



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Planning Commission

SUBJECT: SEE BELOW

DATE: October 12, 2018

COUNCIL DISTRICT: 6

SUBJECT: FILE NOS. PDC17-058, PT17-063, PD17-029. PLANNED DEVELOPMENT REZONING FROM THE CP COMMERCIAL PEDESTRIAN ZONING DISTRICT TO THE (CP)PD PLANNED DEVELOPMENT ZONING DISTRICT TO ALLOW UP TO 249 RESIDENCES WITH A MINIMUM 0.5 FLOOR AREA RATIO (FAR) OF COMMERCIAL USES; A VESTING TENTATIVE MAP TO CONSOLIDATE TWO PARCELS INTO ONE PARCEL; AND A PLANNED DEVELOPMENT PERMIT TO ALLOW THE DEMOLITION OF FIVE BUILDINGS, REMOVAL OF SIX ORDINANCE SIZE TREES AND THE CONSTRUCTION OF A SEVEN-STORY MIXED USE DEVELOPMENT AND A TWO-LEVEL UNDERGROUND PARKING STRUCTURE ON AN APPROXIMATELY 1.22-GROSS ACRE SITE, ON THE NORTHWEST CORNER OF WEST JULIAN STREET AND STOCKTON AVENUE (715 WEST JULIAN STREET).

RECOMMENDATION

The Planning Commission voted 5-0-1-1 (Commissioner Yesney absent and Commissioner Leyba abstained) to recommend that the City Council:

1. Adopt a resolution approving the Addendum to the Diridon Station Area Plan Final Program EIR (Resolution No. 77096), Envision San José 2040 General Plan Final Program EIR (Resolution No. 76041), Supplemental EIR (Resolution No. 77617), and Addenda thereto in accordance with California Environmental Quality Act and associated Mitigation Monitoring and Reporting Program;
2. Consideration of an ordinance of the City of San José rezoning certain real property located at 715 West Julian Street, from the CP Commercial Pedestrian Zoning District to the CP(PD) Planned Development Zoning District to allow up to 249 residences with a minimum 0.5 FAR ratio of commercial uses (up to 26,585 square feet) on a 1.22-gross acre site;

3. Adopt a resolution approving, subject to conditions, a Vesting Tentative Map to combine two parcels into one parcel on a 1.22-gross acre site; and
4. Adopt a resolution approving a Planned Development Permit, subject to conditions, to effectuate the Planned Development Zoning District and to allow the demolition of five existing buildings, removal of six ordinance size trees and the construction of a seven-story mixed use development containing 249 multi-family residential units and 26,585 square feet of ground level commercial space and a two-story underground parking structure on a 1.22-gross acre site.

OUTCOME

If the City Council approves the Addendum, Planned Development Rezoning, Vesting Tentative Map, and Planned Development Permit, the applicant would be able to file and record a final subdivision map to consolidate the parcels and apply for and obtain building permits to demolish five buildings, remove six ordinance-size trees, and construct a seven-story mixed use development containing 249 multi-family residential units and 26,585 square feet of ground level commercial space and a two-story underground parking structure.

BACKGROUND

On September 26, 2018, the Planning Commission held a public hearing to consider the Planned Development Zoning District, Vesting Tentative Map, and Planned Development Permit. The request was moved from the consent calendar to the public hearing portion of the agenda, due to the request for public comments.

Staff made a short presentation summarizing the proposed project and the CEQA analysis, and corrected that the project provides 250 bicycle parking spaces, not 164 spaces. Staff addressed a comment letter submitted the day of the hearing by Michael Lozeau on behalf of Labor International Union of North America, Local Union 270. The comment letter questioned the adequacy of the Addendum and its air quality and traffic analysis with supplemental technical reports. The letter focused on indoor air quality impacts to future residents, operational air quality impacts, construction-period air quality, and trip generation data. The Environmental Planner responded to these environmental issues as well as the reason an addendum was appropriate for environmental documentation.

Erik Schoennauer, representing the applicant, spoke on behalf of the project. Mr. Schoennauer explained that the project is exemplary for the Diridon Station Area Plan (DSAP) due to its proximity to a transit hub, the proposed corner public plaza and proposed residential density.

After the applicant's representative spoke, the Chair invited Michael Lozeau to speak. Mr. Lozeau challenged the City's use of an Addendum for the proposal because the project was different from the General Plan. He also stated the Addendum had two major deficiencies:

1. The indoor air quality was not addressed in the CEQA report; and
2. The traffic study applied the incorrect rates based on the retail center model used.

Mr. Schoennauer responded to Mr. Lozeau's testimony by characterizing the letter and comments as a tactic intended to delay approval of the project. He cited that such an approach has become a trend in the last few years and that Council's decisions have aligned with staff's recommendations. He asked that the Planning Commission to do the same.

Vice Chair Ballard asked Mr. Schoennauer about the existing retail shops and how these "mom and pop" type retail stores could be accommodated by the project. Mr. Schoennauer responded that the commercial spaces can be configured to accommodate smaller shops and occupancy would be dependent on market rental rates.

The Chair asked staff about the indoor air quality issue brought up by Mr. Lozeau. Environmental Planner David Keyon responded that this would be considered an "impact of the project upon itself" and was not covered under CEQA, which analyzes project impacts on surrounding uses.

The Chair thanked staff and reiterated that the late submittal of Mr. Lozeau's letter did not offer enough time to fully analyze the issues brought forth.

The Chairperson asked staff to further explain the appropriateness of the Addendum. Staff explained that the Initial Study was the basis for the Addendum. Staff explained how none of these comments raise new issues or provide substantial evidence that the Initial Study/Addendum is inadequate. In accordance with CEQA, the project would not result in new or substantially greater environmental impacts than those identified in the DSAP EIR or General Plan EIRs, and therefore, an Addendum was the appropriate CEQA clearance.

Commissioner Vora made a motion to approve staff's recommendation as written with minor corrections. Commissioner Griswold seconded the motion.

The Planning Commission voted 5-0-1-1 (Commissioner Yesney absent and Commissioner Leyba abstained), to recommend approval of the project to the City Council.

ANALYSIS

A complete analysis of the issues regarding this project are contained in the attached Planning Commission Staff Report.

Staff will issue a separate supplemental memo to further address the CEQA comments raised in the September 26, 2018 letter from Lozeau Drury, LLP, on behalf of Labor International Union of North America, Local Union 270.

EVALUATION AND FOLLOW UP

If the City Council approves the Planned Development Rezoning, Vesting Tentative Map and Planned Development Permit, the developer would need to obtain a final subdivision map from the Public Works Department and obtain building permit(s) for the demolition of five buildings, and allow the construction of a seven-story mixed use development containing a two-story underground parking structure.

PUBLIC OUTREACH

Staff followed Council Policy Public Outreach Policy 6-30, in that notices for the public hearings for the project were mailed to the owners and tenants of all properties located within 1,000 feet of the project site. An electronic version of this memorandum has been available online, accessible from the City Council Agenda for the October 23, 2018 hearing. A community meeting was held on May 14, 2018 with approximately 65 community members in attendance. A summary of comments raised at the community meeting is provided in the attached Planning Commission staff report. Staff has been available to discuss the proposal with members of the public.

COORDINATION

Preparation of this memorandum was coordinated with the City Attorney's Office.

CEQA

An Addendum to the Diridon Station Area Plan Environmental Impact Report (EIR), Envision San José 2040 General Plan EIR, Supplemental EIR, and Addenda thereto was prepared by the Director of Planning, Building, and Code Enforcement for the subject Planned Development Rezoning and Planned Development Permit. The Diridon Station Area Plan and Envision San José 2040 General Plan EIRs contain sufficient information to provide project-level environmental clearance for certain impacts by including standard measures that apply to all projects in San José. The proposed project is eligible for an Addendum pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164 and was completed in compliance with CEQA to reflect an independent judgment and analysis of the project.

An Initial Study was prepared in support of the Addendum that provided analysis of the proposed actions. The Initial Study outlined relevant mitigation measures, as identified in the previous EIRs,

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for air quality, biological resources, cultural resources, hazards and hazardous materials, and noise impacts. Mitigation measures are outlined for these resource areas which will reduce any potentially significant project impacts to a less-than-significant level. These mitigation measures include preparing a diesel particulate matter emissions reduction plan for construction equipment, conducting pre-construction bird surveys, archeological testing, regulatory oversight to address soil and groundwater contamination, discharge requirements for construction dewatering activities, mechanical noise requirements, and implementation of a vibration plan. The mitigation measures and associated compliance methods are included in the Mitigation Monitoring and Reporting Program.

The Initial Study concluded that the Diridon Station Area Plan EIR and Envision San José 2040 General Plan EIRs adequately address the environmental effects of the proposed project with supplemental evaluation, and the project would not result in significant environmental effects that are not already identified in the EIRs.

The Addendum, Initial Study, associated appendices, and other related environmental documents are available on the Planning website at: <http://www.sanjoseca.gov/index.aspx?nid=6148>.

/s/

Rosalynn Hughey, Secretary
Planning Commission

For questions, please contact Interim Deputy Director, Sylvia Do, at (408) 535-7907.

Attachment: Planning Commission Staff Report and Attachments