

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

March 30, 2022

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.

PROJECT DESCRIPTION

Project Title: Pavilion Inn Transitional Housing Project

File No.: ER21-159

Project Location: 1280 North 4th Street, San José

The project site is currently developed with the Pavilion Inn, a two-story hotel containing 62 rooms, storage rooms, kitchen area, laundry room, and a lobby, and a surface parking lot. The proposed project is the acquisition and operation of the Pavilion Inn for use 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 exterior 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.

REQUEST FOR RELEASE OF FUNDS

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 14 one-bedroom units as authorized under Section 8 of the Housing Act of 1937, as amended. PBV housing assistance will be provided for this project 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, for a total of forty (40) years. The estimated total funding for rental subsidy is \$8,934,240 (\$446,712 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 \$1,000,000 more to account for market fluctuations.

The project will use \$9,000,000 in Moving to Work funds, a program that allows housing authorities to design and test innovative, locally- designed housing and self-sufficiency strategies for low-income families by permitting PHAs to use assistance received under Sections 8 and 9 of the Housing Act of 1937, as amended, 42 U.S.C. Section 1437 et seq. (1937 Act) more flexibly and, as approved by HUD, with certain exemptions from existing public housing and Housing Choice Vouchers (HCV) program requirements.

The project will use \$8,000,000 in Public Housing Proceeds that provides operating subsidies to housing authorities to assist in funding the operating and maintenance expenses of their own dwellings, in accordance with Section 9 of the U.S. Housing Act of 1937, as amended.

The project will use \$2,500,000 in Community Development Block Grant (CDBG) Program funds that support community development activities to build stronger and more resilient communities under Section 1701x of the Housing and Urban Development Act of 1968, 12 U.S.C. 1701x, 1701 x-1, 42 U.S.C. 3535(d) and 5301-5320.

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. To review hard copies of the documents, please contact Reema Mahamood at 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. All comments received by **5:00 p.m. April 20, 2022** 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 to the use of Section 8 PBVs, Moving to Work funds, or Public Housing funds 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 and todd.r.greene@hud.gov. Potential objectors should contact HUD to verify the actual last day of the objection period.

Objections to the use of CDBG funds 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 Community Planning and Development, and sent to the following email address CPD_COVID-19OESFO@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

4/5/2022

Date