



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Planning Commission

SUBJECT: See Below

DATE: November 7, 2024

COUNCIL DISTRICT: 9

SUBJECT: PDC22-132 & ER23-041- Planned Development Rezoning of the Good Samaritan Hospital Site on Certain Real Property Located at 2333 and 2425 Samaritan Drive

RECOMMENDATION

On October 23, 2024, the Planning Commission, with a vote of 7-1-1 (Oliverio opposed and Bickford absent), took the following action:

1. Made no recommendation to the City Council regarding adoption of a resolution certifying the Good Samaritan Hospital Project Environmental Impact Report (EIR), and making certain findings concerning significant impacts, mitigation measures, alternatives, and adoption of a statement of overriding considerations and a related mitigation monitoring and reporting plan, in accordance with the California Environmental Quality Act, as amended.
2. Voted to not recommend adoption of an ordinance rezoning an approximately 21-gross-acre site from the A(PD) Planned Development Zoning District to a CG(PD) Planned Development Zoning District because the proposed rezoning is inconsistent with the General Plan, specifically ES-6.1 and ES-6.3.

SUMMARY AND OUTCOME

If the City Council does not adopt a resolution certifying the Good Samaritan Hospital Project EIR and denies the rezoning ordinance, as recommended by the Planning Commission, the site would not be rezoned and would remain within the A(PD) Planned Development Zoning District. Should the City Council adopt the resolution certifying the Good Samaritan Hospital Project EIR and approve the rezoning ordinance, the site would be rezoned from the A(PD) Zoning District to the CG(PD) Zoning District, and the applicant would be allowed to submit a Planned Development Permit or Permits for the phased demolition of part of Good Samaritan Hospital and an approximately 6,700-square-foot child care center for the construction of two new hospital wings with a total

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floor area of approximately 750,000 square feet; an approximately 200,000-square-foot medical office building; an approximately 24,000-square-foot central utility plant; and two parking structures totaling approximately 679,000 square feet, on the approximately 21-gross-acre subject site.

BACKGROUND

On October 23, 2024, the Planning Commission held a public hearing to consider the Final EIR and Planned Development Rezoning. An overview of the public hearing is provided below. Commissioner Young made a motion to not recommend adoption of the ordinance to rezone the site as inconsistent with Envision San José 2040 General Plan Policies ES-6.1 and ES-6.3. Vice Chair Cantrell seconded the motion. The motion was silent on the adoption of the resolution certifying the Final EIR, which resulted in no recommendation from the Planning Commission. The motion passed 7-1-1 (Oliverio opposed, and Bickford absent).

ANALYSIS

Analysis of the proposed CEQA clearance and Planned Development Zoning, including conformance with the General Plan, San José Municipal Code, Citywide Design Standards and Guidelines, and City Council Policies, are contained in the attached staff report.

Climate Smart San José Analysis

The recommendation in this memorandum does not affect any Climate Smart San José energy, water, or mobility goals. Should the City Council approve the rezoning, redevelopment of the Good Samaritan Hospital site with a larger hospital and new medical office building, there would potentially be an increase in the number of healthcare jobs in San José, consistent with Strategy 3.1.

EVALUATION AND FOLLOW-UP

No additional follow-up is anticipated at this time.

COORDINATION

The preparation of this memorandum has been coordinated with the City Attorney's Office.

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PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the November 19, 2024 City Council meeting.

Staff followed Council Policy 6-30: Public Outreach Policy to inform the public of the proposed project. The required onsite sign has been posted on the project frontage since June 5, 2023. A Joint EIR Scoping/Community Meeting was held on June 15, 2023, via Zoom webinar to introduce the proposed project to the community and gather community input. Approximately 17 members of the public were in attendance at the meeting. Seven members of the community expressed concerns about the impacts of construction on the site and other nearby sites, traffic and parking concerns, helicopter noise, and construction labor practices.

Staff received emails from six members of the public and organizations with concerns about the project. The concerns shared include the effect of the applicant's actions on providing necessary healthcare facilities and reducing services, including the sale of the Regional Medical Center; the maximum building height proposed for the hospital campus; and the removal of hundreds of mature trees to enable project construction.

A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. Additionally, a notice of the public hearing was posted in a newspaper of record (San José Post Record) on October 4, 2024. The staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

COMMISSION RECOMMENDATION AND INPUT

The project was heard at the Planning Commission hearing on October 23, 2024, on the Public Hearing portion of the agenda, as follows.

Staff Presentation

Kora McNaughton, staff planner, provided an oral presentation, including an overview of the proposed Planned Development Rezoning, the draft development standards, construction phases, and conformance with the General Plan, Title 20 of the San José Municipal Code, the Citywide Design Standards and Guidelines, and City Council Development Policies. Bethelhem Telahun, Environmental Project Manager, provided an oral presentation on the environmental review process, public outreach, the Final Environmental Impact Report, and project compliance with the California Environmental Quality Act (CEQA).

Applicant Presentation

Jerry Gonzalez, Chief Operating Officer of Good Samaritan Hospital, provided an overview of the hospital's operations in 2023, including the number of inpatients and emergency department visits and the value of charity care and taxes paid. He briefly noted that the hospital has received many awards, including a designation as one of the top 250 hospitals in the nation in 2023 and 2024, according to Healthgrades.

Russell Triplett, the project architect, explained that the hospital is required to meet seismic upgrade requirements by January 1, 2030, pursuant to Senate Bill (SB) 1953. According to SB 1953, after that date, acute care may not be provided in buildings that do not meet the requirements, including Good Samaritan's main building, which was built in 1965. The Women's and Children's Wing, which was built several decades later, meets the requirements and will remain. In addition to the seismic requirements, the hospital requires upgrades for long-term growth, enhanced patient experience including private patient rooms, improvement of the campus sustainability, resilience, and circulation, and onsite parking capacity. The number of patient rooms provided by the hospital would not increase significantly, but the size of the rooms are larger to accommodate mobile equipment. The rezoning and future project would include improved landscaping along the street frontages, including 500 new trees, and street improvements on Samaritan Drive and Samaritan Place.

Mr. Triplett then explained that the project is being planned in three phases to enable the hospital to continue operations during demolition and construction. Phases 1 and 2 must occur by the 2030 deadline to meet state requirements.

- Phase 1 will consist of the demolition of a portion of the hospital and the childcare center building, and construction of the east parking structure, the central utility plant (to replace existing central plant functions located where new construction will occur), and the construction of a new hospital wing adjacent to the Women's and Children's Wing.
- Phase 2 will consist of the demolition of the remainder of the main hospital building and the addition of 289 surface parking spaces.
- Phase 3 will consist of the construction of a second new hospital wing, a medical office building, the west parking structure, and the expansion of the central utility plant.

According to Mr. Triplett, once the site is rezoned, the applicant plans to submit Planned Development Permit applications to the Planning Division for Phases 1 and 2, while the Phase 3 Planned Development Permit application would likely be submitted after completion of the first two phases.

Public Hearing

Chair Tordillos opened the public comment portion of the agenda. Twelve members of the public spoke on the proposed project. The comments of the speakers are summarized below.

- A private citizen who works with the National Alliance on Mental Illness (NAMI) said there is a state of emergency in terms of emergency mental health services in Santa Clara County. She said that Good Samaritan closed psychiatric beds and offered substandard salaries to mental health professionals. She then described a personal experience with a member of her family who received poor-quality mental health services from Good Samaritan. She concluded by asking the Commission not to reward bad behavior by Hospital Corporation of America (HCA, parent company of Good Samaritan).
- A private citizen stated that he was formerly a legislative director for NAMI. He stated that the County of Santa Clara recently agreed to purchase Regional Medical Center in East San José from HCA to prevent the facility's closure. He also noted that HCA is the largest hospital corporation in the United States with record income and profits and that while the CEO of HCA was earning \$34 million in compensation, the company was closing critical care needed in San José and the county. He asked the Commission to reject the proposed rezoning.
- The executive director of Latinas Contra Cancer asked the Commission to reject the proposed rezoning and examine Good Samaritan's business practices because they conflict with General Plan policies, including Policy ES-6.7, which discourages healthcare facilities or hospitals where operations can have adverse impacts on healthcare patients. She stated that HCA had failed the community by disinvesting in San José and regionally, leaving local government to pick up the pieces.
- A private citizen stated that he has advocated for healthcare services for 45 years and urged the Commission to reject the rezoning. He stated that the rezoning conflicts with the General Plan, due to HCA's closure of psychiatric and pediatric services.
- A representative of Latinas Contra Cancer asked the Commission to reject the proposed rezoning, stating that HCA has eliminated needed services.
- A private citizen recalled when HCA closed San José Medical Center in 2004 and noted that the company closed maternity care and emergency care services at Regional Medical Center this year, resulting in a loss of services in East San José. She asked the Commission to reject the proposed rezoning.
- A private citizen stated that she is a lifelong resident of San José and asked the Commission to reject the rezoning, stating that HCA has not shown that they value health over profit. She suggested that HCA should pay for damages to patients of the Regional Medical Center.

- A private citizen who lives on Samaritan Drive stated that the environmental impact report did not include a discussion of traffic on Samaritan Drive to Union Avenue. He is concerned that increased traffic will affect the safety of the neighborhood. He also expressed concern about the potential impacts of the large amount of demolition waste that the project would generate. He asked the Commission to reject the proposed rezoning.
- A Rescue Our Medical Care Campaign representative asked the Commission to deny the proposed rezoning. She stated that the ongoing healthcare crisis is a significant barrier to quality healthcare and added that there is a troubling problem regarding the closure of critical services and eroding trust.
- A private citizen stated that Good Samaritan's proposal is not just about rezoning but also a decision that will have an impact on the City and regional healthcare system. He said the Planning Commission should provide guidance on how this will align with the General Plan. He asked the Commission to reject the proposed rezoning.
- A private citizen asked what services Good Samaritan would provide and urged the Commission to reject the proposed rezoning.
- A private citizen who is a lifelong resident of the Cambrian area said the project is an encroachment on the neighborhood and that parking has already been taken away. She also expressed concern about the amount of earthwork the project will entail and the potential for toxins in the soil. She asked the Commission to reject the proposed rezoning.

Chair Tordillos closed the public comment portion of the agenda and invited the applicant team to respond to comments or provide any closing statements.

Russell Triplett of the applicant team responded with a statement that the project is a replacement of the existing hospital and the reason for more floor area is due to modern requirements for healthcare provision. He also stated that members of the public had expressed concern about the height of the east parking structure along Samaritan Place. He said that although the proposed development standards for the Planned Development Zoning District would exempt the project from building setback requirements, they would not apply to the parking structure due to its height and location on the site.

Commissioner Discussion

Commissioner Oliverio began the discussion by stating that the project is similar to the Kaiser project considered a couple of months ago by the Planning Commission. He asked Daniel Zazueta, Senior Deputy City Attorney, if the City of San José regulates hospitals' services or business practices. Mr. Zazueta responded that the state, not the City, regulates such services.

Commissioner Oliverio asked Jerry Gonzalez, Chief Operating Officer of Good Samaritan, how the state regulates the services that hospitals provide in California and if hospitals can provide any services they choose. Mr. Gonzalez responded that the hospital focuses on what it does well, whether it's cardiac or other services. Mr. Triplett said eight basic services are required for a facility to be classified as a hospital, and hospitals may also choose to provide supplemental services, including emergency services.

Commissioner Oliverio asked the applicant team how the hospital determines the number of beds to provide. Mr. Triplett responded that the state regulatory agency licenses the beds but doesn't determine how many or what kind. HCA has an internal group that uses service projections to determine the number of beds.

Commissioner Oliverio asked whether the state regulates charitable services and if hospitals may choose not to provide them. Mr. Gonzalez stated that the hospital may not choose who to treat and that everyone who enters the door is treated.

Commissioner Oliverio stated that the Good Samaritan rezoning project is similar to the Kaiser project. It's a private hospital that is privately funded and is required to provide services. He added that private entities are necessary in addition to the County facilities. He stated that the decision before the Commission is a land-use decision, and the Planning Commission is not a regulatory body but has a very narrow purpose. Finally, he said the hospital provides tax revenue and unionized healthcare jobs. Commissioner Oliverio made a motion to approve the staff recommendation. There was no second, so the motion died.

Vice Chair Cantrell asked what the eight basic services that hospitals must provide are. Mr. Triplett responded that they are medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.

Vice Chair Cantrell asked the applicant how many net new trees the project would provide on the site. Mr. Triplett said he did not know the exact number. Chair Tordillos said there would be 201 net new trees.

Vice Chair Cantrell asked the applicant if charity care is tax-deductible. Mr. Gonzalez responded that it was.

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Vice Chair Cantrell asked how much Good Samaritan earns from the community. Mr. Gonzalez responded that he couldn't provide a figure, but the amount was millions of dollars.

Vice Chair Cantrell asked if the hospital charges more for private rooms, to which Mr. Gonzalez responded that the hospital does not. Mr. Triplett added that the standard of care is moving toward private rooms in hospitals.

Vice Chair Cantrell asked the applicant if the company closes operations when there are diminishing returns or if there are other reasons. Mr. Gonzalez responded that for psychiatric care, the company could not find enough psychiatrists to staff the Mission Oaks facility.

Vice Chair Cantrell stated that the company appears to have a modus operandi of acquiring hospitals and subsequently divesting from them. He added that that hospitals provide a public benefit that should not involve extracting profit and leaving communities in the lurch.

Commissioner Rosario stated that he has worked as an attorney for firms owned by private equity companies, worked as a turnaround CEO of network of health centers, and served on the county Health Advisory Commission and its Emergency Medical Care Committee. He said land use has a nexus with the City's values and morals, adding that HCA is a bad actor divested from the City of San José. He added that if a person has a stroke or heart attack in East San José, it will take them longer to get to the hospital. He noted that Santa Clara County is using tax dollars to buy what HCA has divested itself of, adding that he doesn't believe that HCA will benefit the City in the future.

Commissioner Barocio asked the applicant how many parking spaces the project will have. Staff responded that, in all phases of the project, there would be 2,179 parking spaces. Mr. Triplett said there are currently approximately 1,040 spaces.

Commissioner Barocio asked staff to discuss traffic issues and improvements associated with the project. Elizabeth Koki from Public Works responded that Samaritan Drive would undergo a road diet, with the number of lanes reduced from five to three. The curb would be pushed out to create a larger sidewalk and a buffered bike lane. The project would also be required to install a roundabout at Samaritan Drive and Samaritan Place, which would improve traffic flow.

Commissioner Barocio asked the applicant team to respond to some of the issues raised in terms of care given to underserved populations. Mr. Gonzalez responded that he was there to respond to questions about land use, and that the hospital will take care of any population that comes through their doors.

Commissioner Barocio told the applicant that although the Commission wants to help them expand, the Commissioners are looking for consistency with the General Plan. He asked the applicant to talk about the company's commitment to improving the situation that has been on the news recently and relieve some of the Commissioners' concerns. Mr. Gonzalez responded that he wanted to provide a good answer but had only been prepared to discuss land use questions.

Commissioner Young agreed with Commissioner Rosario's description of the problems of for-profit healthcare and noted that some providers do a better job than others. He said he was sensitive to Commissioner Oliverio's point that the Planning Commission is limited to reviewing land use decisions and understands why staff recommended approval. He said the response from community members to the Kaiser project and the response from community members in this meeting was very telling. He said HCA's closure of the mental health facility at Good Samaritan and closure of the trauma center at Regional were horrible decisions on HCA's part, so that people in East San José have to be transported to Valley Medical Center and even Stanford Hospital due decisions by Good Samaritan, such as the closing of the pediatric ICU. Commissioner Young also stated that he understood the concerns of neighbors of the hospital and added that they live near a very large hospital that at some point is going to be replaced or revamped.

Commissioner Young stated that although this proposal involves a land use decision, the main function of the Planning Commission is to ensure projects comply with the General Plan. He mentioned that advocates pointed out in a letter how the proposed project is not supported by several policies in the General Plan.

Commissioner Young put forward a motion to recommend that the City Council deny the staff recommendation. Vice Chair Cantrell seconded the motion.

Commissioner Lardinois said he agreed with many of the previous statements from commissioners and thanked community members who sent letters and spoke at the meeting, adding that it is helpful to hear feedback on the project framed in terms of the General Plan. Commissioner Lardinois asked staff if the Planning Commission is the hearing body for the rezoning and the Planned Development Permits for the buildings. Staff responded that while the Planning Commission hears the rezoning, the Planned Development Permits would go to a Director's Hearing, appealable to the Planning Commission.

Commissioner Lardinois asked staff to speak to the General Plan policies that were referenced in public comments. Staff responded that most of the policies are speaking to the City to create land use policies to help facilitate healthcare facilities throughout the City, rather than requiring specific projects to implement all those various policies.

Commissioner Lardinois requested clarification regarding whether the motion put forward was to deny the rezoning but adopt the environmental clearance, or to deny

both. Commissioner Young responded that the motion was to deny both. Vice Chair Cantrell agreed with that understanding, adding that he was willing to consider a friendly amendment that only denies the rezoning although he has concerns that the earthwork on the site will have a detrimental effect on neighboring communities.

Chair Tordillos asked staff what the impact would be of recommending that the City Council not adopt the EIR. Staff responded that the Planning Commission may recommend adopting the EIR and denying the rezoning.

The City Attorney added that the Planning Commission may also put forward a motion to not recommend approval of the rezoning ordinance due to inconsistency with the General Plan, adding the motion could be silent as to a recommendation on adoption of the EIR.

Commissioner Young amended his motion based on the City Attorney's explanation. Vice Chair Cantrell seconded the amendment to the motion.

Commissioner Rosario asked staff if they had reviewed the project in relation to the General Plan policies mentioned in the letters received from the community. Staff responded that the project had been analyzed in relation to all General Plan policies and staff did not find that the project was inconsistent with the policies cited in the letters.

Commissioner Barocio asked how the discussion can move forward. Staff responded that the commissioners are not required to make findings with their recommendation but should inform the City Council by providing a rationale for their recommendation based on consistency with the General Plan, zoning, and City policies. That rationale can be provided in the transcription of the comments in the Planning Commission hearing and doesn't have to be part of the motion.

Commissioner Barocio addressed the applicant, saying that the team presenting at the meeting was small and unprepared to answer questions that should have been at the top of their minds.

Vice Chair Cantrell stated that the applicant team should have been prepared to talk to the community and that hospitals are intended to serve the community. He added that the county and City cannot continue to provide services that are not profitable for the applicant.

Commissioner Young addressed Mr. Gonzalez, stating that the commissioners' comments were not a personal attack but that it is disingenuous to say that he didn't anticipate these questions arising, since the topic has been in the news over the past two months. He added that it was disrespectful that the applicant did not bring higher-level staff to the hearing.

Commissioner Rosario asked if the matter should be deferred so that the applicant could have time to discuss the proposal further with the City. The applicant responded that they would be open to having a meeting.

Vice Chair Cantrell responded that there has been ample opportunity to have conversations previously, and it would be a disservice to the community to delay a decision.

Commissioner Rosario proposed a friendly amendment to request that City Council meet with City staff and HCA to discuss a community benefits plan. Commissioner Young initially agreed with that friendly amendment. Senior Deputy City Attorney Zazueta provided clarification that the proposed project's inconsistency with General Plan policies ES-6.1 and ES-6.3 was a more accurate assessment given the commissioners' comments. Commissioner Young commented that he agreed to make those General Plan policies a part of his motion.

Vice Chair Cantrell stated his disagreement with the friendly amendment, adding that a community benefits plan wouldn't change the nature of the organization. He clarified that he is completely in agreement with finding inconsistency with the General Plan policies ES-6.1 and ES-6.3.

Commissioner Lardinois stated that he didn't think the item should be deferred, adding that the Planning Commission makes a recommendation to the City Council and if City Council wants more time to work with the applicant, they can take that action. Commissioner Young requested that Commissioner Rosario withdraw the amendment to the motion, based on Vice Chair Cantrell's comments. Commissioner Rosario agreed.

Commissioner Oliverio thanked staff for continuing to view the project as a land use issue. He said he believes that the Planning Commission and the City Council have different roles and that the comments from commissioners in the meeting were more in line with the role of the City Council. He asked the City Attorney if the Planning Commission rezoning hearing is a courtroom and whether they have a quasi-judicial responsibility in this matter, to which the City Attorney responded that it is a legislative act.

Commissioner Oliverio stated that the Planning Commission does not have the right to tell the applicant who must appear at the meeting. He noted that Kaiser refused to disclose the cost of their projects and that representatives of companies or applicants are not obligated to answer questions about their finances. He stated that the commissioners' role is to move a hospital forward and that the general community is supportive of hospital systems.

Chair Tordillos thanked community members for attending the hearing. He stated that there is a demonstrated history of concerns about HCA, and he doesn't want to see the Planning Commission's decision have eventual consequences in terms of service cuts to our community if the rezoning is denied. Given the 2030 deadline, he asked staff what the next steps would be if the City Council followed the Planning Commission's recommendation to deny the rezoning. Staff responded that the applicant may apply for another rezoning.

Chair Tordillos restated the motion was to not recommend approval of the rezoning ordinance, with specific reference to General Plan Policies ES-6.1 and ES-6.3, and called for a vote on the motion made by Commissioner Young and seconded by Vice Chair Cantrell. The motion passed 7-1-1 (Oliverio opposed, Bickford absent).

CEQA

The City of San José, as the Lead Agency, prepared an EIR (State Clearinghouse No. 2023060108) for the Planned Development Rezoning (PDC22-132), for the Good Samaritan Hospital Project in compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (California Code of Regulations §15000 et. seq.) and the regulations and policies of the City San José, California.

Summary of Environmental Impacts Reduced to Less than Significant with Mitigation

The Draft EIR identified potential environmental impacts related to air quality during construction, nesting birds, archaeological and tribal cultural resources, hazards and hazardous materials from past uses on the site, construction-related noise, and vehicle miles traveled. All project impacts would be less than significant or mitigated to less than significant. With the implementation of the mitigation measures specified in the Mitigation Monitoring and Reporting Program (MMRP) prepared for the project, these impacts are reduced to less than significant levels. As part of the certification of the Final EIR, the City Council will need to approve the associated MMRP for the project.

Project Alternatives

The Draft EIR analyzed three project alternatives: (1) No Project – No Construction Alternative, (2) Seismic Upgrade of Existing Hospital Alternative, and (3) Reduced Intensity Alternative. Alternatives that were considered but rejected include Location Alternative and Park Location Alternative. The three design alternatives were crafted based on their ability to reduce the impacts summarized above and to identify an environmentally superior proposal. The analysis of the three design alternatives in the Draft EIR includes discussion of the potential impacts of alternative site layouts for the purpose of decision-making.

Beyond the No Project – No Construction Alternative, the Reduced Intensity Alternative would be the environmentally superior alternative because it would result in the greatest potential for energy efficiency and incorporation of sustainable design features of the built alternatives through new construction. The impact conclusions would be similar to the project.

Summary of Comments Received

The City received 7 written comment letters during the public circulation period. Comments were submitted by the Amah Mutsun Tribal Band of San Juan Bautista, California Department of Fish and Wildlife, Santa Clara Valley Transportation Authority, County of Santa Clara Roads and Airports Department, California Department of Transportation – District 4, Santa Clara Valley Water District, and the Town of Los Gatos. The main concerns raised by commenters are as follows:

- Impacts to Tribal cultural resources.
- Impacts to special status species.
- Increased traffic and vehicle miles traveled.

The City responded to all comments received on the Draft EIR and incorporated them into the First Amendment to the Draft EIR. None of the comments received address an issue of adequacy of the Draft EIR and no new mitigation measures are required. EIR text revisions were included in the First Amendment to address clarifications to text of the Draft EIR and other suggested text revisions from commenters.

The First Amendment, taken together with the Draft EIR, and the Mitigation Monitoring and Reporting Program (MMRP) constitutes the Final EIR. The Draft EIR and First Amendment to the Draft EIR are available for review on the project page on the City's Active EIR website at: [PDC22-132 Good Samaritan Hospital Project \(SCH# 2023060108\) | City of San José \(sanjoseca.gov\)](https://www.sanjoseca.gov/projects/pdc22-132-good-samaritan-hospital-project). A copy of the signed MMRP is attached to the proposed CEQA resolution (Exhibit D).

EIR Recirculation Unnecessary

The comments received do not identify substantive issues of concern, inadequacies in the Draft EIR, or new previously unidentified significant impacts that require recirculation. The recirculation of an EIR is required when significant new information is added to the EIR after public notice is given of the availability of the Draft EIR for public review but before certification. "Information" can include changes in the project or environmental setting as well as additional data or other information. New information added to a Draft EIR is not "significant" unless the Draft EIR is changed in a way that deprives the public of meaningful opportunity to comment on a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (CEQA Guidelines Section 15088.5).

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In accordance with CEQA Guidelines Section 15088, the First Amendment to the Draft EIR for the project includes written responses to all comments received during the public review period for the Draft EIR. As required by Section 15132 of the CEQA Guidelines, the responses in the First Amendment to the Draft EIR address significant environmental points and comments on the content and adequacy of the EIR. The responses and comments provide clarification and refinement of information presented in the Draft EIR and, in some cases, correct or update information in the Draft EIR. No significant new information has been added to the EIR since publication of the Draft EIR; therefore, the Draft EIR does not need to be recirculated.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

CHRIS BURTON

Secretary, Planning Commission

For questions, please contact John Tu, Division Manager, at john.tu@sanjoseca.gov or (408) 535-6818.

ATTACHMENT

Planning Commission Staff Report



Memorandum

TO: PLANNING COMMISSION
SUBJECT: File Nos. PDC22-132 & ER23-041

FROM: Christopher Burton
DATE: October 23, 2024

COUNCIL DISTRICT: 9

Type of Permit	Planned Development Rezoning (File No. PDC22-132)
Proposed Land Use	Hospital, medical office building, utility plant, and parking structures
New Hospital, Medical Office, and Utility Plant Square Footage	Approximately 1,065,000 square feet
Project Planner	Kora McNaughton
CEQA Clearance	Good Samaritan Hospital Project Environmental Impact Report
CEQA Planner	Bethelhem Telahun

RECOMMENDATION

Staff recommends that the Planning Commission recommend that the City Council take all of the following actions:

1. Adopt a resolution certifying the Good Samaritan Hospital Project Environmental Impact Report, and making certain findings concerning significant impacts, mitigation measures, alternatives, and adopting a related mitigation monitoring and reporting plan, in accordance with the California Environmental Quality Act, as amended; and
2. Approve an Ordinance rezoning an approximately 21-gross-acre site from the A(PD) Planned Development Zoning District to the CG(PD) Planned Development Zoning District.

PROPERTY INFORMATION

Location	North side of Samaritan Drive and west side of Samaritan Place, approximately 275 feet east of Kinghurst Drive (2333 & 2425 Samaritan Drive)
Assessor Parcel Nos. (APNs)	421-36-009, 421-36-011
Existing General Plan	Neighborhood/Community Commercial
Growth Area	N/A
Existing Zoning	A(PD) Planned Development
Proposed Zoning	CG(PD) Planned Development
Historic Resource	No
Annexation Date	January 30, 1973 (Parker No_7) & May 12, 1976 (Parker No_16)

Council District	9
Acreage	Approximately 21 gross acres

PROJECT BACKGROUND

As shown on the Aerial Map below (Figure 1), the subject site is located on the north side of Samaritan Drive and west side of Samaritan Place approximately 275 feet east of Kinghurst Drive. The site is comprised of two parcels and is currently developed with Good Samaritan Hospital, an approximately 444,000-square-foot hospital, and a 6,700-square-foot building previously used for child care, as well as surface parking. The project site is bounded by an Highway 85 to the north, multifamily residential uses to the east, and medical offices to the south and west.

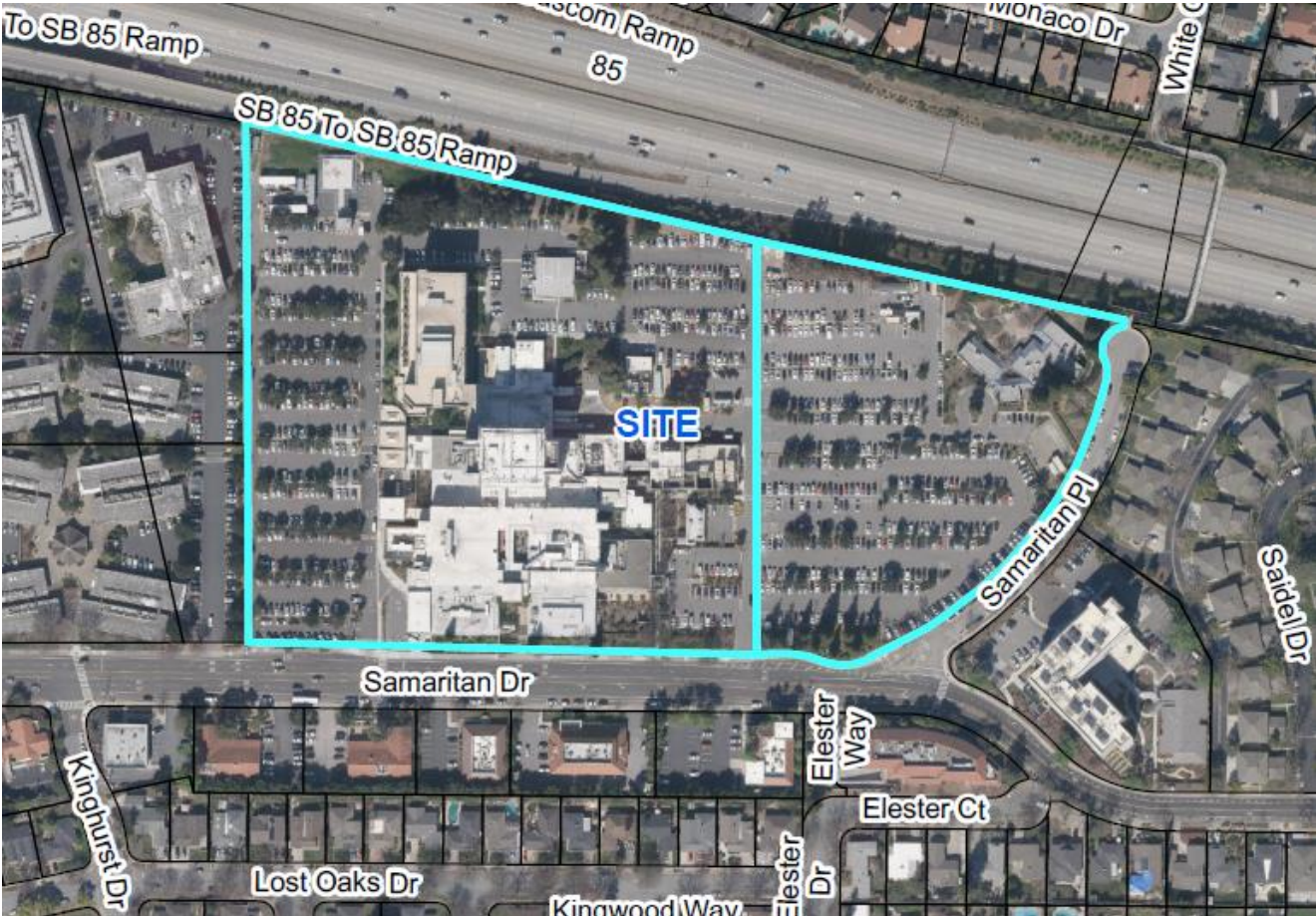


Figure 1 - Aerial Map

On February 10, 2023, the applicant, Russell Triplett, on behalf of property owners Good Samaritan Hospital, L.P., submitted an application for a Planned Development Rezoning (File No. PDC22-132) to rezone the approximately 21-gross-acre site from the A(PD) Planned Development Zoning District to the CG(PD) Planned Development Zoning District. The rezoning would enable Good Samaritan to expand in terms of floor area and height and is necessary to enable the construction of new hospital wings that would bring the hospital into compliance with state seismic requirements (Alquist Hospital Facilities Seismic Safety Act of 1983 and Senate Bill 1953). All acute care hospitals in California must comply with the state seismic requirements established by law by January 1, 2030.

SURROUNDING USES			
	General Plan	Zoning District	Existing Use
North	N/A	N/A	Highway 85
South	Neighborhood/Community Commercial	CO Commercial Office and A(PD) Planned Development	Medical office
East	Urban Residential, Residential Neighborhood	A(PD) Planned Development and R-M Multiple Residence	Mid-rise and low-rise multifamily
West	Regional Commercial	CG(PD) Planned Development	Medical office

Good Samaritan, which was built in 1965 and expanded over subsequent decades, consists of an approximately 444,000-square-foot hospital licensed for 404 beds and a 6,700-square-foot child care center building. The hospital provides a range of medical services, including emergency care; a heart attack receiving center; orthopedics, cardiovascular, and neurosciences departments; and a Level III neonatal intensive care unit.

As shown on the site plan below (See Figure 2), the project consists of the rezoning of the site to facilitate the phased demolition of a portion of the hospital and the child care center for the construction of two new hospital wings with a total floor area of approximately 750,000 square feet (for a total hospital floor area of approximately 835,000 square feet); an approximately 200,000-square-foot medical office building; an approximately 24,000 square foot central utility plant, to be expanded in a later stage to approximately 29,750 square feet ; and two parking structures totaling approximately 679,000 square feet, on an approximately 21-gross acre site. The number of licensed beds would increase to 419.

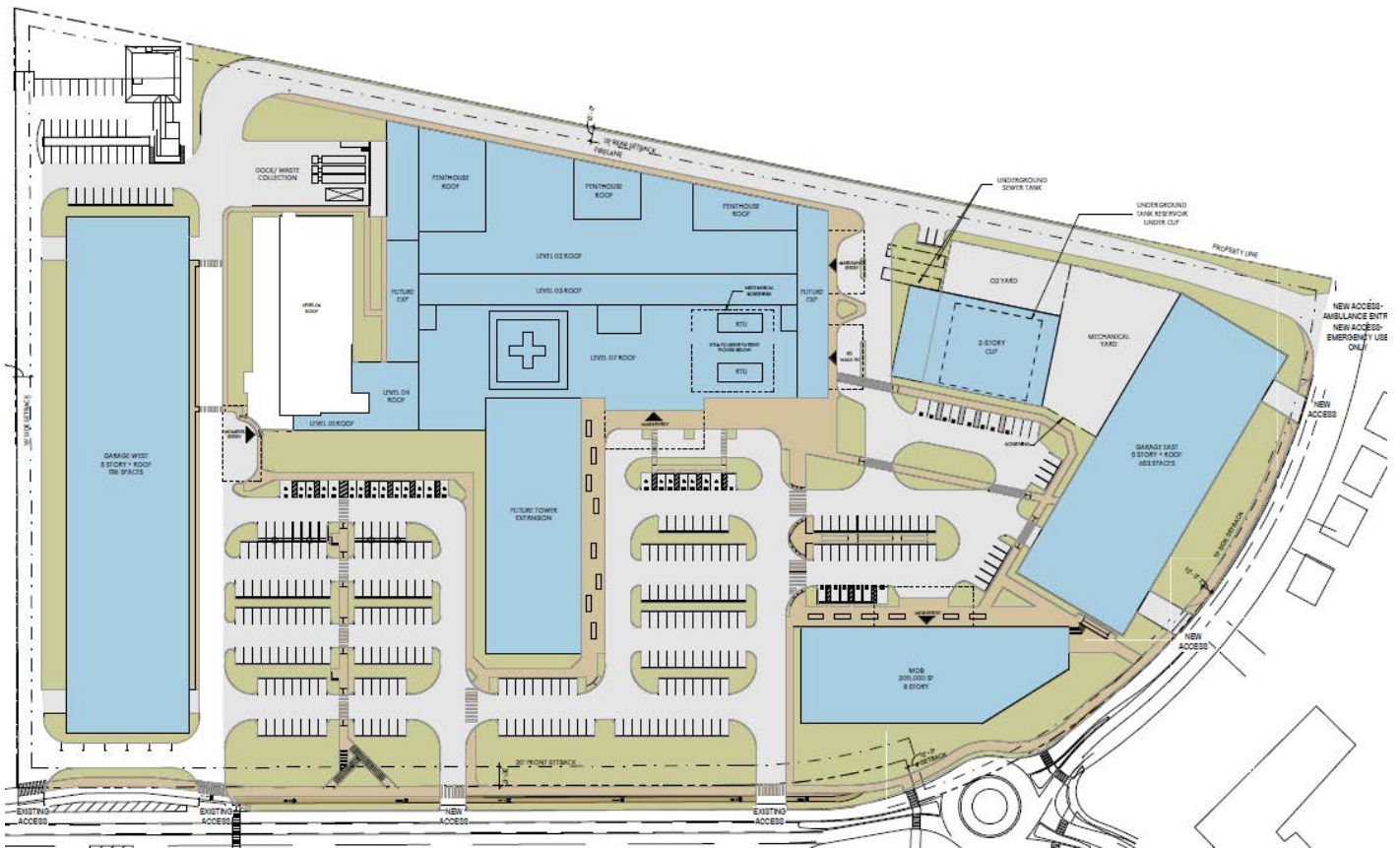


Figure 2 - Site Plan

The project would be constructed over approximately six years in three phases, consisting of the following activities:

Phase 1

- Demolition of approximately 20,946 square feet of the existing hospital main building and the 6,700-square-foot childcare center.
- Construction of a seven-story, approximately 548,000-square-foot hospital wing.
- Construction of a six-story parking garage with 653 parking spaces and removal of 479 surface parking spaces.
- Construction of an approximately 24,000-square-foot central utility plant.

Phase 2

- Demolition of the remainder of the existing hospital and replacement with surface parking.
- Addition of 289 surface parking spaces.

Phase 3

- Construction of approximately 202,000-square-foot hospital expansion
- Construction of a 200,000-square-foot medical office building.

- Construction of an additional six-story parking structure with 1,154 parking spaces and removal of 469 surface parking spaces (remaining surface spaces: 372).
- Expansion of the central utility plant to approximately 29,750 square feet.

All demolition and construction activities require separate Planned Development Permits to be approved prior to any major construction activity.

ANALYSIS

The proposed Planned Development Rezoning is analyzed with respect to conformance with:

1. Envision San José 2040 General Plan Conformance
2. San José Municipal Code Conformance
3. Citywide Design Standards and Guidelines
4. California Environmental Quality Act (CEQA)

1. Envision San José 2040 General Plan Land Use Conformance

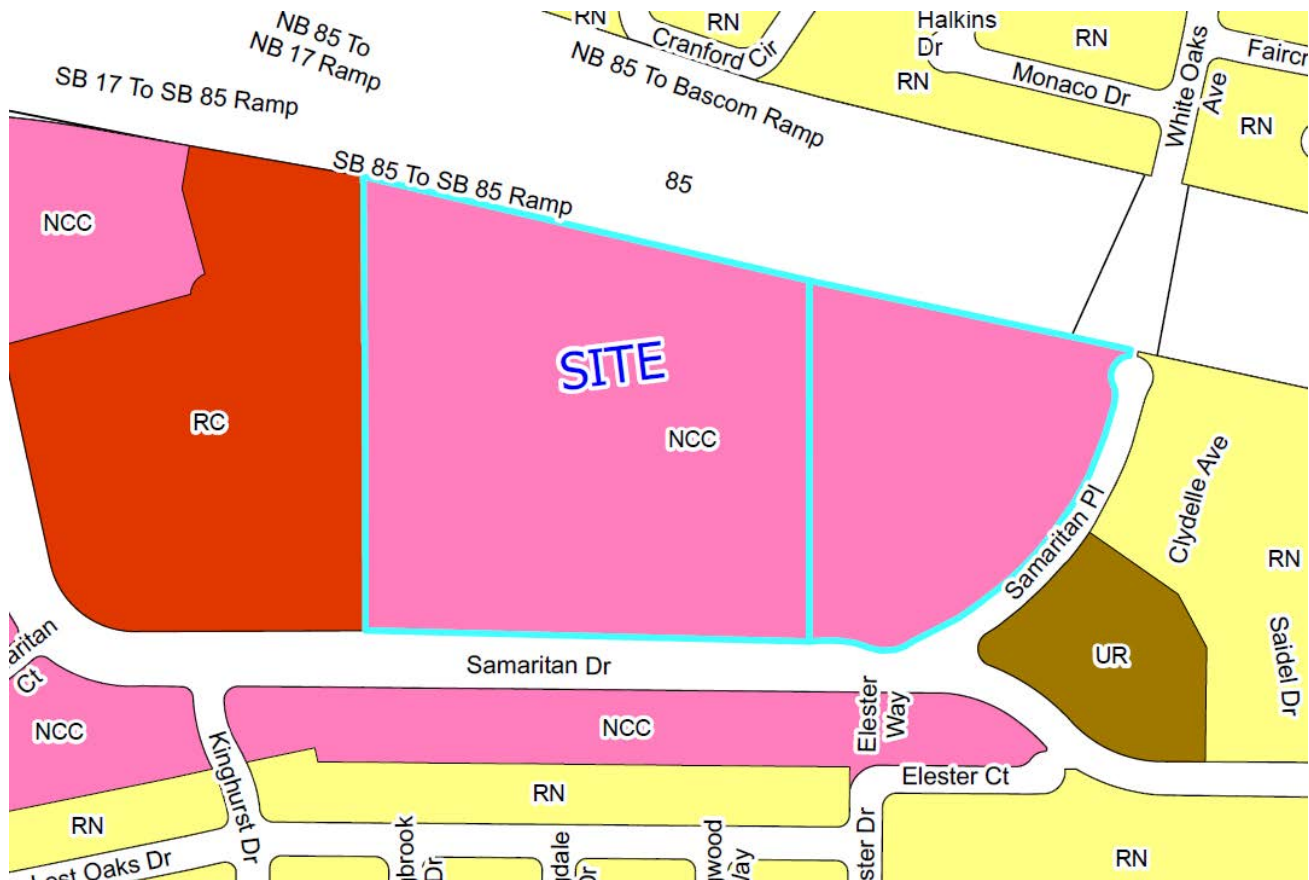


Figure 3 - General Plan Land Use Map

As shown in Figure 3 above, the project site, which is comprised of two parcels, has an [Envision San José 2040 General Plan](#) Land Use/Transportation Diagram designation of **Neighborhood/Community Commercial**.

Density: Floor Area Ratio (FAR) up to 3.5 (1 to 5 stories)

This designation supports a very broad range of commercial activity, including commercial uses that serve the communities in neighboring areas, such as neighborhood serving retail and services and commercial/professional office development. Neighborhood / Community Commercial uses typically have a strong connection to and provide services and amenities for the nearby community and should be designed to promote that connection with an appropriate urban form that supports walking, transit use and public interaction. General office uses, hospitals and private community gathering facilities are also allowed in this designation.

Analysis: The rezoning would maintain the hospital use and include administrative, permitted, special, and conditional uses of the CG Commercial General Zoning District, which are consistent with the Neighborhood/Community Commercial General Plan land use designation. The rezoning would allow a maximum FAR of 2.2 and a maximum height of 140 feet, exceeding the anticipated maximum of five stories in the land use designation. Height ranges in the Envision San José 2040 General Plan are not prescriptive, as building height is regulated by the Zoning Code. Therefore, the proposed rezoning is consistent with the General Plan land use designation.

The proposed CG(PD) Planned Development Zoning is **consistent** with the following Envision San José 2040 General Plan strategies, goals, and policies:

- **Major Strategy #4, Innovation/Regional Employment Center**: Emphasize economic development within the City to support San José's growth as a center of innovation and regional employment. Growing San José's role as an employment center will enhance the City's leadership role in North America, increase utilization of the regional transit systems, and support the City's fiscal health.

Analysis: Good Samaritan Hospital is at the center of a regional hub for healthcare services provision, with medical office complexes developed along Samaritan Drive to the south and west of the site and on surrounding streets. While Good Samaritan has operated on the site since 1965, major healthcare providers including Sutter Health and Stanford have also been drawn to the area, occupying more recently developed medical offices in the vicinity.

Good Samaritan's main hospital building, which houses essential services such as the emergency department, must be replaced to meet state seismic safety requirements by 2030. The project would replace the main building with a new wing enabling the hospital to continue providing acute care (expanding to 419 beds). The facility would be designed to respond to the changing needs of the healthcare industry in the post-pandemic era, including more private rooms and spaces that accommodate mobile equipment. The project will also add approximately 200,000 square feet of medical office space on the Good Samaritan campus, facilitating the transition between in-patient and out-patient care. The modernized hospital and additional medical office space will enable San Jose to meet the demand for space that supports quality jobs in the healthcare industry and ancillary sectors such as supply and logistics.

- **Land Use and Employment Policy IE-1.2**: Plan for the retention and expansion of a strategic mix of employment activities at appropriate locations throughout the City to support a balanced economic

base, including industrial suppliers and services, commercial/retail support services, clean technologies, life sciences, as well as high technology manufacturers and other related industries.

Analysis: As discussed in the analysis of the project's contribution to Major Strategy #4, the Planned Development Zoning will allow for the modernization and expansion of the Good Samaritan Hospital campus. With the addition of new medical offices, the project will ensure sufficient space in San José to support a thriving healthcare industry.

- **Business Growth and Retention Policy IE-2.7:** Encourage business and property development that will provide jobs and generate revenue to support city services and infrastructure.

Analysis: According to the U.S. Bureau of Labor Statistics' employment projections for 2022 to 2032, health care and social assistance are expected to be the fastest-growing sectors of the U.S. economy, creating about 45% of all job gains during that period¹. The project will support growth in healthcare employment in San José by enabling Good Samaritan Hospital to meet state seismic requirements for operations beyond 2030 and expand the amount of hospital and medical office space available.

2. Municipal Code Conformance

General Development Plan

If the proposed rezoning to the CG(PD) Planned Development Zoning District (File No. PDC22-132) is approved by the City Council, the newly established CG(PD) Planned Development Zoning District would allow for the development of the expanded hospital, the medical office building, the central utility plant, and the parking structures as described above. The project would be subject to the applicable Development Standards (Exhibit G) that would be approved upon adoption of the rezoning ordinance.

Development Standards

The subject site conforms with the development standards of the CG Commercial General Zoning District pursuant to Section 20.40.200 of the Municipal Code, as amended, with the following exceptions:

Development Standard	CG Requirement	CG(PD) Requirement
Building Height (maximum)	65 feet	140 feet to top of roof. Elevator shafts, roof equipment, architectural roof features, stairwells, helipads, and other non-habitable building elements may exceed the maximum height by 25 feet.
Setback from Samaritan Drive (minimum)	15 feet	20 feet
Setback from Samaritan Place (minimum)	15 feet	10 feet
Setback from Westerly Perimeter	None	15 feet

¹ U.S. Bureau of Labor Statistics, "Employment Projections: 2022-2032 Summary," published on September 6, 2023, at: <https://www.bls.gov/news.release/ecopro.nr0.htm>.

Property Line (minimum)		
Setback from Northerly Perimeter Property line (minimum)	None	15 feet

As shown on the Planned Development Zoning Conceptual Plan Set (Exhibit F), the project conforms with the lot size, height, and setback standards pursuant to the General Development Plan of the proposed Planned Development Zoning District.

Vehicle Parking

The project application was submitted on February 10, 2023, prior to the adoption of the updated vehicle parking requirements, which became effective on April 10, 2023. The proposed parking for this General Development Plan is shown in the table below:

Use	Number of Beds/Floor Area	Ratio	Required
Hospital	419 beds	0.4 per bed	168 spaces
Medical office	200,000 square feet	1 per 250 square feet	800
Total Parking Required			968 spaces
Total Parking Provided			2,179

Pursuant to [Chapter 20.90](#) of the Zoning Code, the entire project is required to provide 968 vehicle parking spaces. Based on the project plans, the project would provide 2,179 vehicle parking spaces onsite, consistent with the requirement.

Motorcycle Parking

Parking Provided	Motorcycle Parking Ratio	Required
2,179	1 per 20 required vehicle parking spaces for commercial uses	40 spaces (for medical office building only)

Pursuant to the General Development Plan of the Planned Development Zoning District, the project requires a total of 40 motorcycle parking spaces. Vehicle parking spaces may be used for motorcycle parking, and the project provides 2,179 vehicle parking spaces and 1,211 spaces more than what is required by the General Development Plan.

Bicycle Parking

Use	Number of Units/Floor Area	Ratio	Required
Hospital	419 beds	1 per 25 beds	17 spaces
Medical office	200,000 square feet	1 per 4,000 square feet of floor area	50 spaces
Total Required			67 spaces

The project is required to provide 67 bicycle parking spaces pursuant to Table 29-190, [Section 20.90.060](#) of the Zoning Code in effect in February 2023, when the project application was submitted. The project will provide 67 spaces, consistent with the requirement.

Off-street Loading Spaces

Use	Number of Units/Floor Area	Ratio	Required
Hospital	835,000	1 space for first 10,000 square feet of floor area and 1 space for each additional 20,000 square feet of floor area	43
Total Required			43 spaces
Total Provided			3 spaces

While the zoning code requires 43 loading spaces, the PDC general development standards require a minimum of three off-street loading spaces. Pursuant to SJMC [Section 20.90.410.D](#), projects may provide less than the required number of off-street loading spaces based on the nature of the allowed uses, the configuration of buildings, and their relationship to the street. The loading docks are located at the rear of the hospital and are accessible from a driveway along the northern perimeter of the site. Truck traffic will not interfere with passenger car traffic to the parking garages and surface parking for patients and visitors.

3. Citywide Design Standards and Guidelines

The project is subject to the [Citywide Design Standards and Guidelines](#), with the following exceptions:

Citywide Design Standard	Alternative Compliance
Section 2.2.2, Standard 2 : Entrance/exit driveways must be limited to maximum of two per 200 feet on all mid-block parcels and a maximum of one driveway on each street for corner parcels with over 200 feet of total street frontage.	Site access may be provided via up to seven driveways along the site's street frontage (Samaritan Drive and Samaritan Place).
Section 2.3.1, Standard 2: To create a continuous streetwall, place building facades with the primary commercial or residential use within five feet of the setback or easement line (whichever is more restrictive) for at least 60% of the site frontage along secondary streets. When there are multiple buildings on the site, 60% of the sum of all secondary street-facing ground floor facades must be considered in the calculation. This	Ground-floor primary street-facing facades are not subject to maximum distance requirements from the setback or easement line.

<p>standard does not apply when the width of the sidewalk is equal to or less than 10 feet</p>	
<p><u>Section 3.1.1:</u> For building frontage along public rights-of-way, start the stepback plane at the intersection of the front setback line with the maximum allowed height for the site across the public right-of-way, or at a height equivalent to the maximum width of the public right-of-way, whichever is greater. For building frontage along a rear shared property line, start the stepback plane from the intersection of the rear setback line with the maximum allowed height for the site to the rear. Each building stepback must be a minimum of six feet in depth.</p> <p><u>Standard 1:</u> Outside General Plan growth areas, provide building stepbacks fronting rear shared property lines within a stepback plane of 60 degrees from horizontal (see Fig. 3.3) and fronting public rights-of-way within a stepback plane of 75 degrees from horizontal.</p>	<p>Building frontages along public rights-of-way and rear property lines are not subject to stepback requirements.</p>
<p><u>Section 3.3.1, Standard 1:</u> Articulate all building façades facing a street or public open space for at least 80 percent of each façade length. Articulate all other building façades for at least 60 percent of each façade length. Façade articulation can be achieved by providing material and plane changes or by providing a rhythmic pattern of bays, columns, balconies, and other architectural elements to break up the building mass.</p>	<p>Building facades are not subject to articulation requirements.</p>

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The City of San José, as the Lead Agency, prepared an Environmental Impact Report (“EIR”) (State Clearinghouse No. 2023060108) for the Planned Development Rezoning (PDC22-132), for the Good Samaritan Hospital Project in compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines (California Code of Regulations §15000 et. seq.) and the regulations and policies of the City San José, California.

Summary of Environmental Impacts Reduced to Less than Significant with Mitigation

The Draft EIR identified potential environmental impacts related to air quality during construction, nesting birds, archaeological and tribal cultural resources, hazards and hazardous materials from past uses on the site, construction-related noise, and vehicle miles travelled. All project impacts would be less than significant or mitigated to less than significant. With implementation of the mitigation measures specified in the Mitigation Monitoring and Reporting Program (“MMRP”) prepared for the project, these impacts are reduced to less than significant levels. As part of the certification of the Final EIR, the City Council will need to approve the associated MMRP for the project.

Project Alternatives

The Draft EIR analyzed three project alternatives: (1) No Project – No Construction Alternative, (2) Seismic Upgrade of Existing Hospital Alternative, and (3) Reduced Intensity Alternative. Alternatives that were considered but rejected include Location Alternative and Park Location Alternative. The three design alternatives were crafted based on their ability to reduce the impacts summarized above and to identify an environmentally superior proposal. The analysis of the three design alternatives in the Draft EIR includes discussion of the potential impacts of alternative site layouts for the purpose of decision-making.

Beyond the No Project – No Construction Alternative, the Reduced Intensity Alternative would be the environmentally superior alternative because it would result in the greatest potential for energy efficiency and incorporation of sustainable design features of the built alternatives through new construction. The impact conclusions would be similar to the project.

Summary of Comments Received

The City received 7 written comment letters during the public circulation period. Comments were submitted by the Amah Mutsun Tribal Band of San Juan Bautista, California Department of Fish and Wildlife, Santa Clara Valley Transportation Authority, County of Santa Clara Roads and Airports Department, California Department of Transportation – District 4, Santa Clara Valley Water District, and the Town of Los Gatos. The main concerns raised by commenters are as follows:

- Impacts to Tribal cultural resources
- Impacts to special status species
- Increased traffic and vehicle miles travelled

The City responded to all comments received on the Draft EIR and incorporated them into the First Amendment to the Draft EIR. None of the comments received address an issue of adequacy of the Draft EIR and no new mitigation measures are required. EIR text revisions were included in the First Amendment to address clarifications to text of the Draft EIR and other suggested text revisions from commenters.

The First Amendment, taken together with the Draft EIR, and the Mitigation Monitoring and Reporting Program (MMRP) constitutes the Final EIR. The Draft EIR and First Amendment to the Draft EIR are available for review on the project page on the City’s Active EIR website at: [PDC22-132 Good Samaritan Hospital Project \(SCH# 2023060108\) | City of San José \(sanjoseca.gov\)](#). A copy of the signed MMRP is attached to the proposed CEQA resolution (Exhibit D).

EIR Recirculation Unnecessary

The comments received do not identify substantive issues of concern, inadequacies in the Draft EIR, or new previously unidentified significant impacts that require recirculation. The recirculation of an EIR is required when significant new information is added to the EIR after public notice is given of the availability of the Draft EIR for public review but before certification. "Information" can include changes in the project or environmental setting as well as additional data or other information. New information added to a Draft EIR is not "significant" unless the Draft EIR is changed in a way that deprives the public of meaningful opportunity to comment on a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect (CEQA Guidelines Section 15088.5).

In accordance with CEQA Guidelines Section 15088, the First Amendment to the Draft EIR for the project includes written responses to all comments received during the public review period for the Draft EIR. As required by Section 15132 of the CEQA Guidelines, the responses in the First Amendment to the Draft EIR address significant environmental points and comments on the content and adequacy of the EIR. The responses and comments provide clarification and refinement of information presented in the Draft EIR and, in some cases, correct or update information in the Draft EIR. No significant new information has been added to the EIR since publication of the Draft EIR; therefore, the Draft EIR does not need to be recirculated.

PUBLIC OUTREACH

City Council Policy 6-30

Staff followed [Council Policy 6-30: Public Outreach Policy](#) in order to inform the public of the proposed project. An on-site sign has been posted on the project frontage since June 5, 2023. A Joint EIR Scoping/Community Meeting was held on June 15, 2023, to introduce the proposed project to the community. Meeting attendees expressed concerns about increased noise and traffic due to construction and operations of the expanded hospital and medical office building and the impact of the proposed demolition on air quality in the surrounding area. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. Additionally, a notice of the public hearing was posted in a newspaper of record (San José Post Record) on October 4, 2024. The staff report is also posted on the City's website. Staff has also received three comments from the public via email, expressing concerns with safety at healthcare facilities operated by the applicant, removal of trees to facilitate the project, and the height of the proposed parking structures.

Project Manager: Kora McNaughton

Approved by: /s/ John Tu, Division Manager for Christopher Burton, Director of Planning, Building & Code Enforcement.

Please click on the title of each exhibit to view the document:

ATTACHMENTS:	
Exhibit A:	Aerial Map (Page 14)
Exhibit B:	General Plan Map (Page 15)
Exhibit C:	Zoning Map (Page 16)
Exhibit D:	Draft CEQA Resolution and MMRP
Exhibit E:	Draft Planned Development Zoning Ordinance
Exhibit F:	Planned Development Zoning Plan Set
Exhibit G:	Draft Development Standards
Exhibit H:	Public Comment

Applicant:	Owner
Russell Triplett Perkins & Will 617 West 7 th Street Suite 1200 Los Angeles, CA 90017	Good Samaritan Hospital L.P. PO Box 1504 Nashville, TN 37202

Exhibit A – Aerial Map

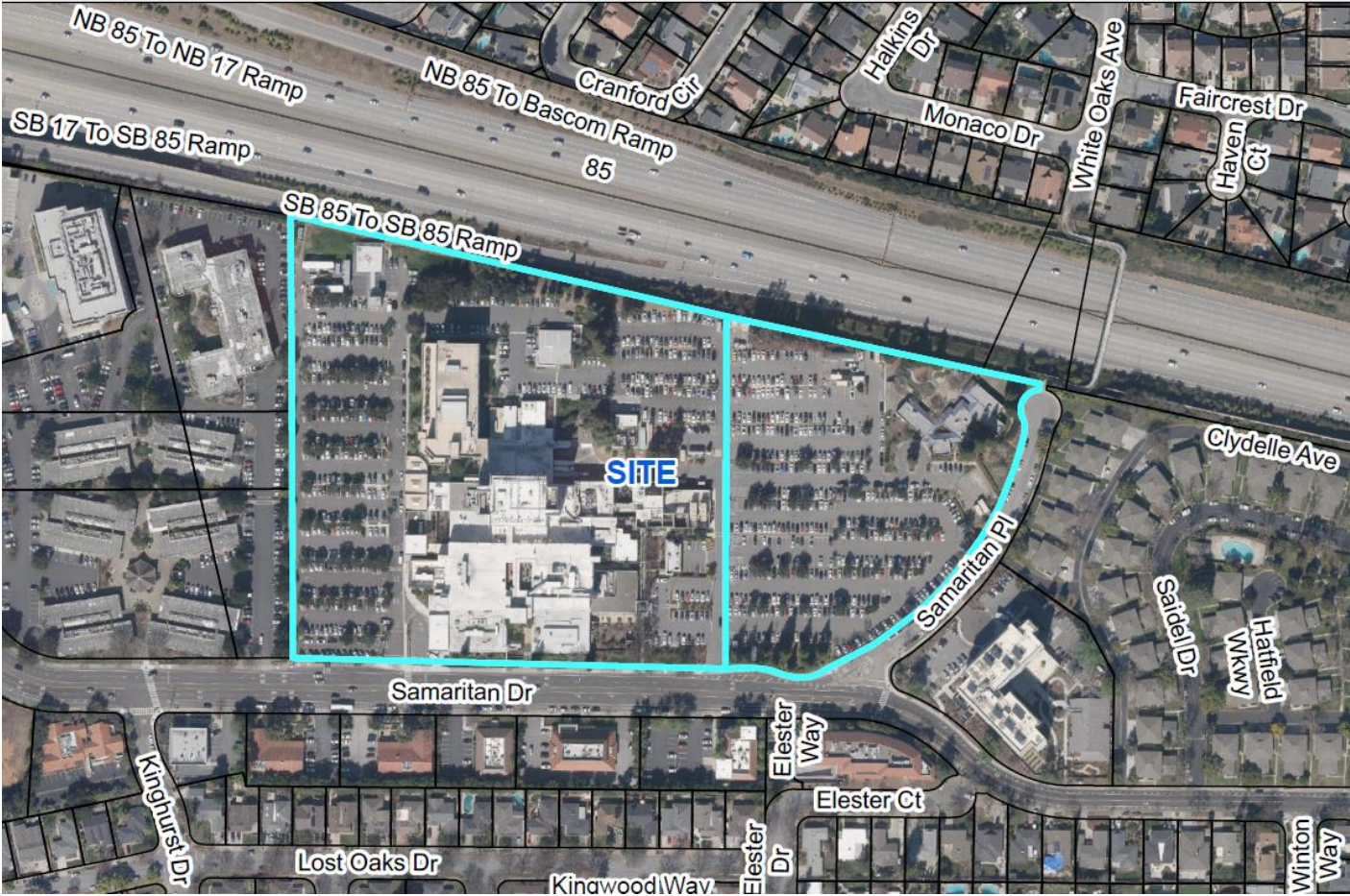


Exhibit B – General Plan Map

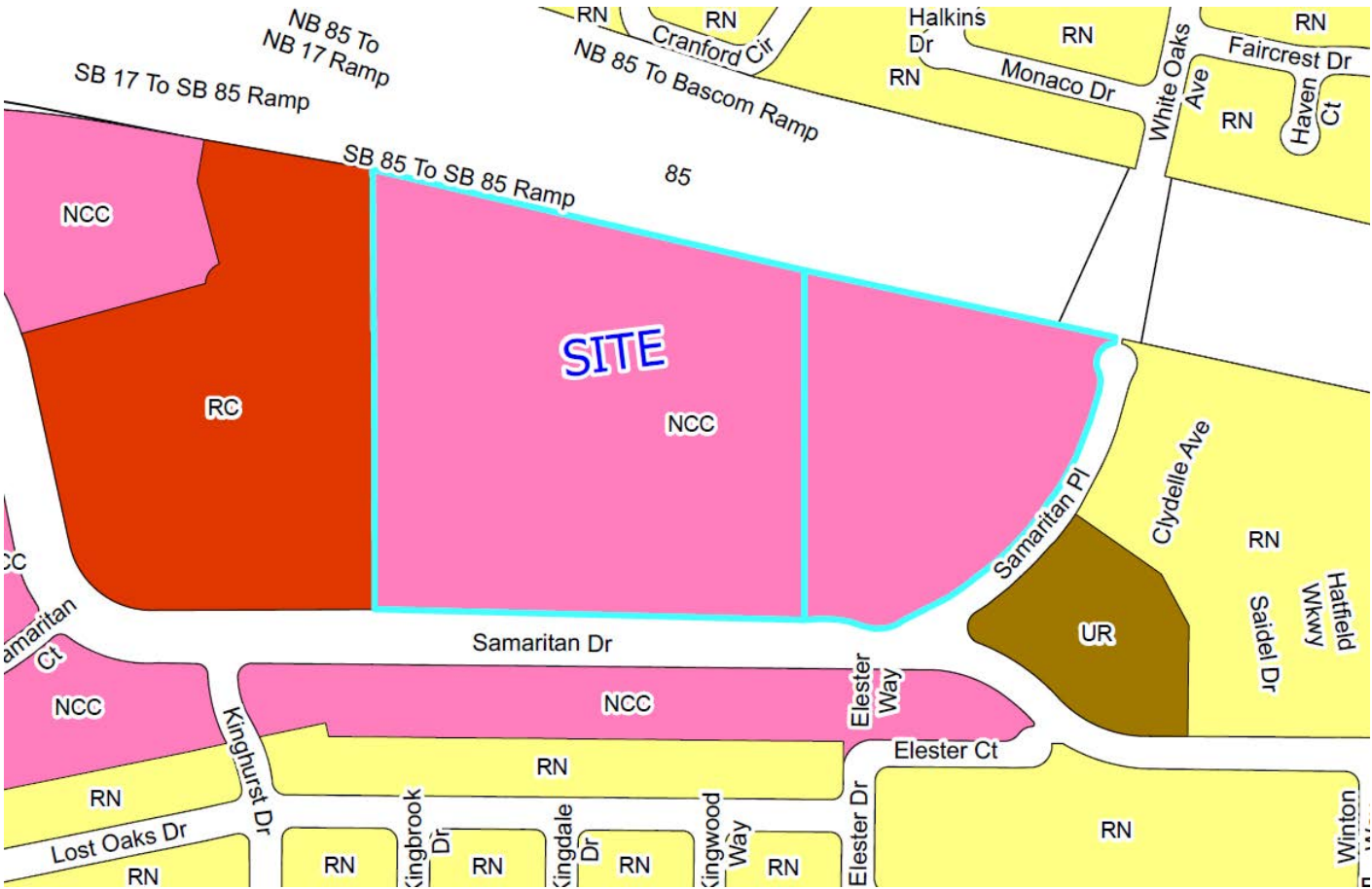
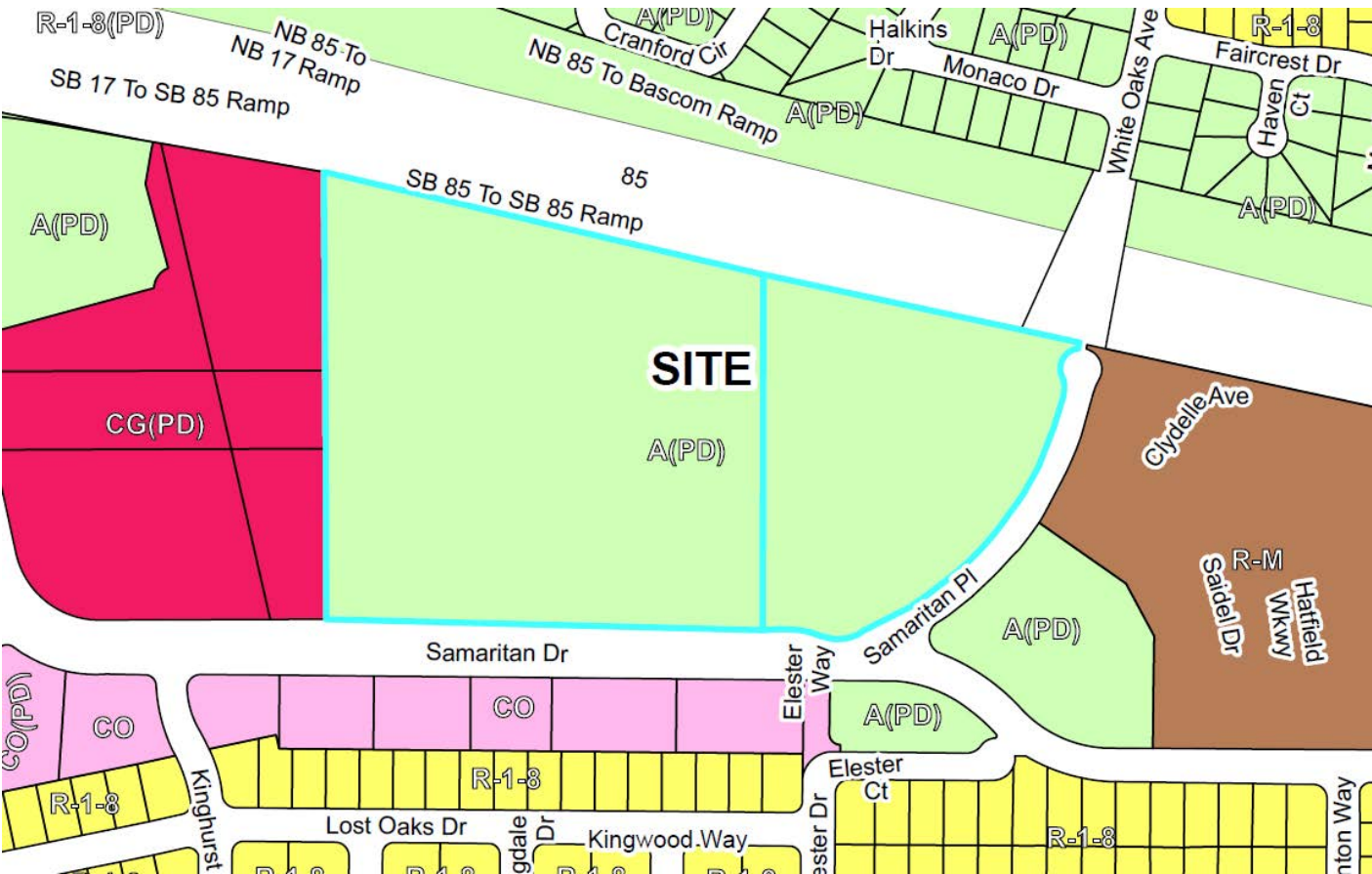


Exhibit C – Zoning Map



PDC22-132 & ER23-041 (Administrative Hearing)

Click on the title to view document.

[Correspondence received AFTER 10/16/24](#)