



**U.S. Department of Housing and Urban
Development**

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Washington, DC 20410
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Environmental Assessment Determinations and Compliance Findings for HUD-assisted Projects 24 CFR Part 58

Project Information

Project Name: Pacific Motor Inn Transitional Housing Project

Responsible Entity: City of San José

Grant Recipient: City of San José

State/Local Identifier:

Preparer: David J. Powers & Associates, Inc. for the City of San José

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Enforcement

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Project Location:

The project site is located at 455 South 2nd Street in the City of San José. Refer to Figure 1, Figure 2, and Figure 3 for regional and vicinity maps, and an aerial photograph of the project site and surrounding area.

Description of the Proposed Project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:

The project site is currently developed with the Pacific Motor Inn, a two-story hotel containing 72 rooms, several conference rooms, and a lobby, and surface parking. The existing building was constructed in 1969 and renovated in 2018 and 2019. The proposed project is the acquisition and operation of the Pacific Motor Inn, for the purpose of using the building as transitional housing for people experiencing homelessness in the Bay Area. Transitional housing refers to a temporary six- to nine-month stay prior to transitioning into permanent housing.

The project site would generally be used as is, and the proposed project would not include any ground disturbing activities such as demolition, excavation, or construction, nor would it introduce substantial physical changes to the existing building or site. Any exterior work would include regular maintenance activities such as roof replacement, painting and landscaping. Interior work to the property would be minimal, including such work as expanding communal spaces by combining rooms to create larger living rooms, and upgrading bathrooms. The project would not alter the existing room count. The project would not add new utilities connections.

Statement of Purpose and Need for the Proposal [40 CFR 1508.9(b)]:

The purpose of the Pacific Motor Inn Transitional Housing Project is to provide temporary housing to homeless individuals within the City of San José as they transition into permanent housing situations. The City would acquire the Pacific Motor Inn and convert its use to allow for long-term (six- to nine-month) residents to reside on the property. City of San José funds would be used to acquire the hotel.

The 1988 Mayor's Task Force on Housing developed the initial policies that governed the City's affordable housing program. Since that time, the City has adopted a series of five-year plans to govern the allocation of affordable housing funding. Policies included in the Consolidated Plan, the Ten-Year Plan to End Chronic Homelessness, and the Housing Element are incorporated in the City's Affordable Housing Investment Plan (HIP). The most recent HIP was adopted by the City Council in October 2020 for Fiscal Year 2020/21 to 2022/23.

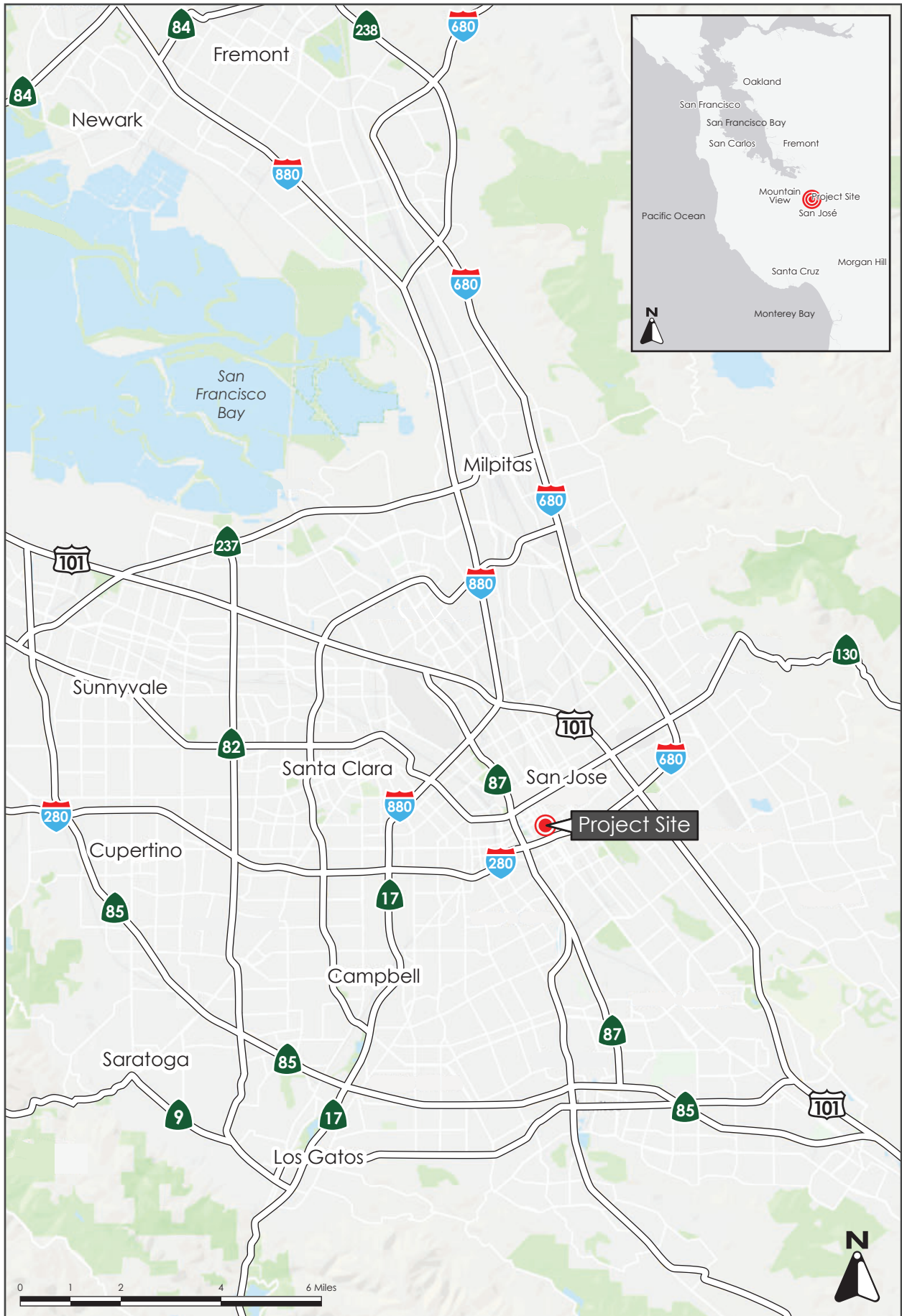
These policies contribute to the creation of a comprehensive Citywide housing vision and ensure that affordable housing resources are distributed equitably and serve those most in need. Faced with competing priorities and limited resources, the City must develop policies that balance these concerns while continuing to provide the greatest good to the largest number of residents.

The proposed action would help meet the City of San José's goals for housing that are listed in the General Plan, including: (1) providing housing in a range of housing densities, especially higher densities, and product types, including rental and for-sale housing, to address the needs of an economically, demographically, and culturally diverse population; (2) creating and

maintaining safe and high quality housing that contributes to the creation of great neighborhoods and great places; and (3) providing housing that minimizes the consumption of natural resources and advances the City's fiscal, climate change, and environmental goals.

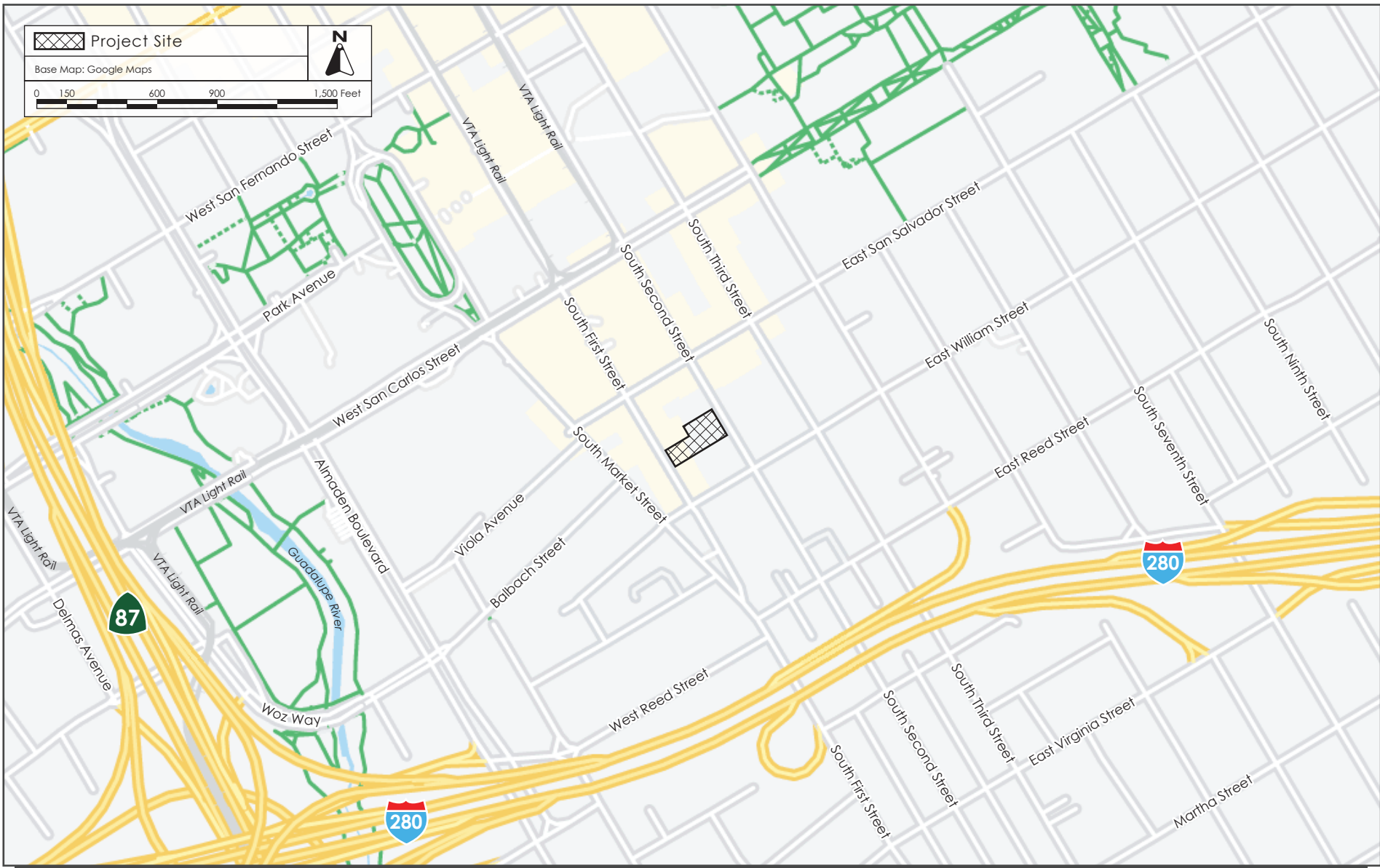
In July 2021, California developed the Homekey Program, a statewide initiative that provides an opportunity for State, regional, and local public entities to develop a broad range of housing types, including but not limited to hotels, motels, hostels, single-family homes and multifamily apartments, adult residential facilities, and manufactured housing, and to convert commercial properties and other existing buildings to permanent or interim housing for persons experiencing homelessness or at risk of homelessness. The City has applied for funding commitments from the California Department of Housing and Community Development's Homekey Round 2 Program through their Notice of Funding Availability (NOFA). The City will use award proceeds to fund hotel acquisitions for transitional housing, and for operations of these programs. The Pacific Motor Inn is one of the sites that the City intends to acquire with the award proceeds.

The City needs transitional housing to support the growing homeless community. The proposed action would support City and State goals for homelessness prevention and provide assistance to this target population to get them back on their feet.



REGIONAL MAP

FIGURE 1



VICINITY MAP

FIGURE 2



AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

FIGURE 3

Existing Conditions and Trends [24 CFR 58.40(a)]:

Regional Outlook

The Bay Area continues to be one of the most expensive real estate markets in the country. Most Bay Area residences are unaffordable for individuals and families with average household incomes. As detailed in the City's Housing Element, despite the prevalence of highly skilled, high-wage workers in Silicon Valley, data from the California Employment Development Department (EDD) show a divergent trend in the region: while about one third of Santa Clara County's workforce command high salaries in the range of approximately \$86,000 to \$144,000 per year, nearly half of all jobs pay low-income wages between \$19,000 and \$52,000 annually. Further, projections from EDD anticipate that more than half of the new jobs created in the County over the next few years would pay minimum wage. These working-class wages are not enough to pay for housing costs without creating a housing burden, defined as housing costs that exceed 30 percent of income. Low levels of housing production, relative to demand, contribute to this region's high housing costs. Further, the market has not produced housing that is naturally affordable to low-income households, and public resources for affordable housing have been significantly diminished in recent years. As such, both the existing and future need for affordable housing in San José is considerable and far exceeds available supply.

Local Perspective

According to the Santa Clara County Housing Needs Allocation, 2023 to 2031 (see Table 1 below) prepared by the Association of Bay Area Governments (ABAG), the City of San José should add 62,200 new units by 2031 (of which 15,088 would be very low, 8,687 would be low, and 10,711 would be moderate) in order to meet the needs for affordable housing.

Jurisdiction	Very Low <50 Percent	Low < 80 Percent	Moderate <120 Percent	Above Moderate	Total
Campbell	752	434	499	1,292	2,977
Cupertino	1,193	687	755	1,953	4,588
Gilroy	669	385	200	519	1,773
Los Altos	501	288	326	843	1,958
Los Altos Hills	125	72	82	210	489
Los Gatos	537	310	320	826	1,993
Milpitas	1,685	970	1,131	2,927	6,713
Monte Sereno	53	30	31	79	193
Morgan Hill	262	151	174	450	1,037
Mountain View	2,773	1,597	1,885	4,880	11,135
Palo Alto	1,556	896	1,013	2,621	6,086

Jurisdiction	Very Low <50 Percent	Low < 80 Percent	Moderate <120 Percent	Above Moderate	Total
San José	15,088	8,687	10,711	27,714	62,200
Santa Clara	2,872	1,653	1,981	5,126	11,632
Saratoga	454	261	278	719	1,712
Sunnyvale	2,968	1,709	2,032	5,257	11,966
Unincorporated	828	477	508	1,312	3,125
Santa Clara Total	32,316	18,607	21,926	56,728	129,577
Source: (1)					

Physical Setting / Existing Conditions

The City of San José is centrally located in Santa Clara County. The County is located at the southern end of San Francisco Bay. The City covers an area of approximately 180 square miles and is bounded by the Cities of Santa Clara, Cupertino, Milpitas, Saratoga, Campbell, and Los Gatos. The City of San José has a population of approximately 1,013,240 people, making it the largest City in the County, the third largest City in California, and the 10th largest City in the United States.

The approximately 0.75-acre project site is comprised of one parcel (APN 467-47-095) located in downtown San José. The site is bounded by a parking lot and office uses to the north, South 1st Street to the west, a motel and commercial uses to the south, and South 2nd Street to the east. The site is an infill parcel that is surrounded by existing development.

The project site is located approximately 200 feet south of VTA Bus Lines 66 and 68, located at the intersection of South 2nd Street and East San Salvador Street. Line 66 runs from North Milpitas to Kaiser Permanente Hospital in San José. Line 68 runs from the San José Diridon Station to the Gilroy Transit Center. Vehicle access to the project site is provided via an existing driveway from South 1st Street.

The project site has a General Plan land use designation of *Downtown* and is located in the *Downtown Primary Commercial (DC) Zoning District*.

Funding Information

The proposed project would be funded by the City of San José. Although not currently anticipated, federal funds may be used at a future date. The City would follow the appropriate noticing for the use of HUD funds if and when the use of federal funds is identified.

Estimated Total Project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]: \$47,773,497.

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits of approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 and 58.6		
Airport Hazards 24 CFR Part 51 Subpart D	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	<p>The project site is located 2.2 miles south of the Norman Y. Mineta San José International Airport. The project site is not located within any airport influence area or airport clear zones (see Appendix F). The proposed project would not add any new construction or alter the existing building in any way that would alter the site's impact to or from airport hazards. Since the project site would remain largely the same as under existing conditions, the proposed project would not have an adverse effect.</p> <p>[Source: (2), Appendix F)]</p>
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	<p>California does not have any Coastal Barrier Resources. The project site is an infill parcel within an urbanized area of San José and would not have an adverse effect.</p> <p>[Source: (3)]</p>
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of 1994 [42 USC 4001-4128 and 42 USC 5154a]	Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>	<p>The project site is not located in a 100-year floodplain, according to FEMA Flood Insurance Rate Maps (Map No. 06085C0233H, May 18, 2009). The project site is designated as a Flood Zone D, which indicates an undetermined flood hazard for the site. Flood Zone D is not a Special Flood Hazard Area; therefore, no requirements are placed on projects by the City of San José or County of Santa Clara as it relates to flood insurance.</p>

[Source: (4), Appendix F]

STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 & 58.5

Clean Air

Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93

Yes No

Operational Emissions

BAAQMD has established screening criteria based on project size to identify proposed projects that could generate operational-related criteria air pollutants that exceed BAAQMD thresholds of significance. Projects that generate more than 54 pounds per day (or 10 tons per year) of ROG (reactive organic gases), NOx, or PM_{2.5}; or 82 pounds per day (or 15 tons per year) of PM10 would be considered to have a significant impact on regional air quality.

Since the proposed project is the acquisition of the Pacific Motor Inn to be used for transitional housing, the project would constitute a change in use, such that it would allow for long-term (six- to nine-month) residents rather than short-term tenants (less than 30 days) to stay on the property. For this reason, the project was compared against the Low-Rise Apartment land use type in the BAAQMD Guidelines.

The project is below the BAAQMD criteria air pollutant operational screening levels for Low-Rise Apartment (451 dwelling units). In addition, existing hotel emissions are part of the baseline and would offset new emissions from the residential trips. The project does not include any stationary sources of emissions (e.g., generators). For these reasons, the project would not result in operational-related criteria air pollutants in excess of BAAQMD thresholds. Construction activity would be minimal and limited to interior improvements and would not generate substantial emissions.

		<p style="text-align: center;"><i>Greenhouse Gas Emissions</i></p> <p>BAAQMD has established screening criteria based on project size to identify proposed projects that could have a cumulatively considerable contribution to significant greenhouse gas emissions (GHG). The GHG screening level for Low-Rise Apartments is 78 dwelling units, which the proposed project falls below.</p> <p>Additionally, the existing building's renovations included upgrades to LEED Silver green building design features including energy-efficient windows, VOC-free building materials, LED lighting, and water efficient fixtures. Further, the City's Greenhouse Gas Reduction Strategy (GHGRS) includes programs and policies to reduce GHG emissions from existing buildings, such as the City's clean energy program.</p> <p>As discussed further in Transportation, the proposed 72-room transitional housing project would generate 14 AM and 19 PM peak hour trips, while the existing 72-room hotel generates 34 AM peak hour trips and 43 PM peak hour trips. Compared to existing conditions, the proposed project would decrease the number of peak hour trips from the site</p> <p>The proposed project is the acquisition of an existing hotel. The project would not include any substantial physical changes and would generally use the building in its existing condition. The project would not result in significant operational-related GHG emissions.</p> <p>[Source: (5)]</p>
<p>Coastal Zone Management</p> <p>Coastal Zone Management Act, sections 307(c) & (d)</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The project site is not located in a coastal zone, as defined by the California Coastal Act (Public Resources Code, Division 20, Section 3000 et seq.). The nearest coastal zone is located to the west in San Mateo County. Therefore, the project would comply with the Coastal Zone Management Act.</p>

		[Source: (3)]
<p>Contamination and Toxic Substances</p> <p>24 CFR Part 50.3(i) & 58.5(i)(2)</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>A Phase I Environmental Site Assessment (ESA) was prepared for the project site in June 2021.</p> <p>Historically, the project site was used as agricultural land. In 1889, the site was developed with an apartment building, single-family house, office, and stables. By 1891, a third structure was developed on site. By 1915 a store, horseshoeing station, and blacksmith were present on-site. By 1950, an auto repair shop, tire service station, and used furniture store were developed on the west side of the site. The existing Pacific Motor Inn and associated pool were constructed in 1969. The hotel stores and uses cleaning supplies and maintenance materials that contain chemicals but do not pose a hazard to the public. A site inspection showed there were no signs of spills, illegal dumping, or evidence of current or past hazardous materials use, or underground or aboveground storage tanks.</p> <p>The Phase I ESA did not identify any recognized, controlled, or historical environmental conditions associated with the site. The Phase I ESA revealed two potential environmental concerns related to the site's history. The first was related to the auto repair shop and tire service station previously located on the site. Research into the site's history did not indicate any underground storage tanks or chemical storage. The second environmental concern was related to lead-based paint (LBP) that was likely used in previous structures on-site, and in the existing hotel building, prior to the ban of LBP in 1978. Because the project site is almost entirely paved and the project would not excavate into or below the pavement, there is no potential risk to the public. As a result, these conditions would not pose a potential risk.</p> <p>The proposed project is the acquisition of a hotel that would be used in its existing</p>

		<p>condition to provide transitional housing for people experiencing homelessness. The project does not propose any substantial physical changes that would require excavation, demolition, or exterior construction. For this reason, and the reasons listed above, there would be no potential risk from hazardous materials.</p> <p>[Source: Appendix A]</p>
<p>Endangered Species</p> <p>Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The USFWS was contacted for a list of threatened and endangered species that may occur within the boundaries of the project (see Appendix E). The species of concern are:</p> <ul style="list-style-type: none"> • California clapper rail • California least tern • California red-legged frog • California tiger salamander • Delta smelt • Monarch butterfly • Robust spineflower <p>The project site is located in an urban area and is surrounded by existing development. Vegetation in the area consists of landscaped trees and plants. The project site is not located within any mapped critical habitat.</p> <p>The project site is located within the study area of the Santa Clara Valley Habitat Plan/Natural Community Conservation Plan (HCP). According to the Santa Clara Valley Habitat Agency Geobrowser, the project site is designated as <i>Urban-Suburban</i> and is not located in a Land Cover Fee Zone or a Plant or Wildlife Survey Area.</p> <p>The project would not impact any potential endangered species or vegetation because no habitat is present on the developed site that would support endangered species.</p> <p>[Source: (6), (7), Appendix E]</p>
<p>Explosive and Flammable Hazards</p> <p>24 CFR Part 51 Subpart C</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>An Explosives and Flammable Hazards Review was performed on December 8, 2021 for the proposed project.</p>

		<p>The review and survey were conducted in accordance with 24 CFR Part 51 C. There are no explosive or flammable operations on the project site. The survey identified four businesses within 2,000 feet of the site that reported storage of materials, such as diesel, that warranted calculation of Acceptable Separation Distance (ASD). Based on the calculated ASDs for each site, all identified businesses with hazardous substances satisfy or exceeded the required ASD for the quantities of the chemicals present.</p> <p>[Source: Appendix B]</p>
<p>Farmlands Protection</p> <p>Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The project site is located in an urban area and would not impact any protected farmlands. The project is not actively farmed, subject to a Williamson Act Contract, or designated as Prime Farmland. The project site is designated as “urban and built-up land” on the 2018 Santa Clara County Important Farmland Map; therefore, the project complies with the Farmland Protection Policy Act.</p> <p>[Source: (7)]</p>
<p>Floodplain Management</p> <p>Executive Order 11988, particularly section 2(a); 24 CFR Part 55</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The project site is not located in a 100-year floodplain, according to FEMA Flood Insurance Rate Maps (Map No. 06085C0234H, May 18, 2009). The project site is designated as Flood Zone D, which indicates an undetermined flood hazard for the site. Flood Zone D is not a Special Flood Hazard Area. No new structures would be built, and no alterations would be made to the existing building that would increase the potential for flood hazards to occur. Therefore, the project complies with Executive Order 11988.</p> <p>[Source: (4)]</p>
<p>Historic Preservation</p> <p>National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p style="text-align: center;"><i>Historic Resources</i></p> <p>The project’s direct Area of Potential Effect (APE) for historic impacts is the project site, and the indirect APE is 200 feet surrounding the site.</p>

	<p>The Pacific Motor Inn was constructed in 1968; however, it was renovated in 2018 and 2019. These renovations preclude it from being considered a historic resource. The hotel is not listed on the City of San José Historic Resources Inventory, California’s Historic Resources Inventory, or the National Register of Historic Places.</p> <p>The project is located within 200 feet of resources listed on the City’s Historic Resources Inventory. These resources are not listed on the California Register of Historical Resources.</p> <p>The project does not include ground disturbing, demolition, or construction activities that would affect nearby historic resources, either directly or indirectly as the existing hotel would be retained and only interior improvements would occur to accommodate transitional housing. Any exterior improvements would be limited to maintenance activities such as roof repair or replacement, exterior painting, and landscaping.</p> <p>The City has a Programmatic Agreement (PA) with the State Historical Preservation Officer (SHPO) that covers transitional housing (refer to Appendix C). In accordance with the PA, Section 106 consultation with the SHPO is not required due to the nature of the proposed project. The project would not have an adverse impact on historic resources either directly or indirectly.</p> <p style="text-align: center;"><i>Archaeological Resources</i></p> <p>The project’s APE for archaeological resources is limited to the project site. There are no recorded archaeological resources on the project site. The project does not include ground disturbing activities that would affect unknown buried archaeological resources.</p> <p>[Source: (8), (9), Appendix C]</p>
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<p>Noise Abatement and Control</p> <p>Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>HUD environmental noise regulations are set forth in 24 CFR Part 51B (Code of Federal Regulations). The following noise standards for new housing construction would be applicable to this project:</p> <p>Interior:</p> <ul style="list-style-type: none"> • <u>Acceptable</u> – 45 DNL or less <p>Exterior:</p> <ul style="list-style-type: none"> • <u>Acceptable</u> – 65 DNL or less. • <u>Normally unacceptable</u> – exceeding 65 DNL but not exceeding 75 DNL. • <u>Unacceptable</u>– Exceeding 75 DNL. <p>The primary source of noise in the project vicinity is vehicular traffic.</p> <p>An Acoustical Analysis was completed for the project site by Illingworth & Rodkin in December 2021.</p> <p style="text-align: center;"><i>Exterior Noise Environment</i></p> <p>Under future conditions, roadway traffic is expected to continue to be the dominant noise source at the project site. An increase of one to two percent in volume per year has been assumed for traffic due to general growth throughout the City and region. Based on this future traffic volume estimate, the future noise environment on the project site would be up to one decibel higher than existing noise levels, resulting in worse-case DNL noise levels of 64 dBA along the South First Street façade and 67 dBA along the South Second Street façade.</p> <p>The existing swimming pool is the only exterior use area at the existing hotel that would be subject to HUD’s 65 dBA DNL criterion for noise-sensitive outdoor spaces. Other outdoor areas of the site primarily consist of vehicle circulation paths and parking. The exterior noise level at the pool is expected to remain at 61 dBA DNL under future conditions. Therefore, exterior noise levels at noise-sensitive outdoor spaces would</p>
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		<p>remain less than 65 dBA DNL, meeting HUD's exterior noise criterion.</p> <p style="text-align: center;"><i>Interior Noise Environment</i></p> <p>Residential units adjacent to South First Street and South Second Street would be exposed to future worst-case exterior noise levels reaching 67 dBA DNL. Based on the measured transmission loss of the building partition, the existing building construction provides 23 dBA of attenuation indoors and provides forced air mechanical ventilation systems that allow for windows and doors to be kept closed at the occupant's discretion to control noise levels indoors. Future noise levels would be maintained at 44 dBA DNL; therefore, the project would meet the HUD compatibility criteria.</p> <p>[Source: Appendix D]</p>
<p>Sole Source Aquifers</p> <p>Safe Drinking Water Act of 1974, as amended, particularly section 1424(e); 40 CFR Part 149</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The project site is not in an area designated by the Environmental Protection Agency (EPA) as being supported by a sole source aquifer. Therefore, the project would comply with the Safe Drinking Water Act.</p> <p>[Source: (10)]</p>
<p>Wetlands Protection</p> <p>Executive Order 11990, particularly sections 2 and 5</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The project site is an infill parcel located in an urban area and is surrounded by existing development. The site does not contain any wetlands or riparian habitat; therefore, no wetlands would be impacted, and the project would comply with Executive Order 11990.</p> <p>[Source: (11)]</p>
<p>Wild and Scenic Rivers</p> <p>Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>There are no designated wild and scenic rivers in San José. The project would be consistent with the Wild and Scenic Rivers Act.</p> <p>[Source: (12)]</p>
ENVIRONMENTAL JUSTICE		
<p>Environmental Justice</p> <p>Executive Order 12898</p>	<p>Yes No</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/></p>	<p>The project would provide transitional housing for homeless residents of the project area. The project would not displace any minority-owned businesses or residents. The</p>

		<p>project would provide rental assistance to benefit homeless populations; therefore, the project would comply with Executive Order 12898.</p> <p>[Source: (13)]</p>
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Environmental Assessment Factors [24 CFR 58.40; Ref. 40 CFR 1508.8 &1508.27] Recorded below is the qualitative and quantitative significance of the effects of the proposal on the character, features and resources of the project area. Each factor has been evaluated and documented, as appropriate and in proportion to its relevance to the proposed action. Verifiable source documentation has been provided and described in support of each determination, as appropriate. Credible, traceable and supportive source documentation for each authority has been provided. Where applicable, the necessary reviews or consultations have been completed and applicable permits of approvals have been obtained or noted. Citations, dates/names/titles of contacts, and page references are clear. Additional documentation is attached, as appropriate. **All conditions, attenuation or mitigation measures have been clearly identified.**

Impact Codes: Use an impact code from the following list to make the determination of impact for each factor.

- (1) Minor beneficial impact
- (2) No impact anticipated
- (3) Minor Adverse Impact – May require mitigation
- (4) Significant or potentially significant impact requiring avoidance or modification which may require an Environmental Impact Statement

Environmental Assessment Factor	Impact Code	Impact Evaluation
LAND DEVELOPMENT		
Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design	2	<p>The project site has a General Plan land use designation of <i>Downtown</i>, which supports office, retail, service, residential, and entertainment uses in the Downtown.</p> <p>The project site is located in the <i>Downtown Primary Commercial</i> (DC) Zoning District, and also is within the Ground Floor Active Use Area Overlay.</p> <p>Surrounding land uses include residential, office, retail, and commercial. Implementation of the proposed project would not affect land use compatibility because there would be no substantial physical changes made to the existing hotel building, and a transitional housing use would comply with the General Plan land use designation and the Zoning District.</p> <p>[Source: (15)]</p>
Soil Suitability / Slope / Erosion / Drainage / Storm Water Runoff	2	<p style="text-align: center;"><i>Soil Suitability / Slope / Erosion</i></p> <p>The project site is located on a relatively flat site at an elevation of approximately 90 feet above mean sea level. The site is primarily underlain by the Elpaloalto complex, and surface soils consist of silty clay loam. Expansive soils with a moderate shrink/swell potential could be located on site. However, the proposed project would not include ground disturbing activities; therefore, the project would not create any potential impacts related to soil impacts.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
LAND DEVELOPMENT		
		<p>The project site is not mapped within an Alquist-Priolo Earthquake Fault Zone. The project site is located in a State-designated liquefaction zone and could experience soil liquefaction as a result of a strong earth-shaking event. As discussed further under <i>Hazards and Nuisances</i> below, the existing building was constructed in compliance with California Building Code (CBC) requirements in effect at the time of construction (1969) to avoid and minimize potential damage from seismic ground shaking. Renovations done in 2018 and 2019 included upgrades to meet 2016 CBC requirements.</p> <p style="text-align: center;"><i>Drainage / Storm Water Runoff</i></p> <p>The project site is not located in an area of high erosion potential. The project does not propose construction or grading activities that could result in increased erosion. Since the project would not introduce any new buildings or impervious surfaces, the proposed project would not alter the existing drainage pattern of the site or area, nor would it increase the amount of surface runoff from the site.</p> <p>[Source: (14), (16)]</p>
Hazards and Nuisances including Site Safety and Noise	2	<p>The project would not create a risk of explosion, release of hazardous substances or other dangers to public health. The project would provide a safe place for people to be housed.</p> <p style="text-align: center;"><i>Seismicity</i></p> <p>The project site is located in the San Francisco Bay Area, which is considered one of the most seismically active regions in the United States. The project site is not located within an Alquist-Priolo Earthquake Fault Zone, a Santa Clara County Earthquake Zone for fault rupture, nor a City of San José Fault Hazard Zone. Significant earthquakes in the Bay Area are generally associated with the San Andreas Fault system, located about 10 miles southwest of the site.</p> <p>The project site could experience strong seismic ground shaking and related effects in the event of an earthquake on one of the identified active or potentially active faults in the region. The proposed project is the acquisition of the Pacific Motor Inn, which would be used in its existing condition, with minor interior improvements, to provide transitional housing. The</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
LAND DEVELOPMENT		
		<p>building was constructed in compliance with California Building Code requirements to avoid and minimize potential damage from seismic ground shaking. Based on the above, no adverse effects are anticipated.</p> <p style="text-align: center;"><i>Noise</i></p> <p>Community noise levels would not be significantly affected by the project. Existing noise levels at the project site are predominantly traffic noise. The permanent on-going noise anticipated at the project site would be the same as it is under existing conditions. Since the project does not include excavation, demolition, or exterior construction, the project would not result in construction noise.</p> <p>The project complies with the HUD noise abatement and control regulations of 24 CFR 51B.</p> <p>[Source: (14), (15), Appendix D]</p>
Energy Consumption	2	<p>The project would not represent a wasteful use of energy. The project is the acquisition of the Pacific Motor Inn that would be used in its existing condition to provide transitional housing for people experiencing homelessness. The building was constructed in 1969, and 2018 and 2019 renovations included upgrades for compliance with the building energy efficiency standards of Title 24, Part 6 of the California Code of Regulations, and complies with the California Green Building Standards Code (CALGreen Code) that establishes mandatory green building standards for all buildings in California.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
SOCIOECONOMIC		
Employment and Income Patterns	1	<p>According to the 2019 Census, approximately 15.2 percent of San José households are extremely low income (earning 30 percent or less of the area median income [AMI]), 6.7 percent are very low income (earning between 31 and 50 percent of the AMI), 22.1 percent are low income (between 51 and 80 percent of the AMI), and 56 percent are moderate income (above 80 percent of the AMI, including all households earning above the AMI). The 2019 San José Homeless Census and Survey Report identified 6,097 people experiencing homelessness in 2019, making up less than one percent of San José's 2019 population.</p>

		<p>The project would increase the availability of temporary housing for homeless residents living in San José. No significant change to the demographic character of the neighborhood is expected because the project is intended to serve the existing population.</p> <p>[Source: (19), (20)]</p>
Demographic Character Changes, Displacement	1	<p>The project would provide affordable housing designed to accommodate the unmet needs of the homeless population in San José. The project does not represent a significant change to the demographics of the area or on area social services as it is intended to serve the existing population.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
COMMUNITY FACILITIES AND SERVICES		
Educational and Cultural Facilities	2	<p>The project site is located within the San José Unified School District (SJUSD) which consists of 27 elementary schools, eight middle schools, and eight high schools. The proposed project is the acquisition of the Pacific Motor Inn that would be used to provide transitional housing to individuals experiencing homelessness. It is anticipated that the units would be occupied by single individuals with no children. The project would not generate new students within the SJUSD; thus, the project would not have an impact on educational facilities.</p> <p>The project would not displace existing cultural facilities, nor would it affect cultural facilities by its operation.</p> <p>[Source: (22)]</p>
Commercial Facilities	2	<p>The proposed project is the acquisition of the Pacific Motor Inn that would be used in its existing condition to provide transitional housing. The project site is located in an urban area and is proximate to shopping and commercial opportunities. The project would not displace existing commercial facilities beyond the closure of the hotel itself that would be converted, nor would it affect commercial facilities by its operation.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
COMMUNITY FACILITIES AND SERVICES		
Health Care and Social Services	2	<p>The project site is located within easy reach of three major hospitals: Santa Clara Valley Medical Center located approximately two miles southwest of the site, Regional Medical Center located approximately four miles northeast of the site, and Kaiser Medical Center located approximately five miles west of the site. There are numerous smaller clinics, medical facilities, and convalescent hospitals located nearby. The project would not have significant adverse effects on healthcare facilities or delivery systems because the target population is already present in the area and receiving health care and social services. The provision of transitional housing to currently homeless persons can help stabilize their health condition and reduce their need for hospital services as they are no longer exposed to the elements during excessive heat or cold weather.</p> <p>The proposed project is the acquisition of a hotel property that would be used in its existing condition to provide transitional housing to people experiencing homelessness in the City of San José. The project does not represent a significant change to the demographics of the area or on social services, as it is intended to serve the existing population.</p>
Solid Waste Disposal / Recycling	2	<p>The proposed project is the acquisition of the Pacific Motor Inn that would be used in its existing condition to provide transitional housing and is not anticipated to have impacts to solid waste disposal/recycling facilities. Based on the CalEEMod solid waste disposal rates for low-rise apartments, the proposed project would generate approximately 33 tons of solid waste per year. Based on the solid waste disposal rate for the hotel land use, the existing 72-room hotel would generate approximately 39 tons of solid waste per year. Compared to existing conditions, the project would not constitute a significant increase in the amount of waste generated at the project site.</p> <p>[Source: (25)]</p>
Wastewater / Sanitary Sewers	2	<p>The project would have an incremental increase in wastewater and sanitary sewer services. Based on the assumption that wastewater generation is equivalent to approximately 90 percent of indoor water use (see discussion under Water Supply below), the proposed project would generate approximately 12,067 gallons per day (gpd) of wastewater. Compared to existing conditions, this would be an increase of approximately 7,564 gpd of wastewater generated at the site.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
COMMUNITY FACILITIES AND SERVICES		
		<p>Currently, the City of San José has approximately 38.8 million gallons per day of excess treatment capacity at the San José/Santa Clara Regional Wastewater Facility. Given the project's estimated generation (0.0128 million gallons per day), there is sufficient capacity to serve the project.</p> <p>Therefore, although the project would increase wastewater compared to existing conditions, there is available wastewater treatment capacity to serve the proposed project, and the project would have a minimal impact to wastewater / sanitary sewer systems.</p> <p>[Source: (24)]</p>
Water Supply	2	<p>The project site is served by the San José Water Company (SJCW). The project would have an incremental increase in water consumption.</p> <p>To calculate the estimated water demand of the project, the California Emissions Estimator Model (CalEEMod) water usage rates for Low-Rise Apartments was used. Low-Rise Apartments is considered the most comparable land use to the proposed project because the project would provide individuals with long-term occupancy. This projected water demand was compared to existing conditions, which were calculated using the CalEEMod Hotel land use.</p> <p>Based on the CalEEMod water usage rates for the Hotel land use, the existing 72-room hotel uses approximately 5,004 gallons per day (gpd) for potable water and 556 gpd for irrigation, resulting in a total demand of 5,560 gpd. Based on the water usage rates for Low-Rise Apartments, the proposed 72-room project would use approximately 12,852 gpd for potable water. Irrigation requirements would remain the same as existing conditions. This would result in a total demand of 13,408 gpd.</p> <p>The SJCW's UWMP projected a water supply of 44,201 million gallons in 2025. Given the project's estimated demand, there would be adequate water supply to serve the project.</p> <p>[Source: (24), (27)]</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
COMMUNITY FACILITIES AND SERVICES		
Public Safety - Police, Fire and Emergency Medical	2	<p>Public services are generally provided to the community as a whole and financed on a community-wide basis. The project site is located in an urban area that is currently served by municipal providers. The project does not propose a new development and is intended to accommodate the needs of existing homeless residents in the area; therefore, the project would not result in an increased demand for public services. The project site would not require a significant change in emergency medical services in the area. Providing transitional housing for homeless can reduce calls for service compared to the homeless continuing to reside on the streets.</p>
Parks, Open Space and Recreation	2	<p>The project site is located within several miles of existing parks and recreation centers. The closest parks to the site are Plaza de César Chávez, located approximately 1,450 feet northwest; O'Donnell Garden Park, located approximately 1,500 feet east; and Discovery Meadow, located approximately 2,000 feet west. The project is intended to accommodate the needs of the existing population and would not have impacts on parks, open space, and recreation.</p>
Transportation and Accessibility	2	<p>The project site is in an urbanized area of San José that is served by pedestrian and bicycle facilities and public transit. Regional access to the project site is provided by State Route 87, I-280, and I-880.</p> <p>Pursuant to San José Council Policy 5-1, the proposed project is exempt from Vehicle Miles Traveled (VMT) modeling because the site is located in a low-VMT area proximate to transit and would serve existing homeless residents in the area.</p> <p>To estimate vehicle trips generated by the proposed project, the <i>Institute of Transportation Engineers (ITE) Trip Generation Manual (10th Edition)</i> was used. The Senior Adult Housing – Attached land use was the most similar land use to transitional housing because the project assumes single-room occupancy. This estimate was compared to existing conditions, which were calculated using the ITE Hotel land use.</p> <p>Based on the Senior Adult Housing - Attached land use, the proposed 72-room project would generate 14 AM and 19 PM peak hour trips. Based on the Hotel land use, the existing 72-room generates 34 AM peak hour trips and 43 PM peak hour trips. Compared to existing conditions, the proposed project would decrease the number of peak hour trips from the site.</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
COMMUNITY FACILITIES AND SERVICES		
		<p>Projects that generate fewer than 100 net new peak hour trips would be considered to have a less significant impact on local traffic operations based on the Congestion Management Plan criteria. Since the proposed project would be well below this threshold, and would not exceed existing conditions, the project would not have an adverse effect on traffic operations.</p> <p>[Source: (26)]</p>

Environmental Assessment Factor	Impact Code	Impact Evaluation
NATURAL FEATURES		
Unique Natural Features, Water Resources	2	<p>The project would be served by the San José Water Company. The project would have an incremental increase in water consumption. Based on the CalEEMod water usage rates for low-rise apartments (as discussed in the Water Supply discussion above), the proposed 72-room project would use approximately 13,408 gpd. The SJCW's 2020 UWMP projected a water supply of 44,201 million gallons in 2025. Given the project's estimated demand, there would be adequate water supply to serve the project.</p> <p>[Source: (24), (27)]</p>
Vegetation, Wildlife	2	<p>The project site is located in an urbanized infill lot that is currently used as a hotel. The proposed project would not include any excavation, demolition, or construction that would create substantial physical changes that would impact natural habitats containing endangered species or any designated or proposed critical habitat.</p> <p>[Source: (6)]</p>
Other Factors	1	<p>The proposed project would provide safe living conditions for currently homeless residents by meeting fire, life safety, and Americans with Disabilities Act codes.</p> <p>[Source: (15)]</p>

Additional Studies Performed and Field Inspection (Date and completed by):

Appendix A: Phase I Environmental Site Assessment. Prepared by City of San José. June 25, 2021.

Appendix B: Explosives and Flammable Survey. Prepared by Running Moose Environmental Consulting. December 9, 2021.

Appendix C: Programmatic Agreement. Prepared by City of San José. February 28, 1996.

Appendix D: Noise Report. Prepared by Illingworth & Rodkin, Inc. December 20, 2021.

Appendix E: USFWS Species List. Prepared by USFWS. December 14, 2021.

Appendix F: Additional Figures

List of Sources, Agencies and Persons Consulted [40 CFR 1508.9(b)]:

1. Association of Bay Area Governments. *Regional Housing Needs Plan, San Francisco Bay Area 2023-2031*. November 2021. https://abag.ca.gov/sites/default/files/documents/2021-12/proposed%20Final_RHNA_Allocation_Report_2023-2031.pdf
2. Santa Clara County Airport Land Use Commission. *Norman Y. Mineta San José International Airport Comprehensive Land Use Plan*. May 25, 2011. https://stgenpln.blob.core.windows.net/document/ALUC_SJC_CLUP.pdf
3. San Francisco Bay Conservation and Development Commission (BCDC). *The San Francisco Bay Plan*. State of California. San Francisco, CA, 1969. http://www.bcdc.ca.gov/plans/sfbay_plan.html. BCDC is the federally-designated state coastal management agency for the San Francisco Bay segment of the California coastal zone. This designation empowers the Commission to use the authority of the federal Coastal Zone Management Act.
4. Federal Emergency Management Agency. National Flood Hazard Layer Viewer. <https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d4879338b5529aa9cd>
5. Bay Area Air Quality Management District. *CEQA Guidelines and Thresholds of Significance, effective April 19, 2017*. <https://www.baaqmd.gov/plans-and-climate/air-quality-plans/current-plans>
6. Santa Clara Valley Habitat Agency. Geobrowser. 2018. Accessed December 2, 2021. <http://www.hcpmaps.com/habitat/>.
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8. City of San José. *Historic Resources Inventory*. Accessed December 2, 2021. <https://www.sanjoseca.gov/your-government/departments/planning-building-code-enforcement/planning-division/historic-preservation/historic-resources-inventory>
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11. US Fish and Wildlife Service. National Wetlands Inventory. Accessed December 2, 2021. <http://www.fws.gov/wetlands/Data/Mapper.html>
12. US Forest Service. National Wild and Scenic River System. <https://www.rivers.gov/california.php>
13. U.S. Environmental Protection Agency. Environmental Justice Screening and Mapping Tool. <https://www.epa.gov/ejscreen>
14. California Geological Survey. Information Warehouse: Regulatory Maps. <https://maps.conservation.ca.gov/cgs/informationwarehouse/regulatorymaps/>
15. City of San José. *City of San José Envision 2040 General Plan*. <https://www.sanjoseca.gov/index.aspx?nid=1737>
16. United States Department of Agriculture, Natural Resources Conservation Service. “Web Soil Survey.” <http://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm>
17. San Francisco Regional Water Quality Control Board. <https://www.waterboards.ca.gov/sanfranciscobay/>
18. City of San José. *Code of Ordinances*. August 2018. https://library.municode.com/ca/san_jose/codes/code_of_ordinances.
19. United States Census Bureau. *Selected Economic Characteristics: 2019 American Community Survey 1-year Estimates for San José, California*. <https://data.census.gov/cedsci/table?q=american%20community%20survey%20economic&g=1600000US0668000&tid=ACSDP1Y2019.DP03>
20. City of San José. *2019 Homeless Census and Survey Comprehensive Report*. <https://www.sanjoseca.gov/home/showdocument?id=38890#:~:text=The%20San%20Jos%C3%A9%20Homeless%20Census,during%20the%20last%2015%20years>.
21. State of California, Building Standards Commission. *2010 Draft California Green Building Standards Code* (Effective January 1, 2011). <http://www.bsc.ca.gov/CALGreen/default.htm>.

22. City of San José. “Communications Hill”. <http://www.sanjoseca.gov/communicationshill>.
23. San José Unified School District. Our Schools. <https://www.sjUSD.org/our-schools/schools/>
24. CalEEMod. September 2016. Appendix D, Table 9.1: Water Use Rates.
25. CalEEMod. September 2016. Appendix D, Table 10.1: Solid Waste Disposal Rates.
26. Institute of Transportation Engineers. *Trip Generation Manual, 10th Edition*. September 2017.
27. City of San José. *2020 Urban Water Management Plan*. June 2021. <https://www.sanjoseca.gov/home/showdocument?id=422>

List of Preparers and Summary of Qualifications:

Akoni Danielsen, President/Principal Project Manager, David J. Powers and Associates, Inc., 24 years professional experience in land use and environmental planning, preparing environmental impact assessments. Master’s Degree – City Planning, University of California, Berkeley.
Bachelor’s Degree – Geological and Environmental Sciences, Stanford University.

Maria Kisyova, Associate Project Manager, David J. Powers and Associates, Inc., 3 years professional experience in preparing environmental impact assessments. Bachelor’s Degree – Environmental Management, California Polytechnic State University.

List of Permits Obtained:

The proposed action would require the following approvals:

- Building Permits

Public Outreach [24 CFR 50.23 & 58.43]:

The City of San José Housing Department hosted virtual public meetings on October 1, 2021 and November 10, 2021. The meetings were hosted in collaboration with Santa Clara County and the service providers involved with the proposed project.

Cumulative Impact Analysis [24 CFR 58.32]:

Because the proposed project is the acquisition of a hotel that would be used in its existing condition with minor interior changes to the building, there would be minimal interior improvements that would not result in construction impacts. The proposed building occupancy would largely match the current hotel occupancy, the project does not pose environmental

impacts that have the potential to combine with other projects occurring in the vicinity. The project would not result in cumulatively considerable impacts.

Alternatives [24 CFR 58.40(e); 40 CFR 1508.9]

No development alternatives to the proposed project have been identified or considered because the proposed action is localized. If the City were not to pursue acquisition of the Pacific Motor Inn, the proposed transitional housing use could be accommodated in any alternative hotels in the area that are similarly suitable for conversion, however, the effects of the project at any alternative hotel locations would be similar. In the event the City or a private entity pursued a new construction project to provide transitional housing, the impacts of new construction would be substantially greater than what would be required for the interior improvements to the hotel, and the operational environmental impacts would be substantially greater than they would be at the Pacific Motor Inn, which has the baseline condition of an existing hotel.

No Action Alternative [24 CFR 58.40(e)]:

The No Action Alternative would make no changes to the project site. Under this alternative, the proposed transitional housing project would not occur and the much-needed transitional housing assistance for the homeless population would not be achieved. This alternative assumes that the Pacific Motor Inn would continue to underperform, and that the property would be purchased by different developers to be redeveloped in the future. As previously stated, the site has a General Plan designation of *Downtown*, which includes office, retail, service, residential, and entertainment uses. Redevelopment under this land use is encouraged to be at very high intensities, unless incompatible with other major policies. Additionally, residential projects within the *Downtown* designation are encouraged to incorporate ground floor commercial uses. The *Downtown* designation allows for up to 800 dwelling units per acre and a commercial FAR of up to 30 (three to 30 stories).

The existing surrounding uses within the immediate vicinity of the Pacific Motor Inn consist of one- to two-story residential, office, retail, and commercial uses. Considering the Bay Area's need for housing and existing development within the neighborhood, it is likely that the existing hotel site could be redeveloped into a mixed-use residential development containing office and/or commercial space. While the *Downtown* designation allows for up to 30 stories, future development at the site would maintain compatibility with the surrounding area. A mixed-use residential development at the project site would likely reach a maximum of six stories with approximately 300 residential units, which would be constructed over a period of 18 to 24 months.

The larger project allowed under the General Plan would be likely to result in more environmental impacts than the proposed project. Compared to the proposed hotel conversion project, the No Project Alternative would be significantly larger and would accommodate a greater population; therefore, it would produce more traffic, require more energy to operate, emit more air pollution during construction and operation, and require greater demand on utilities.

Summary of Findings and Conclusions:

- The proposed project would be compatible with existing and future land uses in the vicinity of the project site.
- The proposed project would provide transitional housing in the City of San José where transitional housing and affordable housing options are in high demand.
- The proposed project would comply with all statutory regulations pertaining to environmental issues.

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

The proposed project was found to have a minimal impact on the environment; therefore, no mitigation measures were identified for the proposed project.

Determination:

Finding of No Significant Impact [24 CFR 58.40(g)(1); 40 CFR 1508.27]
The project will not result in a significant impact on the quality of the human environment.

Finding of Significant Impact [24 CFR 58.40(g)(2); 40 CFR 1508.27]
The project may significantly affect the quality of the human environment.

Preparer Signature: Akoni Danielsen Date: 3/17/2022

Name/Title/Organization: Akoni Danielsen, President and Principal Project Manager
David J. Powers & Associates, Inc.

Certifying Officer Signature: _____ Date: _____

Name/Title: Christopher Burton, Director, Planning, Building and Code Enforcement
City of San José

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).