

## The Long-Term Opportunity: Building the Cultural Economy

City leaders and community stakeholders have long sought ways to help San José maximize its potential to become the entertainment and cultural center of Silicon Valley. Arts and culture enrich civic life and offer many social and economic benefits to the community. A recent study found that San José's nonprofit arts and culture industry generated \$292 million in economic activity during 2022, supporting jobs and residents while producing more than \$6 million in local tax revenue.<sup>4</sup>

In the wake of the pandemic, strengthening arts and culture to increase social and economic activity became a key component of the city's downtown revitalization strategy. New programs to support short-term activations like temporary art installations and pop-up shops for artists and entrepreneurs were incorporated into the city's existing suite of arts and culture grant programs. However, the city does not currently have an up-to-date cultural plan for downtown or the city at large. San José's most recent cultural plan, *Cultural Connection*,<sup>5</sup> was completed in 2011 and established a 10-year plan to improve partnerships between the city and community partners, align goals and resources, and inform updates to the city's general plan, *Envision San José 2040*. San José reviews the general plan every four years to evaluate progress toward goals and make

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<sup>4</sup> Randy Cohen, *Arts & Economic Prosperity 6: The Economic & Social Impact Study of Nonprofit Arts & Culture Organizations and Their Audiences in City of San José*, 2023, Americans for the Arts, <https://www.sanjoseca.gov/home/showpublisheddocument/106752/638345991120200000>.

<sup>5</sup> Office of Cultural Affairs, City of San José, *Cultural Connection*, February 2011, <https://www.sanjoseca.gov/home/showpublisheddocument/2116/636625807188530000>.

adjustments as necessary. The latest review cycle began in October 2025 and will conclude in June 2026, providing a timely opportunity to update and expand the arts and culture component.

The idea of a place-based cultural arts strategy is not new. For decades, American cities have celebrated and invested in existing arts and cultural resources to activate dormant urban areas, attract new investment, and help property owners find new uses for vacant commercial properties. Public art, art and cultural institutions, entertainment venues, and other cultural resources enhance the daily life of residents and generate millions of dollars in annual revenue by attracting visitors who support other local businesses.

Prior to conducting more focused research in downtown San José, we examined successful arts and culture strategies in four cities that have made significant public and private investments in arts and culture to preserve and promote neighborhoods and districts: Boston, Cleveland, Denver, and Philadelphia. These cities relied on mutually beneficial partnerships among local government, business and property owners, community leaders, and artists and cultural institutions to use cultural assets as anchors and attractions. Our research, detailed in our brief *Culture As Catalyst*, revealed five key lessons that helped these initiatives succeed:

- Commit to consistent funding.
- Plan for long-term community development.
- Use underutilized spaces creatively.
- Nurture private sector involvement.
- Invest in public realms to strengthen cultural districts.<sup>6</sup>

San José has no formal cultural district program, but it does have three unofficial districts with a high concentration of historic and cultural resources:

- **The city's historic Japantown neighborhood** is one of only three remaining Japantowns in the country.<sup>7</sup> Its cultural assets have been preserved through community and state investment, and the neighborhood continues to provide vibrant cultural programming for residents and visitors.<sup>8</sup>
- **SoFA (South First Area)** was created in the 1990s to revitalize a neglected section of the city's downtown through a private partnership of participating area businesses, theaters, museums, and cultural organizations. Dubbed "Silicon Valley's Creative District," SoFA includes historic theaters, nightclubs, restaurants, public parks, and several museums and galleries, such as the Institute of Contemporary Art San José, the Movimiento de Arte y Cultura Latino Americana, and the San José Museum of Quilts & Textiles.

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<sup>6</sup> Erika McLitus and Sujata Srivastava, *Culture As Catalyst: How Arts and Culture Districts Can Revitalize Downtowns*, January 2025, SPUR, <https://www.spur.org/publications/policy-brief/2025-01-23/culture-catalyst>.

<sup>7</sup> Japantown Business Association, "Japantown Landmarks: Cultural and Historical," <https://www.japantownsanjose.org/landmarks>.

<sup>8</sup> Senate Bill 307, 2001-2002 Reg. Sess., ch. 879, 2001 Cal. Stat., [http://www.leginfo.ca.gov/pub/01-02/bill/sen/sb\\_0301-0350/sb\\_307\\_bill\\_20011014\\_chaptered.html](http://www.leginfo.ca.gov/pub/01-02/bill/sen/sb_0301-0350/sb_307_bill_20011014_chaptered.html).

→ **San José's LGBTQ+ business district, Qmunity**, was established in 2020 through a public-private partnership of the City of San José's Council District 3 and Office of Economic Development and Cultural Affairs, the nonprofit organization Project MORE, the San José Downtown Association, and other local businesses. Located downtown on Post Street, Qmunity features distinctive signage, an LGBTQ+ mural, and other amenities to attract visitors and support LGBTQ+ businesses.<sup>9</sup>

In recent years, local coalitions have advocated for establishing new, connected cultural districts in and around downtown San José to celebrate and preserve the city's existing arts and cultural resources, to activate vacant ground-floor spaces, and to revitalize downtown. In the Mayfair area of East San José, the School of Arts and Culture (SOAC) at Mexican Heritage Plaza has raised nearly \$25 million to support its efforts to establish a cultural district along the Alum Rock Avenue Corridor. SOAC's La Avenida project aims to revitalize the corridor by acquiring vacant commercial properties to expand cultural programming and family wellness services; to build mixed-use retail, education, and affordable housing developments; and to apply for recognition from the California Cultural Districts program. SOAC believes that becoming an official cultural district would create more opportunities for current residents and businesses while celebrating the history of arts, culture, and activism in East San José.<sup>10</sup>

While developing and implementing a comprehensive arts and culture strategy represents a longer-term effort, there are interim measures that can bring more activity downtown, including tactical interventions to help fill commercial vacancies and improve the public realm.

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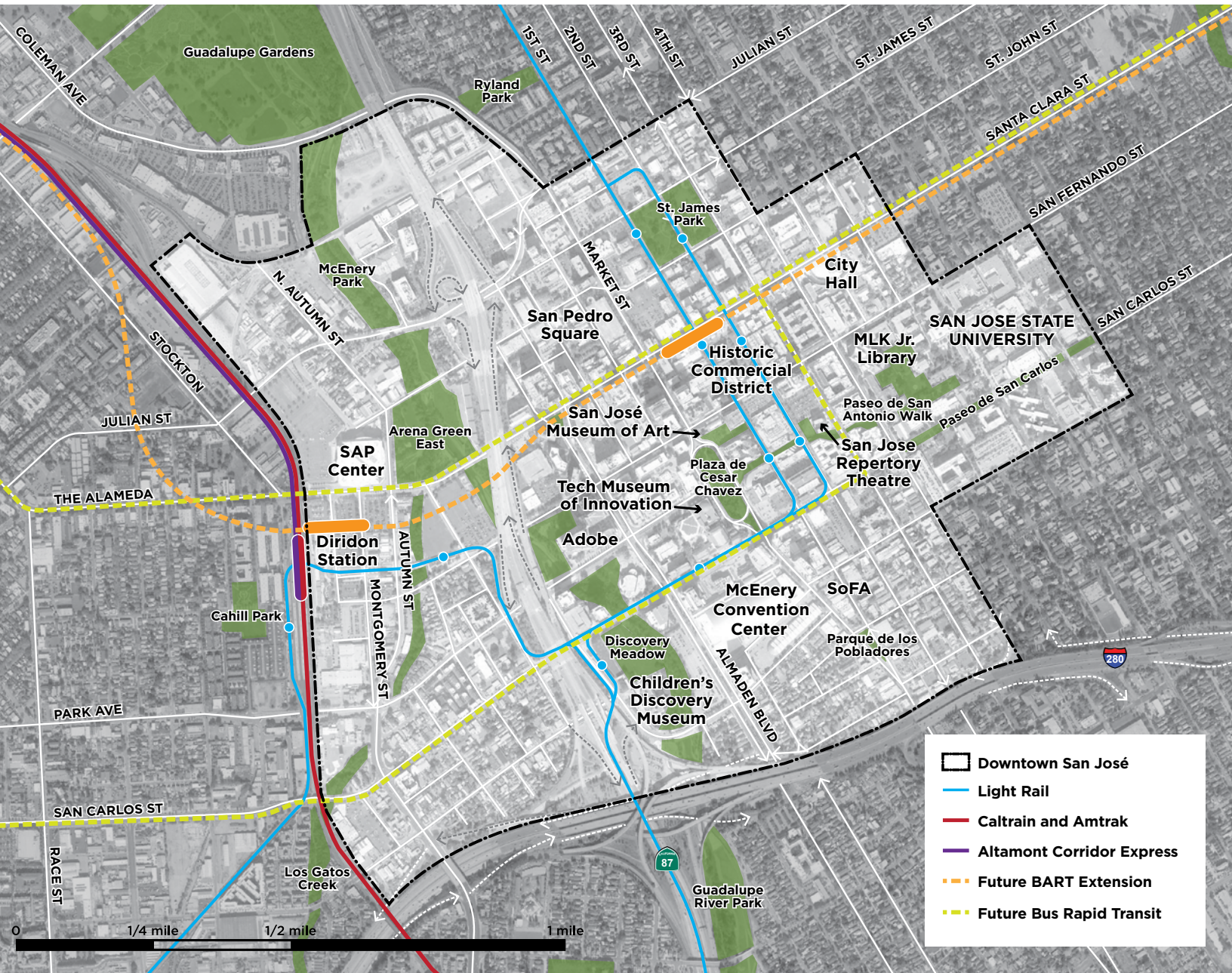
<sup>9</sup> Qmunity District, "The Goal," <https://qmunitydistrict.org>.

<sup>10</sup> School of Arts and Culture, Mexican Heritage Plaza, "La Avenida," <https://www.schoolofartsandculture.org/cultural-district>.



## The Immediate Challenge: Filling Vacant Ground-Floor Spaces

Downtown San José spans several neighborhoods, featuring amenities such as open spaces, transit connections, art and cultural institutions, and other key attractions, including San José State University, the SAP Center arena, and the McEnery Convention Center (Exhibit 2).



### EXHIBIT 2

#### Downtown San José's Key Attractions Are Spread Across Several Neighborhoods

Source: SPUR, *The Future of Downtown San José*, <https://www.spur.org/publications/spur-report/2014-03-17/future-downtown-san-jose>.

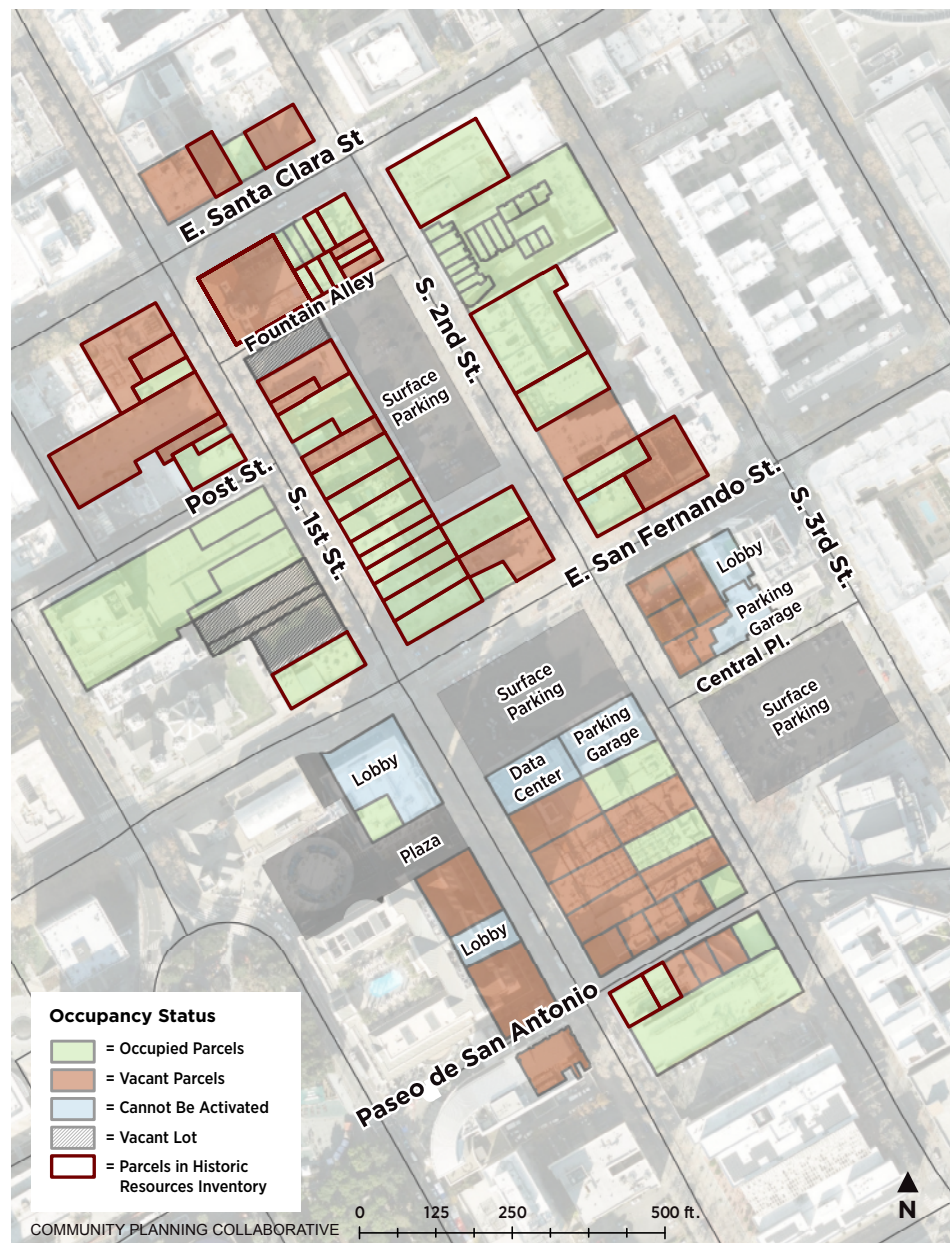


For this brief, SPUR selected an area in the historic downtown district for a deeper analysis of the factors driving high commercial ground-floor vacancies. The walkable area — bounded by E. Santa Clara Street to the north, S. 2nd Street to the east, Paseo de San Antonio to the south, and S. 1st Street to the west — is well connected to transit and key destinations, including San Pedro Square, San José State University, and City Hall (Exhibit 3). Many of its historic buildings have previously housed commercial tenants on the ground floor. These “second-generation” spaces are typically easier to lease than unfinished, newly built spaces, but in the current climate, even they are experiencing high vacancies. The causes of these vacancies can inform strategies not only for the study area but also for downtown as a whole.

### EXHIBIT 3

#### The Study Area Includes Historic Buildings With Commercial Vacancies

Source: Community Planning Collaborative.



Analysis of commercial vacancies in the study area revealed three types of underutilized spaces: (1) sites where planned development projects have stalled (“stuck sites”), (2) second-generation spaces that require expensive upgrades to be filled or demand rents that are out of reach for small businesses, and (3) spaces that have tenants but are either inactive or open only in the evening.

These three types of underutilized spaces point to challenges for property owners and small business owners, as well as to public realm/urban design issues.

## Property Owner Challenges

**Many property owners still have expectations of achieving higher rents and have not adjusted rents to reflect current economic conditions.** Before the pandemic, many downtown commercial spaces were occupied by large businesses and national chains on long-term leases. Several new development projects were planned to replace obsolete older buildings and bring new residents and businesses downtown. But the economic downturn during and after the pandemic disrupted these patterns and expectations, accelerating a long-term trend of national chains reducing their brick-and-mortar portfolios in response to increased rates of online shopping and other factors.

**Some properties are vacant because the planned development project has stalled.** Within the study area, several development projects have stalled due to market and financing challenges (Exhibit 4). Property owners, developers, and other stakeholders must work to find solutions to move these projects forward in an uncertain investment climate. In some cases, project applicants are pursuing revisions to their entitlements, often seeking to convert office spaces to residential uses.

**Many of the vacant spaces would require costly upgrades to attract the types of tenants that would be interested in moving downtown today.** Some property owners are interested in leasing to small businesses but are unable to fund required improvements to their spaces. Larger commercial tenants struggle to afford updates on “cold-shell” spaces (new, never-leased spaces lacking interior finishes and functional HVAC, plumbing, and electrical systems), and upgrading more affordable second-generation spaces is still cost-prohibitive for many small businesses, arts organizations, and nonprofit tenants. Historic properties can be particularly expensive and time-consuming to upgrade due to the scale of renovations needed and the additional layer of bureaucratic review the renovations are subject to.

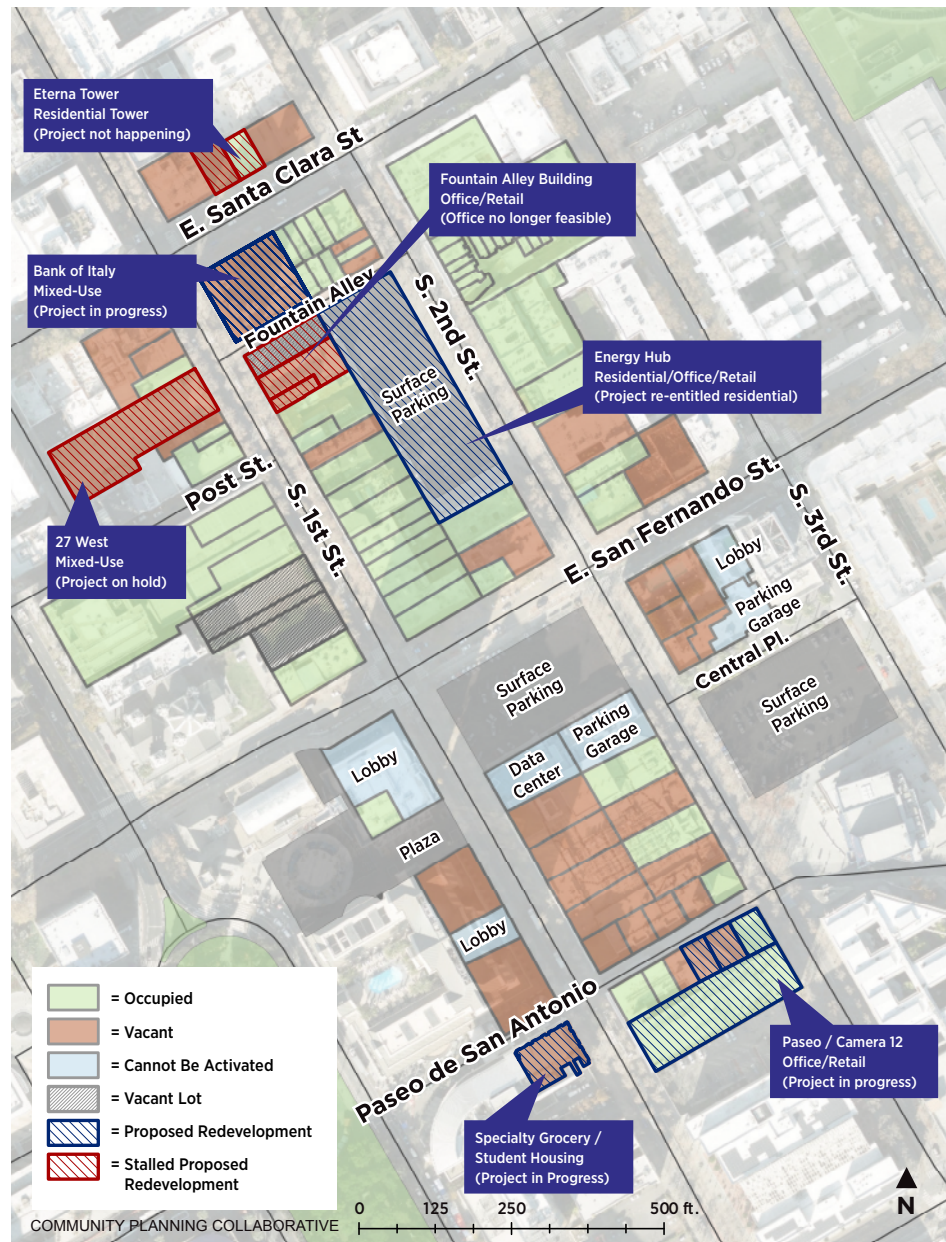
**“Mom-and-pop” landlords are unfamiliar with the processes required to upgrade their buildings and find new tenants.** Interviews with city staff who work with property owners on vacancy abatement reveal that most downtown landlords are interested in finding new tenants or maintaining and upgrading their commercial properties. To find tenants or navigate the city’s permitting process to complete renovations, some property owners require technical assistance, including language access, referral to city and county resources, and general education about their options and obligations.



## EXHIBIT 4

### Market and Financing Challenges Have Stalled Some Downtown Development Projects, Leaving Spaces Vacant or Underutilized

Source: Community Planning Collaborative.



## Small Business Owner Challenges

**Market-rate rents are out of reach for some prospective tenants, especially if they are startups or inexperienced with brick-and-mortar locations.** Many small businesses, including artists, entrepreneurs, restaurateurs, and community organizations, have expressed interest in establishing a physical presence downtown. However, even with many vacancies, small businesses and arts organizations struggle to find suitable spaces downtown due to the high cost of market-rate rent, a lack of interest from commercial landlords, and the prohibitively expensive tenant improvements required for second-generation and cold-shell spaces. Small businesses that can secure leases

on downtown spaces and have the funds to undertake tenant improvements still face financial challenges, including administrative costs and lost revenue, as they navigate both city and county permitting processes.

**Local permitting processes are a high hurdle for small businesses, artists, and nonprofit organizations.** The city's Small Business Ally program offers streamlined permitting review for small businesses (particularly restaurants). It provides technical support and oversees expedited, cross-departmental plan and permit review to reduce the administrative burden on small business owners and help them begin operating as soon as possible. However, the Santa Clara County Public Health Department is not part of this program and does not currently offer expedited permit review, so many businesses still face delays after receiving necessary permits and approvals from the city. These delays extend the period during which small business owners pay to lease commercial spaces that cannot generate revenue.

Photo by Lanny Nguyen for SPUR





## Public Realm and Urban Design Challenges

**Auto-oriented patterns of development deter foot traffic from one neighborhood to another.**

The city has struggled to establish clear pedestrian and transit connections that allow residents and visitors to easily move between neighborhoods and that link key attractions (such as San José State University, the SAP Center arena, and the McEnery Convention Center) with local businesses.

**Within the study area, at-grade light rail tracks and safety fencing on 2nd Street can impede pedestrian movement.** Currently, light rail runs down both 1st Street and 2nd Street. Pedestrians must take longer, less intuitive routes to navigate around train tracks and fencing, making it less appealing to explore downtown on foot. The Santa Clara Valley Transportation Authority (VTA) is studying alternatives for addressing these challenges, including consolidating both tracks on 1st Street.

**A lack of gathering spaces negatively impacts the area's overall vibrancy.** Public gathering spaces create hubs of activity that generate interest, encourage visitors to patronize other downtown businesses, and increase perceived safety. Without these placemaking investments, the city's efforts to revitalize downtown and boost tourism through large cultural and entertainment events have limited reach.

**Some private business owners find that city regulations overly restrict their ability to test innovative solutions to new economic conditions.** Even relatively inexpensive and patron-friendly measures, such as adding al fresco dining, can run afoul of Public Works Department restrictions or require an extensive approval process.

# Recommendations

Informed by our research on successful arts and culture strategies in other American cities, by analysis of the different characteristics and challenges of stuck sites, and by interviews with key stakeholders, the working group developed recommendations to activate ground-floor sites as the first step in revitalizing downtown San José. Notably, city leaders and staff have already begun to develop and implement policies and programs that support downtown revitalization; therefore, some of our recommendations are to expand or modify these initiatives to increase their impact.

## **Strategy 1: Expand the capacity of effective city programs for permitting, placemaking, and public realm improvements by adding staff and funding or by broadening eligibility criteria for program participants.**

### **RECOMMENDATION 1**

#### **Make the city's temporary Al Fresco Initiative permanent.**

*Lead agencies: Office of Economic Development and Cultural Affairs (OEDCA), Public Works Department (PW)*

City leaders and community stakeholders should thoughtfully engage with the built environment to imagine and implement interventions that will make it easier and more pleasant for people to move through and between downtown neighborhoods. The city can support existing businesses by making the Al Fresco Initiative permanent and by standardizing how the Public Works Department responds to requests to allow sidewalk dining or other business-led activations in the public right-of-way, including guardrail requirements and other safety measures.<sup>11</sup>

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<sup>11</sup> Erika Pinto, Leah Chambers, and Kristen Hall, *Making Al Fresco Work: Leveraging San José's Temporary Outdoor Dining Initiative to Enliven Neighborhoods and Create Economic Stability*, June 2023, SPUR, <https://www.spur.org/publications/spur-report/2023-07-10/making-al-fresco-work>.



Photo by Lanny Nguyen for SPUR

## RECOMMENDATION 2

**Increase staffing for the Streamlined Restaurant and Small Business Ally programs to provide technical assistance for small businesses navigating the permitting process.**

*Lead agencies: Department of Planning, Building, and Code Enforcement (PBCE), OEDCA*

The city should help small businesses navigate permitting and inspections by hiring additional staff for the Small Business Ally and Streamlined Restaurant programs. It may be prudent to adjust eligibility requirements of the Streamlined Restaurant program to allow more businesses to participate, including eligible restaurants in larger commercial spaces (up to 8,000 square feet).

## RECOMMENDATION 3

**Advocate for expanded funding for MOMENT and the Storefront Activation Grant program.**

*Lead agencies: San José Downtown Association (SJDA), OEDCA*

The city has already launched two successful programs that focus on activating vacant spaces: MOMENT (see Recommendation 6) and the Storefront Activation Grant program.<sup>12</sup> Providing

<sup>12</sup> The city's Storefront Activation Grant program provides financial assistance to help small ground-floor businesses activate vacant commercial storefronts or improve their exteriors.



additional funding for both programs would allow more businesses to participate. Additionally, the city should consider adjusting program requirements for MOMENT to loosen location and tenant type requirements.



Photo by Lanny Nguyen for SPUR

#### RECOMMENDATION 4

**Create an arts ally program to provide technical assistance to arts and culture organizations navigating the permitting process.**

*Lead agency: OEDCA*

The city should create a program for arts and culture organizations that's similar to its Small Business Ally program. The envisioned arts ally program would not only provide technical assistance with permitting but would also help connect artists with activation ideas and with property owners interested in temporary installations or other ground-floor activation treatments, as well as provide funding to execute these ideas and treatments.

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## **Strategy 2: Use incentives and support services to encourage property owners to keep vacant properties in good condition and to find new tenants. Penalize bad actors judiciously.**

### **RECOMMENDATION 5**

#### **Reduce city fees on properties that participate in short-term activations.**

*Lead agency: PBCE*

The city should incentivize property owners to improve stuck sites, fill vacant properties, and activate underutilized spaces, employing penalties only as a final resort. City leaders could consider offering financial incentives for property owners who agree to participate in short-term activations such as small business pop-ups or temporary art installations. These incentives might include reducing city fees or waiving fines for blighted properties in response to good-faith efforts.

### **RECOMMENDATION 6**

#### **Provide technical assistance to property owners who are motivated to improve their buildings and find tenants.**

*Lead agencies: OEDCA, SJDA*

The city should increase its capacity to provide technical assistance for property owners, including supporting them through the permitting process for renovating or improving their buildings and connecting them with potential tenants through programs such as MOMENT.<sup>13</sup> During interviews, city staff described these services as instrumental in encouraging property owners to address long-standing issues but emphasized that providing them is time-consuming and resource-intensive. Offering these services to more property owners would require additional funding and staff to meet demand.

### **RECOMMENDATION 7**

#### **Employ fines and legal options to address blighted and vacant properties that have not addressed code violations.**

*Lead agency: PBCE*

The city should fine properties that are vacant for multiple years and have unaddressed code violations, and it should consider stricter enforcement of existing fines, such as liens or lawsuits. City leaders have recently increased the maximum daily fines for blighted properties from \$2,500 to \$20,000, targeting wealthy or absentee owners who have ignored repeated requests to address health and safety hazards on their properties.<sup>14</sup> We recommend a similar approach for extended

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<sup>13</sup> In 2018, the city partnered with the San José Downtown Association and San José Made to support a new initiative, MOMENT, to help incubate new small businesses and activate large vacant or underutilized spaces downtown. MOMENT allows multiple small businesses with limited financial resources to share a larger commercial space with a single lease. Property owners trust that MOMENT, backed by the city, will pay rent regardless of how individual small businesses perform. Participating businesses pay a portion of their revenue in rent, ideally becoming self-sufficient and graduating to market-rate spaces over time. The program has successfully activated several vacant or underutilized spaces and could continue to expand. However, program requirements and property owner interest limit the number of suitable locations and tenant types.

<sup>14</sup> Brandon Pho, "Fines to Skyrocket for San José Blighted Property Owners," *San José Spotlight*, August 28, 2025, <https://sanjosespotlight.com/fines-to-skyrocket-for-san-jose-blighted-property-owners>.

commercial vacancies — one that allows the city to impose more strident penalties on bad actors but offer latitude for property owners who make good faith efforts to find new tenants or allow temporary activations for vacant ground-floor spaces. Revenues from these fines could be used to fund successful programs, such as MOMENT and the Small Business Ally program, or to provide additional technical support for property owners.

#### **RECOMMENDATION 8**

**Require new development projects with ground-floor commercial spaces to build restaurant-ready spaces and reduce the amount of required commercial ground-floor retail.**

*Lead agency: PBCE*

We recommend that San José adjust its building code requirements to ensure that new ground-floor spaces do not face the same leasing challenges as recently completed projects. Requiring new development projects with ground-floor commercial spaces to build in basic finishings and upfront systems for HVAC, grease traps, and other features of full-service restaurants would avoid some unnecessary additional expense that comes with retrofitting the space to accommodate these features. We heard repeatedly that these costly tenant improvements can keep many existing sites vacant.<sup>15</sup> Additionally, reducing the amount of commercial ground-floor retail that is required downtown would allow new developments to scale spaces appropriately for small businesses. These adjustments reflect the lessons learned from current challenges and aim to prevent similar issues from arising during future periods of economic instability.

**Strategy 3: Streamline bureaucratic processes and provide technical support for property owners, small businesses, and arts organizations to help them activate vacant or underutilized ground-floor spaces.**

#### **RECOMMENDATION 9**

**Add the Santa Clara County Department of Public Health to the permit streamlining program.**

*Lead agencies: Santa Clara County Department of Public Health, PBCE*

If financially feasible, the city should consider a formal partnership to allow staff from the Santa Clara County Department of Public Health to participate in the Streamlined Restaurant and the Small Business Ally programs, thereby significantly reducing permitting costs and delays for small businesses.

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<sup>15</sup> Benjamin Grant and Kristy Wang, *Cracking the Code: Zoning and Code Reform in San José's Urban Growth Areas*, March 2017, SPUR, <https://www.spur.org/publications/policy-brief/2015-11-13/cracking-code>.



## **Strategy 4: Invest in public realm improvements that make it easier and more pleasant for pedestrians to move through and between downtown neighborhoods.**

### **RECOMMENDATION 10**

#### **Limit public parking on the ground floor and discourage new surface parking downtown.**

*Lead agency: PBCE*

The city should limit public parking on ground floors and discourage new surface parking downtown to reduce inactive spaces.<sup>16</sup>

### **RECOMMENDATION 11**

#### **Leverage Santa Clara Valley Transportation Authority's research on consolidating light rail on 1st Street to enable a more pedestrian-friendly environment and to support ground-floor commercial tenants.**

*Lead agencies: PBCE, PW, OEDCA*

Currently, light rail runs down both 1st Street and 2nd Street. At-grade train tracks and fencing force pedestrians to take less direct routes for safety and make it frustrating to navigate downtown on foot. Additionally, light rail operators report that frequent interactions with cars and pedestrians force them to drive very slowly down the corridor. Consolidating light rail operations on one street

Photo by Lanny Nguyen for SPUR



<sup>16</sup> Egon Terplan, *The Future of Downtown San José*, March 2014, SPUR, <https://www.spur.org/publications/spur-report/2014-03-17/future-downtown-san-jose>

would help address these complaints and establish 2nd Street as a pedestrian-friendly corridor.<sup>17</sup> The city should encourage VTA to implement its plans to consolidate light rail on 1st Street if feasible. This long-term transit improvement project would allow the city to remove fencing and other barriers on 2nd Street, creating a more pedestrian-friendly environment. While this recommendation is more complex than the short- and medium-term solutions included in this brief, we believe that continued advocacy can support VTA's efforts to get this project funded and completed.

## **Strategy 5: Partner with local artists and cultural organizations to develop and implement a comprehensive cultural planning strategy.**

### **RECOMMENDATION 12**

#### **Engage the community in developing a comprehensive cultural planning strategy.**

*Lead agency: OEDCA*

The city should engage local artists and cultural institutions as partners to create and implement a new long-term creative placemaking strategy for downtown San José. The city's most recent cultural plan was completed in 2011. San José can use the extensive public engagement process planned for the 2025–2026 review of the Envision San José 2040 General Plan to update and expand the arts and culture component to incorporate a more comprehensive strategy. This updated plan would articulate a vision for promoting and protecting San José's arts and culture and empowering artists, cultural practitioners, and institutions to shape funding programs according to their needs. Additionally, the plan would guide investment in public art installations and would forge meaningful partnerships among city staff, artists, developers, and local businesses.

### **RECOMMENDATION 13**

#### **Partner with philanthropic organizations to provide grants for artists to create installations and concepts for inactive ground-floor spaces.**

*Lead agency: OEDCA*

The city should partner with philanthropic organizations to expand grant funding for artists. As we explored in *Culture As Catalyst*, successful arts and culture strategies in other American cities demonstrate that investing in creative placemaking and public art installations can generate revenue, drawing visitors to unique cultural experiences and increasing foot traffic on commercial corridors.

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<sup>17</sup> Valley Transportation Authority, "Downtown San Jose Light Rail Realignment," <https://www.vta.org/projects/downtown-san-jose-light-rail-realignment>.

# Conclusion

Downtown San José is the urban heart of the South Bay. The dense, walkable, transit-rich, and culturally diverse neighborhoods that comprise downtown will recover when economic conditions allow downtown development projects to resume, bringing new residents and workers downtown. In the near term, the city can help artists, cultural organizations, and small businesses capitalize on the opportunities that these vacant spaces present by (1) expanding the capacity of effective city programs to make public realm improvements, (2) using incentives and support services to encourage property owners to keep vacant properties in good condition and to find new tenants, (3) streamlining bureaucratic processes and providing technical support for property owners and small businesses to help them activate vacant or underutilized ground-floor spaces, (4) investing in public realm improvements that make it easier and more pleasant for pedestrians to move through and between downtown neighborhoods, and (5) partnering with local artists and cultural organizations to develop and implement a comprehensive cultural planning strategy.

These five strategies inform this policy brief's 13 recommendations. Notably, city leaders' ability to implement these recommendations will be limited by funding constraints, support from the downtown business community, and the resources available to partner organizations, including VTA and Santa Clara County. However, SPUR research affirms that the investments that the city makes in creative placemaking and ground-floor activation are likely to expedite downtown recovery and become part of a virtuous cycle, attracting more visitors to patronize local businesses and generating revenue that can be reinvested to reinvigorate downtown.

# Appendix

## Arts and Culture Organization Interviewees

Art Builds Community  
Local Color  
Movimiento de Arte y Cultura Latino Americana (MACLA)  
San José Downtown Association  
San Jose Jazz  
San José Museum of Art  
San José State University  
School of Arts and Culture at the Mexican Heritage Plaza  
Sobrato Foundation  
SV Creates

## Charrette Attendees

Chris Arkley, City of San José  
Daniel Cedeño, Pacific Gas and Electric Company (PG&E)  
Laura Chmielewski, Team San José  
Ian Colburn, Multistudio  
John Diffenderfer, Aedis Architects  
Nathan Donato-Weinstein, City of San José Office of Economic Development  
Ross Ferrari, Kohn Pedersen Fox  
Sara Ghalandari, Gibson Dunn Crutcher LLP  
Maia Harris, Jay Paul Company  
Anjee Helstrup-Alvarez, Movimiento de Arte y Cultura Latino Americana  
Christine Laing, Gensler  
Nile Ledbetter, Kimley-Horn  
Amanda Misbe, Adobe Systems Incorporated  
Brendan Rawson, San Jose Jazz  
Manuel Salazar, SV@Home  
Joe Salvato, Guadalupe River Park Conservancy  
Chloe Shipp, San José Downtown Association  
Alex Shoor, Catalyze SV  
Kelly Snider, Kelly Snider Consulting  
Alex Stettinski, San José Downtown Association  
Leah Toeniskoetter, San José Chamber of Commerce  
Lacy Vong, HNTB  
Angela Wu, Kohn Pedersen Fox



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