

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

November 16, 2020

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.

**REQUEST FOR RELEASE OF FUNDS**

Danco Communities, the applicant, estimates the total cost of the West San Carlos Residential Project to be \$63,281,665.00. The Santa Clara County Housing Authority (SCCHA) will be providing Section 8 housing assistance to the project in the form of Project Based Vouchers (PBVs) for 40 units, as authorized under Section 8 of the Housing Act of 1937, 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 compliant 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 \$27,578,496 (\$1,378,924 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.

The applicant proposes to construct a seven-story building that would contain 80 units. Fifty-seven of the units (71%) would be one-bedroom units that would range in size from 606 s.f. to 771 s.f.. Twenty-three of the units (29%) would be two-bedroom units that would range in size from 857 s.f. to 1,006 s.f.. All these units, with the exception of the manager's unit, would be reserved for low-income renters. All units would be below 60% area median income (AMI), which would be ensured by recording a regulatory agreement with the California Tax Credit Allocations Committee, City of San José, and Santa Clara County. Supportive services would be provided by the County Office of Supportive Housing (OSH) outside of the project budget through OSH's approved providers and through a service provider funded by the applicant.

The project applicant would demolish an existing two-story, dilapidated commercial building and construct a seven-story building with six floors of residential over a one-level parking garage. The building would be comprised of five stories of Type IIIA construction over two stories of Type IA construction including an appropriate fire sprinkler system. The two stories of Type IA construction would contain one floor of residential units over one floor of parking. The street frontage along West San Carlos Street would include hardscape design elements such as benches and tree gates that would

visually tie the development to others along the corridor and reinforce the design intent of the public streetscape and main project entry. The entry would include a security office, resident mailboxes, elevators, and stair access to the upper floors. The ground-level floor would provide 27 vehicle parking spaces, 9 motorcycle parking spaces, and 30 bicycle parking spaces. A bike room would also be provided on the 7th floor that would have 20 additional bicycle parking spaces. The applicant is requesting density bonus concessions for reduced setbacks (front, side, and rear). The applicant is also requesting a vehicle parking reduction under the State’s density bonus law and AB744 for 100-percent affordable rental projects within one-half mile of a major transit stop.

Common spaces and amenities proposed for the project would primarily occur on the 1st and 7th floors and would include a lobby, outdoor garden area, common lounge with kitchen, fitness center, recreation/billiard room, group meeting room, counseling rooms, rooftop terrace, and laundry facilities. The private rooftop terrace would include shade and sitting areas with amenities such as outdoor dining tables, barbeque grills, and fire pits. The views of downtown and the surrounding urban core, as well as adjacency to the light rail station, would emphasize a sense of belonging to the community for the residents.

Other proposed site improvements for the project include sidewalk and driveway improvements, new walkways, utility infrastructure, landscaping, outdoor lighting, signage, and stormwater management improvements.

During operation, the apartment building would include an onsite property manager and 24-hour security. Surveillance cameras would be installed to monitor the building perimeter, including the street frontage along West San Carlos Street. Project construction is expected to begin late 2020 and be completed within 18 months.

**Funding Sources:**

<b>Grant Number</b>	<b>HUD Program</b>	<b>Funding Amount</b>
N/A	Section 8 PBVs – 40 units	\$27,578,496*

\*\$1,378,924 annually for 20 years

**Estimated Total HUD Funded Amount: \$27,578,496**

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]:

Construction Costs:	\$43,289,904
Non-Construction Costs:	\$19,991,761
<b>Total:</b>	<b>\$63,281,665</b>

**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/NegativeDeclarations](http://www.sanjoseca.gov/NegativeDeclarations).

To review hard copies of the documents, please contact Reema Mahamood at [reema.mahamood@sanjoseca.gov](mailto:reema.mahamood@sanjoseca.gov) or at 408-535-6872.

### **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](mailto:reema.mahamood@sanjoseca.gov). All comments received by 5:00 p.m. **December 3, 2020** 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.

### **ENVIRONMENTAL CERTIFICATION**

The City of San José certifies to HUD that Rosalynn Hughey in her 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.

### **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 [RROFSFRO@hud.gov](mailto:RROFSFRO@hud.gov) and [todd.r.greene@hud.gov](mailto:todd.r.greene@hud.gov). Potential objectors should contact HUD to verify the actual last day of the objection period.

  
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Rosalynn Hughey, Director  
Planning, Building and Code Enforcement  
City of San José