

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

March 3, 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 Blossom Hill Station Mixed-Use Project (Planning File No. SP20-012).

REQUEST FOR RELEASE OF FUNDS

On or about March 7, 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 project is located at 605 Blossom Hill Road (APN 464-22-032) adjacent to the Santa Clara Valley Transportation Authority (VTA) Blossom Hill Light Rail Station.

The proposed action is part of a larger mixed-use development that would be implemented at the project site. The project site is currently developed with a surface parking lot, Santa Clara Valley Transportation Authority (VTA) bus stop, VTA light rail station entrance, and landscape trees.

As proposed, the larger development would remove approximately half of the existing parking lot and landscaping along Blossom Hill Road and construct two new six- and five-story buildings (Building A and Building B). Building A would contain up to 239 market-rate residential units above two levels of podium parking wrapped by the building and up to 13,590 square feet of commercial space on the first and second floors. In addition, Building A would feature a combination of neighborhood and residential amenities space. Building A would be six stories tall with a maximum height of 79.6 feet (including mechanical screening).

Building B would contain 89 deed-restricted affordable housing units and amenities space. Of the 89 deed-restricted affordable housing units, approximately 35 units (“proposed action”) would receive Housing and Urban Development (HUD) Section 8 Project Based Vouchers (PBV). The proposed unit mix for Building B would include 21 studios, 28 one-bedroom apartments, 25 two-bedroom apartments, and 13 three-bedroom apartments. Common open space and amenities in Building B would include a common outdoor deck, community room, media room, conference room, neighborhood room, and two resident support services offices. Building B would be five stories tall with a maximum height of 64 feet (including mechanical screening).

The proposed project would retain the existing driveway, access road, 212 of the approximately 542 existing parking spaces for VTA use and construct a new eight- to 12-foot-wide bicycle/pedestrian path along Canoas Creek. Landscape buffers and fences would divide the VTA parking from dedicated parking for the proposed residential and mixed-use buildings. Resident parking would be provided in the form of podium parking garages in Building A and a surface parking lot adjacent to Building B. Parking garages would be wrapped with the building façades. Building A would provide 323 vehicle parking spaces within the first and second floors of the building. Additionally, four vehicle parking spaces for Building B would be provided in the form of surface parking spaces adjacent to the building. Bicycle parking for residents in Building A would be provided in the parking garage and bicycle parking for residents in Building B would be provided on the first floor of Building B and in exterior bike lockers.

The total estimated project cost for both the market rate and affordable components combined is around \$220 million. The estimated cost for the affordable housing portion is \$105,647,639. The Santa Clara County Housing Authority (SCCHA) would be providing Section 8 housing assistance to the project in the form of Project Based Vouchers (PBVs) for six dwelling units as authorized under Section 8 of the Housing Act of 1937, as amended. PBV housing assistance would 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 40 years. The estimated total funding for rental subsidy is \$4,872,120 (\$243,606 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 HUD. Please note that the actual funded amount may be up to \$1,000,000 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.

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 **March 20, 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

2/22/2023

Date