

# Item 10.3

## **19 North 2<sup>nd</sup> Street Mixed Use Project**

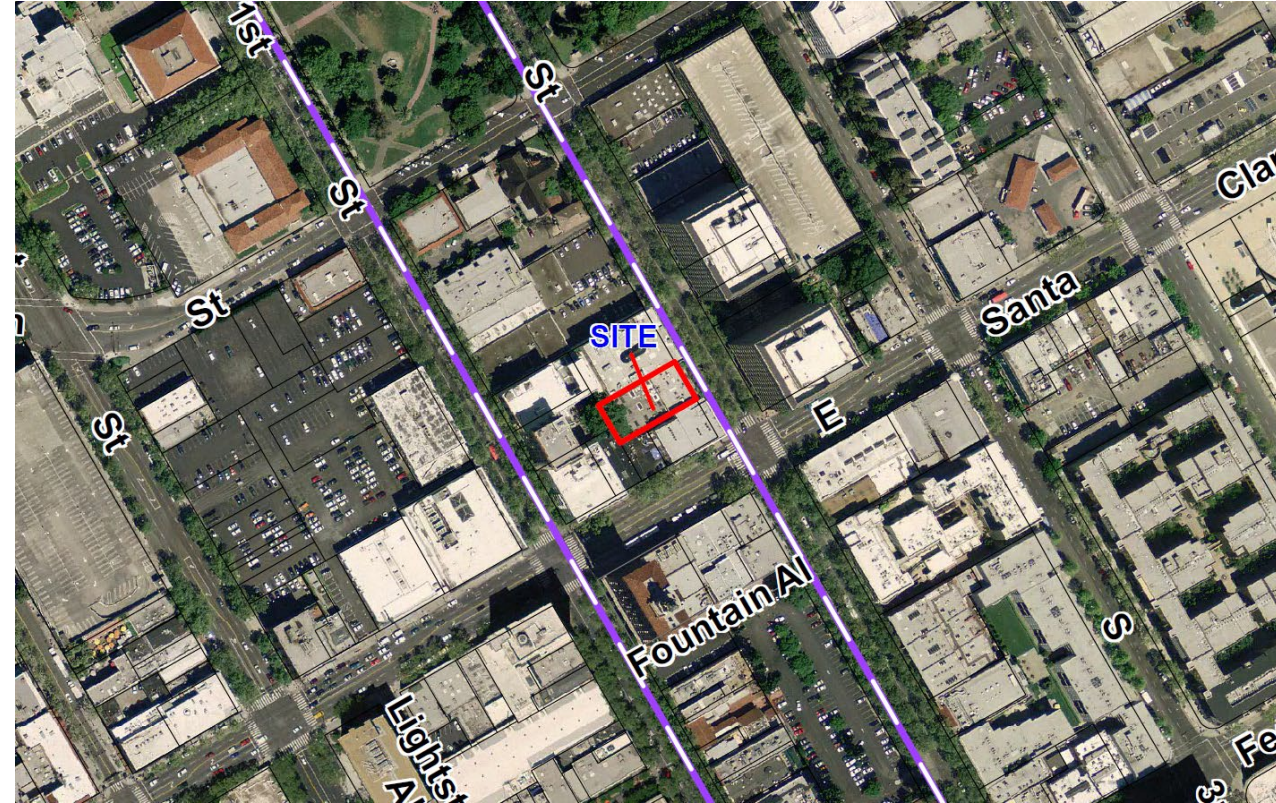
(File Nos. SP21-044 & HP21-001)

March 28, 2023

Presenter: Robert Manford, Deputy Director

# Project Components

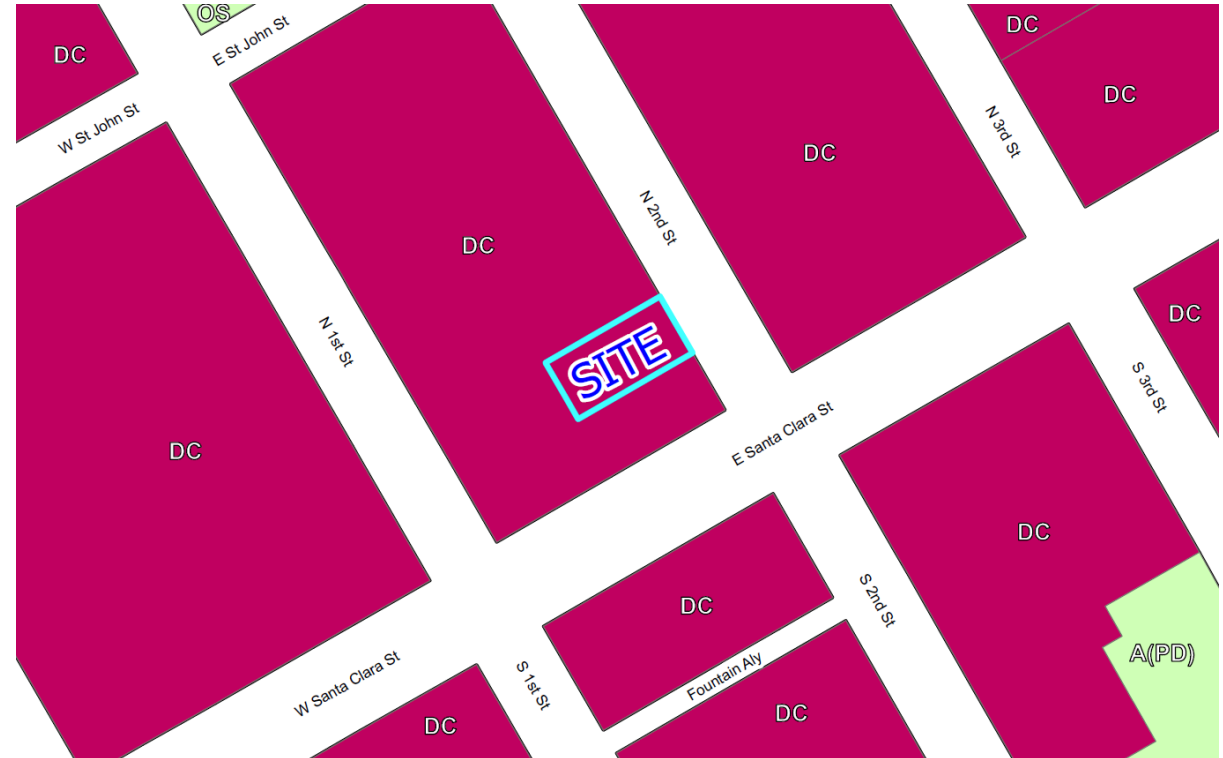
- Special Use Permit to allow
  - Removal of the majority of the roof and interior (except for stairway core) of an existing 15,000-square foot, two-story building and retention and integration of the building walls, street facing façade and a portion of the existing roof.
  - Construction of a 22-story, 240-foot-high mixed use 100% affordable senior housing project with 220 multifamily residential units and approximately 18,643 square feet of commercial space with up to four commercial condominiums on an approximately 0.22-gross acre site.
- Historic Preservation Permit to allow the removal of the majority of the roof and interior (except for stairway core) of a City Landmark and the construction of a 22-story, 240-foot-high building within the walls of the City Landmark that would integrate and restore the street-facing façade and a portion of the existing roof on an approximately 0.22-gross acre site.



# General Plan and Zoning



**General Plan Designation: Downtown**



**Zoning District: DC Downtown Primary Commercial**



# Project Review

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- Project Reviewed for Conformance with:
  - Envision San José 2040 General Plan
  - Municipal Code
  - State Density Bonus Law
  - Downtown Design Guidelines and Standards
  - City Council Policy 6-30: Public Outreach
  - California Environmental Quality Act (CEQA)

# Environmental Review

- Virtual Joint EIR Scoping/Community Meeting held on August 9, 2021
- Draft Supplemental Environmental Impact Report (Draft SEIR) to the Downtown Strategy 2040 FEIR prepared. Draft SEIR circulated for 45 days from August 29, 2022 to October 13, 2022.
  - Less than significant impacts with mitigation incorporated: Air Quality, Cultural Resources, Hazards and Hazardous Materials, Land Use & Planning, Noise and Vibration, and Tribal Cultural Resources.
  - Significant unavoidable impacts identified: Cultural Resources and Land Use & Planning.

If City Council were to approve the project as proposed, it would need to adopt a Statement of Overriding Considerations because of Significant Unavoidable Impacts.

- Five public comments on Draft SEIR received during public circulation period. Comments included concerns related to cultural resources, non-compliance with the Secretary of the Interior's Standards and the resulting significant impact to a historic resource under CEQA, non-compliance with General Plan policies related to the preservation of historic resources and the Historic Preservation Ordinance, and cumulative impacts to historic resources due to concurrent construction of Downtown projects, including the VTA/BART Phase II project.
- First Amendment to the Draft SEIR (Response to Comments) was posted to the City's Environmental Review Documents website on February 10, 2023; no further analysis or re-circulation of SEIR is necessary.

# Recommendations on EIR & Special Use Permit

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Staff recommends that the City Council take the following actions:

1. Adopt a Resolution certifying the 19 North Second Street Mixed-Use Project Supplemental Environmental Impact Report, and making certain findings concerning significant impacts, mitigation measures, alternatives, and adopting a statement of overriding considerations and a related Mitigation Monitoring and Reporting Plan, in accordance with the California Environmental Quality Act (CEQA).
2. Adopt a Resolution approving, subject to conditions, a Special Use Permit to allow the removal of the majority of the roof and interior (except for stairway core) of an existing 15,000-square foot, two-story building, the retention and integration of the building walls, street facing façade and a portion of the existing roof and the construction of a 22-story, 240-foot-high mixed use 100% affordable senior housing project with 220 multifamily residential units and approximately 18,643 square feet of commercial space with up to four commercial condominiums on an approximately 0.22-gross acre site.

# Recommendations on HP Permit

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- Differing recommendations from Staff and the HLC.
- Both are evidence-based, expert recommendations.
- HLC concluded insufficient documentation was received to recommend approval of the hardship request, and commented that financial hardship analysis is not the HLC's expertise.
- HP Ordinance requires the HLC to make a recommendation within 60 days, so the project was moved forward to avoid delay since the HLC deferred action in December 2022.
- HLC noted that constructing a 22-story building behind the historic façade would significantly change the City Landmark, but a recommendation of approval would allow for more meaningful input by the HLC.
- Historic resources consultant technical report and Staff analysis concluded the project is inconsistent with the Secretary of the Interior's Standards for Rehabilitation (only conforms with 3 of the 8 applicable Standards) which does not allow for approval of the HP Permit under Section 13.48.240 of the HP Ordinance.
- Hardship provision of the HP Ordinance does not provide any specifics on what evidence is required to prove hardship, the provision is broad and subject to interpretation.

# Recommendations on HP Permit

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Staff recommends that the City Council take the following action:

1. Adopt a resolution approving, subject to conditions, a Historic Preservation Permit to allow the removal of the majority of the roof and interior (except for stairway core) of a City Landmark and the construction of a 22-story, 240-foot-high building within the walls of the City Landmark that would integrate and restore the street-facing façade and a portion of the existing roof on an approximately 0.22-gross acre site.
- Recommendation is a hybrid approach that would allow for the preservation of the most significant exterior and interior character-defining features of the building.
- Condition 2 (Retention of Character-Defining Features) of the HP Permit Resolution incorporates the recommendation of the HLC to require the retention of the Realty Building sign above the central entry, fenestration, doors, existing windows, vestibule vaulted ceiling and bas relief, and 18'-11" setback of the new construction from the original building, as well as the retention of the front façade, the exterior walls, and a portion of the interior core including the central entry vestibule and corridor on the first floor, the stairs, and the second-floor central lobby.



# Q&A / Discussion

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