

**NOTICE OF FINDING OF NO SIGNIFICANT IMPACT AND
NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS**

August 9, 2023

City of San José
200 E. Santa Clara Street
San José, CA 95113
408-535-6872

These notices shall satisfy two separate but related procedural requirements for activities to be undertaken by the City of San José related to the 797 South Almaden Avenue Mixed-Use Project (Planning File Nos. H21-013/ER22-151).

REQUEST FOR RELEASE OF FUNDS

On or about September 8, 2023, the City of San José will submit a request to HUD for the release of funds under Section 8 of the Housing Act of 1937 of 1990, as amended, to undertake the project described below.

The 797 South Almaden Avenue Mixed-Use Project (proposed project) would occupy an approximately 0.63-acre project site comprised of five contiguous parcels (APNs: 264-34-042, -043, -044, -045, and -046) located immediately northwest of the S. Almaden Avenue/W. Virginia Street intersection in the City of San José. South Almaden Avenue bounds the site to the east, and W. Virginia Street bounds the site to the south. The site is currently developed with two single-family residences, a building that previously operated as a commercial use, and a paved parking lot. Due to a 2021 fire that damaged the three buildings, the residences are uninhabitable. The fire also damaged the rear of the former restaurant.

The proposed project would demolish all existing on-site structures and construct a new six-story, mixed-use building, composed of 2,315 square feet (sf) of community-serving commercial uses on the ground floor and 99 rapid rehousing or permanent supportive housing units for formerly homeless individuals and/or families on the second through sixth floors. The residences would be comprised of 30 studio units, each featuring 342 sf; 24 one-bedroom units, each composed of 525 sf; 25 two-bedroom units, each consisting of 796 sf; and 20 three-bedroom units, each comprised of 929 sf. In addition, a two-bedroom unit would be reserved for an on-site manager. The proposed units would be reserved for households earning 30 to 60 percent of the area median income for Santa Clara County comprised of 25 permanent supportive housing units, 41 extremely low-income units, and 32 low-income units.

The proposed project would also include a number of ground-floor and second-floor amenities. On the building's ground floor, the project would consist of a total of 1,892 sf of on-site resident support services, a community room, office space for the building property manager and lobby/reception staff, and the aforementioned commercial space. Exterior amenities would include 3,297 sf of common open

space to the north of the proposed building, including a rubberized surface play area with a play structure, picnic tables, benches, a non-gas barbecue with a sink and counter, and landscaping trees and shrubs. In addition, the second floor would feature 2,958 sf of vegetated common open space, featuring built-in benches, shade trees, shrubs, and vines. A shared laundry room would be located on the second floor.

Primary site access would be provided by W. Virginia Street. The ground floor of the building would include a 11,461-sf parking garage with vehicle stackers to accommodate 92 vehicles. Among the total parking spaces, the proposed project would include 10 electric vehicle (EV) charging spaces and another 19 EV-ready spaces. Another 2,250 sf of surface parking space would be located north of the building, which would provide four spaces compliant with the Americans with Disabilities Act. Two long-term bike storage areas would be provided, in which a total of 127 bicycles could be parked, as well as a bike rack for short-term parking. The existing sidewalks would be maintained along the eastern and southern boundaries of the site, parallel to S. Almaden Avenue and W. Virginia Street to provide pedestrian access.

The total estimated project cost is \$118,095,988. The Santa Clara County Housing Authority (SCCHA) will be providing assistance to the project in the form of Section 8 Project Based Vouchers (PBVs) for 35 units as authorized under Section 8 of the Housing Act of 1937 of 1990, as amended. PBV housing assistance will be provided for an initial contract term of 20 years, with a possible automatic renewal of an additional 20 years, subject to annual appropriations from the federal government and SCCHA's determination that the owner is in compliance with the Housing Assistance Payment contract and other applicable HUD requirements, for a total of forty (40) years. The estimated total funding for rental subsidy is \$22,625,592 (\$1,131,279 annually) for the initial 20-year term of the Housing Assistance Payment contract and contingent upon the availability of Section 8 funds as allocated by the federal government. Please note that the actual funded amount may be up to \$5,000,000 more to account for market fluctuations.

FINDING OF NO SIGNIFICANT IMPACT

The City of San José has determined that the project will have no significant impact on the human environment. Therefore, an Environmental Impact Statement under the National Environmental Policy Act of 1969 (NEPA) is not required. Additional project information is contained in the Environmental Review Record (ERR) available online at www.sanjoseca.gov/NEPAREviewDocuments. To review hard copies of the documents, please contact Reema Mahamood at reema.mahamood@sanjoseca.gov or at 408-535-6872.

FINAL NOTICE AND PUBLIC EXPLANATION OF A PROPOSED ACTIVITY IN A 100-YEAR FLOODPLAIN

This section is included to give notice that the City of Woodland Community Services Department has conducted an evaluation as required by Executive Order 11988, in accordance with HUD regulations at 24 CFR 55.20 Subpart C Procedures for Making Determinations on Floodplain Management, to determine the potential affect that its activity in the floodplain and wetland will have on the human environment. According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) 06085C0234H, effective May 18, 2009, the project site is within Zone AO, designated as a Special Flood Hazard Area (SFHA).

The City of San José has considered the following alternatives and mitigation measures to be taken to minimize adverse impacts:

Alternative 1 was to locate the project immediately to the southwest of the Willow Street/Lelong Street intersection and would implement the same components of the proposed project. This site is currently vacant, but has been subjected to previous disturbance. Thus, although FEMA designates the site as Zone AO, which is a SFHA with potential flood conditions, the Alternative 1 site is among the few locations within close proximity to the project site that is developable, would not require demolition of existing structures, and is proximate to commercial uses and healthcare facilities. This site is not designated or zoned to allow for rapid rehousing or permanent supportive housing and is in the immediate vicinity of SR 87. Development at this site would expose future residents to potential adverse effects related to environmental justice, flooding, air pollution, and excessive noise that would be equal to, or potentially greater than, those associated with the proposed project. Furthermore, construction of Alternative 1 could result in potential adverse effects related to endangered species, historic preservation, wetlands protection, erosion, drainage, and stormwater runoff equal to or potentially greater than those associated with the proposed project. To address such adverse effects, development of Alternative 1 would require mitigation measures similar to those for the proposed project. As construction of the proposed project would remove three on-site structures that are currently blighted and susceptible to trespassing and vandalism, development of Alternative 1 would not produce an equal level of community improvement benefits relative to the proposed project. Finally, considering that the Alternative 1 site is not owned by the project applicant, purchase of the site could render development of the rapid rehousing or permanent supportive housing project on the Alternative 1 site economically infeasible.

Alternative 2 would be constructed on a currently undeveloped site that is located immediately to the east of the First Apostolic Church and San José Christian Academy, to the north of Lavonne Avenue, and east of McCreery Avenue. Alternative 2 would implement the same components of the proposed project. Access to the Alternative 2 site would require construction of a new driveway to access the site from Vollmer Way. FEMA designates the site as an Area of Minimal Flood Hazard (Zone X), which is outside of the 100-year floodplain, and, as such, would not be subject to potentially substantial adverse effects related to flooding. The site is currently undeveloped. Alternative 2 site is not zoned to allow for rapid rehousing or permanent supportive housing. Construction of Alternative 2 would not be expected to result in potential adverse effects related to endangered species, wetlands protection, erosion, drainage, and stormwater runoff, as the site is not within the vicinity of aquatic resources and the site is regularly mowed. Therefore, development of Alternative 2 could result in less potential adverse effects due to location than those identified for the proposed project. However, development of the Alternative 2 site with the proposed uses could expose future residents to potential adverse effects related to environmental justice, due to the site's proximity to I-680. As the Alternative 2 site is not owned by the project applicant, purchase of the site could render development of the rapid rehousing or permanent supportive housing project on the Alternative 2 site economically infeasible.

Under the No Action Alternative, the proposed project would not be developed, and the project site would remain in its current state. Considering that the proposed project is generally consistent with the uses allowed under the site's land use and zoning designations, development of the project site facilitated by the No Action Alternative would likely result in similar potential adverse effects and require similar mitigation measures as those identified for the proposed project. The 2014-2023 Housing Element of the San José General Plan establishes the existing housing needs in San José as substantial, with the City's housing needs not confined to only lower-income residents, but also

extending to middle-class households. The No Action Alternative could hinder the City's ability to achieve its affordable housing goals identified in the City's General Plan.

The City of San José has reevaluated the alternatives to building in the floodplain and has determined that a practicable alternative does not exist. Environmental files that document compliance of Executive Order 11988, are available for public inspection, review and copying upon request at the times and location delineated in the last paragraph of this notice for receipt of comments. This activity would have no significant impact on the environment for the following reasons:

In order to minimize adverse impacts, all proposed residential structures would be constructed to be elevated by fill to at or above the Base Flood Elevation shown on FEMA National Flood Hazard Layer FIRMette 06085CO234H (effective May 18, 2009) and, therefore, the proposed project would comply with 44 CFR 60.3-c-10. With implementation of the mitigation measures included in the NEPA Environmental Assessment for the project, no significant adverse effects would occur.

There are three primary purposes for this notice. First, people who may be affected by activities in floodplains and those who have an interest in the protection of the natural environment should be given an opportunity to express their concerns and provide information about these areas. Second, an adequate public notice program can be an important public educational tool. The dissemination of information about floodplains can facilitate and enhance federal efforts to reduce the risks associated with the occupancy and modification of these special areas. Third, as a matter of fairness, when the federal government determines it will participate in actions taking place in floodplains, it must inform those who may be put at greater or continued risk.

Comments on this issue should be submitted to the City as outlined in the Public Comments section below.

PUBLIC COMMENTS

Any individual, group, or agency may submit written comments on the ERR to Reema Mahamood, City of San José, Department of Planning, Building and Code Enforcement, T-3, 200 E. Santa Clara Street, San José, CA 95113, or via email at reema.mahamood@sanjoseca.gov. All comments received by **5:00 p.m. on August 31, 2023** will be considered by the City of San José prior to authorizing submission of a request for release of funds. Comments should specify which Notice they are addressing.

OBJECTIONS TO RELEASE OF FUNDS

HUD will accept objections to its release of fund and the City of San José certification for a period of fifteen days following the anticipated submission date or its actual receipt of the request (whichever is later) only if they are on one of the following bases: (a) the certification was not executed by the Certifying Officer of the City of San José; (b) the City of San José has omitted a step or failed to make a decision or finding required by HUD regulations at 24 CFR part 58; (c) the grant recipient or other participants in the development process have committed funds, incurred costs or undertaken activities not authorized by 24 CFR Part 58 before approval of a release of funds by HUD; or (d) another Federal agency acting pursuant to 40 CFR Part 1504 has submitted a written finding that the project is unsatisfactory from the standpoint of environmental quality. Objections must be prepared and submitted in accordance with the required procedures (24 CFR Part 58, Sec. 58.76) and shall be

addressed to Department of Housing and Urban Development, Office of Public Housing, and sent to the following email address todd.r.greene@hud.gov. Potential objectors should contact HUD to verify the actual last day of the objection period.

ENVIRONMENTAL CERTIFICATION

The City of San José certifies to HUD that Christopher Burton in his capacity as Director of Planning, Building and Code Enforcement for the City of San José consents to accept the jurisdiction of the federal Courts if an action is brought to enforce responsibilities in relation to the environmental review process and that these responsibilities have been satisfied. HUD's approval of the certification satisfies its responsibilities under NEPA and related laws and authorities and allows the name of grant recipient to use Program funds.



Christopher Burton, Director
Planning, Building and Code Enforcement
City of San José

8/14/2023

Date