



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Magdalena
Carrasco

SUBJECT: SEE BELOW

DATE: 6/22/21

APPROVED:

DATE: 6/22/21

**SUBJECT: GP20-008 & C21-001- City Initiated General Plan Amendment and
Conforming Rezoning for the Berryessa BART Urban Village Plan.**

**PDC17-051 – Planned Development Rezoning for Real Property Located at 1590 Berryessa
Road**

RECOMMENDATION

1. Direct the City Manager to match the 2.5 million dollars Vendor Business Transition fund by allocating money from the American Rescue Plan reserve.
2. Direct the Office of Economic Development to expand opportunities for continued viability and survivability for vendors facing displacement from the flea market by exploring the following
 - a. Explore policies that can help in the transition by addressing opportunities and obstacles currently in practice.
 - b. Find alternative locations for pop-up shops, farmer markets and brick and mortar.
 - c. Expand Eastside Business Manger from part time to full time to assist vendors.
 - d. Direct staff to identify additional City, State, Federal or philanthropic resources to support the Berryessa Flea Market Vendors Association or its designated partners, in capacity building, including technical and legal assistance and developing new partnerships.
3. Request form the Applicant :
 - a. **5 year leases** (2021 thru 2026) offered at current stall rent rates,
 - b. Freeze all current stall and parking rates through the duration of the lease.
4. Accept Mayor Liccardo, Councilmember Cohen, and Jimenez's recommendation 2 (h) for a Flea Market Advisory Group but expand membership of this working group to:

BFVA members, at least one local non-profit organization selected by the BFVA, Chamber of Commerce staff, and Community services group as needed

5. Add the following conditions of approval to the ordinance rezoning the subject property: **“Return to Council** with analysis of the potential integration of a public market which provides space to as many current vendors who wish to continue their business as possible. Direct the administration when the applicant has a viable project for the Flea Market redevelopment, **return to Council** for approval of proposed use and obtain Planned Development Permit or Planned Development Amendment, whichever is applicable at the time. Direct Staff to work with the developer to develop a plan for a community-owned public market and to support the construction of such a public market and incorporate that in the first Planned Development Permit Process.”

BACKGROUND

As San José continues to delve into policies that reduce the impacts of gentrification, we are met with the challenges of the flea market. The vendors are indisputably immigrant, mostly Latino and Southeast Asian and primarily monolingual. Their socio-economic status, their immigration status, and their lack of access and engagement makes them vulnerable and easy targets.

COVID-19 impacted small businesses owned by immigrants and people of color, and they suffered the worst impacts of the pandemic. In the early months of COVID-19's spread, 32% of Latino/a businesses failed.

La Pulga was created in 1960 by the Bumb family. It grew to one of the nation's largest Flea Market, which at one point featured 2,400 vendors and is estimated to bring over 4 million people a year, according to the most recent edition of the Great American Flea Market Directory. That is why our City's Office of Economic Development needs to study the economic impact of our precious flea market.

There is also much more to La Pulga than just services and goods. According to La Pulga vendors and activists like Roberto Gonzalez, Jaime Rojas, and Peter Ortiz: "For Latinos, it is much more than a marketplace—La Pulga serves as a combination of a plaza and market that provides an irreplaceable recreational and civic space for our community. It is a vibrant Mercado that has given Latinos a cultural and economic foothold in a landscape that has largely ignored our existence."

As a City, the responsibility to address the displacement of hundreds of businesses sits squarely upon our shoulders. The approved budget and road map intentionally focus on the recovery on small businesses impacted by the pandemic. The proposed development will only exacerbate the same businesses pushing to survive. The stakes are too high. The money needs to move fast and deployed smartly and equitably. We can stabilize their communities, strategize together to invest in future prosperity, for the City of San José.

To provide additional support to displaced vendors, the East San Jose business manager is a perfect fit for providing expanded services to the vendors. Currently, this staffer is a .40 FTE

position; by making this a full-time position there would be more staff support for vendors needing assistance through this transition.

With the uncertainty of La Pulga the vendors need stability, a five-year lease, which would freeze their current stall and parking rent rates would provide security and stability .

Moving forward, I accept from Mayor Sam Liccardo, Councilmember David Cohen, and Councilmember Sergio Jimenez in recommending and establishing a Flea Market Advisory Group. However, membership needs to include nonprofits and a local business association with the assistance of our Office of Economic Development as well. This is a good step forward for stakeholders to sit at the table to determine the outcome.

In addition, I am also recommending that any agreement contain specific language referring to the Berryessa Flea Market Vendors Association or their designated entity as the proposed operator of a public market within the Berryessa Bart Urban Village. This dedicated land deserves a form of community governance with the Association as the operator looking out for vendors' interests first and foremost.

We as a city have a responsibility to support our existing vendors to continue business and need to act with intentionality so that they may continue to be independent to survive the ravishing COVID-19 and now displacement. The City of San Jose needs to ensure that the vendors have financial resources and a plan to continue their shops with which their families rely on as their income. Four hundred thirty businesses that financially anchor our families to San José.

The brutal reality is that these vendors and their families will suffer if we do not provide them a lifeline. These are folks who have never asked for a handout. Folks who have embodied the American Dream! The Flea Market is one of the truest reflections of our region. A diverse, culturally rich San José institution merits recognition as a significant economic driver for our city.

We need to work to provide better solutions to this issue. We are committed to evaluating policies through an "equity lens," we have failed to do that to date on this matter; let's use that lens to find a solution to provide a win for the vendors and a win for the applicant. Moreover, this will win our city's vision of a genuinely inclusive urbanist community and the Berryessa Bart Urban Village.