

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

July 31, 2026

California Housing Finance Agency
500 Capitol Mall, Suite 1400
Sacramento, CA 95814

This Notice shall satisfy the above-cited two separate but related procedural notification requirements for activities to be undertaken by the California Housing Finance Agency.

REQUEST FOR RELEASE OF FUNDS

On or about August 17, 2026, California Housing Finance Agency will submit a request to the U.S. Department of Housing and Urban Development (HUD) for the reservation of \$42,545,000 in funds from the Housing Finance Agency Risk-sharing: Section 542(c) program, as authorized by the Housing and Community Development Act of 1992 (12 U.S.C. 1707) and Section 235 of HUD's FY 2001 Appropriation Act, Public Law 106-377, as amended, a program of the U.S. Department of Housing and Urban Development (HUD) to undertake a project known as **Gateway Tower** for the purpose of providing affordable housing. The Program provides new insurance authority independent of the National Housing Act. Section 542(c) provides credit enhancement for mortgages of multifamily housing projects whose loans are underwritten, processed, serviced, and disposed of by California Housing Finance Agency (CalHFA). HUD and CalHFA share in the risk of the mortgage.

The Gateway Tower project located at 460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California 95113 (APNs 264-030-089, -090 and -114) proposes demolition, rehabilitation and new construction of 220 affordable housing units in one 15-story elevator-served high-rise residential building. The roughly triangle-shaped parcel is comprised of three contiguous parcels that total a half-acre. The unit mix will be 33 studios, 101 one-bedroom units, 78 two-bedroom units, and eight (8) three-bedroom units. The project site currently has three buildings constructed in 1918, 1926 and 1970. One will be demolished; the façades of the buildings at 455 and 465 South Market First Street and 460-480 South Market Street will be preserved and integrated into the design. The ground floor will contain about 3,300 square feet of commercial space, leasing offices, lobby, mailroom, parking, bicycle parking, utilities and elevator lobby. The second floor will contain a fitness center, library/reading room, offices, resident services, food pantry and computer/telecommunications room. The fifth floor will house

an approximate 1,000 square foot community room and outdoor roof deck. Parking will be provided on four levels for a total of 63 parking spaces, which includes six (6) electric vehicle (EV) charging stations. The project includes demolition, reconstruction and trenching work required to provide utilities to the site and to upgrade any required facilities that may be in the public right-of-way, including curb, gutter and sidewalk as needed. There will be 220 total units, 218 of which will be income restricted to households earning between 30% and 70% of Santa Clara County Area Median Income ("AMI"). Two units will be reserved for onsite managers.

The total project cost is estimated to be \$197,802,622.

FINDING OF NO SIGNIFICANT IMPACT

California Housing Finance Agency 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 (NEPA) of 1969 is not required. Additional project information is contained in the Environmental Review Record (ERR). The ERR will be made available to the public for review electronically. Please submit your request by email to Leon Spence, lspence@calhfa.ca.gov. The ERR can be accessed online at the following website:

<https://www.calhfa.ca.gov/about/press/public-notice/index.htm>

PUBLIC COMMENTS

Any individual, group or agency disagreeing with this determination or wishing to comment on the project may submit written comments to Leon Spence, Loan Administrator, California Housing Finance Agency, via email to lspence@calhfa.ca.gov. All comments received on or before August 15, 2026, will be considered by California Housing Finance Agency prior to submission of a request for release of funds. Comments should specify which Notice they are addressing.

ENVIRONMENTAL CERTIFICATION

The California Housing Finance Agency certifies to HUD that Anthony Sertich, Executive Director, in his capacity as NEPA Certifying Officer, 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 California Housing Finance Agency to use Program funds.

OBJECTIONS

HUD will accept objections to the Responsible Entity's (RE) Request for Release of Funds and Environmental Certification for a period of fifteen days following the submission date specified above or

the actual receipt of the request (whichever is later) only if they are on the following bases: (a) the certification was not executed by the Certifying Officer or other officer of the California Housing Finance Agency approved by HUD; (b) the RE has omitted a step or failed to make a determination or finding required by HUD regulations at 24 CFR Part 58 or by CEQ regulations at 40 CFR 1500-1508, as applicable; (c) the RE has omitted one or more steps in the preparation, completion or publication of the Environmental Assessment or Environmental Impact Study per 24 CFR Subparts E, F or G of Part 58, as applicable; (d) the grant recipient or other participants in the development process has committed funds for or undertaken activities not authorized by 24 CFR Part 58 before release of funds and approval of the environmental certification; (e) another Federal, State or local agency 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) and shall be emailed to the HUD grant administration office at: MFW-Public-Notices@HUD.gov or mailed to U.S. HUD San Francisco Regional Office, Region IX, Office of Housing-Federal Housing Commission, One Sansome Street, Suite 1200, San Francisco, CA 94104. Potential objectors should contact HUD to verify the actual last day of the objection period.

Anthony Sertich, Executive Director and NEPA Certifying Officer

Environmental Assessment

Gateway Tower



460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California 95113

*Determinations and Compliance Findings
for HUD-assisted projects
24 FR Part 58*

July 2026



**U.S. Department of Housing and Urban
Development**

451 Seventh Street, SW
Washington, DC 20410

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Environmental Assessment
Determinations and Compliance Findings for HUD-assisted
projects
24 CFR Part 58

Project Identification:	Gateway Tower
Responsible Entity:	California Housing Finance Agency
Preparer:	Bay Desert, Inc.
Month/Year:	July 2026

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Appendix F – Historic Preservation

Appendix G – Noise and Traffic

Appendix H – Soils and Miscellaneous



**U.S. Department of Housing and Urban
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Environmental Assessment

Determinations and Compliance Findings for HUD-assisted projects
24 CFR Part 58

Project Information

Project Name: Gateway Tower

Responsible Entity: California Housing Finance Agency
500 Capitol Mall, Suite 1400
Sacramento, CA 95814

Grant Recipient (if different than Responsible Entity):

State/Local Identifier:

Preparer: Cinnamon Crake, President, Bay Desert, Inc.

Certifying Officer Name and Title: Rebecca Franklin, Executive Director

Bay Desert, Inc.
422 Larkfield Center #104
Santa Rosa, CA 95403
(707) 523-3710
ccrake@baydesert.com

Consultant (if applicable):

Leon Spence, Loan Administrator
(916) 326-8624
lspace@calhfa.ca.gov

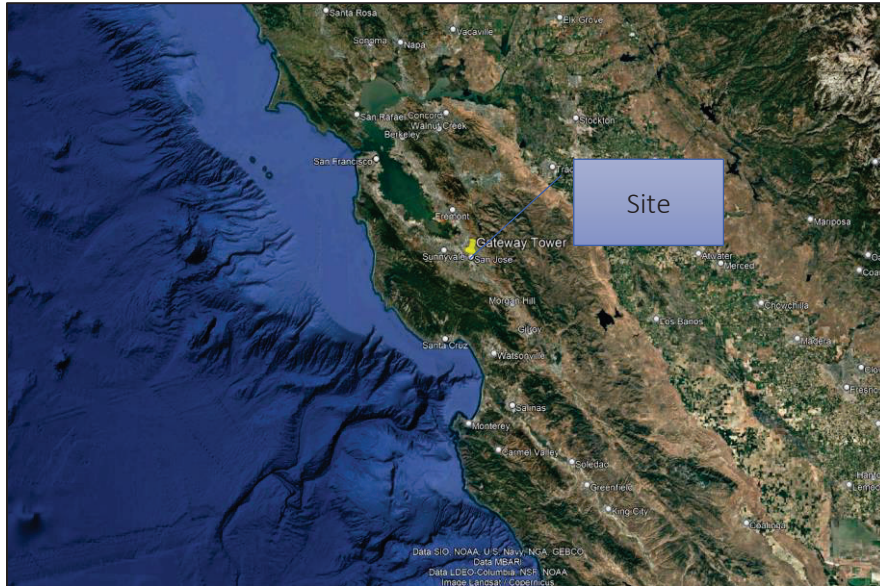
Direct Comments to:

project Location: 460-480 South Market and 455-493 South First
Street, San José, Santa Clara County, California
95113 (APNs 264-030-089, -090 and -114)

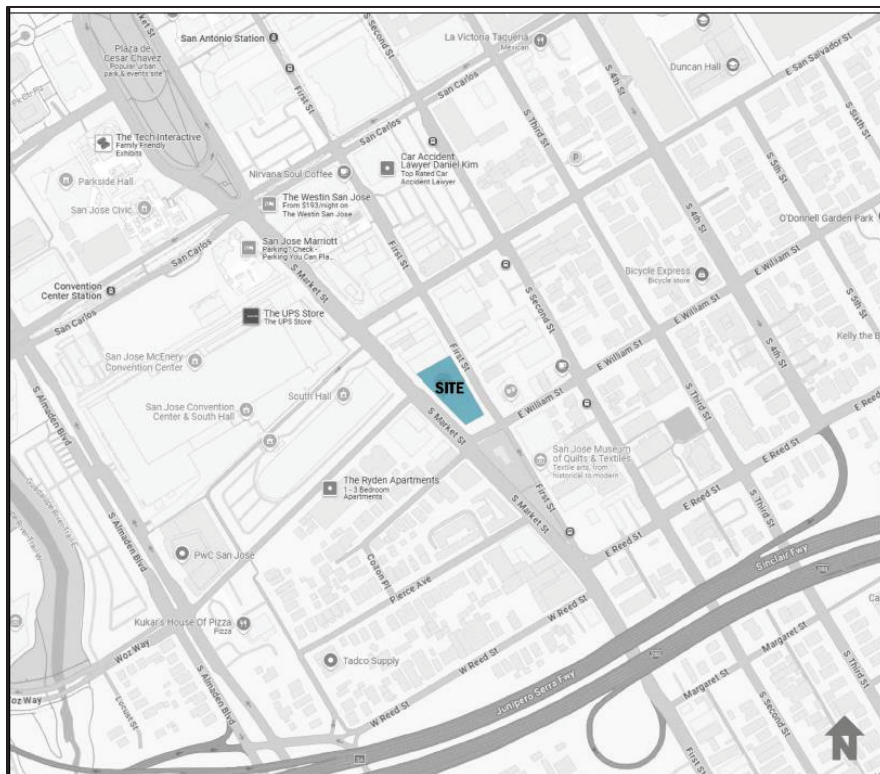
Project Location

Gateway Tower

460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California
95113 (APNs 264-030-089, -090 and -114)



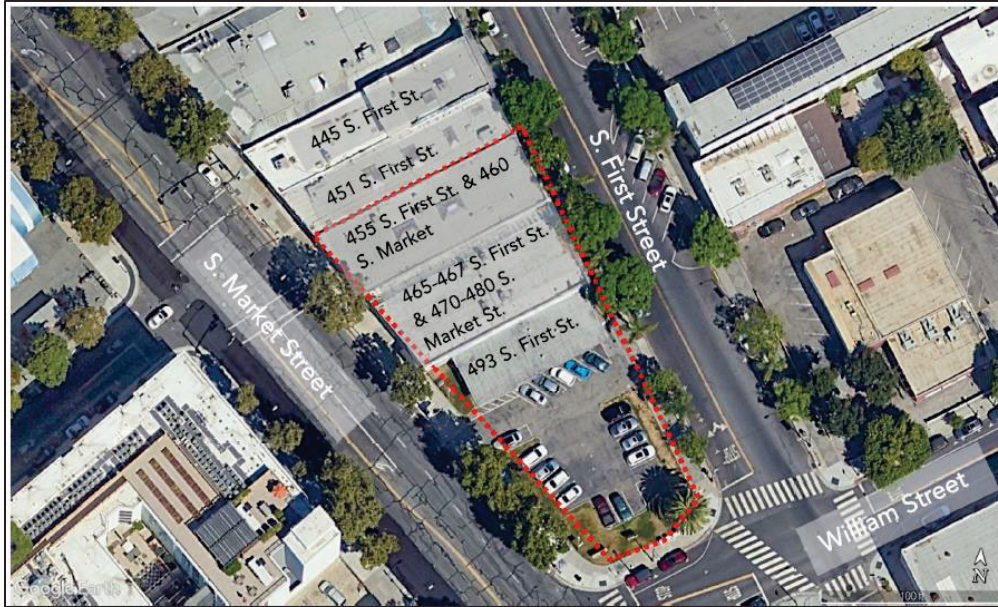
Map 1 Regional Setting



Map 2 project Setting(Courtesy of DLR Group)

Gateway Tower

460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California
95113 (APNs 264-030-089, -090 and -114)



Map 3 Assessor Parcel Map Courtesy of TREANOR



Figure 1 Existing Conditions (two commercial buildings and a parking lot) – Courtesy of TREANOR

Description of the Proposed project [24 CFR 50.12 & 58.32; 40 CFR 1508.25]:

Gateway Tower, 460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California 95113 (APNs 264-030-089, -090 and -114):

The Gateway Tower project located at 460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California 95113 (APNs 264-030-089, -090 and -114) proposes demolition, rehabilitation and new construction of 220 affordable housing units in one 15-story elevator-served high-rise residential building. The roughly triangle-shaped parcel is comprised of three contiguous parcels that total a half-acre. The unit mix will be 33 studios, 101 one-bedroom units, 78 two-bedroom units, and eight (8) three-bedroom units. The project site currently has three buildings constructed in 1918, 1926 and 1970. One will be demolished; the façades of the buildings at 455 and 465 South Market First Street and 460-480 South Market Street will be preserved and integrated into the design. The ground floor will contain about 3,300 square feet of commercial space, leasing offices, lobby, mailroom, parking, bicycle parking, utilities and elevator lobby. The second floor will contain a fitness center, library/reading room, offices, resident services, food pantry and computer/telecommunications room. The fifth floor will house an approximate 1,000 square foot community room and outdoor roof deck. Parking will be provided on four levels for a total of 63 parking spaces, which includes six (6) electric vehicle (EV) charging stations.

The project includes demolition, reconstruction and trenching work required to provide utilities to the site and to upgrade any required facilities that may be in the public right-of-way, including curb, gutter and sidewalk as needed.

There will be 220 total units, 218 of which will be income restricted to households earning between 30% and 70% of Santa Clara County Area Median Income ("AMI"). Two units will be reserved for onsite managers.

Source: (1) (Appendix A)

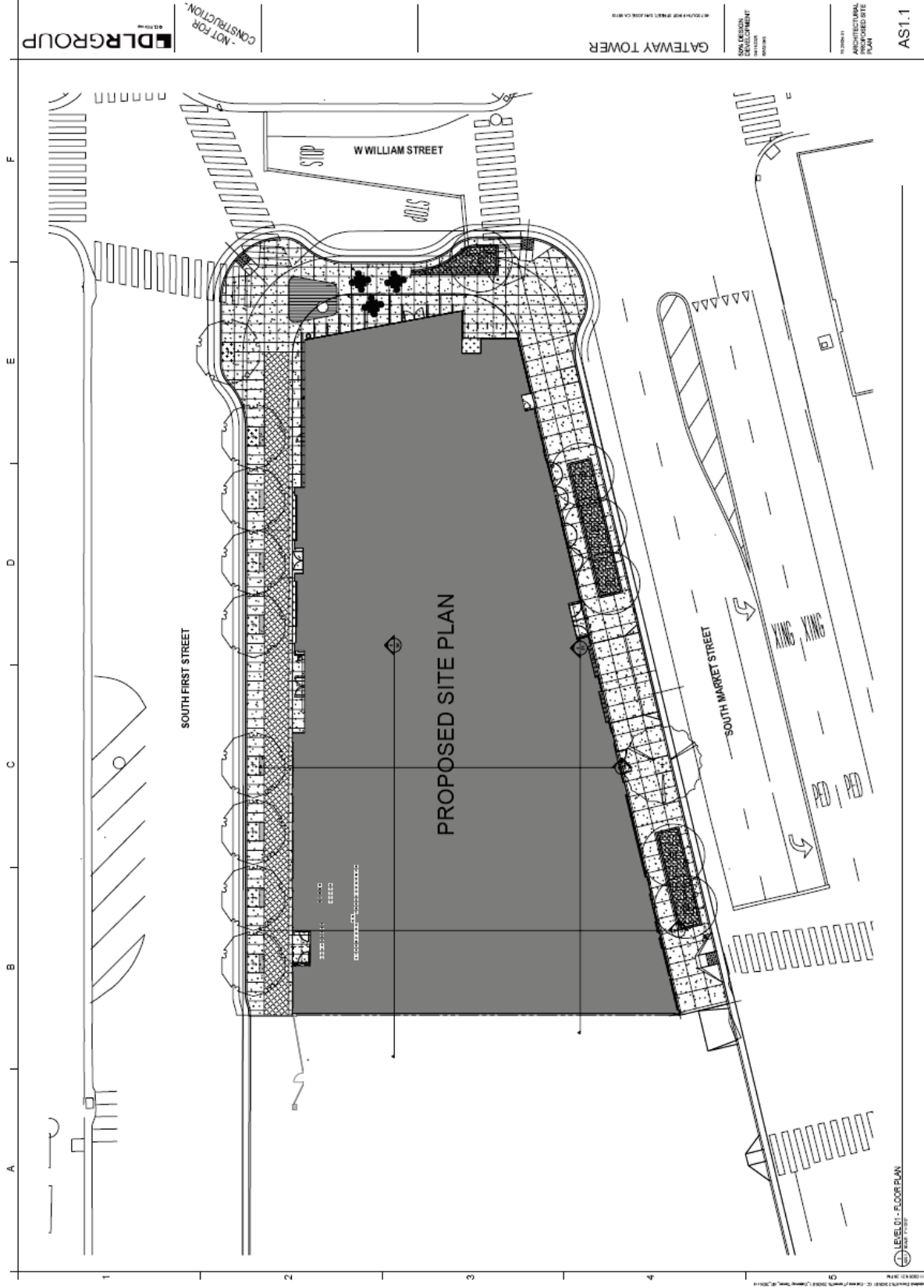


Figure 2 Site Plan

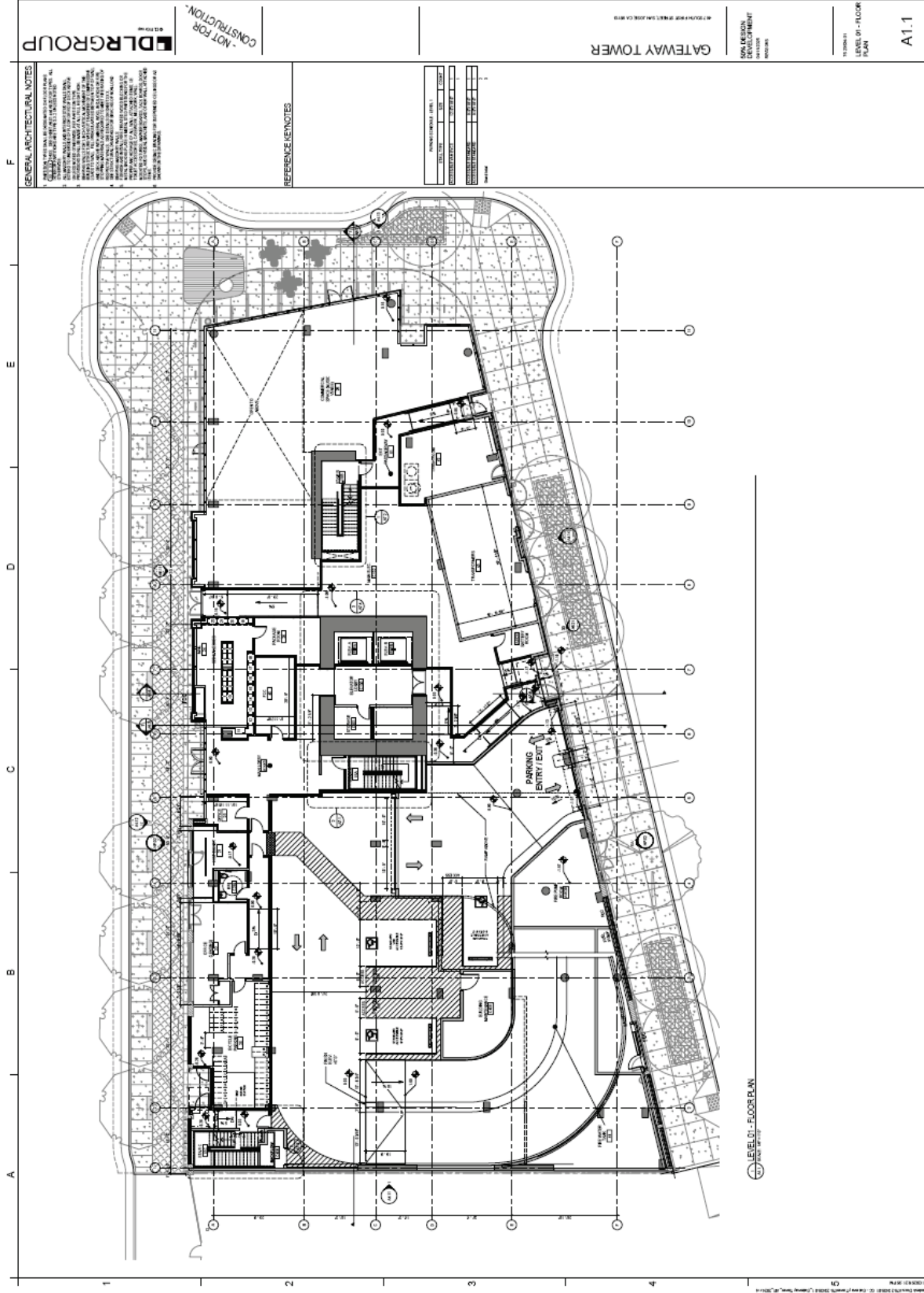


Figure 3 Level 1 Floor Plan

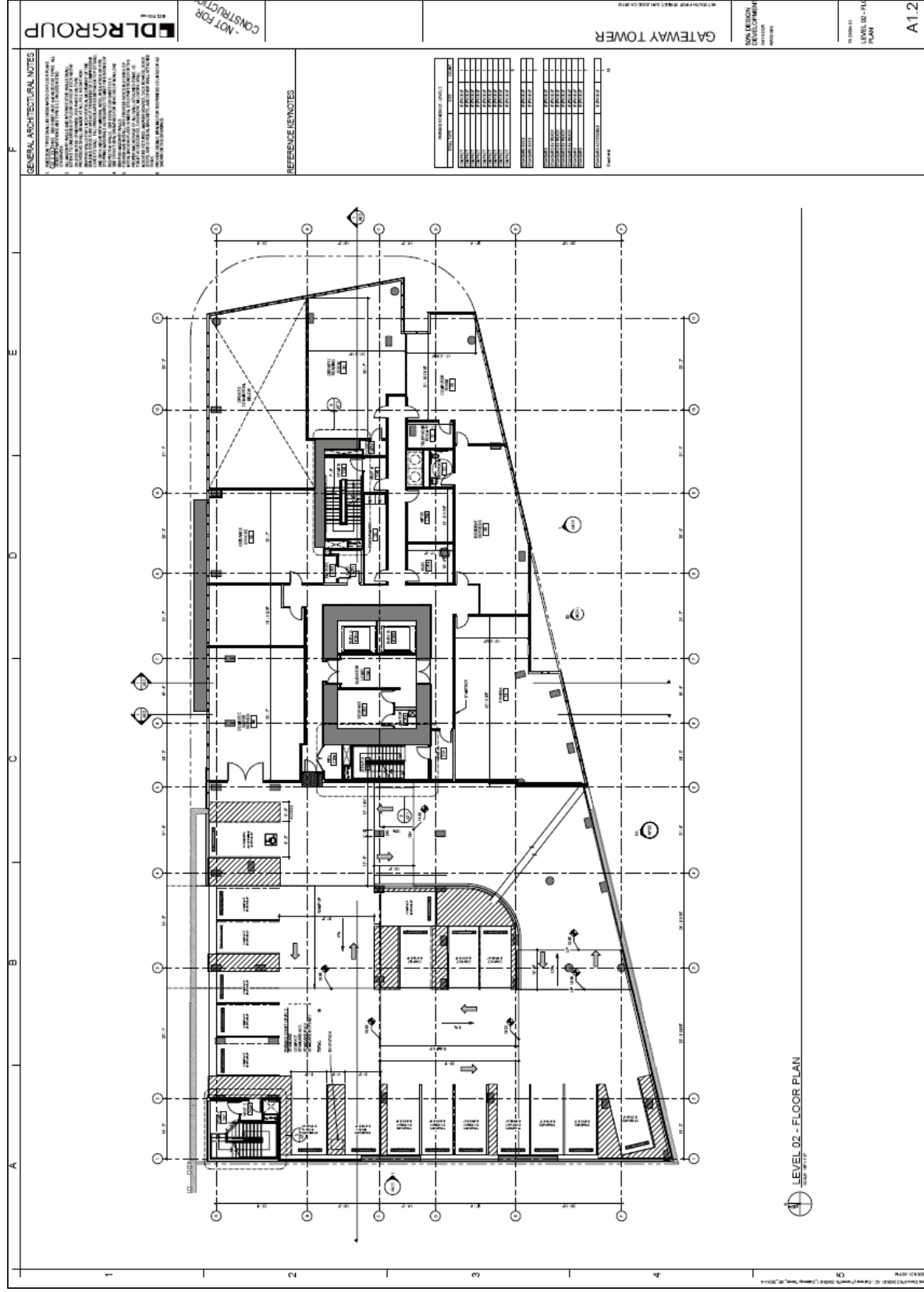


Figure 4 Level 2 Floor Plan

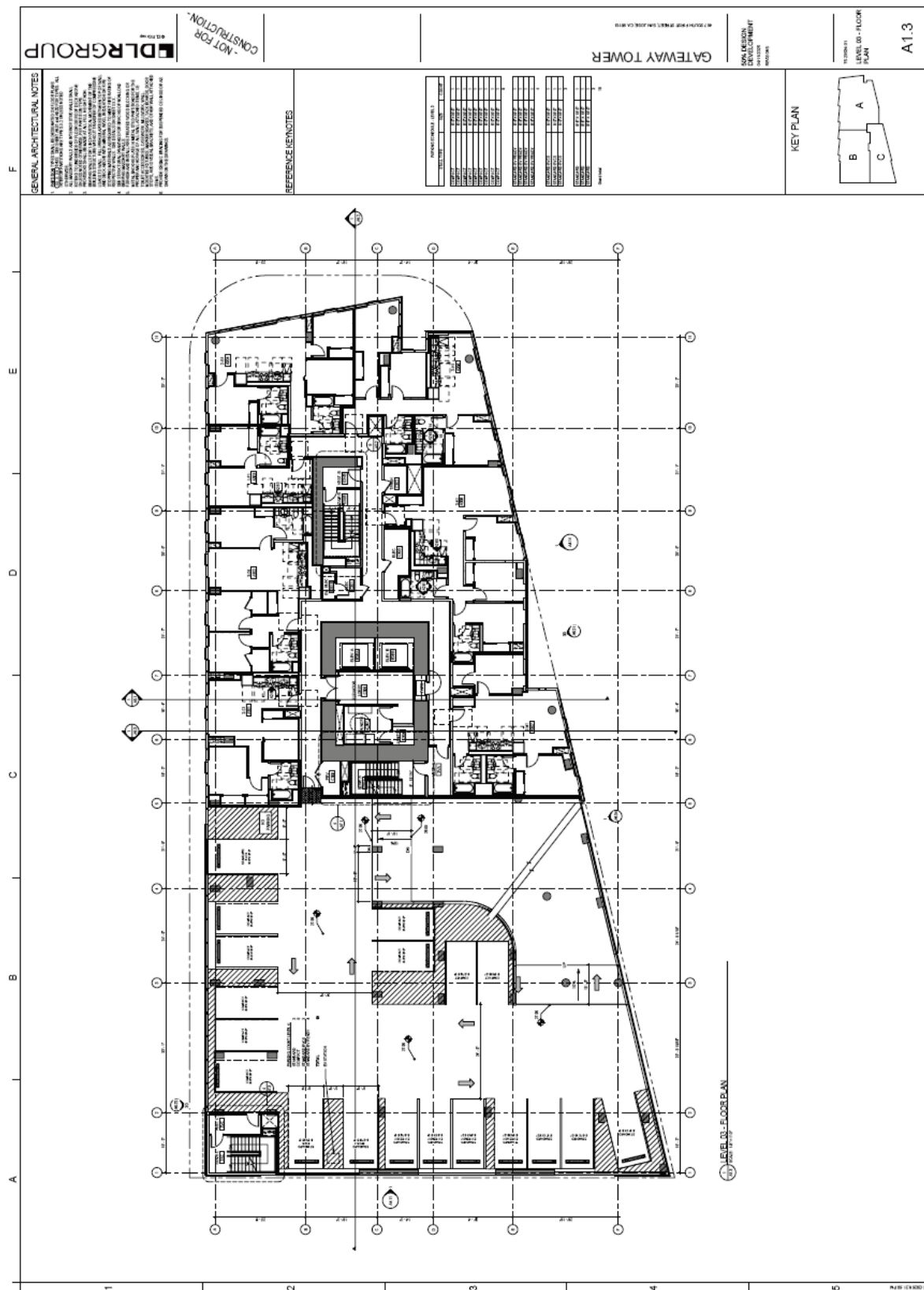


Figure 5 Level 3 Floor Plan

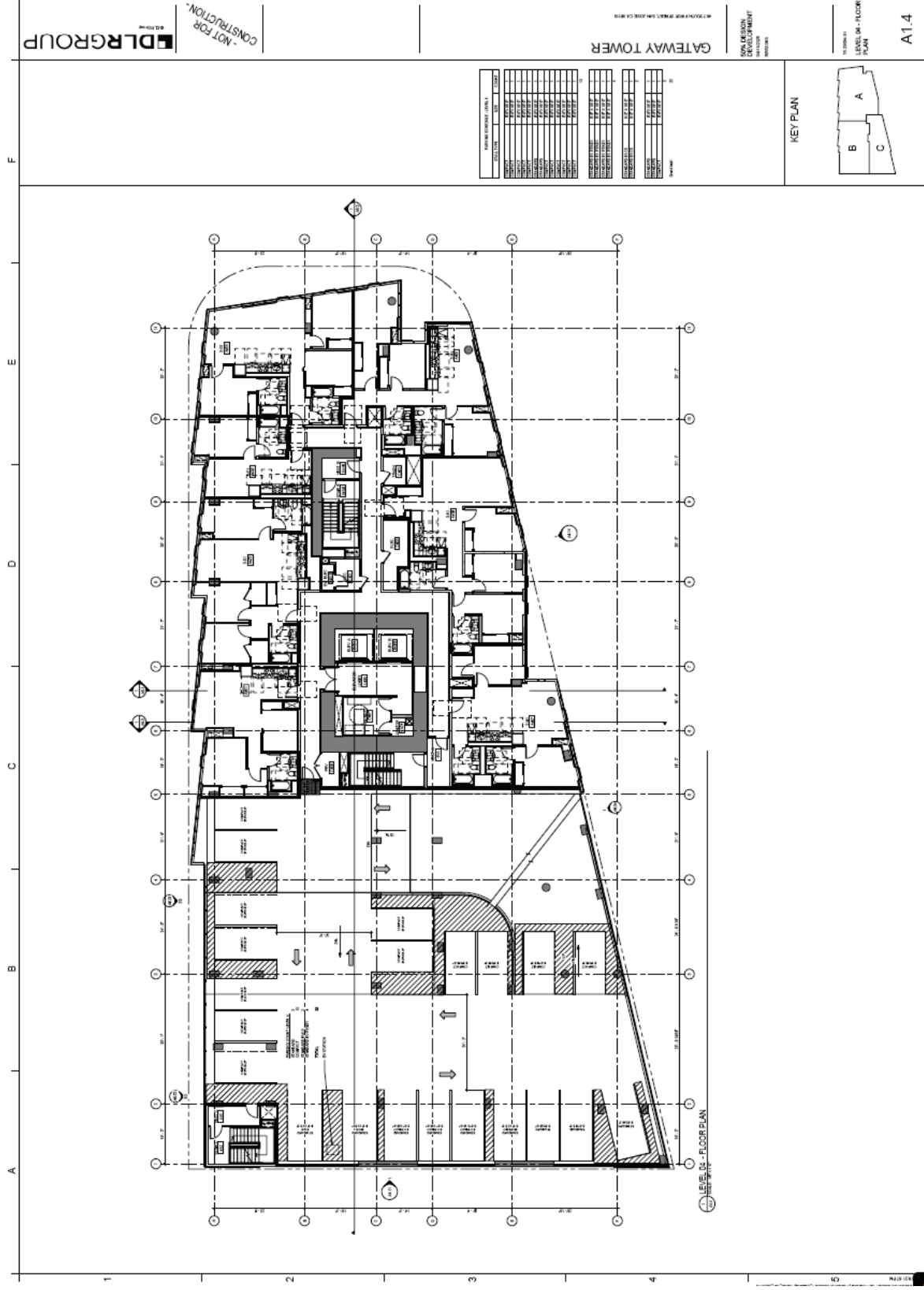


Figure 6 Level 4 Floor Plan

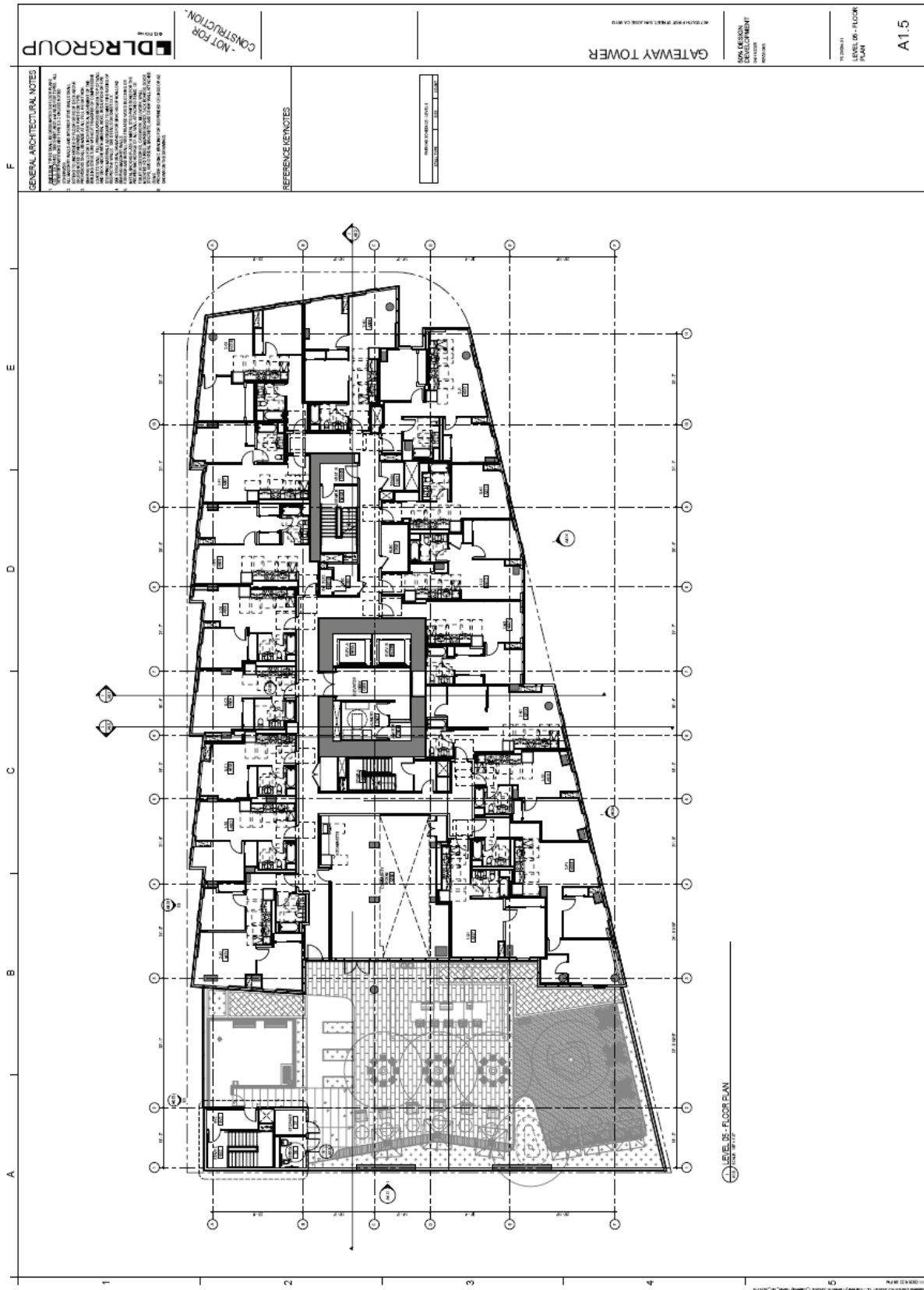


Figure 7 Level 5 Floor Plan



Figure 8 Level 5 common outdoor space landscape plan

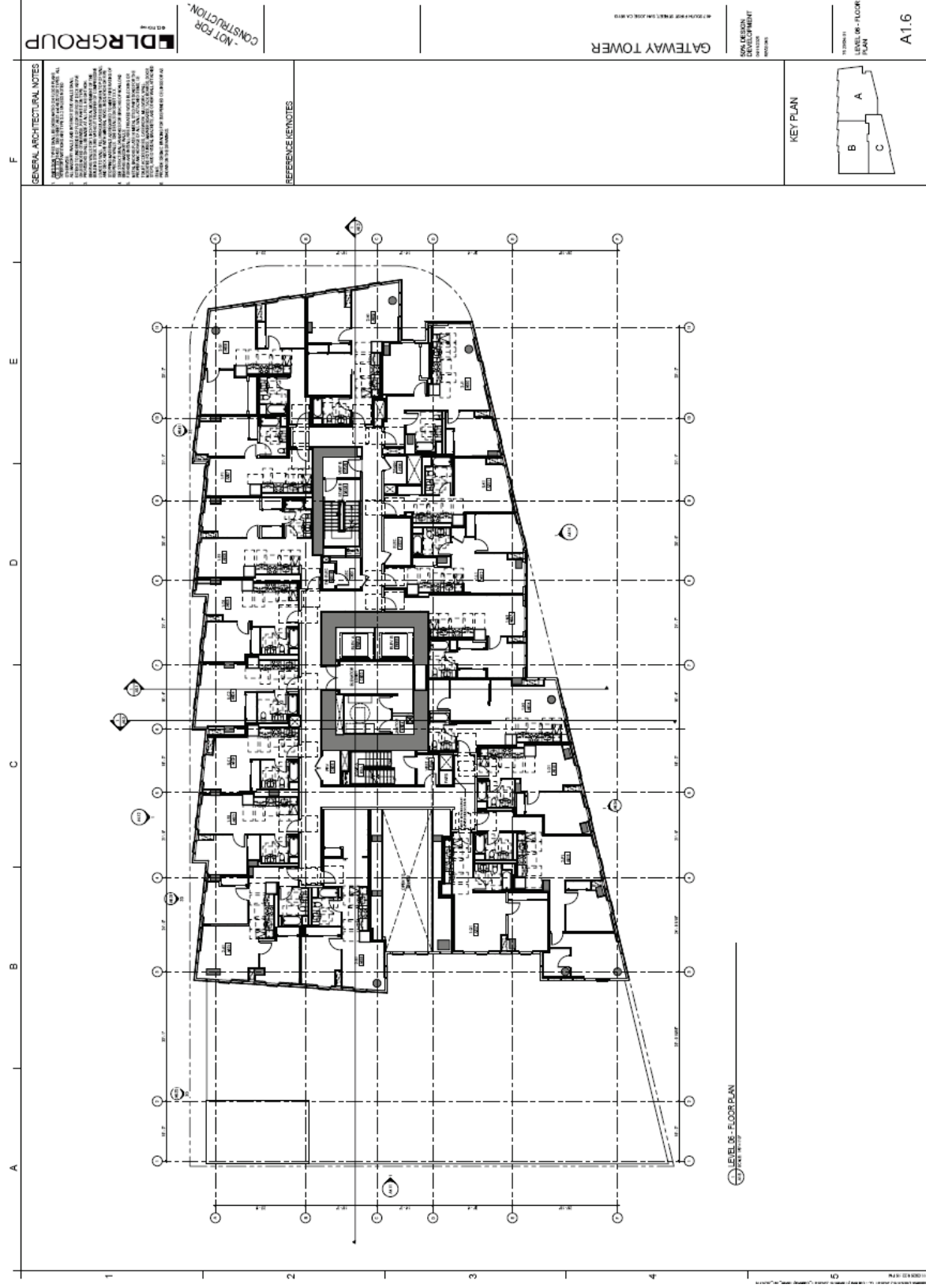


Figure 9 Level 6 Floor Plan (floors 7-15 similar)



Figure 10 Landscape Plan

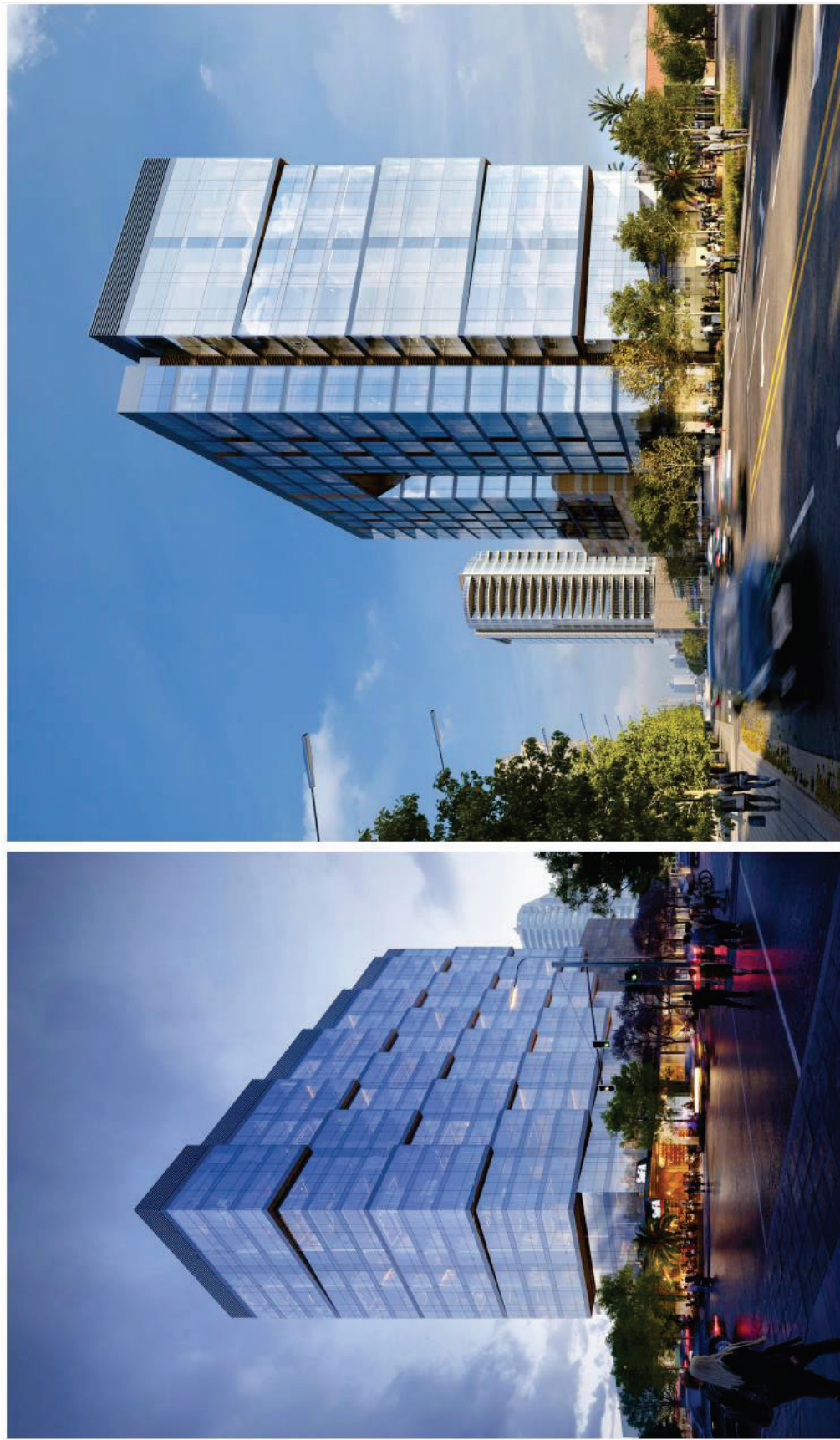


Figure 11 Renderings

Statement of Purpose and Need for the Proposal [40 CFR 1508.9(b)]:

The purpose of the project is to develop 220 units of affordable housing in the City of San José ("City"). The project will assist the City in achieving its Regional Housing Needs Allocation (RHNA) of 62,200 housing dwelling units for the 2023 to 2031 period set by the Association of Bay Area Governments (ABAG). The City's allocation breakdown for identified income levels is 15,088 for Very Low Income (VLI), 8,687 for Low Income (LI), 10,711 for Moderate Income (MI), and 27,714 for Above Moderate Income (AMI).

Policies articulated in the City's *Consolidated Plan*, its *Ten-Year Plan to End Chronic Homelessness*, and the *Housing Element* are incorporated in the City's *Affordable Housing Investment Plan* (AHIP). The AHIP prioritizes how the City will use its resources to implement its programs and policies in the current planning period to meet its housing objectives. The AHIP also contains information on key City policies related to residential developments. The most recent AHIP was adopted by the City Council in October 2020 for Fiscal Year 2020/21 to 2022/23. The project would help the City attain its housing goals listed in these plans, including those of the *Envision San José 2040 General Plan* ("General Plan") of providing housing in a range of housing densities, especially higher densities, and product types, including rental and for-sale housing; of addressing the needs of an economically, demographically, and culturally diverse population; and creating and maintaining safe and high quality housing that contributes to the creation of great neighborhoods; and providing housing that minimizes the consumption of natural resources and advances the City's fiscal, climate change, and environmental goals.

The United States Census Bureau 2020 Decennial Census found the population of the City of San José to be 1,013,241. The estimated population from the Census Bureau puts the current population as of July 1, 2023, at 969,655, a decrease of 43,586 people. Due to the high cost of housing, the increased demand for housing, especially affordable housing, remains strong. Housing development costs continue to escalate while wage growth remains slow, increasing difficulty in accessing scarce housing. Many extremely low-income households seek rental housing that is increasingly expensive and often substandard. They face housing problems including overpayment, crowding, or substandard housing conditions while some may have special needs such as mental or physical disabilities that are not being met. The projected and existing need for Extremely Low-Income renter housing in San José between 2015-2023 is approximately 28,456 units.

Sources: (2) (3) (4) (5) (6) (7) (8)

Existing Conditions and Trends [24 CFR 58.40(a)]:

The approximately 0.5-gross-acre site is located on the northwest side of West William Street, between South Market Street and South First Street. The site is surrounded by a vacant commercial building to the north, a pocket park to the south across West William Street, a motel, a commercial office building and a theatre to the east across South First Street, and multi-family residential and commercial uses to the west across South Market Street. The Project site is located in an area of Downtown commonly referred to as the South First Area (SoFA) District.

The site consists of three parcels (APN 264-30-089, 090, and 114). The middle parcel (APN 264-30-090) is a City Landmark site (City Landmark No. 74, "Herrold College") and the building to the north of the City Landmark site (APN 264-30-089) is listed as a Structure of Merit in the San José Historic Resources Inventory. The third parcel includes a non-historic Building and a surface parking lot. The total building area is approximately 12,168 square

feet.

The subject site has an *Envision San José 2040 General Plan* land use designation of Downtown. This designation supports uses such as office, retail, service, residential, medical office, hospital, and entertainment uses. All development within this designation is intended to enhance the complete community in Downtown, support pedestrian and bicycle circulation, and increase transit ridership. The Downtown land use designation allows a density of up to 800 dwelling units per acre (DU/AC) and a floor-area ratio (FAR) of up to 30.

Source: (9)

Trends

The cost of living in San José and the surrounding areas is among the highest in California and the nation. San José has been given a cost-of-living index of 231, *More Expensive* by Sperling's *Best Places*. Indices are based on a US average of one hundred. The housing cost index for San José is 433.9. Housing costs are the primary reason for the high cost of living. San José ranks 89th in housing affordability, where one is most affordable, according to the 2022 Demographia International Housing Affordability Survey.

According to HUD's *Comprehensive Housing Affordability Strategy* 2014-2018 (CHAS) data for San José, 38 percent of San José households (123,440 households) are extremely low-income, very-low income, or low-income, with incomes ranging from 0-80 percent of Area Median Income (AMI). Of those, 32 percent are extremely low-income (39,060 households at 0-30 percent AMI), 30 percent are very low-income (36,500 households at 30-50 percent AMI), and 39 percent are low-income (47,780 households at 50-80% AMI). Many low-income households (0-80% AMI) are cost burdened. Of all low-income households, 38 percent of homeowners and renters are paying more than 30 percent of their income towards housing — these households are considered households with severe cost burdens.

Housing in San José, both ownership and rental, has increasingly become more expensive while the gap between housing costs and income is widening. The construction of subsidized rental housing also continues to be a challenge as the subsidy cost per unit assumption continues to increase, constraining the development of more affordable units. These trends are likely to continue. Completion of the project will increase the available stock of affordable housing.

Source: (7) (10) (11) (12)

Funding Information

Grant Number	HUD Program	Funding Amount
121-98143	YHC – 542(c) HFA Risk Sharing – FFB NC – CFDA No. 14.188	\$42,545,000

Estimated Total HUD Funded Amount: \$42,545,000 in Loan Risk-Sharing program funds

Estimated Total project Cost (HUD and non-HUD funds) [24 CFR 58.32(d)]: \$197,802,622

Compliance with 24 CFR 50.4, 58.5, and 58.6 Laws and Authorities

Record below the compliance or conformance determinations for each statute, executive order, or regulation. Provide credible, traceable, and supportive source documentation for each authority. Where applicable, complete the necessary reviews or consultations and obtain or note applicable permits or approvals. Clearly note citations, dates/names/titles of contacts, and page references. Attach additional documentation as appropriate.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
STATUTES, EXECUTIVE ORDERS, AND REGULATIONS LISTED AT 24 CFR 50.4 and 58.6		
Airport Hazards 24 CFR Part 51 Subpart D	Yes No ☒ ☐	Nearby Airports No airport hazards exist. Norman Y. Mineta San José International Airport is located approximately 3.43 miles north of the project site. The site is about 2.28 miles from the end of the runway. Military airfield Moffett Field lies over 10 miles northwest of the site. The project is located within the Santa Clara County Airport Land Use Commission's adopted <i>Comprehensive Land Use Plan</i> for San José International airport. The site is not located within the Runway Clear Zone or Runway Protection Zone of San José International Airport. Project Impacts The project is in the Federal Aviation Regulations, invisible surfaces or FAR 77 area and under San José International Airport FAA jurisdiction (see map below and a more detailed map can be found in Appendix B). Below are the Conditions of Approval from the City of San José entitlements/design review permit for the project. The Federal Aviation Administration (FAA) has jurisdiction and is the agency to confirm the proposal does not pose an aviation hazard. The project requires a "Determination of No Hazard to Air Navigation" from FAA. Approval of this NEPA review is conditioned on obtaining the appropriate permit/Determination from FAA.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		San Jose International Airport  Map 4 San José International Airport FAR Part 77 Surfaces Federal regulations apply to this project because any proposed structure higher than approximately 82 ft above ground level/177 above mean sea level must be submitted to the FAA for airspace safety review. Conclusion The project, as designed, is not anticipated to create an aircraft hazard due to height, however, the Federal Aviation Administration (FAA) must confirm this via a filing of a “Notice of

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Proposed Construction or Alteration" (FAA Form 7460-1). The project would also require a "Determination of No Hazard to Air Navigation" from FAA for use of cranes that may exceed the Part 77 surfaces. <i>Mitigations Required:</i> AH1. <u>Avigation Easement</u>. Prior to the issuance of a Building Permit for vertical construction, the property owner shall grant an Avigation Easement to the City of San José. Contact the San José Airport Department (408-392-1193) to initiate the easement dedication process. AH2. <u>FAA Clearance Required</u>. Prior to issuance of any Building Permit for construction, the permittee shall submit a "Notice of Proposed Construction or Alteration" (FAA Form 7460-1) for each building high point. The permittee shall abide by any and all conditions of the FAA determinations (if issued) such as height specifications, rooftop marking/lighting, construction notifications to the FAA through filing of Form 7460-2, and "No Hazard Determination" expiration date. The data on the FAA forms shall be prepared by a licensed civil engineer or surveyor, with location coordinates (latitude/longitude) in NAD83 datum out to hundredths of seconds, and elevations in NAVD88 datum rounded off to the next highest foot. AH3. <u>FAA Clearance Permit Adjustment</u>. Prior to issuance of any Building Permit for construction, the permittee shall apply for and obtain a Permit Adjustment to incorporate any and all FAA conditions identified in the Determinations of No Hazard (if issued), e.g., installation of roof-top obstruction lighting or construction-related notifications. AH4. <u>Construction Cranes</u>. Prior to issuance of any Building Permit for construction, the permittee shall coordinate with the San José Airport Department to sign a

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Construction Crane Agreement and provide a crane fee deposit for the expected duration project will operate construction cranes above the Downtown Building Height Limits. Compliance shall become a condition of Building Permit issuance for construction. Contact the San José Airport Department (408-392-1193) to initiate the construction crane agreement coordination. Compliance may require that the permittee shall obtain from the Federal Aviation Administration a "Determination of No Hazard to Air Navigation" should the height of the crane exceed the allowable height under the FAR Part 77 rules. AH5. Developer shall provide CalHFA with copies of the "Determination of No Hazard to Air Navigation" from the Federal Aviation Administration (FAA) for San José International Airport. Source Documentation: (9) (13) (14) (15) (Appendix B)
Coastal Barrier Resources Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 [16 USC 3501]	Yes No ☐ ☒	The Coastal Barrier Resources Act of the United States (CBRA, Public Law 97-348), enacted October 18, 1982, designated various undeveloped coastal barriers, depicted by a set of maps adopted by law, for inclusion in the John H. Chafee Coastal Barrier Resources System (CBRS). Areas so designated were made ineligible for direct or indirect Federal national security, navigability, and energy exploration. CBRS areas extend along the coasts of the Atlantic Ocean and the Gulf of Mexico, Puerto Rico, the U.S. Virgin Islands, and the Great Lakes, and consist of 857 units. There are no Coastal Barrier Resources in California. Source Documentation: (16)
Flood Insurance Flood Disaster Protection Act of 1973 and National Flood Insurance Reform Act of	Yes No ☐ ☒	The subject parcel is identified on Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) panel number 06085C0234H, Effective May 18, 2009 as within

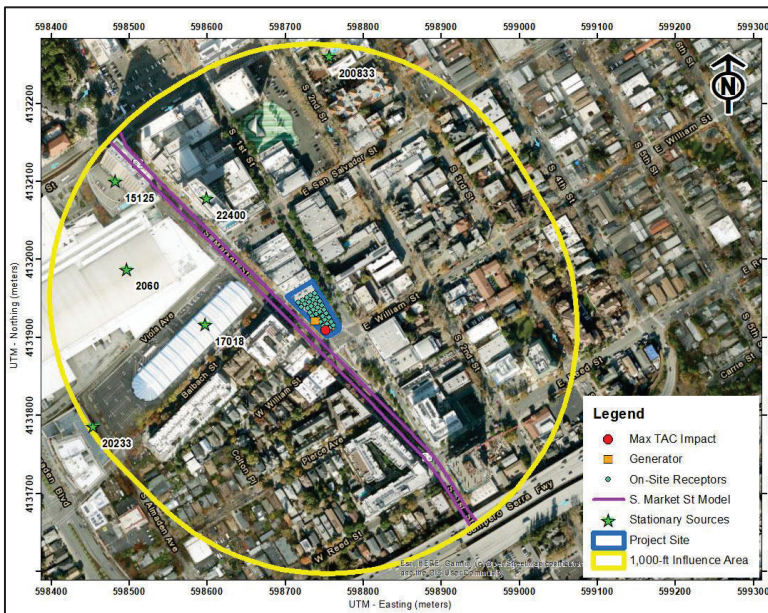
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
1994 [42 USC 4001-4128 and 42 USC 5154a]		Zone D: Area with Flood Hazard due to Levee. Zone D is not a Special Flood Hazard Area that requires flood insurance. The 8-Step Process is not invoked. Santa Clara County is a participant in the National Flood Insurance Program. Flood insurance is encouraged. Source Documentation: (17) (Appendix C)
Clean Air Clean Air Act, as amended, particularly section 176(c) & (d); 40 CFR Parts 6, 51, 93	Yes No ☒ ☐	The following excerpts come from reports prepared by Illingworth & Rodkin, Inc. in 2015 and 2025. Health Risk Impacts to New On-Site Sensitive Receptors The health risk assessment (HRA) originally prepared for the project, evaluating impacts to new project residents, was updated to reflect conditions with the modified project (proposal). The City's General Plan Policy MS-11.1 requires new projects categorized as sensitive receptors to incorporate effective mitigation into project designs to avoid significant risks to health and safety. Therefore, a Health Risk Assessment (HRA) of the modified project operational generator and existing cumulative Toxic Air Contaminant (TAC) sources was conducted. The HRA evaluated potential health effects to the new sensitive receptors introduced by the project from the modified project operational of its emergency generator. It also included existing TAC emissions of Diesel Particulate Matter (DPM2) and annual PM2.5.3 This assessment included dispersion modeling to predict the on-site concentrations resulting from project generator operation and existing cumulative TAC sources, so that lifetime cancer risks and non-cancer health effects could be evaluated. The on-site maximally exposed individual (MEI) is identified as the sensitive receptor(s) that is most impacted by the health risk impacts from the modified project's generator activities and existing TAC sources. <u>Project Generator Operation</u>

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		The project proposes to include a stand-by emergency diesel generator on the roof of the project building. The generator would be 500-kW powered by a 670-horsepower (HP) diesel engine. Operation of the diesel generators would be a source of TAC emissions. The generator would be tested periodically and power the buildings in the event of a power failure. For modeling purposes, it was assumed that the generator would be operated primarily for testing and maintenance purposes. The California Air Resources Board (CARB) and the Bay Area Air Quality Management District (Air District) requirements limit these engine operations to 50 hours each per year of non-emergency operation. During testing periods, the engine would typically be run for less than one hour. The engine would be required to meet CARB and U.S. Environmental Protection Agency (EPA) emission standards and consume commercially available California low-sulfur diesel fuel. Additionally, the generator would have to meet the Air District Best Available Control Technology (BACT) requirements for IC Engine- Compression Ignition: Stationary Emergency, non-Agricultural, non-direct drive fire pump sources. The generator emissions were modeled using the California Emissions Estimator Model (CalEEMod) Version 2022. The CalEEMod model output for the generator emissions are included in Appendix D. This diesel engine would be subject to CARB's Stationary Diesel Airborne Toxics Control Measure (ATCM) and require permits from the Air District, since it will be equipped with an engine larger than 50-HP. BACT requirements would apply to the generator that would limit DPM emissions. As part of the Air District permit requirements for toxics screening analysis, the engine emissions will have to meet BACT and pass the toxic risk screening level of less than ten in a million. The risk assessment would be prepared by the Air District. Depending on results, the Air District would set limits for DPM emissions (e.g., more restricted engine operation periods). <u>Dispersion Modeling</u>

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		The U.S. EPA AERMOD dispersion model was used to predict DPM and PM_{2.5} concentrations at sensitive receptors (i.e., residences) on the project site. The AERMOD dispersion model is an Air District-recommended model for use in modeling analysis of these types of emission activities for California Environmental Quality Act (CEQA) projects. Emissions of Diesel Particulate Matter (DPM) were based on PM₁₀ exhaust emissions predicted by CalEEMod for operation of the project generator. The project generator was modeled as a point source, with the generator's stack height set to 150 feet (45.7 meters) based on the estimated generator height plus the rooftop location. Other stack parameters (i.e., exhaust diameter, exhaust flow rate, and exhaust gas temperature) for modeling the generator was based on the Air District default parameters for emergency generators. The modeling used a five-year meteorological data set (2013-2017) from the San José Airport prepared for use with the AERMOD model by the Air District. Annual average DPM and PM_{2.5} concentrations were modeled assuming that generator testing could occur at any time of the day (24 hours per day, 365 days per year). Annual DPM and PM_{2.5} concentrations from the project generator operation were calculated at the on-site project sensitive receptors using the model. Receptor heights of 32 feet (9.8 meters), and 136 feet (41.6 meters) were used to represent the breathing height of receptors on the third and 14th floors of the modified project building, where the first level of units are located and the level with units below the generator. Maximum increased lifetime cancer risks and maximum annual PM_{2.5} concentrations were computed using modeled TAC and PM_{2.5} concentrations and the Air District methods and exposure parameters. Table below lists the health risks from the emergency diesel generator at the location of the on-site generator MEI. The figure below shows the locations of the modeled generator and on-site sensitive receptors. <u>Modified Project Traffic</u>

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Diesel powered vehicles are the primary concern with local traffic-generated TAC impacts. This project would generate 875 net daily trips⁶ (616 fewer daily trips than the approved original project), with most of the trips being from light-duty gasoline-powered vehicles (i.e., passenger cars). In addition, the project is not anticipated to generate large amounts of truck trips that would involve diesel vehicles. Therefore, this is not a project of concern for mobile sources. Emissions from project traffic are considered negligible and not included within this analysis. <u>Local Roadway Traffic</u> The HRA also addressed impacts of TACs and PM_{2.5} from the main local roadway, S. Market Street, near the modified project site. The refined analysis involved predicting emissions for the traffic volume and mix of vehicle types on the S. Market Street near the project site and using an atmospheric dispersion model to predict exposure to TACs. The associated cancer risks are then computed based on the modeled exposures. The risk impacts from Interstate 280 (I-280) were not included in this analysis because I-280 is approximately 1,000 feet from the project site with only a couple of lanes of northbound I-280 just within the 1,000-foot influence area. The risk impacts from the I-280 would mostly be dispersed at that distance, especially since the I-280 is downwind of the modified project site, and the local roadways would have a much larger effect. <u>Bay Area Air District Permitted Stationary Sources</u> Permitted stationary sources of air pollution near the project site were identified using the Air District's Permitted Stationary Sources 2022 GIS map website. This mapping tool identifies the location of nearby stationary sources and their estimated risk and hazard impacts, based on emissions and adjustments to account for Office of Environmental Health Hazard Assessment's risk guidance. There were six sources identified using this tool; four diesel-powered generators and two "no data" sources that were treated as "generic sources" for worst-case risk screening

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		purposes. The Air District GIS website provided screening risks and hazards for the stationary sources. Source #22400 did not have any screening risk values, so this source was not included in the cumulative analysis. The screening level risks and hazards provided by the Air District for the appropriate stationary sources were adjusted for distance using the Air District's Distance Adjustment Multiplier Tool for Diesel Internal Combustion Engines and Generic Equipment. Health risk impacts from the stationary source upon the project site are reported in the table below. The figure below shows the locations of the stationary sources. Summary of Health Risk Impacts The maximum increased cancer risks were calculated using the modeled TAC concentrations combined with the Air District CEQA guidance for age sensitivity factors and exposure parameters. Age-sensitivity factors reflect the greater sensitivity of infants and small children to cancer causing TACs. Third trimester, infant, child, and adult exposures were assumed to occur at the on-site residences during a 30-year lifetime period for the project operational generator and existing cumulative TAC sources. Non-cancer health hazards and maximum PM_{2.5} concentrations were also calculated. The maximum modeled annual PM_{2.5} concentration was calculated based on combined exhaust and fugitive concentrations. The maximum computed HI value was based on the ratio of the maximum DPM concentration modeled and the chronic inhalation DPM reference exposure level of 5 µg/m³. The maximum modeled annual DPM and PM_{2.5} concentrations, which includes both the DPM and fugitive PM_{2.5} concentrations, were identified at the on-site sensitive receptors. Results of the operational generator modeling indicated that the generator MEI was located on the 14th floor (136 feet above ground) at the southwest corner unit of the modified project site. Results of the roadway modeling indicated that the local roadway MEI was located at the same generator MEI receptor location at the

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations																																																				
		southwest corner unit but on the third floor (32 feet above ground). Impacts from stationary sources occurred at the project sensitive receptors closest to each stationary source.  Figure 12 Locations of Project Site and Generator, On-Site Sensitive Receptors, Maximum TAC Impacts (MEI), and Nearby TAC and PM_{2.5} Sources Table 1 Health Risk Impacts at Project Site Receptors <table><tr><th>Source</th><th>Cancer Risk (per million)</th><th>Annual PM_{2.5} (µg/m³)</th><th>Hazard Index</th></tr><tr><td>Project Generator (Modeled using AERMOD)</td><td>1.35</td><td><0.01</td><td><0.01</td></tr><tr><td>S. Marker Street – ADT 18,587</td><td>1.14</td><td>0.06</td><td><0.01</td></tr><tr><td>San Jose Marriott Hotel (Facility ID #15125, Food Services), Project Receptors at 730 feet</td><td>0.78</td><td>0.20</td><td>-</td></tr><tr><td>San Jose Redevelopment Agency (Facility ID #17018, Generator), Project Receptors at 150 feet</td><td>2.48</td><td>0.01</td><td>-</td></tr><tr><td>488 Almaden Owner LLC (Facility ID #20233, Generator), Project Receptors at 980 feet</td><td>0.75</td><td><0.01</td><td><0.01</td></tr><tr><td>Team San Jose (Facility ID #2060, Public Admin), Project Receptors at 335 feet</td><td>0.99</td><td>-</td><td>-</td></tr><tr><td>The Grad Student Housing (Facility ID #200833, Generator), Project Receptors at 820 feet</td><td>6.32</td><td>0.01</td><td><0.01</td></tr><tr><td>Bay Area Air District Single-Source Threshold</td><td>>10.0</td><td>>0.3</td><td>>1.0</td></tr><tr><td>Exceed Threshold?</td><td>No</td><td>No</td><td>No</td></tr><tr><td>Cumulative Total</td><td>13.81</td><td><0.30</td><td><0.04</td></tr><tr><td>Bay Area Air District Cumulative Source Threshold</td><td>>100</td><td>>0.8</td><td>>10.0</td></tr><tr><td>Exceed Threshold?</td><td>No</td><td>No</td><td>No</td></tr></table>	Source	Cancer Risk (per million)	Annual PM _{2.5} (µg/m ³)	Hazard Index	Project Generator (Modeled using AERMOD)	1.35	<0.01	<0.01	S. Marker Street – ADT 18,587	1.14	0.06	<0.01	San Jose Marriott Hotel (Facility ID #15125, Food Services), Project Receptors at 730 feet	0.78	0.20	-	San Jose Redevelopment Agency (Facility ID #17018, Generator), Project Receptors at 150 feet	2.48	0.01	-	488 Almaden Owner LLC (Facility ID #20233, Generator), Project Receptors at 980 feet	0.75	<0.01	<0.01	Team San Jose (Facility ID #2060, Public Admin), Project Receptors at 335 feet	0.99	-	-	The Grad Student Housing (Facility ID #200833, Generator), Project Receptors at 820 feet	6.32	0.01	<0.01	Bay Area Air District Single-Source Threshold	>10.0	>0.3	>1.0	Exceed Threshold?	No	No	No	Cumulative Total	13.81	<0.30	<0.04	Bay Area Air District Cumulative Source Threshold	>100	>0.8	>10.0	Exceed Threshold?	No	No	No
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		Health risk impacts from the project generator operation and existing cumulative TAC sources upon the project site are reported in the table above. The risks from the singular TAC sources are compared against the Air District single-source thresholds. The risks from all the sources are then combined and compared against the Air District cumulative-source threshold. As shown, the project generator and existing sources of TAC emissions do not exceed the Air District single-source or cumulative-source thresholds for cancer risk, annual PM_{2.5} concentration, or Hazard Index (HI). Setting The project is located in Santa Clara County, which is in the San Francisco Bay Area Air Basin. Ambient air quality standards have been established at both the State and federal level. The Bay Area meets all ambient air quality standards with the exception of ground-level ozone, respirable particulate matter (PM₁₀), and fine particulate matter (PM_{2.5}). The Bay Area Air Quality Management District (BAAQMD) is the regional agency tasked with managing air quality in the region. Attainment Status The Bay Area is considered a non-attainment area for ground-level ozone and PM_{2.5} under both the Federal Clean Air Act and the California Clean Air Act. The area is also considered nonattainment for PM₁₀ under the California Clean Air Act, but not the federal act. The area has attained both State and federal ambient air quality standards for carbon monoxide. As part of an effort to attain and maintain ambient air quality standards for ozone and PM₁₀, the BAAQMD has established thresholds of significance for these air pollutants and their precursors. These thresholds are for ozone precursor pollutants (ROG and NOx), PM₁₀, and PM_{2.5} and apply to both construction period and operational period impacts. The California Emissions Estimator Model (CalEEMod) Version 2013.2.2 was used to predict emissions from construction of the

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		site assuming full build out of the project. The project land use types and size, and anticipated construction schedule were input to CalEEMod.¹ <u>Construction period emissions</u> CalEEMod provided annual emissions for construction. CalEEMod provides emission estimates for both on-site and off-site construction activities. On-site activities are primarily made up of construction equipment emissions, while off-site activity includes worker, hauling, and vendor traffic. A construction build-out scenario, including equipment list and phasing schedule, was developed based on information provided by the project applicant. The project applicant expects cranes to be electrically powered and that there will be temporary line power on-site. The proposed project land uses were input into CalEEMod, which included 308 dwelling units entered as “Apartments High Rise,” and 5,135 sf entered as “Strip Mall”/retail on a 0.5-acre site. It was estimated that the project would require up to 26,900 cubic yards (cy) of soil export, which was entered into the model. In addition, approximately 2,730 round trips of cement trucks are anticipated during the building construction phase, and 150 cy of asphalt are anticipated during the paving phase. The 15,000 sf of anticipated building demolition and 150 tons of pavement demolition was also input to the model. Construction activities, particularly during site preparation and grading, would temporarily generate fugitive dust in the form of PM₁₀ and PM_{2.5}. Sources of fugitive dust would include disturbed soils at the construction site and trucks carrying uncovered loads of soils. Unless properly controlled, vehicles leaving the site would deposit mud on local streets, which could be an additional source of airborne dust after it dries. The BAAQMD CEQA Air Quality

¹ The CalEEMod emissions were based on a larger project. Actual emissions will be less.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations																									
		Guidelines consider these impacts to be less than significant if best management practices are implemented to reduce these emissions. Mitigation Measure AQ-1 would implement BAAQMD-recommended best management practices. Table 2 Construction Period Emissions <table><tr><th>Scenario</th><th>ROG</th><th>NOx</th><th>PM₁₀ Exhaust</th><th>PM_{2.5} Exhaust</th></tr><tr><td>Construction emissions (tons)</td><td>3.29 tons</td><td>3.61 tons</td><td>0.15 tons</td><td>0.14 tons</td></tr><tr><td>Average daily emissions (pounds)¹</td><td>13.6 lbs.</td><td>14.9 lbs.</td><td>0.6 lbs.</td><td>0.6 lbs.</td></tr><tr><td>BAAQMD Thresholds (pounds per day)</td><td>54 lbs.</td><td>54 lbs.</td><td>82 lbs.</td><td>54 lbs.</td></tr><tr><td>Exceed Threshold?</td><td>No</td><td>No</td><td>No</td><td>No</td></tr></table> Notes: ¹Assumes 484 workdays. <u>Operational Period Emissions</u> Operational air emissions from the project would be generated primarily from autos driven by future residences, and retail customers and employees. Evaporative emissions from architectural coatings and maintenance products (classified as consumer products) are typical emissions from these types of uses. CalEEMod was used to predict emissions from operation of the proposed project assuming full build-out. The same model run used to compute construction period emissions was used to predict operational emissions. Emissions from the testing and maintenance of the generator were calculated using CARB’s OFFROAD emissions model for large compression-ignited engines above 25 hp. Results of generator modeling are included in the table below. The table reports the predicted emissions in terms of net annual emissions in tons and average daily net operational emissions, assuming 365 days of operation per year. As shown in Table 3, net average daily and net annual emissions of ROG, NOx, PM₁₀, or PM_{2.5} emissions associated with operation would not exceed the BAAQMD significance thresholds. Table 3 Operational Emissions	Scenario	ROG	NOx	PM ₁₀ Exhaust	PM _{2.5} Exhaust	Construction emissions (tons)	3.29 tons	3.61 tons	0.15 tons	0.14 tons	Average daily emissions (pounds) ¹	13.6 lbs.	14.9 lbs.	0.6 lbs.	0.6 lbs.	BAAQMD Thresholds (pounds per day)	54 lbs.	54 lbs.	82 lbs.	54 lbs.	Exceed Threshold?	No	No	No	No
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		<table><tr><th>Scenario</th><th>ROG</th><th>NOx</th><th>PM₁₀</th><th>PM_{2.5}</th></tr><tr><td>Net Annual Project Operational emissions (tons)</td><td>2.75 tons</td><td>1.72 tons</td><td>1.24 tons</td><td>0.36 tons</td></tr><tr><td>Annual Generator Emissions (tons)</td><td><0.01 tons</td><td>0.05 tons</td><td><0.01 tons</td><td><0.01 tons</td></tr><tr><td>Total (tons)</td><td><2.76 tons</td><td>1.77 tons</td><td><1.25 tons</td><td><0.37 tons</td></tr><tr><td><i>BAAQMD Thresholds (tons per year)</i></td><td><i>10 tons</i></td><td><i>10 tons</i></td><td><i>15 tons</i></td><td><i>10 tons</i></td></tr><tr><td><i>Exceed Threshold?</i></td><td>No</td><td>No</td><td>No</td><td>No</td></tr><tr><td>Average Daily Net Project Operational Emissions (pounds)¹</td><td>15.1 lbs.</td><td>9.4 lbs.</td><td>6.8 lbs.</td><td>2.0 lbs.</td></tr><tr><td>Average Daily Generator Emissions (pounds)</td><td><0.1 lbs.</td><td>0.3 lbs.</td><td><0.1 lbs.</td><td><0.1 lbs.</td></tr><tr><td>Total (pounds)</td><td><15.2 lbs.</td><td>9.7 lbs.</td><td><6.9 lbs.</td><td><2.1 lbs.</td></tr><tr><td><i>BAAQMD Thresholds (pounds per day)</i></td><td><i>54 lbs.</i></td><td><i>54 lbs.</i></td><td><i>82 lbs.</i></td><td><i>54 lbs.</i></td></tr><tr><td><i>Exceed Threshold?</i></td><td>No</td><td>No</td><td>No</td><td>No</td></tr></table> ¹ Assumes 365-day operation.	Scenario	ROG	NOx	PM ₁₀	PM _{2.5}	Net Annual Project Operational emissions (tons)	2.75 tons	1.72 tons	1.24 tons	0.36 tons	Annual Generator Emissions (tons)	<0.01 tons	0.05 tons	<0.01 tons	<0.01 tons	Total (tons)	<2.76 tons	1.77 tons	<1.25 tons	<0.37 tons	<i>BAAQMD Thresholds (tons per year)</i>	<i>10 tons</i>	<i>10 tons</i>	<i>15 tons</i>	<i>10 tons</i>	<i>Exceed Threshold?</i>	No	No	No	No	Average Daily Net Project Operational Emissions (pounds) ¹	15.1 lbs.	9.4 lbs.	6.8 lbs.	2.0 lbs.	Average Daily Generator Emissions (pounds)	<0.1 lbs.	0.3 lbs.	<0.1 lbs.	<0.1 lbs.	Total (pounds)	<15.2 lbs.	9.7 lbs.	<6.9 lbs.	<2.1 lbs.	<i>BAAQMD Thresholds (pounds per day)</i>	<i>54 lbs.</i>	<i>54 lbs.</i>	<i>82 lbs.</i>	<i>54 lbs.</i>	<i>Exceed Threshold?</i>	No	No	No	No
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Net Annual Project Operational emissions (tons)	2.75 tons	1.72 tons	1.24 tons	0.36 tons																																																					
Annual Generator Emissions (tons)	<0.01 tons	0.05 tons	<0.01 tons	<0.01 tons																																																					
Total (tons)	<2.76 tons	1.77 tons	<1.25 tons	<0.37 tons																																																					
<i>BAAQMD Thresholds (tons per year)</i>	<i>10 tons</i>	<i>10 tons</i>	<i>15 tons</i>	<i>10 tons</i>																																																					
<i>Exceed Threshold?</i>	No	No	No	No																																																					
Average Daily Net Project Operational Emissions (pounds) ¹	15.1 lbs.	9.4 lbs.	6.8 lbs.	2.0 lbs.																																																					
Average Daily Generator Emissions (pounds)	<0.1 lbs.	0.3 lbs.	<0.1 lbs.	<0.1 lbs.																																																					
Total (pounds)	<15.2 lbs.	9.7 lbs.	<6.9 lbs.	<2.1 lbs.																																																					
<i>BAAQMD Thresholds (pounds per day)</i>	<i>54 lbs.</i>	<i>54 lbs.</i>	<i>82 lbs.</i>	<i>54 lbs.</i>																																																					
<i>Exceed Threshold?</i>	No	No	No	No																																																					
		General Conformity The predominant regulation that guides assessment of air quality impacts of federal actions is the General Conformity Rule, established under the Clean Air Act (Section 176(c)(4)). The General Conformity Rule ensures that the actions taken by federal agencies in nonattainment and maintenance areas do not interfere with a state’s plans to meet national ambient air quality standards (NAAQS) established by the U.S. Environmental Protection Agency (EPA). The U.S. EPA classifies areas as attainment/unclassified, nonattainment, nonattainment-transitional (referred to as maintenance areas) based on their ambient air quality in relation to the NAAQS. The project area is located within the San Francisco Bay Area Air Basin, which is designated by the U.S. EPA as nonattainment for ozone and PM_{2.5} NAAQS and as attainment or unclassified for the other NAAQS. The General Conformity Rule requires emissions estimates be developed for federally funded projects in nonattainment areas and the estimates be compared to de minimis thresholds. The NEPA General Conformity de minimis thresholds for ozone precursor pollutants (i.e., NOx and ROG) and PM_{2.5} are 100 tons per year for each pollutant. The revised project’s unmitigated annualized construction emissions would not exceed the 100 tons per year <i>de minimis</i> thresholds, as shown in Table 2 and 3.																																																							

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		<i>Mitigations Required:</i> AQ1. During any construction period ground disturbance, the applicant shall ensure that the project contractor implement measures to control dust and exhaust. Implementation of the measures recommended by BAAQMD and listed below would reduce the air quality impacts associated with grading and new construction to a less-than-significant level. The contractor shall implement the following BMPs that are required of all projects: 1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. 2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered. 3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. 4. All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph). 5. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used. 6. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph. 7. All trucks and equipment, including their tires, shall be washed off prior to leaving the site. 8. Unpaved roads providing access to sites located 100 feet or further from a paved road shall be

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		treated with a 6- to 12-inch layer of compacted layer of wood chips, mulch, or gravel. 9. Publicly visible signs shall be posted with the telephone number and name of the person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's General Air Pollution Complaints number shall also be visible to ensure compliance with applicable regulations. AQ2. <i>Selection of equipment during construction to minimize emissions. Such equipment selection would include the following:</i> a. All diesel-powered off-road equipment larger than 50 horsepower and operating on the site for more than two days continuously shall, at a minimum, meet U.S. EPA particulate matter emissions standards for Tier 2 engines or equivalent; and b. All diesel-powered portable equipment (i.e., aerial lifts, air compressors, concrete saws, and forklifts) operating on the site for more than two days shall meet U.S. EPA particulate matter emissions standards for Tier 4 engines or equivalent. Source Documentation: (18) (19) (20) (Appendix D)
Coastal Zone Management Coastal Zone Management Act, sections 307(c) & (d)	Yes No ☐ ☒	The project site is located in the City of San José in an urban area of the San Francisco Bay Area. The project is subject to requirements of the San Francisco Bay Conservation and Development Commission, as the designated governing body over the Local Coastal Program in the greater Bay Area. Activities requiring permit approval include:

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		• Filling: Placing solid material, building pile-supported or cantilevered structures, disposing of material or permanently mooring vessels in the Bay or in certain tributaries of the Bay. • Dredging: Extracting material from the tidal waters. • Shoreline projects: Nearly all work, including grading, on the land within 100 feet of the Bay shoreline. • Other projects: Any filling, new construction, major remodeling, substantial change in use, and many land subdivisions in the Bay, along the shoreline, in salt ponds, duck hunting preserves or other managed wetlands adjacent to the Bay. The proposed project does not involve activities within 100 feet of the shoreline or any of the other activities described above that require a permit. The project site is roughly 8.4 miles from the shoreline and therefore not subject to oversight by the San Francisco Bay Conservation and Development Commission. A Coastal Development Permit is not required. Source Documentation: (14) (21) (22)
Contamination and Toxic Substances 24 CFR Part 50.3(i) & 58.5(i)(2)	Yes No ☒ ☐	AEI Consultants prepared a <i>Phase I Environmental Site Assessment (ESA)</i>, <i>Additional Site Investigation Report</i> and <i>Site Management Plan (SMP)</i> for the project in 2024, 2025, and 2026. Excerpts follow and the reports can be found in Appendix E. Phase I Environmental Site Assessment (ESA) AEI Consultants (AEI) was retained to conduct a Phase I ESA in conformance with AEI's contract and the scope and limitations of ASTM Standard Practice E1527-21 and the EPA Standards and Practices for All Appropriate Inquiries (40 CFR Part 312), for the property located at 460-480 South Market & 455-493 South First Street, San José, Santa Clara County, California (the "subject property").

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations																																																											
		Pertinent subject property information is noted below. Table 4 Subject Property Data <table><tr><th colspan="2">Property Information</th></tr><tr><td>Site Address(es)</td><td>460-480 South Market & 455-493 South First Street, San Jose, Santa Clara County, California 95113</td></tr><tr><td>Property ID (APN or Block/Lot)</td><td>264-30-114, -090 & -089</td></tr><tr><td>Location</td><td>Northwest side of West Williams Street, bound by South 1st Street to northeast and South Market Street to southwest</td></tr><tr><th colspan="2">Site and Building Information</th></tr><tr><td>Approximate Site Acreage/Source</td><td>0.49/Santa Clara County Assessor</td></tr><tr><td>Number of Buildings</td><td>Three</td></tr><tr><td>Building Construction Date(s)/Source</td><td>1918, 1926 and 1970/Santa Clara County Assessor</td></tr><tr><td>Building Square Footage (SF)/Source</td><td>13,100/Online resources</td></tr><tr><td>Number of Floors/Stories</td><td>Two stories (470 and 480 South Market Street, 465 South 1st Street), and one story (455 and 493 South 1st Street)</td></tr><tr><td>Basement or Subgrade Area(s)</td><td>None identified</td></tr><tr><td>Number of Units</td><td>Three</td></tr><tr><td>Additional Improvements</td><td>Asphalt-paved parking areas and associated landscaping</td></tr><tr><td>Property Type</td><td>Retail - Free Standing</td></tr><tr><td>On-site Occupant(s)</td><td>The Core Companies</td></tr><tr><td>Current On-site Operations/Use</td><td>Commercial offices and storage</td></tr><tr><td>Current Use of Hazardous Substances</td><td>Yes; refer to Section 7.1</td></tr><tr><th colspan="2">Regulatory Information</th></tr><tr><td>Regulatory Database Listing(s)</td><td>CPS-SLIC, CUPA Listings, EDR Hist Auto (x3), RCRA-SQG, HWTS (x3), HAZNET (x2), CERS, E MANIFEST, RCRA NonGen/NLR, FINDS (x2), ECHO (x2)</td></tr></table> A chronological summary of historical subject property information is shown below. Table 5 Historical Subject Property Information <table><tr><th>Date Range</th><th>Subject Property Description and Occupancy (Historical Addresses)</th><th>Source(s)</th></tr><tr><td>Prior to 1884</td><td>Unknown use/Data failure; refer to Section 1.6.1</td><td>None available</td></tr><tr><td>1884</td><td>Developed with a two-story boarding house, a residential dwelling, and an associated outbuilding, remainder depicted as unimproved land (20-25 South Market Street, 18, 19 William Street, 11-17 South First Street)</td><td>Sanborn map</td></tr><tr><td>1891</td><td>Developed with a lodgings, eight retail storefronts, a bake house, an associated outbuilding, and unimproved land to the northwest (480-500 South Market Street, 481-499 South First Street)</td><td>Sanborn map</td></tr><tr><td>1918-Present</td><td>Developed with the current Buildings 1 (455 South 1st Street and 460 South Market Street) and 2 (465 South 1st Street and 470-480 South Market Street), prior identified tenants include two auto repair and sales shops, a battery shop, two stores with oxygen storage, a store with a water distilling feature, furniture stores, a warehouse, and various commercial offices</td><td>Sanborn Maps, aerial photographs, agency records, city directories, site observation, prior reports</td></tr><tr><td>1930-1977</td><td>Developed with a former gasoline and oil service station with different owners (493 South 1st Street)</td><td>Sanborn Maps, aerial photographs, agency records, city directories, prior reports</td></tr><tr><td>1970-Present</td><td>Developed with the current Building 3 (493 South 1st Street), identified tenants include an auto part retail store, a carpet cleaning shop, and a drop-off dry cleaner location</td><td>Sanborn Maps, aerial photographs, agency records, city directories, site observation, prior reports</td></tr></table>	Property Information		Site Address(es)	460-480 South Market & 455-493 South First Street, San Jose, Santa Clara County, California 95113	Property ID (APN or Block/Lot)	264-30-114, -090 & -089	Location	Northwest side of West Williams Street, bound by South 1st Street to northeast and South Market Street to southwest	Site and Building Information		Approximate Site Acreage/Source	0.49/Santa Clara County Assessor	Number of Buildings	Three	Building Construction Date(s)/Source	1918, 1926 and 1970/Santa Clara County Assessor	Building Square Footage (SF)/Source	13,100/Online resources	Number of Floors/Stories	Two stories (470 and 480 South Market Street, 465 South 1st Street), and one story (455 and 493 South 1st Street)	Basement or Subgrade Area(s)	None identified	Number of Units	Three	Additional Improvements	Asphalt-paved parking areas and associated landscaping	Property Type	Retail - Free Standing	On-site Occupant(s)	The Core Companies	Current On-site Operations/Use	Commercial offices and storage	Current Use of Hazardous Substances	Yes; refer to Section 7.1	Regulatory Information		Regulatory Database Listing(s)	CPS-SLIC, CUPA Listings, EDR Hist Auto (x3), RCRA-SQG, HWTS (x3), HAZNET (x2), CERS, E MANIFEST, RCRA NonGen/NLR, FINDS (x2), ECHO (x2)	Date Range	Subject Property Description and Occupancy (Historical Addresses)	Source(s)	Prior to 1884	Unknown use/Data failure; refer to Section 1.6.1	None available	1884	Developed with a two-story boarding house, a residential dwelling, and an associated outbuilding, remainder depicted as unimproved land (20-25 South Market Street, 18, 19 William Street, 11-17 South First Street)	Sanborn map	1891	Developed with a lodgings, eight retail storefronts, a bake house, an associated outbuilding, and unimproved land to the northwest (480-500 South Market Street, 481-499 South First Street)	Sanborn map	1918-Present	Developed with the current Buildings 1 (455 South 1st Street and 460 South Market Street) and 2 (465 South 1st Street and 470-480 South Market Street), prior identified tenants include two auto repair and sales shops, a battery shop, two stores with oxygen storage, a store with a water distilling feature, furniture stores, a warehouse, and various commercial offices	Sanborn Maps, aerial photographs, agency records, city directories, site observation, prior reports	1930-1977	Developed with a former gasoline and oil service station with different owners (493 South 1st Street)	Sanborn Maps, aerial photographs, agency records, city directories, prior reports	1970-Present	Developed with the current Building 3 (493 South 1st Street), identified tenants include an auto part retail store, a carpet cleaning shop, and a drop-off dry cleaner location	Sanborn Maps, aerial photographs, agency records, city directories, site observation, prior reports
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Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations																		
		The immediately surrounding properties are described in the table below (sections refer to sections in the Phase I ESA, see Appendix E). Table 6 Surrounding Properties <table border="1"> <thead> <tr> <th>Direction</th><th>Tenant/Use (Address)</th><th>Regulatory Database Listing(s)</th></tr> </thead> <tbody> <tr> <td>East</td><td>South First Street followed by: Pacific Motor Inn (455 South 1st Street) Decca Design (470-476 South 1st Street) San Jose Stage Theater (490-496 South 1st Street)</td><td>Yes; refer to Section 5.1</td></tr> <tr> <td>Southeast</td><td>West William Street followed by: Movimiento de Arte y Cultural Latino Americano Art Gallery (500-510 South 1st Street) Parque de los Pobladores Park (510 South 1st Street)</td><td>None identified</td></tr> <tr> <td>South</td><td>South Market Street followed by: California Miramar University San Jose (501-505 South Market Street)</td><td>Yes; refer to Section 5.1</td></tr> <tr> <td>West</td><td>South Market Street followed by: Higher Fire Studios Pottery (499 South Market Street) Salon Blu (489-493 South Market Street) The Taft Apartments (477 S. Market Street) South Hall Event Venue (107-139 Balbach Street, 425-435 South Market Street, 76-104 Viola Street)</td><td>Yes; refer to Section 5.1</td></tr> <tr> <td>Northwest</td><td>Vacant commercial structure (451 South 1st Street)</td><td>None identified</td></tr> </tbody> </table> Findings and Opinions Significant Data Gap(s) is defined by the current ASTM Standard E1527 as a data gap that affects the ability of the environmental professional to identify a recognized environmental condition. AEI did not identify significant data gaps which affected the ability to identify Recognized Environmental Conditions (RECs). REC is defined by the current ASTM Standard E1527 as (1) the presence of hazardous substances or petroleum products in, on, or at the subject property due to a release to the environment; (2) the likely presence of hazardous substances or petroleum products in, on, or at the subject property due to a release or likely release to the environment; or (3) the presence of hazardous substances or petroleum products in, on, or at the subject property under conditions that pose a material threat of a future release to the environment. The results from the geophysical survey conducted as part of the 2016 Limited Phase II Subsurface Investigation	Direction	Tenant/Use (Address)	Regulatory Database Listing(s)	East	South First Street followed by: Pacific Motor Inn (455 South 1 st Street) Decca Design (470-476 South 1 st Street) San Jose Stage Theater (490-496 South 1 st Street)	Yes; refer to Section 5.1	Southeast	West William Street followed by: Movimiento de Arte y Cultural Latino Americano Art Gallery (500-510 South 1 st Street) Parque de los Pobladores Park (510 South 1 st Street)	None identified	South	South Market Street followed by: California Miramar University San Jose (501-505 South Market Street)	Yes; refer to Section 5.1	West	South Market Street followed by: Higher Fire Studios Pottery (499 South Market Street) Salon Blu (489-493 South Market Street) The Taft Apartments (477 S. Market Street) South Hall Event Venue (107-139 Balbach Street, 425-435 South Market Street, 76-104 Viola Street)	Yes; refer to Section 5.1	Northwest	Vacant commercial structure (451 South 1 st Street)	None identified
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Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		identified a possible UST or similar underground feature, such as an oil-water separator, on the northeast corner of the parking lot. Liquid, possibly water, was observed in the feature. The underground feature appears to be oriented parallel to the sidewalk. This feature should be properly removed under appropriate permit prior to redevelopment activities. - The existence of an active SLIC case for the subject property constitutes a REC. <u>Controlled Recognized Environmental Condition (CREC)</u> is defined by the current ASTM Standard E1527 as a recognized environmental condition affecting the subject property that has been addressed to the satisfaction of the applicable regulatory authority or authorities with hazardous substances or petroleum products allowed to remain in place subject to implementation of required controls (for example, activity and use limitations or other property use limitations). - According to historical sources, the subject property was developed with a gasoline service station from at least 1935 to 1975 and three automobile repair shops from 1930-1977. In 2016, twenty-three borings were advanced across the site for the collection of soil, groundwater and soil vapor samples. The results of the investigation were submitted to the Santa Clara County Department of Environmental Health (SCCDEH). In a letter dated January 20, 2017, the SCCDEH issued a no further action determination relating to the petroleum hydrocarbon pollution, indicating that the reported pollution does not appear to pose a threat to human health or the environment based on the existing land use at the time. <u>Historical Recognized Environmental Condition (HREC)</u> is defined by the current ASTM Standard E1527 as a previous release of hazardous substances or petroleum products affecting the subject property that has been addressed to the satisfaction of the

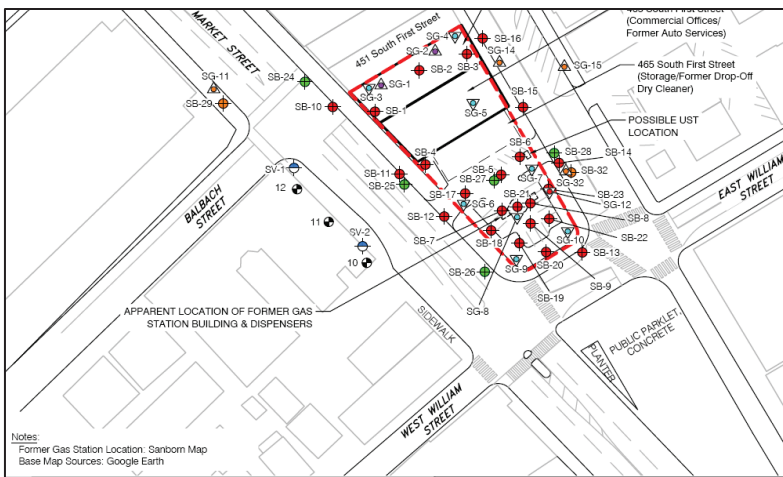
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		applicable regulatory authority or authorities and meeting unrestricted use criteria established by the applicable regulatory authority or authorities without subjecting the subject property to any controls (for example, activity and use limitations or other property use limitations). • AEI did not identify evidence of HRECs during the course of this assessment. <u>Other Environmental Considerations</u> include, but are not limited to, de minimis conditions and/ or business environmental risks such as the presence of ACMs, LBP, radon, mold, and lead in drinking water, which can have a material environmental or environmentally-driven impact on the business associated with the current or planned use of a parcel of commercial real estate, not necessarily limited to those environmental issues required to be investigated in the ASTM Standard. These may also affect the liabilities and financial obligations of the client, the health and safety of site occupants, and the value and marketability of the subject property. • According to information provided by the client, demolition of the subject property buildings is planned for the near future. Regardless of building construction date, the EPA's NESHAP requires that a thorough asbestos survey be performed prior to demolition or renovation activities that may disturb ACMs. This requirement may be enforced by federal, state and local regulatory agencies, and specifies that all suspect ACMs be sampled to determine the presence or absence of asbestos prior to any renovation or demolition activities which may disturb them to prevent potential exposure to workers, building occupants, and the environment. • Due to the age of the subject property buildings, there is a potential that LBP is present. AEI understands that renovation and/or demolition activities of the subject property buildings are planned. AEI presumes that the

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		planned renovation and/or demolition activities will be performed in accordance with applicable regulations. It should be noted that construction activities that disturb materials or paints containing any amount of lead may be subject to certain requirements of the OSHA lead standard contained in 29 CFR 1910.1025 and 1926.62. <u>Conclusions</u> AEI Consultants performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Standard Practice E1527-21, of 460-480 South Market & 455-493 South First Street, San José, Santa Clara County, California, the subject property. The assessment revealed recognized environmental conditions (RECs), controlled recognized environmental conditions (CRECs), and/or significant data gaps in connection with the subject property. <u>Recommendations</u> AEI recommends the following: • Continue working with SCCDEH in regards environmental conditions as required for the proposed redevelopment • Prepare a site management plan (SMP) or equivalent document prior to redevelopment, which addresses residual impacts, including proper handling of impacted soil and groundwater. • Remove the UST/Oil Water Separator feature prior to redevelopment. • Perform appropriate building materials survey for asbestos and other regulated materials (such as PCBs, lead, etc.) prior to demolition of site structures. <u>Vapor Encroachment Screening</u> AEI concluded that the proposed redevelopment, which includes significant on-site excavation will likely sufficiently address the

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		residual on-site soil and groundwater impacts. Further investigation to characterize the lateral extent of petroleum hydrocarbons in groundwater towards the west in the vicinity of soil boring SB-10 is necessary to delineate the dissolved petroleum hydrocarbon plume at the subject property. Letter Correspondence (460-480 South Market Street and 455-493 South 1st Street, San José, CA), prepared by the SCCEHD (January 20, 2017) The letter provided comments on the SCCEHD's review of the 2016 Limited Phase II Subsurface Investigation, 2016 Additional Subsurface Investigation, and an associated Unauthorized Release Report. The agency noted that the highest concentrations of TPHg, TPH as diesel (TPHd), and benzene in soil were reported at sample SB-8 at 4,600, 840, and 3.6 mg/kg, respectively. The highest concentration of TPHg in groundwater was reported at sample SB-6-W at 47,000 µg/L. The highest concentration of TPHd was detected in grab groundwater sample SB-9-W at 290,000 µg/L. Benzene was detected in grab groundwater sample SB-8-W at a maximum concentration of 910 µg/L. Benzene was detected at a maximum concentration of 14 micrograms per cubic meter (µg/m³) in soil gas sample SG-2. Trichloroethene (TCE) was detected at a maximum concentration of 200 micrograms per cubic meter (µg/m³) in soil gas sample SG-1. Tetrachloroethene (PCE) was detected in SG-1 and SG-2 at concentrations of 14 and 7.9 µg/m³, respectively. Based on the information provided in the AEI reports, the agency indicated that no further action related to petroleum hydrocarbon constituents at the subject property was required at the time. The agency determined that the levels of petroleum hydrocarbon contamination reported pose a low risk to human health and the environment under current land use conditions. Chlorinated solvents (PCE and TCE) contamination exists at the subject property. The nature and extent of the chlorinated solvent impact was unknown at this time. The agency also determined that the

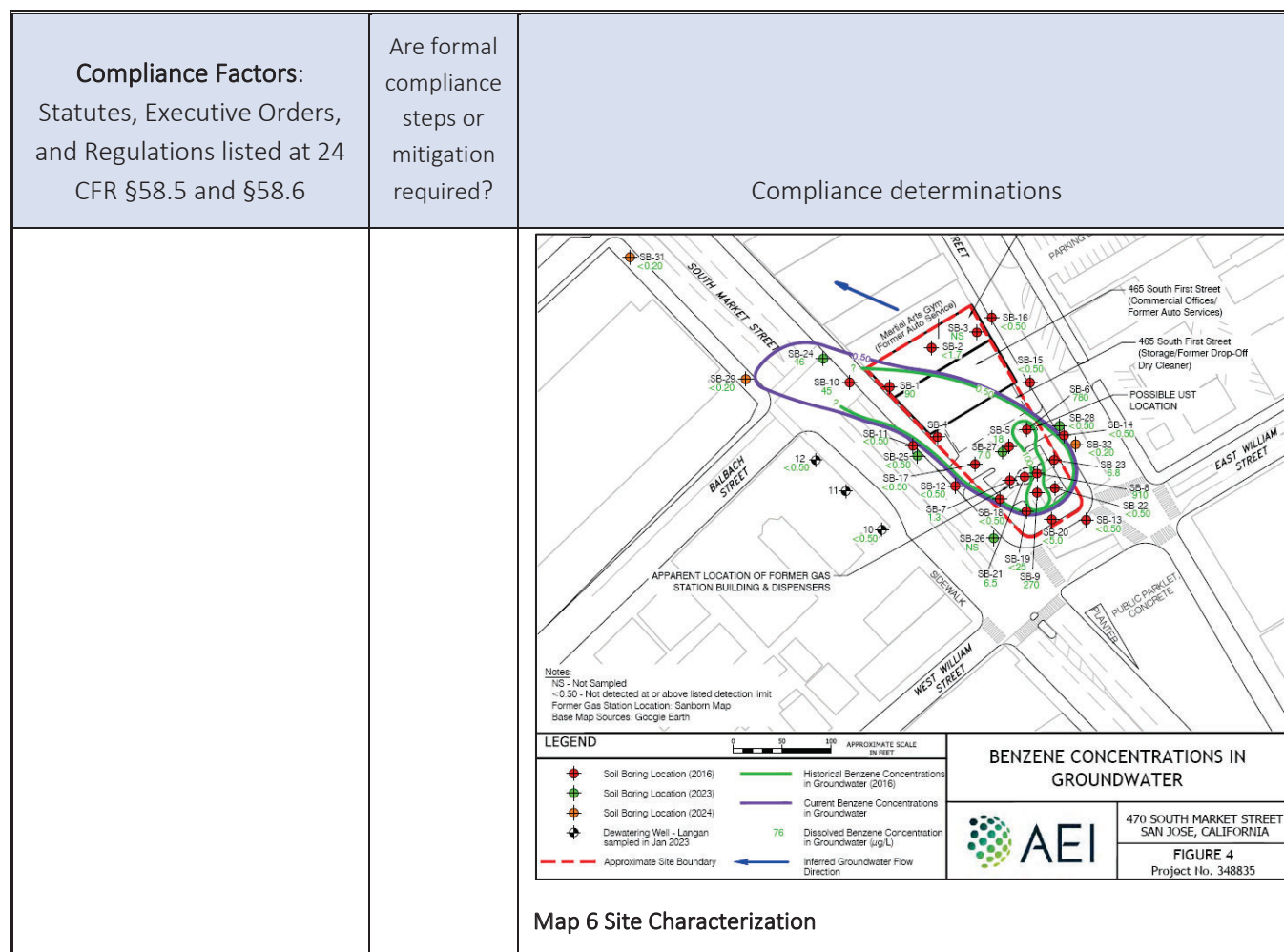
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		chlorinated solvent contamination outlined above could pose an unacceptable risk under certain site development activities such as changes in land use, grading, excavation, or the installation of water wells. The agency requested to be notified prior to proposed changes in land use, grading activities, foundation penetrations, excavation, and installation of water wells. Any proposed changes in land use or proposed soil or groundwater removal activity at the subject site must be submitted to the agency for review under government code section 65850.2 in order to evaluate whether the residual contamination will likely pose a risk to public health and the environment if the proposed activities are implemented. Radon Gas The U.S. Environmental Protection Agency Radon Zone Classification for Santa Clara County is 2, which is defined as having a moderate potential risk due to a predicted average indoor radon screening concentration from 2 picocuries per liter (pCi/L) to 4 pCi/L. The U.S. EPA action level for radon is 4.0 pCi/L. Based on the radon concentration information; it is unlikely that radon abatement activities would be required at the subject property. Lead-Based Paint and Asbestos Due to the age of the subject buildings, the presence of lead-based paint and asbestos is assumed. Pre-demolition testing, and proper disposal is required. <i>Mitigations Required:</i> MM HAZ – 2.1: Prior to demolition activities, a visual inspection/pre-demolition survey and sampling shall be required of the existing buildings on-site to determine the presence of asbestos-containing materials (ACMs) and/or lead-based paint which are toxic contaminants. A report identifying methodologies and findings of the visual inspection/pre-demolition survey and sampling shall be submitted City of San José, Director, Department of Planning Building and Code Enforcement of the

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Director's designee for review and approval. Applicant shall provide CalHFA with a copy of the Demolition Permit. MM HAZ – 2.2: If asbestos containing materials and/or lead based paint are found (as stated in MM "HAZ – 2.1), the project applicant shall implement the following measures: • Prior to demolition activities, all building materials containing lead-based paint shall be removed in accordance with Cal/OSHA Lead in Construction Standard, Title 8, California Code Regulations 1532.1, including employee training employee air" monitoring, and dust control. Any debris or soil containing lead-based paint or coatings shall be "disposed of at landfills that meet acceptance criteria for the waste being disposed. • All potentially friable asbestos-containing materials (ACMs) shall be removed in accordance with USEPA's National Emission Standards for Hazardous Air Pollutants (NESHAP) guidelines prior to any building demolition or renovation that may disturb the materials. All demolition activities will be undertaken in accordance with Cal/OSHA standards contained in Title 8 of CCR, Section 1529, to protect workers from exposure to asbestos. • A registered asbestos abatement contractor shall be retained to remove and dispose of ACMs identified in the asbestos survey performed for the site in accordance with the standards stated above. • Removal of materials containing more than one (1) percent asbestos shall be completed in accordance with Bay Area Air Quality Management District (BAAQMD) requirements. Additional On-site Soil Gas Sampling Report Soil gas results were generally consistent with historic soil gas data, with the exception of Tetrachloroethene (PCE) chloroform, and methylene chloride, which were observed at higher

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations																				
		concentrations than previous on-Site sampling events. PCE concentrations increased most notably at SG-5-5 and SG-5-12, which are along the eastern Site perimeter, in the vicinity of a suspected off-Site PCE source observed at SG-15. It appears that PCE is continuing to migrate onto the Site, likely transported via groundwater from an off-Site source to the south or southeast and may continue to increase. Chloroform has occasionally been detected at the Site, but the concentration of 1,800 µg/m³ observed at SG-8-5 was inconsistent with previous results and concentrations seen generally at the Site. The J flag associated with this result indicates that the value is an estimate and may have significant error. The resampling of this sampling location did not confirm this chloroform detection. Similarly, methylene chloride was detected several locations at the Site during the sampling in 2023, but the concentration observed in the resample of SG-8-5 was notably higher than previously observed. This elevated detection of methylene chloride appears to be isolated although it should be noted that methylene chloride is a frequent laboratory contaminant.  LEGEND <table><tr><td>SG-23</td><td>Soil Boring Location (2016)</td><td>SG-3</td><td>Semi-Permanent Soil Gas Probe (2023)</td></tr><tr><td>SG-24</td><td>Soil Boring Location (2023)</td><td>SG-12</td><td>Semi-Permanent Soil Gas Probe (2024)</td></tr><tr><td>SG-29</td><td>Soil Boring Location (2024)</td><td>SV-1</td><td>Langan Dewatering Well</td></tr><tr><td>SG-2</td><td>Temporary Soil Gas Probe (2016)</td><td>SV-2</td><td>Langan Vapor Probe</td></tr><tr><td>SG-11</td><td>Temporary Soil Gas Probe (2024)</td><td></td><td></td></tr></table> Notes: Former Gas Station Location: Sanborn Map Base Map Sources: Google Earth APPROXIMATE SCALE IN FEET 0 50 100 SITE MAP 460-480 South Market Street and 455-493 South 1st Street San Jose, California FIGURE 2 Project No. 348835	SG-23	Soil Boring Location (2016)	SG-3	Semi-Permanent Soil Gas Probe (2023)	SG-24	Soil Boring Location (2023)	SG-12	Semi-Permanent Soil Gas Probe (2024)	SG-29	Soil Boring Location (2024)	SV-1	Langan Dewatering Well	SG-2	Temporary Soil Gas Probe (2016)	SV-2	Langan Vapor Probe	SG-11	Temporary Soil Gas Probe (2024)		
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Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Map 5 Soil Gas Probe and Soil Boring Locations Subsequent to soil testing, a <i>Site Management Plan</i> was prepared by AEI in May 2025. Excerpts follow. Site Management Plan <u>Contaminants of Potential Concern</u> Based on historical research and the previous investigation activities performed, the following COPCs have been identified for the Site: • Total Petroleum Hydrocarbons (TPH) and TPH-related VOCs (e.g., benzene, toluene, ethylbenzene, xylene, and naphthalene) in soil, groundwater, and soil gas based on their detections above Environmental Screening Levels (ESLs) in one or more subsurface media. These contaminants are likely a result of former uses of the Site for auto repair and as a gasoline and oil service station. Elevated concentrations of petroleum hydrocarbons in groundwater and deeper soil (i.e., generally below 10 feet bgs) are consistent with a release from a UST. Based on the likely release of automotive fuel at the Site, related fuel oxygenates (such as MTBE) and metals (including lead) are also considered Constituents of Potential Concern (COPCs). • Chlorinated Volatile organic compounds (VOCs), specifically PCE and TCE, in groundwater and soil gas based on their detections above ESLs in groundwater and/or soil gas. An on-site source for chlorinated VOCs has not been identified. The detection of PCE at boring SB-25 located within the South Market Street ROW suggests that PCE in groundwater may be related to the sanitary sewer on South Market Street, and not an on-site release. TCE is a degradation product of PCE. <u>Areas of Potential Concern</u> Areas of potential concern can be summarized as follows:

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		• The southern section of the Site, where the former gasoline and oil service station were likely located, is identified as an area of potential concern. The figure below illustrates elevated benzene concentrations in groundwater and soil gas across the Site, with the likely “source” area being the former service station location. • The suspect UST at the northeast corner of the parking lot is an area of potential concern. • Though an on-site source for chlorinated VOCs has not been identified, elevated concentrations of PCE and TCE in groundwater and/or soil gas may be originating from the sanitary sewer on South Market Street located west of the Site. • It is possible that localized areas of impact above referenced screening levels are present at the Site, and as of yet unidentified impacts could be revealed during forthcoming earthwork that could pose a risk to construction workers.



Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Notes: PCE - Tetrachloroethene <1.5 - Not detected at or above listed detection limit Concentrations in micrograms per cubic-meter (µg/m³) Former Gas Station Location: Sanborn Map Base Map Sources: Google Earth LEGEND - Temporary Soil Gas Probe (2016) - Temporary Soil Gas Probe (2024) - Semi-Permanent Soil Gas Probe (2023) - Semi-Permanent Soil Gas Probe (2024) - Permanent Soil Gas Probe (Langston) - Benzene Isoconcentration at 5 feet bgs - Benzene Isoconcentration at 12 feet bgs (Dashed Where Inferred) - Approximate Site Boundary BENZENE AND PCE CONCENTRATIONS IN SOIL GAS 470 South Market Street San Jose, California FIGURE 5 Project No. 348835 Map 7 Site Characterization Planned Management and Mitigation Actions and Goals Exposure of the subsurface during redevelopment activities will be managed under this SMP to mitigate potential health and safety risks associated with the COPCs identified in subsurface media at the Site. Vapor Intrusion Mitigation The VOCs benzene, ethylbenzene, PCE, and TCE were detected in soil gas at concentrations above their residential and/or commercial/industrial vapor intrusion ESLs. Benzene and ethylbenzene in soil gas are likely a result of former uses of the Site as an auto repair and gasoline and oil service station. An on-

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		site source for chlorinated VOCs in soil gas has not been identified, but may be related to a release from the sanitary sewer on South Market Street. Mitigation measures, specifically installation of a vapor intrusion mitigation system (VIMS), are planned to address residual VOC impacts in soil gas. The proposed VIMS is anticipated to include a passive venting system and low-permeability barrier. The design and performance monitoring of the VIMS will be in general accordance with the June 2022 Vapor Intrusion Mitigation Guidance, Technical Resource Document issued by the San Francisco Bay Regional Water Quality Control Board (Regional Water Board); June 2015 Technical Guide for Assessing and Mitigating the Vapor Intrusion Pathway from Subsurface Vapor Sources to Indoor Air issued by the United States Environmental Protection Agency (US EPA); October 2011 Vapor Intrusion Mitigation Advisory, Revision 1, Final (VIMA) issued by the DTSC; and 2010 Methane Mitigation Standards established by the Los Angeles Department of Building and Safety (LADBS). Prior to construction, a VIMS design and a Construction Quality Assurance Plan (CQAP) for the VIMS will be prepared and submitted to the Regulatory Agency for review. <i>Please see attached SMP for more details.</i> Vapor Intrusion Mitigation System Quality Assurance Plan (VIMS CQA Plan) <i>A Vapor Intrusion Mitigation System Construction Quality Assurance Plan (VIMS CQA Plan) was prepared by AEI Consultants (AEI) and dated November 17, 2025. A brief summary follows.</i> A vapor intrusion mitigation system (VIMS) is planned as part of new construction to mitigate potential subsurface vapor intrusion into indoor air. The proposed VIMS consists of a passive venting system beneath non-garage areas of the ground floor and a spray-applied engineered vapor barrier system beneath the floor slab across the entire building footprint. The VIMS CQA Plan outlines quality assurance/quality control activities that will be conducted during construction of the VIMS to verify the project meets its

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		objectives and comply with the VIMS design drawings and related construction requirements. Updated Phase I Environmental Site Assessment (February 2026) A new Phase I Environmental Site Assessment was conducted by AEI Consultants in February 2026. No new environmental conditions or nearby sites were identified that could affect the proposed use of the property. No new recommendations were made. Regulatory Oversight Agency – Santa Clara County Department of Environmental Health (SCCDEH) On May 30, 2025, the SCCDEH conditionally approved the SMP. The Department of Environmental Health (DEH) reviewed the Additional On-Site Soil Gas Sampling Report (Soil Gas Report) and the Site Management Plan (SMP), both prepared by AEI Consultants (AEI) and both dated May 2, 2025. The Soil Gas Report presents results of additional soil gas sampling to evaluate potential seasonal or temporal fluctuation of soil gas concentrations. Recent soil gas concentrations were generally consistent with historical soil gas concentrations, with some locations exhibiting higher concentrations and some locations exhibiting lower concentrations; a consistent pattern is not apparent at this time. No further soil gas sampling is required at this time; however, long-term, post-construction soil gas and vapor intrusion sampling shall be required. A Vapor Intrusion Mitigation System (VIMS) and an Operations and Maintenance Plan (O&M Plan) are required. AEI Consultants has prepared a <i>Vapor Intrusion Mitigation System Construction Quality Assurance Plan</i> dated October 2, 2025. The City of San José conditionally approved the VIMS proposed on January 16, 2026. See Geotracker case file for current documents: https://geotracker.waterboards.ca.gov/profile_report?global_id=T10000020629

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		<i>Mitigations Required:</i> CT1. Remove the UST/Oil Water Separator feature prior to redevelopment. Developer shall provide CalHFA with a copy of the UST Removal Completion Report following completion of all UST removal activities and prior to proceeding with additional earthwork activities CT2. A Vapor Intrusion Mitigation System (VIMS) system is required. Developer shall show proof of completion of tasks in the <i>Vapor Intrusion Mitigation System Construction Quality Assurance Plan</i>. CT3. An Operations and Maintenance Plan (O&M Plan) is required for on-going maintenance and inspection of the Vapor Intrusion Mitigation System (VIMS) system. A copy shall be provided to CalHFA. CT4. Hazards and Hazardous Materials (37c,d): a. In conformance with State and local laws, a visual inspection/pre-demolition survey, and possible sampling, shall be conducted prior to the demolition of on-site building(s) to determine the presence of asbestos-containing materials (ACMs) and/or lead-based paint (LBP). b. During demolition activities, all building materials containing lead-based paint shall be removed in accordance with Cal/OSHA Lead in Title 8, California Code of Regulations (CCR), Section 1532.1, including employee training, employee air monitoring, and dust control. Any debris or soil containing lead-based paint or coatings shall be disposed of at landfills that meet acceptance criteria for the type of lead being disposed. c. All potentially friable asbestos containing materials (ACMs) shall be removed in accordance with National Emission Standards for Air Pollution

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		(NESHAP) guidelines prior to demolition or renovation activities that may disturb ACMs. All demolition activities shall be undertaken in accordance with Cal/OSHA standards contained in Title 8, CCR, Section 1529, to protect workers from asbestos exposure. d. A registered asbestos abatement contractor shall be retained to remove and dispose of ACMs identified in the asbestos survey performed for the site in accordance with the standards stated above. e. Materials containing more than one-percent asbestos are also subject to Bay Area Air Quality Management District (BAAQMD) regulations. Removal of materials containing more than one-percent asbestos shall be completed in accordance with BAAQMD requirements and notifications. Source Documentation: (23) (24) (25) (26) (27) (28) (29) (30) (31) (Appendix E)
Endangered Species Endangered Species Act of 1973, particularly section 7; 50 CFR Part 402	Yes No ☒ ☐	Species of Concern The U.S. Fish and Wildlife was contacted for a list of Threatened and Endangered species that may occur within the boundary of the proposed project and/or may be affected by the proposed project. There are a number of Federal Endangered and Threatened species listed for the project site and vicinity: Birds: - California Condor (<i>Gymnogyps californianus</i>) - California Least Tern (<i>Sterna antillarum browni</i>) - California Ridgway's Rail (<i>Rallus obsoletus obsoletus</i>)

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Reptiles: - Northwestern Pond Turtle (<i>Actinemys marmorata</i>) Amphibians: - California Red-legged Frog (<i>Rana draytonii</i>) - California Tiger Salamander (<i>Ambystoma californiense</i>) - Foothill Yellow-legged Frog (<i>Rana boylei</i>) Insects: - Monarch Butterfly (<i>Danaus Plexippus</i>) (<i>Proposed</i>) Flowering Plants: - Robust Spineflower (<i>Chorizanthe robusta</i> var. <i>robusta</i>) Critical habitats There are no critical habitats within the project area under the jurisdiction of the United States Fish and Wildlife Service. Existing Conditions The site vicinity is urban center/Downtown San José. The site is developed with buildings and a paved parking lot. No sensitive habitats or wetlands are on or adjacent to the project site. Habitat in developed areas, such as the project site, are extremely low in species diversity. Species using developed habitat are predominantly urban adapted birds and animals, such as doves, squirrels, and domestic and feral cats. Rare, threatened, endangered and sensitive plants, animals and natural communities are not expected or likely to occur on the project site. The project site currently has three buildings constructed in 1918, 1926 and 1970. Because of the long history of development and disturbance on-site, no natural or sensitive habitats supporting endangered, threatened, or special status wildlife species occur on-site. There are no riparian, wetland, or aquatic areas on or

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		adjacent to the site. The impact of the project on the site's developed habitat would be less than significant due to the relatively low value of this habitat for biological resources. Existing Trees Trees (both native and non-native) are valuable to the human environment for the benefits they provide including resistance to global climate change (i.e., carbon dioxide absorption), protection from weather, nesting and foraging habitat for raptors and other migratory birds, and as a visual enhancement to the urban environment. A <i>Tree Inventory</i> was conducted by Monarch Consulting Arborists LLC in 2015. It is unknown if these trees still remain or if the condition of the trees discussed has changed. Excerpts follow in this section. The tree inventory consists of fifteen trees comprised of four different species which are as follows: London plane (<i>Platanus x acerifolia</i>), Canary Island date palm (<i>Phoenix canariensis</i>), queen palm (<i>Syagrus romanzoffia</i>), and jacaranda (<i>Jacaranda mimosifolia</i>). All the trees are growing along the street in the 'park strip' with the exception of the date palm, which is in the turf area at the intersection of South Market and South 1st Street. No trees are considered to be native to this part of California and only the date palm has a trunk diameter greater than eighteen inches at two feet above grade. The trees were inventoried starting in front of 460 S. Market and walking counter clockwise around the block terminating at 455 S. 1st street. The inventory does not include the condition of the trees, their suitability for preservation, construction or development impact ratings, or tree protection measures. Nesting Raptors and Birds Raptor species such as the red-tail hawk, red-shouldered hawk, and Cooper's hawk could nest in larger trees and forage in the

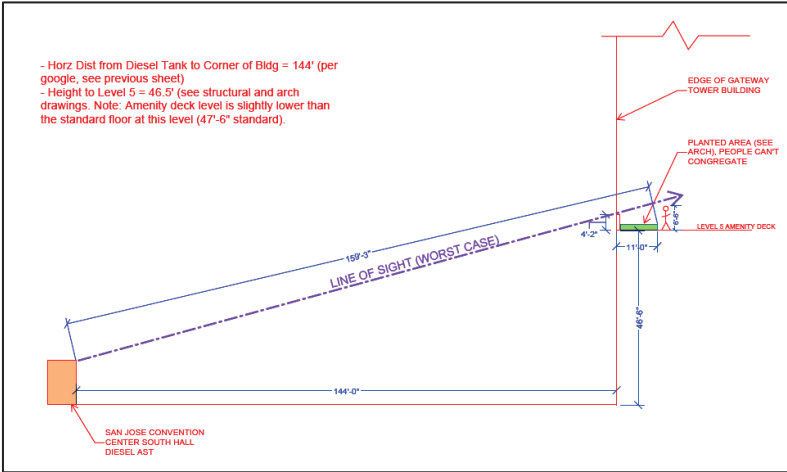
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		riparian corridor and nearby open space areas. There are no riparian areas on or near the project site. There are no trees on the site itself; however, there are street trees along the project frontages. Any construction related disturbances that result in nest abandonment or other forms of harm or injury to nesting birds that occur on or near the site would be considered a significant impact. In fact, per the Migratory Bird Treaty Act, all raptors and most bird species are protected while breeding. Therefore, pre-construction surveys for nesting raptors and other protected birds should be completed prior to any disturbances that occur during the nesting season to ensure that birds are not harmed, injured, or killed as a result of a project. Mitigation for the loss of habitat would not be required as the site itself supports only low-quality foraging habitat for these species due to its lack of a suitable prey base, small size, and high level of disturbance. Santa Clara Valley Habitat Plan (SCVHP) The Santa Clara Valley Habitat Plan (SCVHP) is a conservation program intended to promote the recovery of endangered species and enhance ecological diversity and function, while accommodating planned growth on approximately 500,000 acres in southern Santa Clara County. The SCVHP is a regional partnership between six local partners (the County of Santa Clara, Santa Clara Valley Transportation Authority, Santa Clara Valley Water District, and the cities of San José, Gilroy, and Morgan Hill) and two Wildlife Agencies (the California Department of Fish and Wildlife and the City of San José Tree Removal Ordinance). The SCVHP identifies and preserves land that provides important habitat for endangered and threatened species. The land preservation is both to mitigate for the environmental impacts of planned development, public infrastructure operations, and maintenance activities as well as to enhance the long-term viability of endangered species. Species of concern include, but are not limited to, the California tiger salamander, California red-

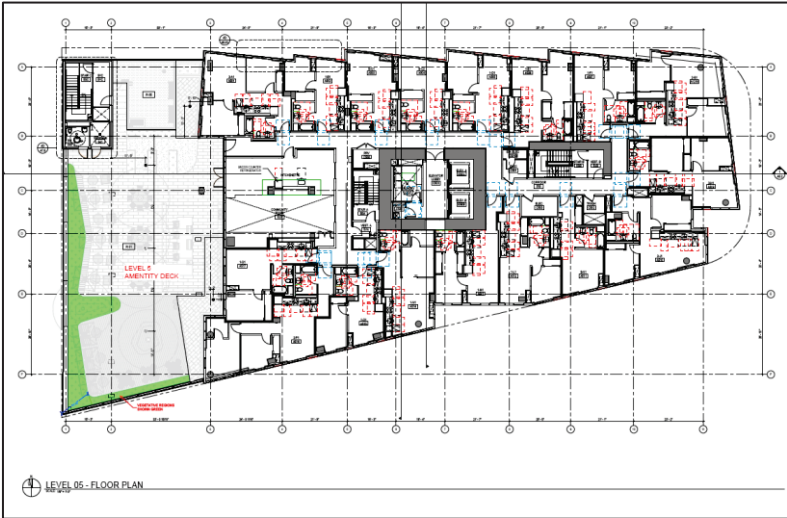
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		legged frog, western burrowing owl, Bay checkerspot butterfly, and numerous plant species endemic to serpentine grassland and scrub. The project is mapped as Urban-Suburban. The site is not located within a Land Cover fee zone as designated by the SCVHP. The nitrogen deposition fee applies to projects that create new vehicle trips. The proposal will create new vehicle trips and therefore be required to submit a Habitat Plan Coverage Screening Form to the City of San José and pay the applicable nitrogen impact fee based on the trip generation associated with the future uses. The project site is not identified as important habitat for endangered and threatened species. Therefore, future development of the project site would not result in impacts to any of the Habitat Plan's covered species. Based on the above discussion, the proposed future development would not conflict with the provisions of the Habitat Conservation Plan. Conclusions The project will have no effect on listed species or their habitat. Consultation with US Fish and Wildlife Service is not required. Mitigation is provided for the protection of nesting and migratory birds, including listed birds. <i>Mitigations Required:</i> MM BIO – 1.1: The applicant shall follow the mitigation measure below. • If possible, construction shall be scheduled between September and January (inclusive) to avoid the nesting season. If this is not possible, pre-construction surveys for nesting raptors and other migratory breeding birds (including yellow warblers) shall be conducted by a qualified ornithologist to identify active nests that may be disturbed during project implementation on-site and within 250 feet of the site. Between February and April (inclusive) pre-construction surveys shall be conducted no

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		more than 14 days prior to initiation of construction activities (including any ground-disturbing activities) or tree relocation or removal. Between May and August (inclusive), pre-construction surveys shall be conducted no more than 30 days prior to initiation of these activities. The surveying ornithologist shall inspect all trees in and immediately adjacent (within 250 feet) to the construction area for nests. • If an active nest is found in or close enough to the construction area to be disturbed by these activities, the ornithologist shall, in consultation with the California Department of Fish and Wildlife (CDFW), designate a construction-free buffer zone (typically 250 feet for raptors and 100 feet for other birds) around the nest, which shall be maintained until after the breeding season has ended and/or a qualified ornithologist has determined that the young birds have fledged. • The project applicant shall submit a report indicating the results of the survey and any designated buffer zones to the City of San José and CalHFA. Applicant shall provide CalHFA with a copy of the grading permit. Source Documentation: (9) (32) (33) (34) (35) (Appendix C)
Explosive and Flammable Hazards 24 CFR Part 51 Subpart C	Yes No ☒ ☐	Above Ground Storage Tanks (ASTs) Running Moose Environmental Consulting LLC prepared a <i>HUD Explosive and Fire Hazards Review</i> for the project in 2025. Excerpts follow. The purpose of this HUD Explosive and Fire Hazards Review was to identify facilities in the vicinity of the project site having significant observed or reported Specific Hazardous Substances (per 24 CFR Part 51 C, Appendix I) and/or other hazardous substances of an explosive or fire prone nature in stationary aboveground containers, and to evaluate the “acceptable separation distance

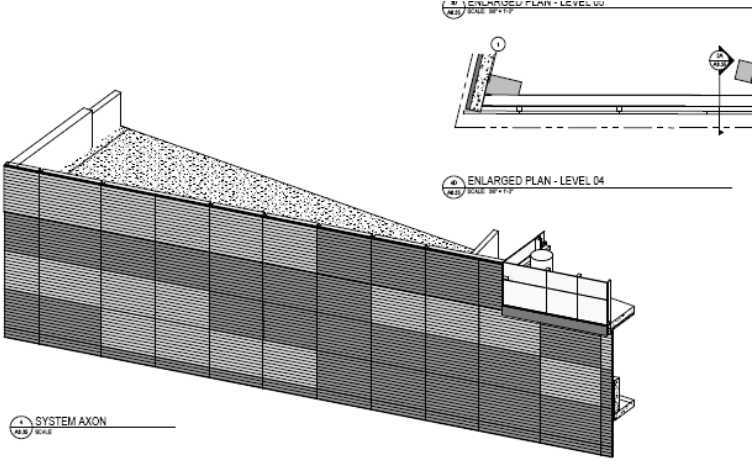
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		(ASD)” for the storage containers with respect to their proximity to the project site. On April 29, 2025, a visual survey of the businesses within approximately 1 mile of the project site was performed in an attempt to identify those appearing likely to store significant quantities of Specific Hazardous Substances and/or other hazardous substances of an explosive or fire prone nature. Subsequently, a drive-by survey of the businesses identified as potentially significant was performed on May 5, 2025, to confirm business names and addresses. Current hazardous materials/waste inventories for 13 identified facilities/addresses were requested from the Santa Clara County Department of Environmental Health (SCCDEH). SCCDEH reported no hazardous materials documentation for seven of the facilities/addresses requested. The SCCDEH provided documentation reporting storage of Specific Hazardous Substances and/or other hazardous substances of an explosive or fire prone nature in stationary aboveground containers at quantities determined to warrant calculation of ASDs for nine facilities (including four different buildings) at San José State University, in general accordance with the procedures outlined in 24 CFR Part 51 C. A summary of the identified facilities and the most conservative calculated ASD for each is presented in the table below. Table 7 Identified Potentially Significant Facilities and Associated ASDs

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations																																								
		<table><thead><tr><th>Facility Name</th><th>Facility Address</th><th>Approximate Distance from Site¹ (feet)</th><th>Calculated ASD (feet)</th></tr></thead><tbody><tr><td>Convention Center South Hall</td><td>435 S. Market St.</td><td>132² (building – ASD for buildings) 151³ (Level 6 deck – ASD for people)</td><td>240 gallons diesel = 153 (for people) 26 (for buildings)</td></tr><tr><td>San Jose Convention Center</td><td>150 W. San Carlos St.</td><td>334</td><td>500 gallons diesel = 208</td></tr><tr><td>WE Harding Co. Inc.</td><td>502 S. 2nd St.</td><td>407</td><td>120 gallons lubricating oils = 115</td></tr><tr><td>SJSU - Duncan Hall</td><td>1 Washington Sq. (Bldg. 52)</td><td>1,386</td><td>55 gallons isopropyl alcohol = 83</td></tr><tr><td>Caliber Collision Centers</td><td>161 Patterson St.</td><td>1,772</td><td>55 gallons waste oil = 83</td></tr><tr><td>SJSU – Event Center</td><td>1 Washington Sq. (Bldg. 100)</td><td>2,436</td><td>79.2 gallons diesel = 97</td></tr><tr><td>Tire Outlet Auto Service</td><td>901 S. 2nd St.</td><td>2,580</td><td>30 gallons used antifreeze = 65</td></tr><tr><td>SJSU – Student Union</td><td>1 Washington Sq. (Bldg. 3)</td><td>2,719</td><td>383 gallons diesel = 186</td></tr><tr><td>SJSU – Corporation Yard</td><td>1 Washington Sq. (Bldgs. 12A,B)</td><td>3,517</td><td>2,500 gallons gasoline = 406</td></tr></tbody></table> ¹ Distance conservatively measured using ruler feature of Google Earth, from nearest property line of identified potentially significant facility to nearest property line of the project site. ² Distance measured using ruler feature of Google Earth, from location of diesel AST enclosure visible on Google Earth to nearest exterior ³ Calculation provided in footnote on following page. ASD in bold font is greater than the distance of the facility from the project site. <u>Conclusions</u> With the exception of the ASDs for the diesel AST at the adjacent Convention Center South Hall, all ASDs are met for the project site. The ASD for the project site building is met for the Convention Center South Hall AST; the ASD for the level 6 deck of the project site building is not met for the Convention Center South Hall AST. The ASD for each of the other identified Specific Hazardous Substances and/or other hazardous substances of an explosive or fire prone nature reported at vicinity facilities is satisfied for the project site. Although several of the provided inventory statements were more than a year old, based on the distance of the facilities from the project site, updated inventories are not anticipated to significantly alter the findings.	Facility Name	Facility Address	Approximate Distance from Site ¹ (feet)	Calculated ASD (feet)	Convention Center South Hall	435 S. Market St.	132 ² (building – ASD for buildings) 151 ³ (Level 6 deck – ASD for people)	240 gallons diesel = 153 (for people) 26 (for buildings)	San Jose Convention Center	150 W. San Carlos St.	334	500 gallons diesel = 208	WE Harding Co. Inc.	502 S. 2 nd St.	407	120 gallons lubricating oils = 115	SJSU - Duncan Hall	1 Washington Sq. (Bldg. 52)	1,386	55 gallons isopropyl alcohol = 83	Caliber Collision Centers	161 Patterson St.	1,772	55 gallons waste oil = 83	SJSU – Event Center	1 Washington Sq. (Bldg. 100)	2,436	79.2 gallons diesel = 97	Tire Outlet Auto Service	901 S. 2 nd St.	2,580	30 gallons used antifreeze = 65	SJSU – Student Union	1 Washington Sq. (Bldg. 3)	2,719	383 gallons diesel = 186	SJSU – Corporation Yard	1 Washington Sq. (Bldgs. 12A,B)	3,517	2,500 gallons gasoline = 406
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Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		 Map 8 Location of AST NOT outside of ASD  Figure 13 Horizontal Distance to 5th Floor Amenity Deck DCI Engineers – HUD Explosive and Fire Hazards Review DCI Engineers reviewed the work by Running Moose Environmental Consulting, LLC, dated May 19, 2025. The purpose of review and subsequent research was to determine if the diesel aboveground storage tank (AST) at the San José Convention Center South Hall is closer than the acceptable separation distance (ASD) to the level 5 amenity deck of the proposed Gateway Residential Tower. Additional tasks were to research if

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		the perimeter concrete parapet wall around the level 5 amenity deck provides shielding for congregants at this level. The amenity deck is located on level 5. The diesel AST at the San José Convention Center South Hall is located at the corner of Balbach St and S Market St. The acceptable separation distance is prescribed by 24 CFR Part 51 Subpart C, and is documented in the above noted report as 153 feet. One thing to take into account is the placement of vegetative regions around the perimeter of the level 5 amenity deck, preventing people from congregating near the perimeter of this level (see below with vegetative regions colored green).  Figure 14 Level 5 Floor Plan (vegetative regions in green) These vegetative regions increase the distance from the AST to the areas where people may congregate. Measuring the distance from the AST to the corner of the building on level 5 where people may congregate, we calculate over 159 feet. This 159'-3" is greater than the 153 feet required ASD. Additionally, the level 5 amenity deck includes a concrete parapet wall (4'-2" in height above the slab), anchored to the perimeter of the level 5 concrete slab, all around the perimeter (see attached sheet A6.35, plan view and wall section 2A). This concrete

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		parapet wall serves to shield individuals on level 5 from exposure to the diesel AST hazard. 24 CFR §51.205 states that a “permanent fire-resistant structure of adequate size and strength will shield the proposed project from the hazard” of “an explosion or fire prone nature”. In order to determine what qualifies as a structure of “adequate size and strength” according to HUD, we found that HUDs documentation states “For more guidance on barriers and mitigation... contact Daniel Weissman, a licensed engineer at HUD” (https://www.hudexchange.info/programs/environmental-review/explosive-andflammable-facilities/). DCI had previously reached out to Mr Weissman who responded via email on Wed, 12/11/24. Mr. Weissman told us “...we are looking for your engineering judgment on the integrity of the building. For a diesel fire, you don’t have to worry about blast resistance and the structure should be large and sturdy enough to block the line of site and take more than 15 minutes to burn [<u>underline added</u>], which is the time allowed for the fire department to arrive.” As noted above the concrete parapet wall around the level 5 amenity deck blocks the line of site from the diesel AST to those locations “where people may be expected to congregate or be present”. This addresses the structure being “large [enough]... to block the line of site”.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		 Figure 15 Snip of sheet A6.35 The concrete parapet wall will be a reinforced, 8" thick, solid concrete wall. This 8" concrete parapet wall, especially at this long distance from the diesel AST, easily qualifies as "of adequate... strength to shield the proposed project from the hazard" of the diesel AST, and will take considerably longer than "15 minutes to burn". Conclusion Given the above, the location where people may congregate on the level 5 amenity deck is not only farther from the South Hall diesel AST than required by ASD minimum, but the perimeter concrete parapet walls provide additional protection to shield people from any exposure to hazard caused by potential fire from the diesel AST. <i>Mitigations Required:</i> EX1. The concrete parapet wall at Level 5 outdoor deck will be a reinforced, 8" thick, solid concrete wall. EX2. The edge of the amenity deck shall be vegetated as shown on Sheet A1.5 dated June 17, 2025. Alternatives require approval of CalHFA. Source Documentation: (36) (37) (Appendix E)

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
Farmlands Protection Farmland Protection Policy Act of 1981, particularly sections 1504(b) and 1541; 7 CFR Part 658	Yes No ☐ ☒	Prime farmland is land best suited for producing food, forage, fiber, and oilseed crops as well as being available for these uses (the land could be cropland, pastureland, rangeland, forest land, or other land but not urban built-up land or water). This project is located in an urban area, no longer suitable for or identified as farmland. US Department of Agriculture reports that the site is 100% underlain with Urban land-Elpaloalto complex, 0 to 2 percent slopes. The project will not affect farmlands. No federally designated Farmlands have been identified within the project area. Source Documentation: (13) (38) (39) (Appendix H)
Floodplain Management Executive Order 11988, particularly section 2(a); 24 CFR Part 55	Yes No ☐ ☒	The subject parcel is identified on Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) panel number 06085C0234H, Effective May 18, 2009 as within Zone D: Area with Flood Hazard due to Levee. Zone D is not a Special Flood Hazard Area that requires flood insurance. The 8-Step Process is not invoked. Santa Clara County is a participant in the National Flood Insurance Program. Flood insurance is encouraged. Source Documentation: (17) (Appendix C)
Historic Preservation National Historic Preservation Act of 1966, particularly sections 106 and 110; 36 CFR Part 800	Yes No ☒ ☐	<i>Some of the language below comes directly from the State Historic Preservation Officer, Julianne Polanco, in her letter to California Housing Finance Agency, as Agency Official, on June 26, 2026, regarding the project.</i> Undertaking The Gateway Tower project located at 460-480 South Market and 455-493 South First Street, San José, Santa Clara County, California 95113 (APNs 264-030-089, -090 and -114) proposes demolition, rehabilitation and new construction of 220 affordable

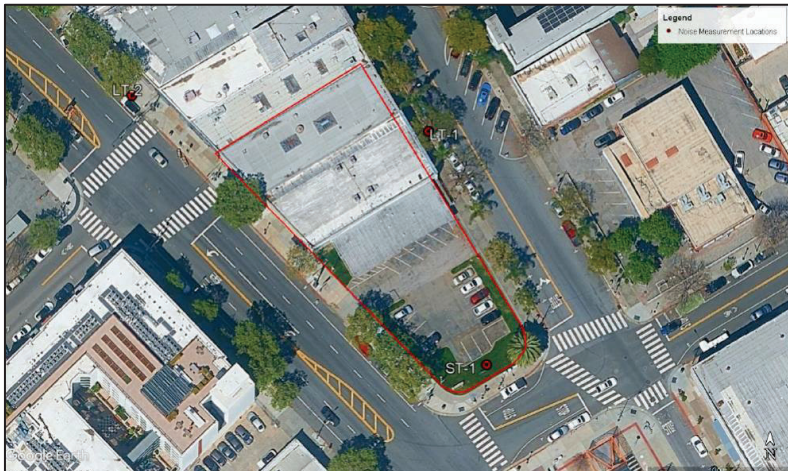
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		housing units in one 15-story elevator-served high-rise residential building. The roughly triangle-shaped parcel is comprised of three contiguous parcels that total a half-acre. The unit mix will be 33 studios, 101 one-bedroom units, 78 two-bedroom units, and eight (8) three-bedroom units. The project site currently has three buildings constructed in 1918, 1926 and 1970. One will be demolished; the façades of the buildings at 455 and 465 South Market First Street and 460-480 South Market Street will be preserved and integrated into the design. The ground floor will contain about 3,300 square feet of commercial space, leasing offices, lobby, mailroom, parking, bicycle parking, utilities and elevator lobby. The second floor will contain a fitness center, library/reading room, offices, resident services, food pantry and computer/telecommunications room. The fifth floor will house an approximate 1,000 square foot community room and outdoor roof deck. Parking will be provided on four levels for a total of 63 parking spaces, which includes six (6) electric vehicle (EV) charging stations. The project includes demolition, reconstruction and trenching work required to provide utilities to the site and to upgrade any required facilities that may be in the public right-of-way, including curb, gutter and sidewalk as needed. Area of Potential Effects (APE) The Area of Potential Effects (APE) was defined by San Carlos Street to the north, Reed Street to the south, South Market Street to the west including an additional one parcel to the west of South Market Street, and a stepped boundary from one parcel east of South First Street to South Third Street to the east. Vertically, the APE extends 85 feet below ground and 207 feet above ground. Identification of Historic Properties CalHFA's efforts to identify and consider historic properties include a record search at the Northwest Information Center Information Center (NWIC); a Sacred Lands File search request submitted to the Native American Heritage Commission (NAHC);

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		field survey and site visits; review of historical aerials and photographs, Sanborn Fire Insurance maps, newspaper articles online repositories, and local government tax records. The NWIC record search identified two previously recorded resources within the APE and 142 resources within the ¼-mile search radius. The record search also identified 49 studies that were previously conducted within ¼-mile of the APE; four of which overlap the project area. Outreach was conducted to local agencies, organizations, and individuals with knowledge of the historic development of the Area of Potential Effects (APE) between October 2024 and May 2026, followed by additional correspondence in June 2026 to reaffirm opportunities for participation and to notify interested parties of ongoing consultation. CalHFA contacted the following organizations in June 2026: City of San Jose Planning Division, History San Jose, Preservation Action Council of San Jose, Santa Clara County Historical & Genealogical Society, San Jose Public Library California Room, Sourisseau Academy for State and Local History, Portuguese Historical Museum, Chinese American Historical Museum, and Japanese American Museum of San Jose. To date, no responses have been received and consultation is ongoing. CalHFA received positive results from the requested NAHC's Sacred Lands File search on April 30, 2025, and initiated consultation with nine Native American tribes on September 30, 2025, with follow-up correspondence on October 16, 2025. The Muwekma Ohlone Tribe of the San Francisco Bay Area responded on October 21 and 25, 2025, requesting formal consultation. On November 24, 2025, CalHFA met with the Tribe. Tamien Nation responded on October 29, 2025, requesting formal consultation and met with CalHFA on December 11, 2025, to discuss the Undertaking. As a result of the consultation, neither tribe identified tribal cultural properties in the project area but indicated that the area

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		is sensitive for tribal cultural resources. As recommended by the tribes, Native American and Archaeological Monitors will be present during the project's initial ground disturbing activities, an Archaeological Treatment and Mitigation Plan (ATMP) will be implemented as guidance in the event of unanticipated discoveries during ground disturbing activities, and a cultural resources awareness training will be conducted by the Tribe and consultant team prior to construction. The ATMP is currently being developed in collaboration with the Tribe, project developer, and the City of San Jose. Based on documentation prepared by the applicant's consultant, Treanor Design, CalHFA has identified and evaluated 81 properties and one potential historic district within the APE. Two properties were previously listed in the National Register of Historic Places (National Register). CalHFA determined six additional properties eligible for listing in the National Register. The remaining properties were determined ineligible for listing in the National Register. Assessment of Effects On CalHFA found that the Undertaking will result in an adverse effect resulting from the demolition of the properties located at 465-467 South First Street/470-480 South Market Street (subject property). Consultation with the State Historic Preservation Officer (SHPO)/ Resolution of Adverse Effects Pursuant to 36 CFR § 800.4(d)(2), SHPO did not object to CalHFA's finding of Historic Properties Affected for the Gateway Tower Project at 460-480 South Market and 455-493 South First Street in San Jose. Pursuant to 36 CFR § 800.5(d)(2), SHPO concurred that the Undertaking will result in an adverse effect to historic properties. Memorandum of Agreement

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		Pursuant to 36 CFR § 800.6(a), SHPO requested CalHFA provide a draft Memorandum of Agreement (MOA) to resolve adverse effects. In conjunction with the SHPO, Native American Tribes, the development team and the Agency Official, a Memorandum of Agreement was developed and executed on July 24, 2026. <i>Mitigations Required:</i> HP1. Applicant shall adhere to the stipulations in the Memorandum of Agreement between the State Historic Preservation Officer and California Housing Finance Agency for the Gateway Tower project, San Jose, California and dated July 26, 2026, at all times. Source Documentation: (40) (41) (42) (43) (44) (45) (46) (47) (48) (49) (50) (51) (52) (53) (Appendix F)
Noise Abatement and Control Noise Control Act of 1972, as amended by the Quiet Communities Act of 1978; 24 CFR Part 51 Subpart B	Yes No ☒ ☐	Illingworth & Rodkin, Inc. conducted a NEPA Noise Assessment for the project in May 2025. Excerpts follow. Information in this section comes from reports prepared by Illingworth & Rodkin, Inc. for the project in 2015m and 2025. Excerpts follow. NEPA Noise Assessment The noise analysis was conducted using methods established by the U.S. Department of Housing and Urban Development (HUD), utilizing available transportation and project data. The assessment also utilizes vehicular traffic data from Caltrans and the City of San José. On-site noise measurements and traffic counts were also made to verify noise levels calculated in the HUD Calculator tool. <u>Regulatory Background</u> HUD environmental noise regulations are set forth in 24CFR Part 51B (Code of Federal Regulations). The following exterior noise standards for new housing construction would be applicable to this project:

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		• 65 dBA DNL or less – acceptable. • Exceeding 65 dBA DNL but not exceeding 75 dBA DNL – normally unacceptable (appropriate sound attenuation measures must provide an additional 5 decibels of attenuation over that typically provided by standard construction in the 65 dBA DNL to 70 dBA DNL zone; 10 decibels additional attenuation in the 70 dBA DNL to 75 dBA DNL zone). • Exceeding 75 dBA DNL – unacceptable. These noise standards also apply, “... at a location 2 meters from the building housing noise sensitive activities in the direction of the predominant noise source...” and “...at other locations where it is determined that quiet outdoor space is required in an area ancillary to the principal use on the site.” A goal of 45 dBA DNL is set forth for interior noise levels and attenuation requirements are geared toward achieving that goal. It is assumed that with standard construction any building will provide sufficient attenuation to achieve an interior level of 45 dBA DNL or less if the exterior level is 65 dBA DNL or less. Where exterior noise levels range from 65 dBA DNL to 70 dBA DNL, the project must provide a minimum of 25 decibels of attenuation, and a minimum of 30 decibels of attenuation is required in the 70 dBA DNL to 75 dBA DNL zone. Where exterior noise levels range from 75 dBA DNL to 80 dBA DNL, the project must provide a minimum of 35 decibels of attenuation to achieve an interior level of 45 dBA DNL or less. <u>Existing Noise Environment</u> The project site is in Downtown San José, between South Market Street and South First Street. West William Street runs along the south edge of the site, while West San Salvador Street is located half of a block to the north. Local vehicular traffic on these streets is the main contributor to the noise environment at the site. The noise environment at the site is also influenced by traffic along Interstate 280 (I-280), approximately 0.2 miles to the south, and

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		State Route 87 (SR 87), approximately 0.5 miles to the west. San José Mineta International Airport (SJC) is located approximately 2.3 miles to the northwest and also influences the noise environment at the project site, because the airport flight path is very close to the site. Due to the urban setting, numerous other non-transportation noise related factors also influence noise levels at the project site. A noise monitoring survey, which included two long-term (LT-1 and LT-2) and one short-term (ST-1) noise measurements, was performed at the site between Wednesday, May 14, 2025, and Friday, May 16, 2025. The noise measurement locations are shown below.  Figure 16 Noise Measurement Locations The results of short-term noise measurements are shown in the table below. Table 8 Summary of Short-Term Noise Measurement Data (dBA) <table><tr><th rowspan="2">Noise Measurement Location</th><th rowspan="2">Date, Time</th><th colspan="6">Measured Noise Level, dBA</th></tr><tr><th>L_{max}</th><th>L₍₁₎</th><th>L₍₁₀₎</th><th>L₍₅₀₎</th><th>L₍₉₀₎</th><th>L_{eq}</th></tr><tr><td>ST-1a: South Side of Site</td><td>5/14/2025,</td><td>80</td><td>70</td><td>63</td><td>58</td><td>55</td><td>61</td></tr><tr><td>LT-1: East Side of Site</td><td>11:10-11:20</td><td>84</td><td>74</td><td>65</td><td>56</td><td>53</td><td>62</td></tr><tr><td>LT-2: West Side of Site</td><td>a.m.</td><td>77</td><td>74</td><td>69</td><td>62</td><td>58</td><td>65</td></tr><tr><td>ST-1b: South Side of Site</td><td>5/14/2025,</td><td>94</td><td>88</td><td>65</td><td>59</td><td>55</td><td>72</td></tr><tr><td>LT-1: East Side of Site</td><td>11:20-11:30</td><td>87</td><td>80</td><td>67</td><td>56</td><td>54</td><td>67</td></tr><tr><td>LT-2: West Side of Site</td><td>a.m.</td><td>108</td><td>94</td><td>74</td><td>69</td><td>58</td><td>84</td></tr></table>	Noise Measurement Location	Date, Time	Measured Noise Level, dBA						L _{max}	L ₍₁₎	L ₍₁₀₎	L ₍₅₀₎	L ₍₉₀₎	L _{eq}	ST-1a: South Side of Site	5/14/2025,	80	70	63	58	55	61	LT-1: East Side of Site	11:10-11:20	84	74	65	56	53	62	LT-2: West Side of Site	a.m.	77	74	69	62	58	65	ST-1b: South Side of Site	5/14/2025,	94	88	65	59	55	72	LT-1: East Side of Site	11:20-11:30	87	80	67	56	54	67	LT-2: West Side of Site	a.m.	108	94	74	69	58	84
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		In addition to collecting on-site long-term and short-term noise data, the HUD DNL Calculator and HUD Barrier Performance Module (see Appendix G) were used to estimate the existing noise exposure at the site. Average daily traffic (ADT) volumes along nearby roads were calculated from traffic volumes from the City of San José³ and from the Caltrans Traffic Census Program⁴. These traffic volumes were further validated with on-site traffic counts. In accordance with HUD guidelines, roads that might contribute to the site's noise environment that are within 1,000 feet, railroads within 3,000 feet, and airports within 15 miles of the project site were considered in this evaluation. On-site observations established that some transportation corridors located within the recommended study distances did not contribute to the noise environment at the project site because of shielding from existing structures in the vicinity. These transportation corridors were not included in this study. Only transportation noise sources that contribute to the noise environment at the project site were included in this study. Based on the results of the HUD modeling, the existing worst-case noise exposure at the project site is along South Market Street, where noise levels are calculated to be up to 71 dBA DNL. However, on site noise measurements show that the existing noise exposure at this location is 73 dBA DNL and is likely influenced by additional factors that may not be related to transportation. Noise measurements were taken at this location (LT-2) for the original project in 2015, and a noise level of 77 dBA DNL was measured. This higher noise level was attributed to local events, horns, or passing sirens. HUD modeling calculated the existing noise levels along West William Street at 70 dBA DNL, and the noise exposures along South First Street and the north side of the site at 69 dBA DNL. These calculated noise levels do not consider the noise attenuation that would be provided by nearby structures that interrupt the direct line-of-sight to transportation noise sources. While the HUD modeling resulted in noise levels of 69 dBA DNL

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		along South First Street, the on-site noise levels measured in both 2015 and 2025 in the same location (LT-1) were 68 dBA DNL. <u>Significance Criteria</u> An adverse effect would result if noise levels at the project site would exceed HUD Guidelines for acceptability. Exterior noise levels exceeding 65 dBA DNL or interior noise levels exceeding 45 dBA DNL would exceed HUD's noise compatibility criteria. <u>Future Exterior Noise Environment</u> Pursuant to the HUD Guidelines, the noise exposure at least 10 years in the future must be considered in addition to the existing noise exposure. Conservatively, an approximate one- to two-percent increase in vehicle traffic each year was assumed in estimating future traffic volumes in the vicinity of the site. Future noise levels will be affected by shielding from nearby structures, as well as from the building itself. Based on future traffic volume estimates, the noise environment at the project site is expected to increase by 2 dBA DNL or less throughout the site under future conditions. According to the HUD modeling, the future worst-case residential noise exposure would be at the third-floor level of the west and south sides of the building, facing South Market Street, West William Street and the airport flight path, where the future noise level is calculated to be 71 dBA DNL. However, considering the noise level increases due to future traffic volume estimates, the results of on-site noise measurements, and considering the noise attenuation that would be provided by structures which interrupt the direct line-of-sight to nearby transportation noise sources, as well as from shielding by the building itself our calculations indicate that under future conditions the proposed project would be exposed to the following noise levels; • The third-floor residential units on the western façade, fronting south Market Street, will be exposed to noise levels of up to 74 dBA DNL,

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		• The third-floor residential units on the southern facade, fronting William Street, will to be exposed to noise levels of up to 72 dBA DNL, • The third-floor residential units on the eastern facade, fronting South First Street will to be exposed to noise levels of 69 dBA DNL, • The third-floor residential units facing the north side of the building, fronting the block interior will be exposed to 66 dBA DNL, • The sixth floor common outdoor deck area will be exposed to 64 dBA DNL, • The fifteenth-floor residential units facing South Market Street and the SJC airport flight path, future noise levels will be exposed of 67 dBA DNL, • The fifteenth-floor residential units on the south side of the building will be exposed a level of 66 dBA DNL, • The fifteenth-floor residential units on the north and east sides of the building will have noise levels of 65 dBA DNL and that, • All other residential units between floors three and fifteen will have noise exposure levels between the noise levels stated above. <u>Future Interior Noise Environment</u> According to the HUD modeling, the third-floor residential units on the west side of the building, facing South Market Street and the SJC airport flight path, would be exposed to future worst-case exterior noise levels reaching 71 dBA DNL. However, considering the calculated exterior noise levels considering the results of on-site noise measurements, and the noise attenuation that would be provided by structures and the building itself as discussed above, the third-floor residential units on the west side of the building, facing South Market Street and the SJC airport flight

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		path, would be exposed to future worst-case exterior noise levels of 74 dBA DNL. This predicted exterior noise level would be in HUD's "normally unacceptable" exterior range 65 to 75 dBA DNL, and thirty (30) decibels of attenuation would be required to achieve acceptable interior noise levels within residences on floors three through six. Additionally, based on the calculated exterior noise levels considering the results of on-site noise measurements, and the noise attenuation that would be provided by structures and the building itself, residential units at the third through fifth floors on the south side of the building, facing West William Street would have future noise exposures of 70 to 72 DNL, and thus would also require thirty (30) decibels of attenuation. All other residential units at the project would be exposed to future noise levels ranging from 65 to 69 dBA DNL and would therefore require twenty-five (25) decibels of attenuation. A review of the building plans and elevations indicates that all residential facades will be fully glazed. Considering this, the overall building design, and experience with similar high rise residential building designs, it is expected that all residential units will have forced-air mechanical ventilation systems. Though some of this glazing is expected to be spandrel glass, under worst case condition without spandrel conditions (full glazing), the façade glazing systems will need to reduce exterior to interior noise at the by 25 or 30 dBA as discussed above. With standard thermal insulating glass used in a fully glazed, non-operable wall assembly, an average noise reduction of about 20 to 22 dBA from the building exterior to interior would be expected. To achieve an exterior to interior noise reduction of 30 dBA, the fully glazed, exterior wall assemblies at residences on floors three through six on the west side of the building (facing South Market Street) and on floors three through five on the south side of the building (facing West William Street) will require glazing systems with a Sound Transmission Class (STC) rating of 36 or higher. All other residential units, which will require a minimum exterior to

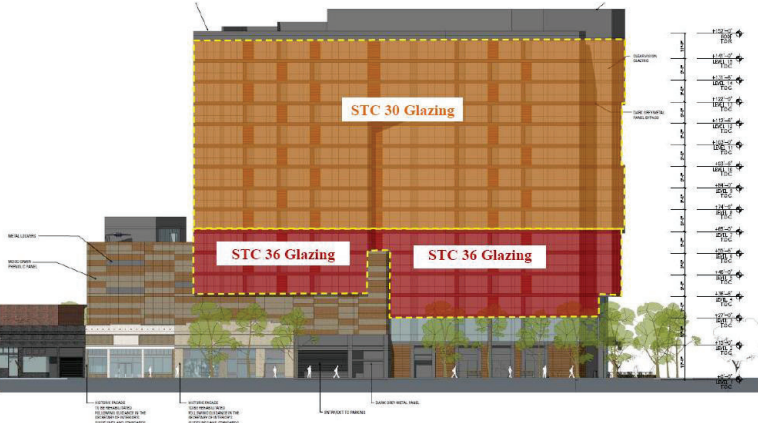
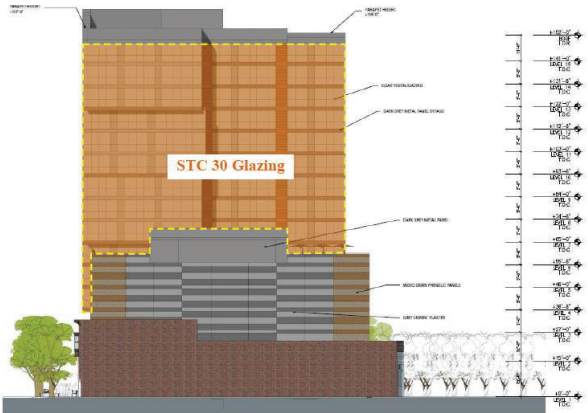
Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		interior noise reduction of 25 dBA, will require glazing systems with a STC rating of 30 or higher. Exterior wall glazing systems with these STC ratings will ensure that indoor noise levels are maintained below 45 dBA DNL within project residences and that the HUD's required amount of attenuation is satisfied. Figures 2 through 5 show the proposed locations of upgraded wall glazing systems. These construction recommendations would provide the required attenuation such that future interior noise levels would be maintained below 45 dBA DNL, meeting HUD's interior noise criterion. <i>See HUD Figure 19 in the attached report (see Appendix G) for a description of noise attenuation measures related to acoustical construction.</i> <u>Common Outdoor Spaces</u> Considering the above calculated future noise conditions, all proposed common outdoor use areas at the project would be exposed to noise levels of 64 dBA or less and would not exceed HUD's noise compatibility criteria of 65 dBA DNL. <u>Conclusion</u> The site is exposed to a Future Noise Environment of up to 74 dBA DNL, which is considered "Normally Unacceptable" by HUD. Common outdoor space is exposed to a Future Noise Environment of up to 64 dBA DNL, which is below HUD's threshold of 65 dBA DNL. Both noise exposures can be adequately mitigated so the project meets HUD noise standards. Construction-related Temporary Noise Impacts Construction is a temporary source of noise impacting residences and businesses located near construction sites. Construction noise can be significant for short periods of time at any particular location and generates the highest noise levels during grading and

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		excavation, with lower noise levels occurring during building construction. Large pieces of earth-moving equipment, such as graders, scrapers, and bulldozers, generate maximum noise levels of 90 to 95 dBA Lmax at a distance of 50 feet. Typical hourly average construction-generated noise levels are approximately 81 to 88 dBA Leq measured at a distance of 50 feet from the site during busy construction periods. Construction generated noise levels drop off at a rate of about six dBA per doubling of distance between the source and receptor. Shielding by buildings or terrain often result in lower construction noise levels at distant receptors. Noise impacts resulting from construction depend on the noise generated by various pieces of construction equipment, the timing and duration of noise generating activities, and the distance between construction noise sources and noise sensitive receptors. Construction noise impacts primarily occur when construction activities occur during noise-sensitive times of the day (early morning, evening, or nighttime hours), the construction occurs in areas immediately adjoining noise sensitive land uses, or when construction durations last over extended periods of time. Where noise from construction activities exceeds 60 dBA Leq and exceeds the ambient noise environment by at least five (5) dBA Leq at noise-sensitive uses in the project vicinity for a period of one year or more, the impact would be considered significant. <u>Project Impacts</u> The project would be built in approximately 22 months. As construction moves away from noise-sensitive receptors located to the east, west, and south of the site, or indoor, noise levels generated by heavy construction will be lower. Noise generated by demolition, grading, infrastructure improvements and the construction of units nearest the site perimeter would not be expected to exceed ambient noise levels at receivers by more than five (5) dBA Leq for a period greater than one year. <u>Conclusion</u>

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		The project applicant shall develop and implement a construction noise logistics plan during all phases of construction on the project site. The Plan shall ensure that there are no adverse impacts to neighbors or buildings due to construction noise and vibration. <i>See Mitigation Measures MM NOI – 1.1 and 2.1 below.</i> Construction Vibration Construction activities, such as the removal of existing pavement, site preparation work, excavation of below grade levels, foundation work, and new building erection, could generate excessive vibration levels at nearby sensitive land uses or historic buildings. In particular, the use of drilled displacement piles for the building foundation has the potential of generating the highest ground vibration levels and is of primary concern when it occurs within 25 to 50 feet of historic structures, including the historic buildings on the project site. Other construction equipment would require some attention to ensure that structures in the vicinity of the project (including on- and off-site historic buildings within 50 feet from such activities) are sufficiently protected. The adjacent Garden City Glass (c. 1815) building and the L’amour Shoppe building are on the City’s Historic Resources Inventory and located within 50 feet of the project site. <u>Project Impacts</u> In areas where vibration would not be expected to cause structural damage, vibration levels may still be perceptible. However, as with any type of construction, this would be anticipated and it would not be considered significant given the intermittent and short duration of the phases that would have the highest potential of producing vibration. <u>Conclusion</u> Excavation of the parking garage would produce ground-borne vibrations that could result in significant adverse impacts to

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		sensitive buildings within 50 feet of the project site, including the Garden City Glass and L'amour Shoppe buildings which are listed on the City of San José's Historic Resource Inventory. Due to the scope of construction, density of development in the immediate project area, and proximity of historic structures to the project site, the project would result in significant construction-related ground-borne vibration impacts. <i>See Mitigation Measures 2.3 and 2.4 below.</i> Operational Noise As a residential housing project, the only noise generated would be that from personal vehicle trips by residents and visitors to the commercial space. <u>Project Impacts</u> To cause a permanent, audible increase in ambient noise in the vicinity, the project would need to cause a 3 dBA Day-Night Noise Level (DNL). A doubling of traffic in the vicinity would cause an audible 3 dBA increase. <i>A Supplemental Traffic Evaluation</i> prepared by Hexagon Transportation in 2025 calculates the project will generate Average Daily Traffic (ADT) of 875 trips per day with 51 Peak AM Hour trips and 66 during the Peak PM Hour. ADT on South Market Street, according to the City of San José GIS Open Data portal, was 16,745 as of 2021; traffic on South 1st Street is 3,109 ADT as of 2021. The project's estimated ADT of 875 trips is not close to doubling the vicinity traffic of almost 20,000 vehicles per day. <u>Conclusion</u> Vehicular traffic noise levels are not expected to increase measurably above existing levels as a result of the project (increase would be less than one dBA DNL). The project is not anticipated to cause a permanent increase in ambient noise in the vicinity.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		<i>Mitigations Required:</i> N1. The site is exposed to a Future Noise Environment of up to 74 dBA DNL, which is considered “Normally Unacceptable” by HUD. To meet HUD standards, the following sound transmission class (STC) ratings for window/wall components are required:  Figure 17 South First Street Window STC Ratings  Figure 18 William Street Window STC Ratings

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		 Figure 19 South Market Street Window STC Ratings  Figure 20 North Side of Building Window STC Ratings N2. Mechanical ventilation is required for all residential units and areas where windows are required to be kept closed to control noise. MM NOI – 1.1: The project applicant shall develop and implement a construction noise logistics plan during all phases of construction on the project site. The construction noise logistics plan shall include, but not be limited to the following: Noise-generating activities at the construction site or in areas adjacent to the construction site associated with the project in any way shall be restricted to the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, and

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		8:00 a.m. to 5:00 p.m. on Saturdays. No construction activities shall occur Sundays or holidays. • All internal combustion engine driven equipment shall be equipped with intake and exhaust mufflers that are in good condition and appropriate for the equipment. • Stationary noise generating equipment shall be located as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area. • "Quiet" air compressors and other stationery noise sources shall be used where technology exists. • A detailed construction plan shall be prepared identifying the schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with the adjacent noise sensitive facilities so that construction activities can be scheduled to minimize noise disturbance. • An on-site "disturbance coordinator" shall be designated to be responsible for responding to any local complaints about construction noise. The disturbance coordinator shall determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and shall require that reasonable measures to correct the problem be implemented. • A telephone number for 'the disturbance coordinator shall be conspicuously posted at the construction site and include it in the notice sent to neighbors regarding the construction schedule. • The Plan shall be submitted to the City of San José for approval and a copy of the approved plan shall be provided to CalHFA upon. MM NOI - 2.3: A Construction Vibration Monitoring Plan (Plan) shall be implemented to document conditions prior to, during, and after vibration generating construction activities. The Plan

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		shall address vibration impacts to sensitive historic structures of 0.08 in/sec Peak Particle Velocity (PPV) and all normal conventional construction structures of 0.20 in/sec PPV. All Plan tasks shall be undertaken under the direction of a licensed Professional Structural Engineer in the State of California and be in accordance with industry accepted standard methods. The Construction Vibration Monitoring Plan shall include, but is not limited to, the following tasks: • Identification of the sensitivity of on- and off-site structures to ground-borne vibration. Vibration limits shall be applied to all vibration sensitive structures located on or within 50 feet of the project site. • Performance of a photo survey, elevation survey, and crack monitoring survey for each structure within 50 feet of construction activities identified as sources of high vibration levels. Surveys shall be performed prior to any construction activity, in regular intervals during construction and after project completion and shall include internal and external crack monitoring in structures, settlement, and distress and shall document the condition of foundations, walls, and other structural elements in the interior and exterior of said structures. • Development of a vibration monitoring and construction contingency plan to identify structures where monitoring shall be conducted, set up a vibration monitoring schedule, define structure-specific vibration limits, and address the need to conduct photo, elevation, and crack surveys to document before and after construction conditions. Construction contingencies shall be identified for when vibration levels approach the limits. • At minimum, vibration monitoring shall be conducted during pavement removal, building demolition, and drilling activities. Monitoring results may indicate the need for more or less intensive measurements.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		• If vibration levels approach limits, construction activities shall be suspended and contingencies implemented to either lower vibration levels or secure the affected structures. • Designate a person responsible for registering and investigating claims of excessive vibration. The contact information of such person shall be clearly posted on the construction site. • Conduct a post-construction survey on structures where either monitoring has indicated high levels of vibration or complaints of damage have been made. Make appropriate repairs or compensation where damage has occurred as a result of construction activities. MM NOI – 2.4: The project applicant shall submit a report summarizing the result of the vibration monitoring process during all demolition and construction phases to the Supervising Environmental Planner of the City of San José Director of Planning, Building, and Code Enforcement no later than a week after substantial completion of each phase identified in the project schedule of the Construction Vibration Monitoring Plan. The report shall include, but is not limited to, a description of measurement methods, equipment used, calibration certificates and graphics as required to clearly identify vibration-monitoring locations. An explanation of all events that exceeded vibration limits shall be included together with property documentation supporting any such claims. A copy of the report shall be provided to CalHFA. Source Documentation: (9) (13) (54) (55) (56) (57) (58) (59) (Appendix G)
Sole Source Aquifers Safe Drinking Water Act of 1974, as amended,	Yes No ☐ ☒	The project activities do not affect a sole source aquifer, as there are no aquifers subject to a MOU between EPA and HUD in San José.

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
particularly section 1424(e); 40 CFR Part 149		The nearest Sole Source Aquifer (SSA) is the Santa Margarita Aquifer, Scotts Valley SSA, located about 15 miles southwest of the site. Source Documentation: (60) (61) (Appendix H)
Wetlands Protection Executive Order 11990, particularly sections 2 and 5	Yes No ☐ ☒	The project is located in Downtown San José. The site does not appear on the National Wetlands Inventory database. The site does not contain any on-site wetlands or jurisdictional waters. No further consultations are required. Source Documentation: (13) (34) (Appendix C)
Wild and Scenic Rivers Wild and Scenic Rivers Act of 1968, particularly section 7(b) and (c)	Yes No ☐ ☒	No wild and scenic rivers are located within San José or Santa Clara County. Source Documentation: (62) (63) (Appendix H)
Environmental Justice Executive Order 12898	Yes No ☐ ☒	The project will not raise environmental justice issues and has no potential for new or continued disproportionately high and adverse human health and environmental effects on minority or low-income populations. The project is suitable for its proposed use. The project would provide 218 affordable housing units (220 units total), thus providing benefits to an environmental justice population. By providing new affordable housing, the project would provide housing to the existing and possibly expanded environmental justice population of the area. As analyzed in this EA, the project is not anticipated to result in significant impacts that would create permanent adverse effects in the project area. This Environmental Justice analysis further considers project impacts and their potential to disproportionately affect the project's introduced environmental justice population. <u>Summary of Project Impacts</u>

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		From the consideration of regulatory factors in this EA, a number of environmental topics were identified to generate potential effects requiring mitigation. However, impacts would be shared by neighboring non-environmental justice populations, thus the following impacts along with their mitigations, summarized below, do not represent impacts with the potential to disproportionately affect an environmental justice population. <i>Air Quality:</i> While construction and operation of the project would result in criteria pollutant emissions at less-than-significant levels with respect to BAAQMD's thresholds of significance, construction would result in fugitive dust. However, through implementation of the Bay Area Air Quality Management District Best Management Practices measures to control fugitive dust would be implemented to ensure that construction projects do not result in visible dust. The project would implement Best Management Practices in compliance with the BAAQMD fugitive dust control guidelines and these Best Management Practices would be effective in controlling construction-related fugitive dust to below a threshold level. These mitigatable project impacts to air quality and dust do not represent an impact to an environmental justice population. <i>Contamination and Toxic Substances:</i> Based on the conditions of the project site, project construction would be completed as proposed without impacts from contamination or toxic substances. However, it is possible that demolition of the existing buildings could disturb hazardous materials if present; therefore, mitigation measures are required. These mitigatable project impacts to contamination and toxic substances do not represent an impact to an environmental justice population. <i>Operational Noise and HUD Noise Standards:</i> HUD DNL Calculator estimates that exterior noise levels at the project site would be within HUD's "Normally Unacceptable" range, thus indicating low-income residents housed within the new building could be exposed to excess noise. However, since the project would need to comply with Title 24 of the California Code of Regulations which establishes noise insulation standards and STC30 rated

Compliance Factors: Statutes, Executive Orders, and Regulations listed at 24 CFR §58.5 and §58.6	Are formal compliance steps or mitigation required?	Compliance determinations
		windows, interior noises levels would meet interior noise goals of HUD and the State of California. Mitigation in the form of a barrier at common outdoor spaces reduces noise to acceptable by HUD standards. As the noise condition is mitigated, there is no potential for excess exterior noise to impact an environmental justice population. Conclusion Overall, the project is not anticipated to result in significant impacts that would create permanent adverse effects in the project area to existing populations, or to an introduced environmental justice population. Construction of affordable housing would result in a beneficial impact by providing housing for low-income populations. Source Documentation: (13) (Appendix H)

Environmental Assessment Factors [24 CFR 58.40; Ref. 40 CFR 1508.8 & 1508.27]

Recorded below is the qualitative and quantitative significance of the effects of the proposal on the character, features and resources of the project area. Each factor has been evaluated and documented, as appropriate and in proportion to its relevance to the proposed action. Verifiable source documentation has been provided and described in support of each determination, as appropriate. Credible, traceable and supportive source documentation for each authority has been provided. Where applicable, the necessary reviews or consultations have been completed and applicable permits of approvals have been obtained or noted. Citations, dates/names/titles of contacts, and page references are clear. Additional documentation is attached, as appropriate. **All conditions, attenuation or mitigation measures have been clearly identified.**

Impact Codes: Use an impact code from the following list to make the determination of impact for each factor.

- (1) Minor beneficial impact
- (2) No impact anticipated
- (3) Minor Adverse Impact – May require mitigation
- (4) Significant or potentially significant impact requiring avoidance or modification which may require an Environmental Impact Statement

Environmental Assessment Factor	Impact Code	Impact Evaluation
Conformance with Plans / Compatible Land Use and Zoning / Scale and Urban Design	2	The project was entitled as a 25-story tower residential project in 2016. The project was approved by the City of San José who prepared a certified Supplemental Environmental Impact Report (SEIR) conducted under the California Environmental Quality Act (CEQA) to the Downtown Strategy 2000 Final Programmatic Environmental Impact Report (EIR) for the project. The EIR evaluated all applicable resource areas and determined appropriate mitigation measures. The proposal is a smaller scale project at 15-stories. The City of San José prepared an <i>Addendum</i> to the SEIR for the “Modified Project”. The modified project would remove 10 stories, 88 residential units, 4,240 square feet of ground floor commercial space, and three levels of below grade parking from that approved in 2016. The project will implement all conditions and mitigation measures identified within the SEIR. The project has the required entitlements and has approval from the local jurisdiction (City of San José) to construct the project. Excerpts from the <i>Conditional Use Permit</i> follow. General Plan Conformance The subject site has an Envision San José 2040 General Plan land use designation of Downtown. This designation supports uses such as office, retail, service, residential, medical office, hospital, and entertainment uses. All development within this designation is intended to enhance the complete community in Downtown, support pedestrian and bicycle circulation, and increase transit ridership. The Downtown land use

Environmental Assessment Factor	Impact Code	Impact Evaluation
		designation allows a density of up to 800 dwelling units per acre (DU/AC) and a floor-area ratio (FAR) of up to 30. The project is consistent with the following key General Plan policies: <u>General Plan Goal and Policies</u> <u>Major Strategy #3 Focused Growth:</u> A Major Strategy of the Envision General Plan is to focus new growth capacity in specifically identified "Growth Areas," while the majority of the City is not planned for additional growth or intensification. This approach reflects the built-out nature of San José, the limited availability of additional "infill" sites for development compatible with established neighborhood character, and the emphasis in the Plan Vision to reduce environmental impacts while fostering transit use and walkability. <i>The Downtown is identified as a Growth Area in the General Plan. The project proposes to significantly intensify the existing underutilized site to construct a 15-story mixed-use tower with multifamily residential and ground floor commercial uses. Through retention of the historic facades and massing of the street level elements, the project is able to maintain the rhythm and established character of South First Street.</i> <u>Major Strategy #9 Destination Downtown:</u> Downtown San José is the cultural heart of San José and it provides employment, entertainment, and cultural activities more intensely than in any other area. The Downtown also consists of valuable historic resources, buildings with distinctive architecture, and unique neighborhoods where residents have convenient access to urban activities and amenities. As San José's largest and most vibrant urban area, Downtown contributes towards the positive identity of the City to the region, the nation and abroad. <i>The project is located in an area of Downtown commonly referred to South First Area (SoFA). SoFA is a distinctive area that emphasizes the importance of the arts and celebrates the artistic community. The project contributes to this major strategy by introducing additional residential and commercial uses in SoFA. The project includes the lobby and some commercial uses at the ground floor along South First Street, consistent with the rhythm and activities of South First Street to the extent possible. Furthermore, the project includes preservation of the historic facades of the City Landmark, "Herrold College" and the Structure of Merit along with proposing a historic exhibit fronting South First Street and a window display area facing South Market</i>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<i>Street to commemorate Dr. Herrold's achievements and contributions to the radio broadcasting industry. Therefore, the project complies with this Strategy.</i> <u>Downtown Goal LU-3.1:</u> Provide maximum flexibility in mixing uses throughout the Downtown Area. Support intensive employment, entertainment, cultural, public/quasi-public, and residential uses in compact, intensive forms to maximize social interaction; to serve as a focal point for residents, businesses, and visitors; and to further the Vision of the Envision General Plan. <u>Downtown Goal LU-3.4:</u> Facilitate development of retail and service establishments in Downtown, and support regional- and local-serving businesses to further primary objectives of the Plan. <i>Analysis for LU-3.1 and 3.4: The project proposes commercial spaces totaling approximately 3,320 square feet on the ground floor fronting the entire West William Street frontage, the two street corners and some South First Street frontage to encourage and facilitate retail or other active uses in this area.</i> <u>Downtown Goal LU-3.5:</u> Balance the need for parking to support a thriving Downtown with the need to minimize the impacts of parking upon a vibrant pedestrian and transit oriented urban environment. Provide for the needs of bicyclists and pedestrians, including adequate bicycle parking areas and design measures to promote bicyclist and pedestrian safety. <u>Downtown Policy CD-6.11:</u> Design public sidewalks with ample width to be shared by large volumes of pedestrians and bicyclists, and plant and maintain street trees to provide a tree canopy for shade to enhance the visitor experience. <i>Analysis for Downtown Goal LU-3.5 and Downtown Policy CD-6.11: The parking garage is accessed from South Market Street to avoid impact on the pedestrian circulation along South First Street and West William Street. The project provides 58 bicycle parking spaces, which meets the Zoning Code requirement as analyzed in the Zoning Conformance Section. The project is required to construct 15- foot-wide attached sidewalks with tree wells along South First Street and West William Street frontages and a 16-foot-wide attached sidewalk with tree wells along South Market Street frontage per the Complete Street Guidelines and the Downtown Master Plan. The project also includes the construction of bulb outs at the two street corners to enhance pedestrian circulation and safety in the area. Street trees will be planted and</i>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		<i>will be further reviewed at the Public Improvement stage. The project is therefore consistent with this goal and policy.</i> Zoning Conformance The project site is located within the DC Downtown Primary Commercial Zoning District. Section 20.100.610 of the City of San José Municipal Code states that a Site Development Permit is required prior to the issuance of any building permit for erection, construction, enlargement, placement or installation of a building or structure on any site. Conclusion The project has achieved a Site Development Permit, Conditional Use Permit and Historic Preservation Permit from the City of San José. No mitigation is needed. The project has the required local approvals to proceed. Source Documentation: (64) (65) (66) (67) (68) (Appendix H)
Soil Suitability/ Slope/ Erosion/ Drainage/ Storm Water Runoff	3	Langan prepared a Geotechnical Investigation for the project in March 2025. Excerpts follow and the report is attached in Appendix H. Soil Suitability The site is on the north side of South Market Street and extends north to First Street; it extends east to west from Williams Street to where Balbach Street terminates at South Market Street. It is approximately trapezoidal in shape with a maximum length of 290 feet and width of 140 feet. The site is currently occupied by three one-story buildings and a paved parking lot. Based on preliminary project plans by DLR Group, the project architect (DLR Group, 2024), the proposed site development consists of demolishing the existing buildings and constructing an at-grade 15-story residential and mixed-use structure. The maximum building height is 152 feet. DCI Engineers is the project structural engineer but structural loads for the proposed building were not available. <u>Site Conditions</u> The site is currently occupied by three one-story commercial buildings on the north side and a paved parking lot on the south side. Currently, the foundations of the existing buildings are unknown; however, based on the

Environmental Assessment Factor	Impact Code	Impact Evaluation
		size and type of structure, we anticipate the existing building is supported on shallow foundations. One-story commercial buildings are located adjacent to the northwest property line of the site. Based on review of an environmental soils report (AEI Consultants, 2016), the paved parking lot area was previously a former gasoline service station from at least 1935 to 1975. The report also indicates that underground storage tanks (USTs) or similar underground features were installed at the site as part of the gasoline service station. The report also indicates that there is no documentation of the removal of these USTs at the site. According to the report, during AEI Consultant's investigation, a "possible UST or similar underground feature" could be present in the northeast corner of the paved parking lot. <u>Subsurface Conditions</u> The available geologic and geotechnical information indicates the site is underlain by alluvial deposits consisting of very soft to hard clay, clay with sand and sandy clay, with interbedded layers of loose to very dense sand and gravel with varying amounts of fines to the maximum depth explored of 100 feet bgs. Undocumented fill consisting of very stiff sandy clay was encountered in the upper four feet in the borings drilled by BAGG at the site. Additionally, we encountered undocumented fill consisting of layers of stiff to very stiff clay and silt with various amounts of sand and loose sand with various amounts of fines in the upper approximately 12½ feet in boring LB-1. An odor, possibly from hydrocarbons, was noted during drilling at depths of about 3 to 4 feet and 10 to 17 feet, possibly related to an UST. Based on review of available subsurface data in the vicinity and our observation of the fill during drilling, the near surface soil has low expansion potential. Below the fill are layers of very soft to medium stiff clays and loose clayey sand to depths of about 20 to 25 feet. Below these depths the clay layers grade stiff to hard and the sand layers generally are medium dense to very dense. Where tested, the clays are over-consolidated and have shear strengths ranging from about 600 pounds per square foot (psf) to 3,000 psf. A dense to very dense sand layer was encountered in the borings and SCPT-1 at depths of about 63 to 87 feet; the presence and thickness of this sand layers varies across the site.

Environmental Assessment Factor	Impact Code	Impact Evaluation
		Groundwater was encountered in borings B-1 and B-2 at depths of about 17 to 18 feet bgs, corresponding to approximately Elevations 74 to 76 feet. The groundwater depth was recorded during drilling and may not represent stabilized levels. Groundwater levels may also fluctuate due to seasonal rainfall. Based on review of published maps (California Division of Mines and Geology, 2002), historic high groundwater level in the project vicinity is approximately 10 feet bgs, corresponding to approximately Elevation 83 feet. During our investigation, the PPDTs conducted at SCPT-1 were performed at depths of approximately 33 and 80 feet bgs. The phreatic surface of the groundwater was calculated to be approximately 11 to 13 feet bgs, corresponding to approximately Elevation 80 to 82 feet. <u>Conclusion</u> Langan concluded that the proposed development is feasible from a geotechnical standpoint, provided the recommendations presented in their report are incorporated into the project plans and implemented during construction. It is understood that the proposed structure will be constructed at grade. The primary geotechnical issues for this project include: • The presence of undocumented fill and soft moderately compressible clay in the upper 25 feet; • selection of an appropriate foundation system to support the building loads and accommodate estimated seismic settlements and resist uplift forces; and • design criteria for foundations. Langan's conclusions regarding these and other geotechnical issues are discussed in their report. <i>Mitigations Required: G1</i> Slope The project preliminary civil plans (Civil Engineering Associates, 2024), indicates the site is relatively level, with existing ground surface elevations ranging from approximately Elevation 92 feet to Elevation 94 feet.

Erosion

Construction of the project would require grading activities that could result in a temporary increase in erosion affecting the quality of storm water runoff. This increase in erosion is expected to be minimal, due to the small size and relative flatness of the site. The project site is approximately 0.5-acres in size and would not be subject to Municipal Code Section 20.100.480 (projects disturbing one acre or more).

Drainage/Storm Water Runoff

The federal Clean Water Act and California's Porter-Cologne Water Quality Control Act are the primary laws related to water quality. Regulations set forth by the U.S. EPA and the State Water Resources Control Board (SWRCB) have been developed to fulfill the requirements of this legislation. U.S. EPA regulations include the National Pollutant Discharge Elimination System (NPDES) permit program, which controls sources that discharge pollutants into the waters of the United States (e.g., streams, lakes, bays, etc.). These regulations are implemented at the regional level by the water quality control boards. The project site is within the jurisdiction of the San Francisco Bay Regional Water Quality Control Board (RWQCB).

Basin Plan

The San Francisco Bay RWQCB regulates water quality in accordance with the Water Quality Control Plan or "Basin Plan". The Basin Plan lists the beneficial uses that the RWQCB has identified for local aquifers, streams, marshes, rivers, and the San Francisco Bay, as well as the water quality objectives and criteria that must be met to protect these uses. The RWQCB implements the Basin Plan by issuing and enforcing waste discharge requirements, including permits for nonpoint sources such as the urban runoff discharged by a City's stormwater drainage system. The Basin Plan also describes watershed management programs and water quality attainment strategies.

Statewide Construction General Permit

The SWRCB has implemented an NPDES General Construction Permit for the State of California. For projects disturbing one acre or more of soil, a Notice of Intent and Storm Water Pollution Prevention Plan must be prepared by a qualified professional prior to commencement of construction. The Construction General Permit includes requirements for training, inspections, record keeping, and for projects of certain risk levels, monitoring. The general purpose of the requirements is to minimize the discharge of

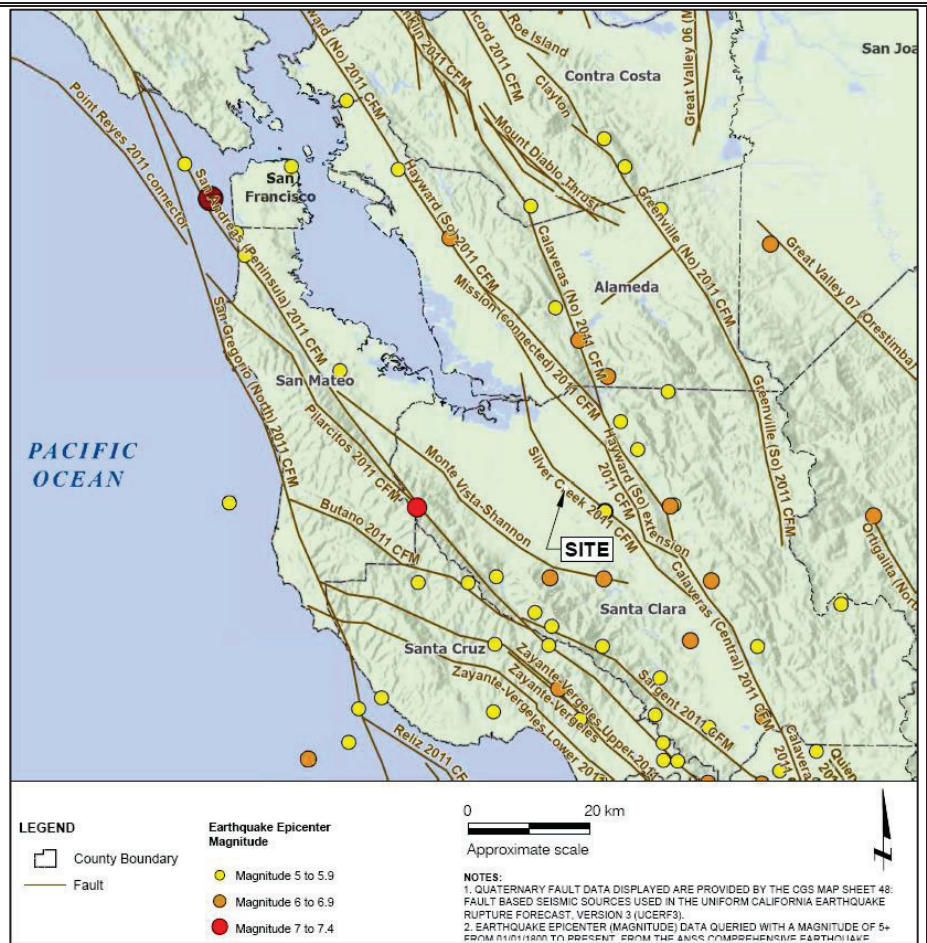
Environmental Assessment Factor	Impact Code	Impact Evaluation
		pollutants and to protect beneficial uses and receiving waters from the adverse effects of construction-related storm water discharges. <u>Municipal Regional Stormwater NPDES Permit (MRP)/C.3 Requirement</u> The San Francisco Bay RWQCB has issued a Municipal Regional Stormwater NPDES Permit (Permit Number CAS612008) (MRP) that covers the project area. Under provisions of the NPDES Municipal Permit, redevelopment projects that disturb more than 10,000 square feet are required to design and construct stormwater treatment controls to treat post-construction stormwater runoff. The MRP requires regulated projects to include Low Impact Development (LID) practices, such as pollutant source control measures and stormwater treatment features aimed to maintain or restore the site's natural hydrologic functions. The MRP also requires that stormwater treatment measures are properly installed, operated and maintained. In addition to water quality controls, the MRP requires all new and redevelopment projects that create or replace one acre or more of impervious surface to manage development-related increases in peak runoff flow, volume, and duration, where such hydromodification is likely to cause increased erosion, silt pollutant generation or other impacts to beneficial uses of local rivers, streams, and creeks. projects may be deemed exempt from the permit requirements if they do not meet the size threshold, drain into tidally-influenced areas or directly into the Bay, drain into hardened channels, or are infill projects in sub watersheds or catchments areas that are greater than or equal to 65 percent impervious (per the Santa Clara Valley Permittees Hydromodification Management Applicability Map). <u>City of San José Post-Construction Urban Runoff Management (Policy 6-29)</u> City of San José Policy 6-29 implements the stormwater treatment requirements of Provision C.3 of the MRP. Policy 6-29 requires all new development and redevelopment projects to implement post- construction Best Management Practices (BMP) and Treatment Control Measures (TCM) to the maximum extent practicable. This policy also establishes specific design standards for post- construction TCM for projects that create, add, or replace 10,000 SF or more of impervious surfaces. <u>City of San José Hydromodification Management (Policy 8-14)</u>

Environmental Assessment Factor	Impact Code	Impact Evaluation
		City of San José Policy 8-14 implements the stormwater treatment requirements of Provision C.3 of the MRP. Policy 8-14 requires all new development and redevelopment projects that create or replace one acre or more of impervious surface to manage development-related increases in peak runoff flow, volume, and duration, where such hydromodification is likely to cause increased erosion, silt pollutant generation, or other impacts to beneficial uses of local rivers, streams, and creeks. The policy requires these projects to be designed to control project-related hydromodification through a Hydromodification Management Plan (HMP). The project is located in a non-Hydromodification Management area and is not required to comply with the City of San José's Post-Construction Hydromodification Management Policy (Council Policy 8-14). <u>Project Impacts</u> Under existing conditions, the project site is primarily paved. Runoff from the site likely contains pollutants typical urban, developed environments, including: sediment, automobile fluids and trash, motor oil, and grease. The City's National Pollutant Discharge Elimination System (NPDES) Municipal Permit, urban runoff policies, and the Municipal Code are the primary means of enforcing water quality measures through the grading and building permit process. All construction/demolition projects must comply with the City of San José's Grading Ordinance, which requires the use of erosion and sediment controls to protect water quality while the site is under construction. The project site is approximately 0.5-acres in size and would not be subject to Municipal Code Section 20.100.480 (projects disturbing one acre or more). The project is located in an urban environment and operation of the residential project would not utilize materials that would significantly harm the water quality in the area. Furthermore, the project would comply with applicable regulations and laws to ensure proper discharge into the City's stormwater and sanitary infrastructure. The proposed project would have a less than significant impact with respect to violation of any water quality standards or waste discharge requirements, or degradation of surface or groundwater quality. The project site is located within the Guadalupe Watershed which consists of a 170-square-mile area of multiple small-creek watersheds including the Guadalupe Creek and Los Gatos Creek watersheds.

Environmental Assessment Factor	Impact Code	Impact Evaluation
		Stormwater runoff will discharge into the existing 10-inch storm main located in William Street, which connects to a larger main in South Market Street. Before connecting to the street main, stormwater will be directed through raised flow-through planters on the fifth-floor podium and a media filter system in the parking garage for pre-treatment. The project site is primarily paved with the exception of a small lawn area on the southern end of the project site. Impervious surfaces on the project site consist primarily of buildings and parking lots. Currently, approximately 18,958 square feet (86 percent) of the site is paved and approximately 3,025 square feet (14 percent) is pervious. A 10-inch storm main is located in William Street and connects to a 10-inch storm main in South Market Street. Runoff from the site discharges to the Guadalupe River, approximately 1,600 feet west of the project site, and is ultimately conveyed to the San Francisco Bay. Conclusions The following measures are based on RWQCB BMPs and have been included in the project to reduce construction and development-related water quality impacts. These BMPs would be implemented prior to and during earthmoving activities onsite and would continue until the construction is complete and during the post-construction period as appropriate. <i>Mitigations Required:</i> G1. Applicant shall follow all recommendations in the <i>Geotechnical Investigation</i> by Langan and dated March 7, 2025 or later at all times. The Geotechnical report shall be submitted to the satisfaction of the City of San José's Building Department. G2. Stormwater Runoff Pollution Control Measures: This project must comply with the City's Post-Construction Urban Runoff Management Policy (Policy 6-29) which requires implementation of Best Management Practices (BMPs) which includes site design measures, source controls and numerically-sized Low Impact Development (LID) stormwater treatment measures to minimize stormwater pollutant discharges. a. The project's Stormwater Control Plan and numeric sizing calculations have been reviewed and this project shall be in conformance with City of San José Policy 6-29.

Environmental Assessment Factor	Impact Code	Impact Evaluation
		b. Final inspection and maintenance information on the post-construction treatment control measures must be submitted prior to issuance of a City of San José Public Works Clearance. c. A post construction Final Report is required by the City of San José Director of Public Works from a Civil Engineer retained by the owner to observe the installation of the BMPs and stating that all post construction storm water pollution control BMPs have been installed as indicated in the approved plans and all significant changes have been reviewed and approved in advance by the Department of Public Works. d. Media Filter Unit(s) located within Building footprints must conform to City of San José Building Division Directive P-005 Stormwater Peak Flow Control Measures. G3. Hydrology (37 e) 1) Burlap bags filled with drain rock shall be installed around storm drains to route sediment and other debris away from the drains. 2) Earthmoving or other dust-producing activities shall be suspended during periods of high winds. 3) All exposed or disturbed soil surfaces shall be watered at least twice daily to control dust as necessary. 4) Stockpiles of soil or other materials that can be blown by the wind shall be watered or covered. 5) All trucks hauling soil, sand, and other loose materials shall be covered and all trucks shall maintain at least two feet of free board. 6) All paved access roads, parking areas, staging areas and residential streets adjacent to the construction sites shall be swept daily (with water sweepers). 7) Vegetation in disturbed areas shall be replanted as quickly as possible.

Environmental Assessment Factor	Impact Code	Impact Evaluation
		8) All unpaved entrances to the site shall be filled with rock to remove mud from tires prior to entering City streets. A tire wash system shall be installed if requested by the City. 9) The permittee shall comply with the City of San José Grading Ordinance, including implementing erosion and dust control during site preparation and with the City of San José Zoning Ordinance requirements for keeping adjacent streets free of dirt and mud during construction. Source Documentation: (13) (26) (64) (65) (66) (67) (68) (69) (Appendix H)
Hazards and Nuisances including Site Safety and Noise	3	As a residential housing project, the proposal itself will not create any hazards or nuisances that could adversely affect future residents or the neighborhood. Potential site hazards include earthquake-related hazards. Langan prepared a Geotechnical Investigation for the project in March 2025. A summary follows. Regional Seismicity and Faulting The project site is in a seismically active region. Numerous earthquakes have been recorded in the region in the past, and moderate to large earthquakes should be anticipated during the service life of the proposed development. The Hayward-Rodgers Creek, Calaveras, and San Andreas faults are the major faults closest to the site. These and other faults of the region are shown below.



Map 9 Major Faults and Earthquake Epicenters in the San Francisco Bay Area

For each of these faults, as well as other active faults within about 50 kilometers (km) of the site, the distance from the site and estimated mean Moment magnitude (2015) and Uniform California Earthquake Rupture Forecast Version 3 (UCERF3) as detailed in the United States Geological Survey Open File Report 2013-1165 are summarized below. The mean Moment magnitude presented below was computed assuming full rupture of the segment using Hanks and Bakun (2008) relationship.

Table 9 Regional Faults and Seismicity

Environmental Assessment Factor	Impact Code	Impact Evaluation																																																							
		<table><thead><tr><th>Fault Segment</th><th>Approx. Distance from Fault (km)</th><th>Direction from Site</th><th>Mean Moment Magnitude</th></tr></thead><tbody><tr><td>Silver Creek</td><td>2</td><td>Northeast</td><td>6.7</td></tr><tr><td>Total Hayward-Rodgers Creek Healdsburg</td><td>10</td><td>East</td><td>7.6</td></tr><tr><td>Monte Vista - Shannon</td><td>11</td><td>Southwest</td><td>7.0</td></tr><tr><td>Total Calaveras</td><td>12</td><td>East</td><td>7.5</td></tr><tr><td>Mission (connected)</td><td>15</td><td>Northeast</td><td>6.1</td></tr><tr><td>San Andreas 1906 event</td><td>19</td><td>Southwest</td><td>8.1</td></tr><tr><td>Sargent</td><td>22</td><td>Southwest</td><td>6.8</td></tr><tr><td>Butano</td><td>22</td><td>Southwest</td><td>6.7</td></tr><tr><td>Pilarcitos</td><td>25</td><td>West</td><td>6.7</td></tr><tr><td>Greenville</td><td>34</td><td>East</td><td>7.1</td></tr><tr><td>Total San Gregorio</td><td>42</td><td>West</td><td>7.6</td></tr><tr><td>Mount Diablo Thrust</td><td>45</td><td>North</td><td>6.6</td></tr></tbody></table>				Fault Segment	Approx. Distance from Fault (km)	Direction from Site	Mean Moment Magnitude	Silver Creek	2	Northeast	6.7	Total Hayward-Rodgers Creek Healdsburg	10	East	7.6	Monte Vista - Shannon	11	Southwest	7.0	Total Calaveras	12	East	7.5	Mission (connected)	15	Northeast	6.1	San Andreas 1906 event	19	Southwest	8.1	Sargent	22	Southwest	6.8	Butano	22	Southwest	6.7	Pilarcitos	25	West	6.7	Greenville	34	East	7.1	Total San Gregorio	42	West	7.6	Mount Diablo Thrust	45	North	6.6
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		Note: 1. The table above is a summary and does not include all the fault segmentation, alternate traces and low activity faults included in the UCERF3 model. Seismic Geologic Hazards Seismic hazards and geologic hazards as they pertain to the proposed development are discussed in the following sections. <u>Fault Rupture</u> Historically, ground surface fault ruptures closely follow the traces of geologically young faults. The site is not within an Earthquake Fault Zone, as defined by the Alquist-Priolo (AP) Earthquake Fault Zoning Act⁵, and no Holocene-active or potentially active faults exist on the site. In a seismically active area, the remote possibility exists for future faulting in areas where no faults previously existed; however, the risk of surface faulting and consequent secondary ground failure at the site is low. <u>Liquefaction-Induced Settlement</u> The site is within a zone designated with the potential for liquefaction, as identified by the California Geological Survey. The map shows the site is in an area “where historic occurrence of liquefaction, or local geological, geotechnical and groundwater conditions indicate a potential for permanent ground displacements such that mitigation as defined in Public Resources Code Section 2693 (c) would be required.”																																																							

Environmental Assessment Factor	Impact Code	Impact Evaluation
		Langan concludes that up to ½ inch of liquefaction-induced settlement could occur beneath the proposed structure and in the surrounding areas of the site. Langan concludes that less than ½ inch of differential settlement over a horizontal distance of 30 feet could occur at the site. Langan estimated the potential for surface manifestation (sand boils or ejecta and ground fissures) considering the Ishihara (1985) and Youd and Garriss (1995) methods using the non-liquefiable soil cover thickness, liquefiable sand thickness, and maximum acceleration. Layers at the site that may potentially liquefy are thin and have sufficient non-liquefiable soil cover; therefore, the potential for sand boils to manifest at the ground surface is low. Lateral spreading is a phenomenon in which a surficial soil displaces along a shear zone that has formed within an underlying liquefied layer. The surficial blocks are transported downslope or in the direction of a free face, such as a channel, by earthquake and gravitational forces. Lateral spreading is generally the most pervasive and damaging type of liquefaction-induced ground failure generated by earthquakes. The layers encountered at the site that are potentially susceptible to liquefaction are thin and discontinuous and generally have sufficient plasticity such that they are not cohesionless. Additionally, the site is relatively level and located greater than 1,600 feet from the Guadalupe River, which is the nearest free face or channel. During the 1906 and Loma Prieta earthquakes, lateral spreading was not observed at the site. Therefore, the potential for lateral spreading at the site is low. Seismic densification can occur during strong ground shaking in loose, granular deposits above the water level, resulting in ground surface settlement. The degree of susceptibility to seismic densification is directly related to the relative density of the existing granular soils. Seismic densification of non-saturated, cohesionless soil following a major earthquake was analyzed using Tokimatsu and Seed (1984) and Pradel (1998). The boring indicates thin layers of loose to medium dense sand with varying amounts of clay and silt are present above the historic high groundwater level (approximately Elevation 83 feet). However, these layers are fill material and potentially related to an underground storage tank (UST), therefore, local to the general area. Langan estimates seismic densification settlement in these layers of up to approximately ½ inch during a major

Environmental Assessment Factor	Impact Code	Impact Evaluation
		earthquake, with differential settlement of approximately ½ inch over a horizontal distance of 30 feet. <u>Tsunami</u> Recent maps published by the California Department of Conservation (2021) indicate the project site is not within the tsunami inundation zone; therefore, we conclude the potential risk by inundation from tsunami to be low within the project site. However, these maps may not account for the impact of sea level rise on the potential risk of inundation from a tsunami; the project civil engineer should evaluate the impact of sea level rise on the potential risk of inundation from a tsunami over the life of the building. Conclusions Langan concluded that the proposed development is feasible from a geotechnical standpoint, provided the recommendations presented in their report are incorporated into the project plans and implemented during construction. It is understood that the proposed structure will be constructed at grade. The primary geotechnical issues for this project include: • The presence of undocumented fill and soft moderately compressible clay in the upper 25 feet; • selection of an appropriate foundation system to support the building loads and accommodate estimated seismic settlements and resist uplift forces; and • design criteria for foundations. Langan’s conclusions regarding these and other geotechnical issues are discussed in their report. <i>Mitigations Required:</i> G1. Applicant shall follow all recommendations in the <i>Geotechnical Investigation</i> by Langan and dated March 7, 2025 or later at all times. The Geotechnical report shall be submitted to the satisfaction of the City of San José’s Building Department. Source Documentation: (13) (64) (65) (66) (67) (68) (69) (Appendix H)

Environmental Assessment Factor	Impact Code	Impact Evaluation
Energy Consumption	2	Setting San José Clean Energy (SJCE) is an electricity supplier operated by the City's Community Energy Department. Since launching in February 2019, SJCE has provided City businesses and residents with access to cheaper and cleaner energy sources. SJCE serves as an alternative to traditionally privatized energy sources by being a community-governed organization. Oversight for SJCE activities is provided by City Council in cooperation with a Community Advisory Commission. SJCE sources electricity, and the Pacific Gas and Electric Company (PG&E) delivers it to customers using existing PG&E utility lines. SJCE buys its power from a number of suppliers. Sources of renewable and carbon-free power include California wind, solar, and geothermal; Colorado wind; and hydroelectric power from the Pacific Northwest. SJCE customers are automatically enrolled in the GreenSource program, which provides 80 percent GHG emission-free electricity. Customers can enroll in the TotalGreen program through SJCE and receive 100 percent GHG-free electricity from entirely renewable resources. It is expected that the project would be enrolled in and receive energy from the SJCE program. PG&E also furnishes natural gas for residential, commercial, industrial, and municipal uses. In 2021, natural gas facilities provided 7 percent of PG&E's electricity delivered to retail customers; nuclear plants provided 39 percent; hydroelectric operations provided 4 percent; and renewable energy facilities including solar, geothermal, and biomass provided 50 percent. Total energy usage in California was approximately 7,881 trillion British thermal units (Btu) in the year 2017, the most recent year for which this data was available. In 2017, California was ranked second in total energy consumption in the nation, and 48th in energy consumption per capita. The breakdown by sector was approximately 18 percent (1,416 trillion Btu) for residential uses, 19 percent (1,473 trillion Btu) for commercial uses, 23 percent (1,818 trillion Btu) for industrial uses, and 40 percent (3,175 trillion Btu) for transportation. This energy is mainly supplied by natural gas, petroleum, nuclear electric power, and hydroelectric power. Project Impacts Consistent with the City of San José's Private Sector Green Building Policy 6-32 for projects with 10 residential units or more (with a height of less than 75 feet), the proposed project would be designed to achieve a

Environmental Assessment Factor	Impact Code	Impact Evaluation
		minimum GreenPoint Rated 50 points or would be Leadership in Energy and Environmental Design (LEED)-certified. The LEED certification (administered by the U.S. Green Building Council) or GreenPoint Rated 50 points would be met by incorporating a variety of design features including community design and planning, site design, landscape design, building envelope performance, and material selections. The project will be developed in accordance with the City's Green Building Policies which requires new construction and rehabilitation of existing buildings fully implement industry best practices, including the use of optimized energy systems, selection of materials and resources, water efficiency, sustainable site selection, passive solar building design, and planting of trees and other landscape materials to reduce energy consumption. Conclusion The City of San José determined that "the project would not have a significant impact on this resource, therefore no mitigation is required" under <i>Energy</i>, however, that was for a smaller project, but with the same building footprint. The project will incorporate energy and water efficient appliances and fixtures. No adverse impacts to energy as a result of the project were identified. Source Documentation: (9) (13) (64) (64) (65) (66) (67) (68)
SOCIOECONOMIC		
Employment and Income Patterns	2	The project would not provide employment, except for short-term construction-related jobs. The project is transit-oriented by design and will provide affordable housing for individuals and families. The City of San José population was estimated to be approximately 1,013,240 with a total of 342,037 housing units as of the 2020 census. The City has approximately 415,000 jobs and 468,100 employed residents. Based on the City's General Plan, the projected population in 2035 would be 1.3 million people occupying 429,350 households. At 220 units, impacts to employment and income patterns are not expected to be adverse. Source Documentation: (13) (32) (64) (65) (66) (67) (68) (70)
Demographic Character	2	Demographic Character Changes

Environmental Assessment Factor	Impact Code	Impact Evaluation
Changes, Displacement		At 220 units, the project is not anticipated to induce substantial growth in population in the area. The project will help to address the need for housing projected in the <i>Regional Housing Needs Allocation</i>. Based on guidelines provided by HUD, the maximum number of residents appropriate to multi-family unit dwellings is two persons per bedroom, plus one per unit. Thus, at most there would be seven persons in a three-bedroom apartment, and five persons in a two-bedroom unit. The proposed project would provide 33 studios, 101 one-bedroom units, 78 two-bedroom units and 8 three-bedroom units. To consider the maximum number of persons the project could accommodate, HUD guidelines for the maximum number of residents will be used. Accordingly, the proposed project would provide housing for at most 815 people. For the purposes of this analysis, a population of 815 people is assumed. The population of the City of San José was 1,013,240 in 2020, so the additional 815 people would represent 0.08% of that population. No adverse impact is expected to result from the proposed project, as it would not create a significant change to the demographics of the area. Displacement The Uniform Relocation Act (URA), passed by Congress in 1970, establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace people from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. Section 205 of the URA requires that, "Programs or projects undertaken by a federal agency or with federal financial assistance shall be planned in a manner that (1) recognizes, at an early stage in the planning of such programs or projects and before the commencement of any actions which will cause displacements, the problems associated with the displacement of individuals, families, businesses, and farm operations, and (2) provides for the resolution of such problems in order to minimize adverse impacts on displaced persons and to expedite program or project advancement and completion." The proposed project would demolish existing commercial buildings. The project sponsor owns and occupies the subject property buildings. The owner and occupant is not subject to the Uniform Relocation Act.

Environmental Assessment Factor	Impact Code	Impact Evaluation
		Source Documentation: (64) (65) (66) (67) (68) (71) (72)
COMMUNITY FACILITIES AND SERVICES		
Educational and Cultural Facilities	2	Educational Facilities The project by its definition is to provide affordable housing for individuals and, with at most a population of 815 people. School aged children will likely be housed by the project. The project site is located in the San José Unified School District (SJUSD). SJUSD includes 41 schools (25 elementary, two K-8 schools, six middle, six high schools and two alternative education programs) serving over 30,000 students in the pre-Kindergarten through 12th grades. According to the SJUSD student generation factors, multi-family residential development generates 0.238 K-12 students per dwelling unit. According to the SJUSD, students residing at the project site would attend Gardner Elementary School, Hoover Middle School and Abraham Lincoln High School. Gardner Elementary School is located southwest of the site at 502 Illinois Avenue, a six-minute drive or 22-minute public transit ride away. Hoover Middle School is located at 1635 Park Avenue, west of the site, and is accessible by public transit in 33 minutes, a nine-minute drive and a 16-minute bike ride away. For high school students, Abraham Lincoln High School, 555 Dana Avenue is also west of the project site and accessible by multiple transit lines in 25 minutes; is a 10-minute car ride away and a 16-minute bike ride. Development of the proposed project would incrementally increase the number of students in the project area. Based on a student generation rate of 0.238 K-12 students per unit, the proposed project is estimated to increase the student population in the project area by 53 new students. The proposed project is part of planned growth in the City and would not increase the number of students in the SJUSD beyond what has been anticipated in the overall General Plan. The project would mitigate its impact on local schools through compliance with state law (Government Code Section 65996), including payment of school impact fees. Impact is less than significant.

Libraries

The San José Public Library System consists of one main library, Dr. Martin Luther King Jr. Library that is jointly operated with San José State University and 23 branch libraries. Libraries near the project site include the Dr. Martin Luther King Jr. Main Library which is located approximately 0.7 miles north at 150 E San Fernando Street, a 16-minute walk or five-minute bike ride away from the project site. Bibliotheca Latino Americana Branch Library is located 0.6 miles south of the project site and is accessible by transit in 14 minutes.

The residents of the proposed project would incrementally increase the demand on neighborhood libraries, including Martin Luther King Jr. Main Library. The population growth resulting from the project was accounted for in General Plan and therefore the project would not result in a significant impact to libraries in the area.

Development of the proposed project would not require new or expanded library facilities beyond what is already planned.

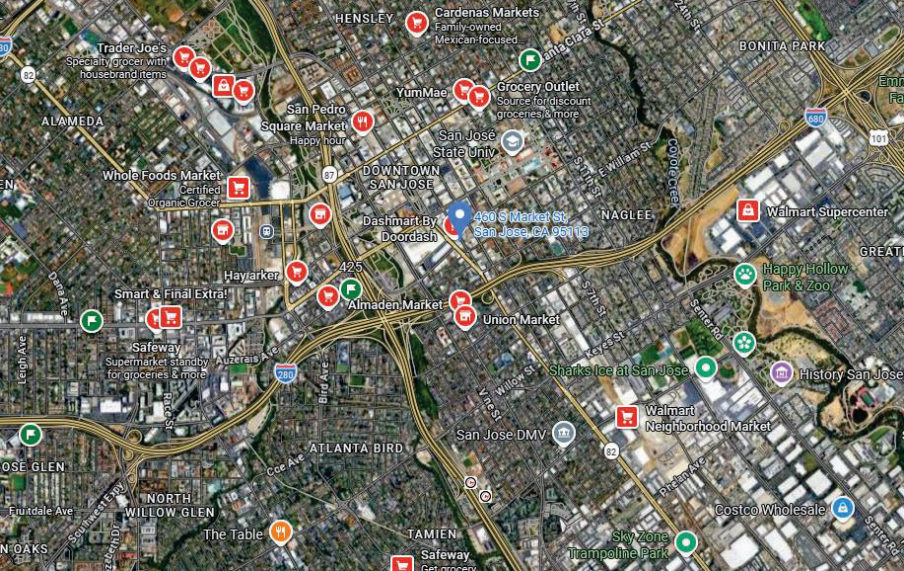
Cultural Facilities

The site is located in the South of First Area (SoFA) District, which is the cultural hub of downtown. The location is walkable and full of smaller galleries and street art.

Table 10 Nearby Cultural Facilities

Resource Name	Classification	Significance/Note
San José Museum of Art	Cultural/Educational	Major regional contemporary art institution; public amenity.
The Tech Interactive	Educational/Science	Landmark educational facility; high-volume pedestrian generator.
California Theatre	Historic/Performing Arts	Listed on the National Register of Historic Places (1927).
San José Civic	Historic/Performing Arts	City-owned historic venue; part of the San José Convention Center complex.
Montgomery Theatre	Historic/Performing Arts	Integrated into the San José Civic Auditorium complex (built 1936).

Environmental Assessment Factor	Impact Code	Impact Evaluation		
		San José Museum of Quilts & Textiles	Cultural/Specialized	Key component of the SoFA (South of First Area) Arts District.
		ICA San José	Cultural/Contemporary	Core visual arts institution within the project's immediate viewshed.
		MACLA	Cultural/Community	Vital community resource for Latino arts and cultural expression.
		Children's Discovery Museum	Educational	Significant sensitive receptor for noise/air quality (youth population).
		Center for the Performing Arts	Architectural/Arts	Designed by the Frank Lloyd Wright Foundation; significant local landmark.
		There are adequate cultural facilities for future residents. No adverse impacts were identified. Source Documentation: (13) (14) (64) (65) (66) (67) (68) (73) (74) (70)		
Commercial Facilities	2	The site is located in Downtown San José, affording future residents a location convenient to a variety of commercial facilities. Dashmart by DoorDash is located on the same block as the project. A full service grocery store with pharmacy (Safeway) is located at 1300 W San Carlos Street, an 8-minute drive west or an 11-minute bike ride. The store is also accessible by transit in 18 minutes (Rapid 523 or 23 or Green Line as provided by Valley Transportation Authority). There are banks, Post Office (0.7 miles north at 105 N First Street), restaurants, and cultural facilities nearby. Below is a map of nearby grocery stores that are within transit, bicycle or walking distance from the project site.		

Environmental Assessment Factor	Impact Code	Impact Evaluation
		 Figure 21 Nearby grocery stores (red cart icons) The project site is not located in a food desert. There are adequate commercial facilities in the vicinity to serve project residents. Source Documentation: (13) (14) (64) (65) (66) (67) (68) (75)
Health Care and Social Services	2	Health Care The site is located in Downtown San José, affording future residents a location convenient to a variety of health care facilities. Local health facilities include the following: • Regional Medical Center of San José at 225 N. Jackson Avenue • Santa Clara Valley Medical Center at 751 S. Bascom Avenue • Alexian Extended Care Medical • El Camino Hospital Los Gatos • Forest Surgery Center LP • Good Samaritan Hospital • Kaiser Permanente San José Medical Center • O'Connor Hospital • San José Medical Center

Environmental Assessment Factor	Impact Code	Impact Evaluation
		- Sequoia Hospital - Santa Clara County Behavioral Health Services Department The nearest hospital is Santa Clara Valley Medical Center, 761 E. Santa Clara Street, San José, CA 95112, 1.6 miles northeast of the site, nine-minute drive, 11-minute bicycle ride or 20-minute bus ride away. Regional Medical Center is also nearby at 225 N. Jackson Avenue, San José, CA 95116, 3.8 miles east, a 13-minute drive, 24-minute bicycle ride or 43-minute bus ride away. <u>Santa Clara County Public Health Department.</u> The County of Santa Clara Public Health Department works to prevent disease and injury, promote healthy lifestyles, create healthy environments, and advocate for policy and systems changes that advance department priorities. There are no adverse impacts to healthcare facilities or delivery systems anticipated as a result of the proposed project. Social Services The closest Santa Clara County Social Services Agency office to the project site is located at 333 W Julian Street, San José, CA 95110, 1.2 miles north of the site, an eight-minute car ride or 21 minute bus ride and is accessible by Bus Route 66 and 68, Rapid 523/23 and Blue Line light rail. The Agency provides services for children and families, the elderly, disabled adults, veterans. Services include food assistance, medical and health, employment, training, housing services, and financial assistance. Supportive services provided include childcare, transportation, mental health, alcohol and drug addiction treatment and Social Security Insurance advocacy. Conclusion The project does not represent a significant change to the demographics of the area or on area social services as it serves the existing population. Implementation of the project will not result in adverse impacts to health care systems or social services. Source Documentation: (13) (14) (76) (77) (78) (70)

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Solid Waste Disposal / Recycling	2	Garden City Sanitation provides garbage services to the site and vicinity in the City of San José ; California Waste Solutions provides recycling services; and Greenwaste Recovery provides yard trimming pickup services. Santa Clara County's Integrated Waste Management Plan (IWMP) was approved by the California Integrated Waste Management Board (CIWMB) in 1996 and was reviewed in 2004, 2007, 2011, and 2016. Each jurisdiction in the county has a diversion requirement of 50 percent for 2000 and each year thereafter. Each jurisdiction in the County has a landfill diversion requirement of 50 percent per year. According to the IWMP, the County has adequate disposal capacity beyond 2030.⁴⁸ In 2019, there were approximately 600,000 tons of material generated in San José that was disposed in various landfills throughout the State. Newby Island, however, only received approximately 290,000 of that tonnage. Project Impacts The project would result in an incremental increase in solid waste generation. According to Santa Clara County's IWMP, Santa Clara County has adequate disposal capacity beyond 2022. In October 2007, the San José City Council adopted a Zero Waste Resolution that set a goal of 75 percent waste diversion by 2013 and zero waste (at least 90 percent waste diversion) by 2022. The City generates approximately 700,000 tons per year of solid waste that is disposed of in landfills, including 578,000 tons per year at landfills in San José. The total permitted landfill capacity of the five operating landfills in the City is approximately 5.3 million tons per year. While a specific total tonnage for the current 220-unit plan is not explicitly listed in the summaries, the original 308-unit proposal was analyzed and found to be within the City's allocated disposal capacity at the Newby Island Sanitary Landfill, which has a total remaining capacity of approximately 20.1 million cubic yards. The City's General Plan EIR concluded that growth identified in the General Plan would not exceed the capacity of existing landfills serving the City of San José. The project does not propose changes to the General Plan designation on the site and was included in the growth evaluated in the General Plan EIR. The Waste Strategic Plan in combination with existing regulations and programs, would ensure that the project would not result in significant impacts on solid waste generation, disposal capacity, or otherwise impair the attainment of solid waste reduction goals. Furthermore, with the

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		implementation of City policies to reduce waste the project would comply with all federal, state, and local statutes and regulations related to solid waste. No adverse impacts were identified. Source Documentation: (32) (64) (65) (66) (67) (68) (79) (80) (70)
Wastewater / Sanitary Sewers	3	Wastewater treatment and disposal is provided by the San José/Santa Clara Water Regional Wastewater Facility (RWF). Sanitary sewer lines are maintained by the City of San José . The City's sanitary sewer/wastewater treatment system has two distinct components: 1) a network of sewer mains/pipes that conveys effluent from its source to the treatment plant; and 2) the water pollution control plant that treats the effluent, including a system of mains/pipes that transports a portion of the treated wastewater for non-potable uses (e.g., irrigation of landscaping, agricultural irrigation, dust suppression during construction, etc.). Sanitary sewer lines in the project area are owned and maintained by the City of San José. Wastewater generated on the project site would be discharged via dual connections to the existing 8-inch sewer line in South Market Street and the 12-inch sewer line in South First Street. Wastewater treatment service for the project area is provided by the City of San José through the San José-Santa Clara Regional Wastewater Facility (RWF). The RWF is located in Alviso and serves over 1,500,000 people in San José, Santa Clara, Milpitas, Campbell, Cupertino, Los Gatos, Saratoga, and Monte Sereno. The RWF treats approximately 110 million gallons per day (mgd) of sewage during dry weather flow and has a capacity of 167 mgd. The City of San José generates approximately 69.8 mgd of dry weather average flow. Fresh water flow from the RWF is discharged to the South San Francisco Bay or delivered to the South Bay Water Recycling project for distribution. Project Impacts Wastewater from the City of San José is treated at the RWF. The RWF has the capacity to provide tertiary treatment of up to 167 million gallons of wastewater per day (mgd) but is limited to a 120 mgd dry weather effluent flow by the State and Regional Water Quality Control Boards. Based on the General Plan EIR, the City's average dry weather flow is approximately 69.8

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		million gallons per day and the City's capacity allocation is approximately 108.6 mgd, leaving the City with approximately 38.8 mgd of excess treatment capacity. The current 220-unit project is estimated to generate 52,090 gallons per day (gpd) of sewage, which represents an increase of approximately 47,739 gpd over existing uses. While connections will be made to both Market and First Streets, recent capacity analyses indicate the project would utilize approximately 7.2% of the capacity in the South First Street line. The City has noted that further analysis during the final building permit stage may require sewer upsizing of those specific lines within the public right-of-way. <i>Mitigation Required:</i> SS1. Sewage Treatment Demand. Pursuant to Chapter 15. 12 of Title 15 of the San José Municipal Code, acceptance of this Permit by Permittee shall constitute acknowledgement of receipt of notice by Permittee that (1) no vested right to a Building Permit shall accrue as the result of the granting of this Permit when and if the City Manager makes a determination that the cumulative sewage treatment demand of the San José - Santa Clara Regional Wastewater Facility represented by approved land uses in the area served by said Facility will cause the total sewage treatment demand to meet or exceed the capacity of San José - Santa Clara Regional Wastewater Facility to treat such sewage adequately and within the discharge standards imposed on the City by the State of California Regional Water Quality Control Board for the San Francisco Bay Region; (2) substantive conditions designed to decrease sanitary sewage associated with any land use approval may be imposed by the approval authority; (3) issuance of a Building Permit to implement this Permit may be suspended, conditioned or denied where the City Manager for the City of San José makes a determination that such action is necessary to remain within the aggregate operational capacity of the sanitary sewer system available to the City of San José or to meet the discharge standards of the sanitary sewer system imposed on the City by the State of California Regional Water Quality Control Board for the San Francisco Bay Region. Source Documentation: (32) (70) (81) (82) (83) (84)

Environmental Assessment Factor	Impact Code	Impact Evaluation
Water Supply	2	Water service to the project site is provided by San José Water Company (SJWC). SJWC draws water from the Santa Clara Valley Subbasin in the north part of Santa Clara County. The basin is 22 miles long and 15 miles wide with an operational storage capacity estimated to be 350,000 acre-feet. Groundwater is a substantial source of water for SJWC. In 2014, groundwater accounted for about 57 percent of SJW's total potable supply. SJWC has "pre-1914 surface water rights" to raw water in Los Gatos Creek and local watersheds in the Santa Cruz Mountains. Prior to 1872, appropriative water rights could be acquired by simply taking and beneficially using water. In 1914, the Water Code was adopted, grandfathering in all existing water entitlements to license holders. SJWC filed for a license in 1947, and in 1976 was granted a license allowing it to draw 6,240 acre-feet per year (AFY) from Los Gatos Creek. SJWC has since upgraded the collection and treatment system that draws water from this watershed, which has increased the capacity of this entitlement to approximately 11,200 AFY for an average rain year. Water service to the site would be supplied by the San José Water Company (SJWC), a private entity that obtains water from a variety of groundwater and surface water sources. The project applicant has a "will serve" letter from SJWC, and adequate water is available to serve the proposed residential uses. There is no impact in this regard. SJWC would confirm that adequate local and imported water supplies are available to serve proposed residential development (during normal, dry and multiple dry years). This would be verified by issuance of a can and will serve letter that would be required for approval of the proposed project. This represents a less than significant impact. To support the 2017 Climate Action Plan (CAP), the City of San José will require that the project adhere to State and local policies to conserve water, including, but not limited to, AB1668: Water Conservation and Drought Planning, AB 2731: Landscape Water Use Efficiency, implementation of a stormwater control plan, and adherence to the City's levelled water shortage restrictions on potable water use. Therefore, the project is consistent with this control measure. Project Impacts Service is provided by the San José Water Company. While the project is expected to increase water demand by approximately 55,891 gallons per

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		day (gpd) compared to current uses, the existing 12-inch water mains on all three fronting streets (Market, First, and William) are considered sufficient to serve the new development without requiring expanded off-site facilities. No adverse impacts were identified. Source Documentation: (32) (64) (65) (66) (67) (68) (70)
Public Safety - Police, Fire and Emergency Medical	2	Police Protection Police protection services are provided to the project site by the San José Police Department (SJPD) headquartered at 201 West Mission Street. The City has four patrol divisions and 16 patrol districts. Patrols are dispatched from police headquarters and the patrol districts consist of 83 patrol beats, which include 357 patrol beat building blocks. The project proposes to redevelop the site, which would intensify the use of the site and generate additional occupants in the area. This would result in an incremental increase in the demand for police protection services. The project site, however, is currently served by the SJPD and the amount of proposed development represents a small fraction of the total growth identified in the General Plan. The project, by itself, would not preclude the SJPD from meeting their service goals and would not require the construction of new or expanded police facilities. In addition, the proposed project would be constructed in accordance with current building codes and would be required to be maintained in accordance with applicable City policies to promote public and property safety. Therefore, the proposed residential development would have a less than significant impact with respect to impacting policing services or requiring the construction of new or remodeled police facilities. Fire Protection Fire protection services are provided to the project site by the San José Fire Department (SJFD). The closest fire station to the project site is Station #3, located about 0.4 miles from the site. The project proposes to redevelop the site with new residential units, which would intensify the use of the site and generate additional occupants in the area. This would result in an incremental increase in the demand for fire protection services. The project site, however, is currently served by the SJFD and the amount of proposed development represents

Environmental Assessment Factor	Impact Code	Impact Evaluation
		a small fraction of the total growth identified in the General Plan. The project, by itself, would not preclude the SJFD from meeting their service goals and would not require the construction of new or expanded fire facilities. In addition, the proposed project would be constructed in accordance with current building and Fire codes and would be required to be maintained in accordance with applicable City policies to promote public and property safety. Therefore, the proposed residential development would have a less than significant impact with respect to impacting fire protection services or requiring the construction of new or remodeled fire protection facilities. Conclusion The project is located in an urban infill area with existing, robust fire protection infrastructure. The increase in 220 residential units was anticipated in the <i>Envision San José 2040 General Plan</i>, and the SJFD has determined that existing stations have the capacity to serve the downtown growth without the need for new or physically altered fire facilities. No adverse impacts were identified. Source Documentation: (32) (64) (65) (66) (67) (68) (70)
Parks, Open Space and Recreation	2	Parks The City of San José owns and maintains approximately 3,617 acres of parkland, including neighborhood parks, community parks, and regional parks, for a total of 210 public parks. The City has 47 community centers and over 63 miles of trails. The City's Department of Parks, Recreation, and Neighborhood Services is responsible for development, operation, and maintenance of all City park facilities. Parks and recreation facilities within the project area are provided by the City of San José. The closest park facility to the project site is Parque de los Pobladores, directly south of the project site across West William Street. The project is designed to integrate with the surrounding recreational environment by providing a wide sidewalk and outdoor seating area along its William Street frontage to activate the edge facing Parque de los Pobladores.

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		Open Space Santa Clara County Parks operates 28 regional parks with over 5 million visitors per year in 2023. Joseph D. Grant County Park, the largest of Santa Clara County's regional park and recreation areas, is located about 14 miles east at 18405 Mt. Hamilton Road, San José. The 10,882 acre park includes some of the County's finest open space resources, as well as rich environmental, cultural and recreational assets. The landscape is characteristic of the east foothills of the Santa Clara Valley with grasslands and majestic oak trees. The State of California Parks department operates Henry S. Coe State Park and Martial Cottle Park State Recreation Area in Santa Clara County. Recreation The City of San José , Parks, Recreation & Neighborhood Services Department provides low-cost recreational opportunities in the area. Offerings include classes for adults, afterschool programs, arts and crafts, aquatics, camps, sport field and court rentals, sports leagues and camps and therapeutic classes. Scholarship opportunities are available. Project Impacts The project itself will provide common outdoor space The City of San José has adopted the Parkland Dedication Ordinance and Park Impact Ordinance, which require residential developers to dedicate public park land or pay in-lieu fees (or both) to compensate for the increase in demand for neighborhood parks. There are adequate parks, open space and recreational facilities to serve the additional residents. No adverse impacts were identified. Source Documentation: (13) (14) (32) (64) (65) (66) (67) (68) (85) (86)
Transportation and Accessibility	2	Transportation Transportation impacts caused by the proposed project vary depending upon the number of personal vehicle trips the project will generate, the availability of public transit, the bicycle network, and the completeness of the nearby pedestrian network.

Environmental Assessment Factor	Impact Code	Impact Evaluation
		Hexagon Transportation Consultants, Inc. conducted a traffic study for the project in 2016 and updated the study with a <i>Supplemental Traffic Evaluation</i> in 2025. Excerpts follow. Existing Roadway Network Regional access to the project site is provided by I-280 and SR 87. Local site access is provided via Market Street and First Street. These facilities are described below. <i>I-280</i> extends from US 101 in San José to I-80 in San Francisco. It is generally an east-west oriented eight-lane freeway in the vicinity of downtown San José. The section of I-280 just north of the Bascom Avenue over-crossing has six mixed-flow lanes and two high-occupancy-vehicle (HOV) lanes. Access to the project site to and from I-280 is provided via First Street and Market Street. <i>SR 87</i> is primarily a six-lane freeway (four mixed-flow lanes and two HOV lanes) that is aligned in a north-south orientation within the project vicinity. SR 87 begins at its interchange with SR 85 and extends northward, terminating at its junction with US 101. Access to the project site to and from SR 87 is provided via nearby ramps at Woz Way, Auzerai Avenue, and Park Avenue. <i>Market Street</i> is a north-south, four-lane street that serves as the western boundary of the project site. Market Street ultimately turns into Coleman Avenue to the north and First Street south of Reed Street. <i>First Street</i> is a north-south two-way street between Williams Street and San Carlos Street, and serves as the eastern boundary of the project site. North of San Carlos Street, First Street is a one-way street in the northbound direction, upon which the Guadalupe Corridor LRT line operates. <u>Existing Bicycle and Pedestrian Facilities</u> Pedestrian facilities in the project area consist mostly of sidewalks along all of the surrounding streets, including the project frontages along Market Street and First Street. The project will be required to provide 15-foot attached sidewalks with tree wells along its frontages on Market Street, William Street and First Street. Crosswalks are provided at the following locations along the project frontages: • All four legs of the First Street and William Street intersection.

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		- The south, east, and west approaches of the Market Street and William Street intersection with a Rectangular Rapid Flashing Beacons (RRFB) and enhanced signage provided on the south approach. - Crosswalks and pedestrian signal heads also are available at the intersection of Market Street and Balbach Street. Existing ADA ramps are provided at all corners of the intersection. <u>Public Transit</u> Existing transit services to the study area are provided by the Santa Clara Valley Transportation Authority (VTA), Caltrain, Altamont Commuter Express (ACE), and Amtrak. <i>VTA Bus Service</i> The downtown area is served directly by many local buses. The bus lines that operate within approximately ¼ mile walking distance of the project site are listed in Table 1, including their route description and commute hour headways. Table 11 Existing Bus Service Near the Project Site <table border="1"> <thead> <tr> <th>Bus Route</th><th>Route Description</th><th>Headway /a/</th></tr> </thead> <tbody> <tr> <td>Local Route 66</td><td>Kaiser San Jose Medical Center to Dixon Landing Road (Milpitas)</td><td>15 min</td></tr> <tr> <td>Local Route 68</td><td>Gilroy Transit Center to San Jose Diridon Station</td><td>15-20 min</td></tr> <tr> <td>Local Route 82</td><td>Westgate to Downtown San Jose</td><td>30 min</td></tr> <tr> <td>Limited Stop Route 304</td><td>Santa Teresa LRT Station to Sunnyvale Transit Center</td><td>30 min</td></tr> </tbody> </table> <u>Notes:</u> /a/ Approximate headways during peak commute periods. Multiple bus stops served by Routes 66, 68, 82 and 304 are located on First and Second Streets within walking distance of the project site. The VTA also provides a shuttle service within the downtown area. The downtown area shuttle (DASH) provides shuttle service from the San José Diridon Caltrain station to San José State University, and the Paseo De San Antonio and Convention Center LRT stations via San Fernando and San Carlos Streets. The closest stops for DASH are located less than ¼ mile from the project site on San Carlos Street, between First and Second Streets and between First and Market Streets. <i>VTA Light Rail Transit (LRT) Service</i>	Bus Route	Route Description	Headway /a/	Local Route 66	Kaiser San Jose Medical Center to Dixon Landing Road (Milpitas)	15 min	Local Route 68	Gilroy Transit Center to San Jose Diridon Station	15-20 min	Local Route 82	Westgate to Downtown San Jose	30 min	Limited Stop Route 304	Santa Teresa LRT Station to Sunnyvale Transit Center	30 min
Bus Route	Route Description	Headway /a/															
Local Route 66	Kaiser San Jose Medical Center to Dixon Landing Road (Milpitas)	15 min															
Local Route 68	Gilroy Transit Center to San Jose Diridon Station	15-20 min															
Local Route 82	Westgate to Downtown San Jose	30 min															
Limited Stop Route 304	Santa Teresa LRT Station to Sunnyvale Transit Center	30 min															

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		The Santa Clara Valley Transportation Authority (VTA) currently operates the 42.2-mile VTA light rail line system extending from south San José through downtown to the northern areas of San José, Santa Clara, Milpitas, Mountain View and Sunnyvale. The service operates nearly 24-hours a day with 15-minute headways during much of the day. The Mountain View-Winchester and Santa Teresa-Alum Rock LRT lines operate within walking distance of the project site. The Convention Center station is located approximately ¼ mile from the project site. <i>Caltrain Service</i> Commuter rail service between San Francisco and Gilroy is provided by Caltrain, which currently operates 92 weekday trains that carry approximately 58,500 riders on an average weekday. The San José Diridon Station provides 581 parking spaces, as well as 16 bike racks and 48 bike lockers. Trains stop frequently at the Diridon station between 4:30 AM and 10:30 PM in the northbound direction, and between 6:28 AM and 1:34 AM in the southbound direction. Caltrain provides passenger train service seven days a week, and provides extended service to Morgan Hill and Gilroy during commute hours. <i>Altamont Commuter Express Service</i> The Altamont Commuter Express (ACE) provides commuter passenger train service across the Altamont between Stockton and San José during the weekdays. ACE stops at the San José Diridon station four times during both the morning and evening weekday commute hours. ACE trains stop at the Diridon station between 6:32 AM and 9:17 AM in the westbound direction, and between 5:47 PM and 8:50 PM in the eastbound direction. <i>Amtrak Service</i> Amtrak provides daily commuter passenger train service along the 170-mile Capitol Corridor between the Sacramento region and the Bay Area, with stops in San José, Santa Clara, Fremont, Hayward, Oakland, Emeryville, Berkeley, Richmond, Martinez, Suisun City, Davis, Sacramento, Roseville, Rocklin, and Auburn. The Capitol Corridor trains stop at the San José Diridon station eight times on weekdays between 7:38 AM and 11:55 PM in the westbound direction. In the eastbound direction, Amtrak stops at the Diridon station seven times on weekdays between 6:40 AM and 7:15 PM. The Coast Starlight trains provide daily passenger train service between Los Angeles and Seattle. The southbound Coast Starlight train stops at the San

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		José Diridon station at 9:55 AM and departs at 10:07 AM. The northbound Coast Starlight train stops at the Diridon station at 8:11 PM and departs at 8:23 PM. Project Impacts <u>Trip Generation and Regional Consistency</u> The Gateway Tower project is estimated to generate 875 daily vehicle trips, with 51 trips occurring during the AM peak hour and 66 trips during the PM peak hour. This represents a substantial reduction in traffic impact compared to the previously approved 308-unit plan, resulting in 1,011 fewer daily trips and a decrease of approximately 50% in peak-hour volumes. Because the project consists of 100% restricted affordable units and is located within an "Urban High-Transit" area, it qualifies for significant location-based and VMT-based trip reductions. The project is also in conformance with the City of San José Transportation Level of Service Policy and is covered under the San José Downtown Strategy 2000 EIR. <u>Vehicle Miles Traveled</u> The San José uses Vehicle Miles Traveled (VMT) to evaluate project impacts and they provide an Evaluation Tool to estimate the project VMT based on the project location (APN), type of development, project description, and proposed trip reduction measures. projects that would trigger a VMT impact can evaluate a variety of strategies to reduce those impacts. The strategies and VMT reductions applied in the tool are derived from research literature and case studies. The project's affordable housing status and proximity to transit facilities, such as the VTA light rail, contribute to a projected 6.99 VMT per-capita, which is lower than the current area average of 7.22 VMT per-capita. Under current City of San José policies, projects that generate less VMT than established citywide or regional thresholds—often set at 15% below the average—are considered to have a less-than-significant impact on the transportation system. <u>Parking</u> According to the updated site plan, the project proposes a total of 89 on-site parking stalls on 5 levels. The City of San José recently amended Title 20 of the Municipal Code to remove citywide minimum off-street vehicle parking requirements for

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		developments. The changes are intended to encourage the use of alternative modes of transportation, thereby reducing VMT and greenhouse gas emissions. All projects requiring a development permit that are not exempt per Section 20.90.900.B of the San José Municipal Code are required to adhere to the new parking ordinance which includes new mandatory TDM requirements. However, the project meets the TDM screening criteria by providing 100% restricted affordable units. Additionally, the project achieves a minimum density of 35 dwelling units per acre (DU/AC) and is located within a High-Quality Transit Area, further supporting the City's goals of reducing VMT and encouraging sustainable, transit-oriented development. Thus, no TDM plan is required for the project. <u>Site Access and Operational Safety</u> Primary vehicular access is provided via a single 26-foot-wide driveway on South Market Street, which conforms to Downtown San José design standards. To maintain optimal traffic operations on Market Street, the City has mandated that left turns out of the project driveway will be prohibited. Recommended safety measures include the installation of "right-turn only" signage at the exit, as well as visible and audible warning signals to alert pedestrians and bicyclists to exiting vehicles. Furthermore, the establishment of a "no parking" red curb zone south of the driveway will ensure adequate sight distance for exiting residents. <u>Pedestrian and Bicycle Integration</u> The project will significantly enhance the local pedestrian environment by providing 15-foot attached sidewalks with integrated tree wells along its frontages on Market Street, William Street, and First Street. In coordination with City multi-modal safety initiatives, the project will also construct new bulb-outs and ADA-compliant ramps at the northwest and southwest corners of the First Street and William Street intersection. These improvements are designed to increase the safety and visibility of residents as they access nearby transit options, including the Paseo de San Antonio LRT Station. <u>Finding</u> The proposed Gateway Tower project will not result in a significant adverse effect on the surrounding transportation system. This finding is supported

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		by the overall reduction in peak-hour trip generation compared to prior approvals and the project's adherence to City-mandated design standards for urban, transit-oriented development. Operational impacts are successfully mitigated through the implementation of turn restrictions, updated pedestrian infrastructure, and multi-modal safety enhancements at adjacent intersections. <u>Conclusions</u> There is no adverse impact to traffic anticipated as a result of the project. There is sufficient public transit available to serve residents. <i>The City of San José made the following finding regarding project traffic impacts during approval of the project entitlements in February 2025.</i> <i>Mitigations Required:</i> TR1. A Local Transportation Analysis was performed for the project based on net new 51 AM and 66 PM peak hour trips. See separate Traffic Memo dated 2/13/25 for additional information. The following conditions shall be implemented: 1) Construct bulb-outs and ADA ramps at the northwest and southwest corners of the intersection of William Street and First Street. 2) Install new red curb equal to a car length on both sides of the project driveway on South Market Street. 3) Install visible and audible warning signals to alert pedestrians and bicyclists to vehicles exiting the project driveway on South Market Street. Accessibility The residential units are specifically designed with several accessible configurations, including Mobility Units that feature enlarged floor plans for kitchens and bathrooms. The 50% Design Development plans detail multiple bathroom types, such as the B101M, which are tailored for mobility access with specialized elevations and toilet accessory layouts. Beyond the individual units, the building's public infrastructure is required to provide appropriate access in full compliance with the Americans with Disabilities Act (ADA), a mandate that will be verified by the Chief Building Official prior to the issuance of building permits. External accessibility is also addressed

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		through the construction of ADA ramps at the northwest and southwest corners of the intersection of William Street and South First Street. Additionally, all pedestrian entrances and gates must be fully accessible, meeting the rigorous requirements of both Title 24 and the ADA to ensure unobstructed paths of travel. The project will meet HUD requirements for Americans with Disabilities Act units. Source Documentation: (13) (64) (65) (66) (67) (68) (70) (87) (88) (Appendix G)
NATURAL FEATURES		
Unique Natural Features, Water Resources	2	There are no unique natural features or water resources on the site. The site contains buildings asphalt paved parking areas and buildings. The site contains no unique natural features. There are no water courses, creeks, streams, seasonal wetlands or other water resources on the project site. There is no impact in this regard. Source Documentation: (13) (33) (34)
Vegetation, Wildlife	3	<i>See "Endangered Species" section above.</i> <i>Mitigations Required</i>
Climate Change	2	Illingworth & Rodkin, Inc. prepared an <i>Air Quality and Greenhouse Report</i> in 2015. Excerpts follow. Reader should note two things: the CEQA Thresholds of Significance are the same in 2026 as 2015; and the data below is for the 25-story project. Actual values are much less for the 15-story project. Excerpts follow. Greenhouse Gases Gases that trap heat in the atmosphere, GHGs, regulate the earth's temperature. This phenomenon, known as the greenhouse effect, is responsible for maintaining a habitable climate. The most common GHGs are carbon dioxide (CO₂) and water vapor but there are also several others, most importantly methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and

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		sulfur hexafluoride (SF6). These are released into the earth's atmosphere through a variety of natural processes and human activities. Sources of GHGs are generally as follows: • CO2 and N2O are byproducts of fossil fuel combustion. • N2O is associated with agricultural operations such as fertilization of crops. • CH4 is commonly created by off-gassing from agricultural practices (e.g., keeping livestock) and landfill operations. • Chlorofluorocarbons (CFCs) were widely used as refrigerants, propellants, and cleaning solvents but their production has been stopped by international treaty. • HFCs are now used as a substitute for CFCs in refrigeration and cooling. • PFCs and sulfur hexafluoride emissions are commonly created by industries such as aluminum production and semi-conductor manufacturing. Each GHG has its own potency and effect upon the earth's energy balance. This is expressed in terms of a global warming potential (GWP), with CO2 being assigned a value of 1 and sulfur hexafluoride being several orders of magnitude stronger with a GWP of 23,900. In GHG emission inventories, the weight of each gas is multiplied by its GWP and is measured in units of CO2 equivalents (CO2e). An expanding body of scientific research supports the theory that global warming is currently affecting changes in weather patterns, average sea level, ocean acidification, chemical reaction rates, and precipitation rates, and that it will increasingly do so in the future. The climate and several naturally occurring resources within California could be adversely affected by the global warming trend. Increased precipitation and sea level rise could increase coastal flooding, saltwater intrusion, and degradation of wetlands. Mass migration and/or loss of plant and animal species could also occur. Potential effects of global climate change that could adversely affect human health include more extreme heat waves and heat-related stress; an increase in climate-sensitive diseases; more frequent and intense natural disasters such as flooding, hurricanes and drought; and increased levels of air pollution.

Project Impacts

GHG emissions associated with development of the proposed project would occur over the short-term from construction activities, consisting primarily of emissions from equipment exhaust and worker and vendor trips. There would also be long-term operational emissions associated with vehicular traffic within the project vicinity, energy and water usage, and solid waste disposal. Emissions for the proposed project are discussed below and were analyzed using the methodology recommended in the BAAQMD CEQA Air Quality Guidelines.

Construction Emissions

GHG emissions associated with construction were computed to be up to 516 MT of CO₂e per year in 2017. These are the emissions from on-site operation of construction equipment, vendor and hauling truck trips, and worker trips. Neither the City nor BAAQMD have an adopted threshold of significance for construction-related GHG emissions, though BAAQMD recommends quantifying emissions and disclosing that GHG emissions would occur during construction. BAAQMD also encourages the incorporation of best management practices to reduce GHG emissions during construction where feasible and applicable. Best management practices assumed to be incorporated into construction of the proposed project include, but are not limited to: using local building materials of at least 10 percent and recycling or reusing at least 50 percent of construction waste or demolition materials.

Operational Emissions

The CalEEMod model, along with the project vehicle trip generation rates, was used to predict daily emissions associated with operation of the fully-developed site under the proposed project. In 2018, as shown below, annual emissions resulting from operation of the proposed project are predicted to be 2.1 MT of CO₂e/capita. These emissions would not exceed the BAAQMD threshold of 4.6 MT of CO₂e/yr/capita and, therefore, *this would be considered a less-than-significant impact.*

Table 12 Annual Project GHG Emissions (CO₂e) in Metric Tons

Environmental Assessment Factor	Impact Code	Impact Evaluation																		
		<table><tr><th>Source Category</th><th>2018 Project Emissions</th></tr><tr><td>Area</td><td>14</td></tr><tr><td>Energy Consumption</td><td>412</td></tr><tr><td>Mobile</td><td>1,509</td></tr><tr><td>Solid Waste Generation</td><td>67</td></tr><tr><td>Water Usage</td><td>56</td></tr><tr><td>Total</td><td>2,058</td></tr><tr><td>Per Capita Efficiency Rate</td><td>2.1</td></tr><tr><td>BAAQMD Threshold</td><td>4.6 MT CO₂e/year/capita</td></tr></table> Note: due to rounding, some values may not total exactly. <u>Project Generator</u> The project would include one emergency diesel generator, assumed to be up to 600 kW/805 hp. The generator would be tested routinely, up to 50 hours per year. Emissions from the testing and maintenance of the generator was calculated using CARB’s OFFROAD emissions model for large compression-ignited engines above 25 hp and included the CARB Low Carbon Fuel Standard (LCFS) rules. Results of generator modeling indicate annual CO2 emissions of 11 MT. The BAAQMD threshold for stationary sources requiring permits is 10,000 annual MT. Therefore, project stationary GHG emissions would be well below this threshold. <u>Project Features/City of San José Greenhouse Gas Checklist</u> The City of San José, <i>Greenhouse Gas Reduction Strategy (GHGRS)</i> outlines actions the City of San José will undertake to achieve its proportional share of State greenhouse gas (GHG) emission reductions for the interim target year 2030. The purpose of the Greenhouse Gas Reduction Strategy Compliance Checklist (Checklist) is to Implement GHG reduction strategies from the 2030 GHGRS to new development projects and provide a streamlined review process for proposed new development projects that are subject to discretionary review and trigger environmental review pursuant to the California Environmental Quality Act (CEQA). The Checklist is a critical implementation tool in the City’s overall strategy to reduce GHG emissions. Implementation of applicable reduction actions in new development projects will help the City achieve incremental reductions toward its target. Per the 2030 GHGRS, the City will monitor strategy	Source Category	2018 Project Emissions	Area	14	Energy Consumption	412	Mobile	1,509	Solid Waste Generation	67	Water Usage	56	Total	2,058	Per Capita Efficiency Rate	2.1	BAAQMD Threshold	4.6 MT CO ₂ e/year/capita
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Environmental Assessment Factor	Impact Code	Impact Evaluation
		implementation and make updates, as necessary, to maintain an appropriate trajectory to the 2030 GHG target. Pursuant to CEQA Guidelines Sections 15064(h)(3), 15130(d), and 15183(b), a project's incremental contribution to a cumulative GHG emissions effect may be determined not to be cumulatively considerable if it complies with the requirements of the GHGRS. From the Checklist, the project will provide the following greenhouse gas reducing features: • The Proposed Mixed Use Multifamily high rise residential tower with ground floor commercial space project is consistent with the Downtown Core Zoning District. The proposed project is also consistent with the Downtown General Plan Designation. • Project design team will consider solar direction in the installation of solar PV system and its placement on the roof of the building to comply with Cal Green. • Project will include energy star appliances in the residential unit kitchens and bathrooms, common area kitchen and bathrooms, and common area laundry facilities. Building mechanical, electrical, and plumbing systems will consider means, methods, and materials to maximize green building efficiency. • Project will implement improved street and sidewalk facilities, including wider sidewalks and pathways, as well as reducing available parking spaces in the enclosed garage due to proximity to public transportation such as VTA bus lines and light rail. • Project design will incorporate Green Building Policies of Envision San José 20240 as the parking structure is fully enclosed to shade parked cars, on and offsite seating and walk paths will be inclusive of stormwater treatment planter boxes to comply with CSJ and State of California Green Building policies. In addition, outdoor amenity deck has been designed above the parking structure with seating and gardening areas. • The project design includes a bike storage room for secure bicycle parking. The offsite design will tie into current and future pedestrian and bicycle circulation patterns as these systems increase

Environmental Assessment Factor	Impact Code	Impact Evaluation
		throughout the community. This would include improvement of the sidewalks outside the project and activation of these areas. • The project design and property management will encourage use of public transportation and bicycles through inclusion of bicycle storage and improvement of project frontages. Use of the bike storage room will be encouraged and walking to nearby public parks, activity areas, restaurants and entertainment venues will be advertised by the proposed project. Project design will improve bulb outs at corners of William Street adjacent to the project, as well as improve cross walks to adjacent properties. No new crosswalks would be constructed but the alignment and access would be improved. • Project design will include alternative planting materials in public gathering spaces such as decomposed granite surfaces in place of existing grass area, and water efficient landscaping at the ground level and amenity deck. Project design includes the reuse of an existing palm tree. • The proposed project would not include the capture of rainwater and would not use non potable water for irrigation. The proposed project would include drought tolerant landscaping and would use high efficiency irrigation systems to comply with policy. • The proposed planting palette will include plants to prevent pest invasions to the maximum extent possible. The proposed project would include drought tolerant species adapted to the Mediterranean climate and would plant trees consistent with the City of San José tree ordinance. The project appears to meet the goals of the GHGRS adopted by the City of San José. <u>Conclusion</u> No adverse impacts to climate change are anticipated as a result of the project. Source Documentation: (19) (64) (65) (66) (67) (68) (89)
Other Factors	1	The project will provide low-income, affordable housing and provide onsite services and programs for residents. The project will provide a safe,

Environmental Assessment Factor	Impact Code	Impact Evaluation
		clean, and sanitary place for residents in a location convenient to public transportation and other amenities. The proposed project is beneficial to both residents and the community. Source Documentation: (13)

Additional Studies Performed:

See Source Documentation List

Field Inspection (Date and completed by):

March 2026, Cinnamon Crane, Bay Desert, Inc. (via Google Earth)

December 13, 2024, Adrian Angel, AEI Consultants, Inc. (site visit)

List of Sources, Agencies and Persons Consulted [40 CFR 1508.9(b)]:

See "Source Documentation List"

List of Permits Obtained:

Local Permits:

1. Site Development Permit
2. Tentative Map
3. Historic Preservation Permit
4. Demolition Permit
5. Grading Permit
6. Haul Route Permit
7. Building Permit

Federal Permits:

FAA Permit required.

Public Outreach [24 CFR 50.23 & 58.43]:

The summary that follows comes from the project sponsor and includes public meetings held during the entitlement process.

Community Engagement Strategy

The community engagement strategy for Gateway Tower includes 3 phases to engage with local stakeholders and to keep the community apprised of any project updates.

Phase 1: Listening and Learning (September 27, 2021 – May 1, 2024)

- Gather and confirm stakeholder information for the neighborhood, adjacent businesses, non-profit organizations, and student groups to create an outreach list of people who will be provided with regular information regarding the development.
- Stakeholders include Preservation Action Council San José (PAC SJ), History San José, South First Street Business District,

Phase 2: Formal Community Engagement (May 28, 2024 – April 9, 2025)

- The City of San José required community meeting(s) to present the revised plans and vision for the project as it changes from a 100% market rate rental apartment tower to a 100% affordable rental apartment tower and receive feedback from the public.
- Inform the public about the entitlement process for the project.
- Project Community Meeting, Planning Director Hearing and Planning Commission Appeal hearings were held.

Phase 3: Post-entitlement and Construction Outreach (Begins on April 10, 2025)

- Keep information about the property development process updated on website
- Keep community leaders and elected officials up to date about the development timeline
- Be available for neighborhood association and 1:1 meetings and property tours for anyone interested

Table 13 Public Outreach

Type of public outreach	Completion Date
City of San José City Council Meeting (Developer Selection & Funding)	March 10, 2020
Community Engagement (continuous and ongoing)	Ongoing
City of San José Planning Director's approval / Land Use Entitlements Approvals	February 26, 2025
City of San José Planning Commission Appeal / Land Use Entitlements Approvals	April 9, 2025

NEPA Notices

The project results in a Finding of No Significant Impact (FONSI) which will be published on the California Housing Finance Agency website and circulated to public agencies, interested parties, and landowners/occupants of parcels located within the project's Area of Potential Effects (APE). Information about where the public may find the Environmental Review Record pertinent the project will be included in the FONSI Notice.

Cumulative Impact Analysis [24 CFR 58.32]:

The project will not cause an audible permanent increase in ambient noise in the vicinity; nor will the project cause adverse cumulative impacts to climate change or greenhouse gas emissions.

Cumulative Impacts to Historic Resources

The certified Supplemental Environmental Impact Report (SEIR) prepared by the City of San José under the California Environmental Quality Act (CEQA) based its cumulative analysis of projects in Downtown San José that have or could adversely impact historic resources (buildings or Historic Districts) related to commercial automobile-related structures from the early twentieth century, at the beginning of the automobile culture.

Past projects in the area that removed or modified historic or potentially historic automobile-related commercial buildings have resulted in an adverse significant impact on the potential South Downtown Area Automobile District. The SEIR found that the Approved Project alone would significantly impact the eligibility of this area as a potential historic district due to its mass, scale and placement within a potential district of modest one and two-story buildings, many associated with the early automobile sales and service industry in San José. Further, removal of the historic structures on-site would contribute to adverse impacts to the potential historic district. Therefore, while the potential district had already been impacted by previous development, the Approved Project would cumulatively contribute to the significant impact to the potential district.

No additional mitigation measures were proposed for this impact, and the cumulative impact was determined to be significant and unavoidable. (Significant and Unavoidable Impact).

Significant and unavoidable impacts to historic properties is resolved through the Section 106 process of the National Historic Preservation Act, without raising the Level of Environmental Review (LER) to an Environmental Impact Statement (EIS) under NEPA.

No adverse cumulative impacts were identified.

Alternatives [24 CFR 58.40(e); 40 CFR 1508.9]

The project site was previously entitled in 2016 as a 308-unit market rate project 25-stories in height of one-, two- and three-bedroom units in roughly the same building footprint. The prior project was previously approved and had cleared CEQA with an Environmental Impact Report (EIR). In 2020, economic conditions made it infeasible to move the project forward as a market-rate high-rise development. In response, the project was re-envisioned as a 100% affordable mixed-use residential community.

Since that time, substantial increases in construction costs, labor expenses, materials pricing, and interest rates have materially altered the project's financial landscape preventing the project from moving forward as initially designed. Updated cost estimates and underwriting analyses determined that construction of a 25-story, 300-unit affordable high-rise—particularly one incorporating underground parking—was not financially achievable within available public and private funding sources. The costs associated with high-rise construction and subterranean parking created a funding gap that could not be bridged despite the significant subsidy commitment from the County of Santa Clara.

To preserve the objective of delivering high-quality affordable housing on the site, the development team undertook a comprehensive reassessment of the project's design and financial model. In addition to reviewing Section 7.0 (Alternatives) of the 2016 Supplemental Environmental Impact Report, the team evaluated multiple alternative configurations, including a 21-story, 300-unit design with a comparable unit mix and a 21-story, 220-unit large-family configuration. After thorough evaluation, none of these alternatives demonstrated the financial feasibility necessary to advance the project.

Following this analysis, a revised development program was advanced consisting of a 15-story, 220-unit residential tower. The updated unit mix reduces the number of studio apartments and increases the

proportion of one- and two-bedroom units, better aligning with market demand, long-term operational stability, and family housing needs within the Downtown core.

A key component of the redesign was the elimination of the previously proposed underground parking structure. Subterranean parking significantly increases construction complexity and cost, particularly for high-rise buildings. The revised plan incorporates a fully above-ground parking structure with a reduced number of spaces. This modification was made feasible in part by updates to the City's Downtown parking regulations, which no longer require minimum parking ratios for high-rise residential developments. Eliminating below-grade construction and reducing parking supply substantially lowered total development costs.

Collectively, these revisions reduced overall project costs to a level consistent with achievable financing while maintaining the integrity and quality of the proposed affordable housing development. Importantly, the County's \$64,000,000 Measure A commitment remains unchanged despite the reduction in unit count, strengthening the project's funding stack and ensuring long-term financial sustainability.

The transition from a 25-story, 300-unit tower to a 15-story, 220-unit development was driven by economic and capital market realities rather than changes in development intent. These adjustments were necessary to secure full financing commitments and advance the project to construction, ensuring that this critically needed affordable housing development can proceed to completion.

Source: (90)

The Modified Project would still demolish the Herrold College City Landmark structure (HL92-74) at 465-467 South First Street, with the exception of the two facades, one on South First Street and one on South Market Street. The Modified Project would reduce the height of the proposed new construction by 10 stories, from 25 stories to 15 stories, and would change the operational capacity of the building by reducing residential and commercial space; however, the 15-story building would still be substantially taller than the one to two story contributing structures in the potential South Downtown Area Automobile District where the project is located. Although the height of the modified building would be lower than the previously-Approved Project, it would alter the site's relationship with the potential historic district consistent with the previously-Approved Project.

Source: (68)

An updated analysis of the modified project for conformance with the Secretary of the Interior's Standards for Rehabilitation determined that it would still not conform with Standards 1, 2, 9, and 10, consistent with the Approved Project.

Source: (67)

No Action Alternative [24 CFR 58.40(e)]:

No change to the site would occur. The impacts discussed in the Environmental Assessment would not occur. The site would continue in its current state or be developed as currently entitled. Demolition of the existing buildings would not occur. Adverse effects to historic resources (Roseberry Building) would not occur. Additional affordable housing units would not be created. The site may be sold for residential housing, retail/commercial or other uses.

Summary of Findings and Conclusions:

With implementation of the identified mitigation measures, the project would not result in any adverse impacts. The project will provide 218 affordable units to meet the housing crisis currently facing the City of San José and surrounding area. The project will be a new building constructed to the latest building codes, providing a safe, sanitary, and affordable place for residents.

Mitigation Measures and Conditions [40 CFR 1505.2(c)]

Summarize below all mitigation measures adopted by the Responsible Entity to reduce, avoid, or eliminate adverse environmental impacts and to avoid non-compliance or non-conformance with the above-listed authorities and factors. These measures/conditions must be incorporated into project contracts, development agreements, and other relevant documents. The staff responsible for implementing and monitoring mitigation measures should be clearly identified in the mitigation plan.

Where there are peculiar circumstances associated with a project or project site that will result in significant environmental impacts despite implementation of the Standard Conditions of Approval, mitigation measures have been identified to reduce the impact to *less than significant* levels.

Law, Authority, or Factor	Mitigation Measure
Airport Hazards	AH1. <u>Avigation Easement</u> . Prior to the issuance of a Building Permit for vertical construction, the property owner shall grant an Avigation Easement to the City of San José. Contact the San José Airport Department (408-392-1193) to initiate the easement dedication process.
	AH2. <u>FAA Clearance Required</u> . Prior to issuance of any Building Permit for construction, the permittee shall submit a "Notice of Proposed Construction or Alteration" (FAA Form 7460-1) for each building high point. The permittee shall abide by any and all conditions of the FAA determinations (if issued) such as height specifications, rooftop marking/lighting, construction notifications to the FAA through filing of Form 7460-2, and "No Hazard Determination" expiration date. The data on the FAA forms shall be prepared by a licensed civil engineer or surveyor, with location coordinates (latitude/longitude) in NAD83 datum out to hundredths of seconds, and elevations in NAVD88 datum rounded off to the next highest foot.
	AH3. <u>FAA Clearance Permit Adjustment</u> . Prior to issuance of any Building Permit for construction, the permittee shall apply for and obtain a Permit Adjustment to incorporate any and all FAA conditions identified in the Determinations of No Hazard (if issued), e.g., installation of roof-top obstruction lighting or construction-related notifications.
	AH4. <u>Construction Cranes</u> . Prior to issuance of any Building Permit for construction, the permittee shall coordinate with the San José Airport Department to sign a Construction Crane Agreement and provide a crane fee deposit for the expected duration project will operate construction cranes above the Downtown Building Height Limits. Compliance shall become a condition of Building Permit issuance for construction. Contact the San José Airport Department (408-392-1193) to initiate the construction crane agreement coordination. Compliance may require that the permittee obtain from the Federal Aviation Administration a

Law, Authority, or Factor	Mitigation Measure
	“Determination of No Hazard to Air Navigation” should the height of the crane exceed the allowable height under the FAR Part 77 rules. AH5. Developer shall provide CalHFA with copies of the "Determination of No Hazard to Air Navigation" from the Federal Aviation Administration (FAA) for San José International Airport.
Air Quality	AQ1. During any construction period ground disturbance, the applicant shall ensure that the project contractor implement measures to control dust and exhaust. Implementation of the measures recommended by BAAQMD and listed below would reduce the air quality impacts associated with grading and new construction to a less-than-significant level. The contractor shall implement the following BMPs that are required of all projects: 1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. 2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered. 3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited. 4. All vehicle speeds on unpaved roads shall be limited to 15 miles per hour (mph). 5. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used. 6. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph. 7. All trucks and equipment, including their tires, shall be washed off prior to leaving the site. Unpaved roads providing access to sites located 100 feet or further from a paved road shall be treated with a 6- to 12-inch layer of compacted layer of wood chips, mulch, or gravel. 8. Publicly visible signs shall be posted with the telephone number and name of the person to contact at the lead agency regarding

Law, Authority, or Factor	Mitigation Measure
	dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's General Air Pollution Complaints number shall also be visible to ensure compliance with applicable regulations. AQ2. <i>Selection of equipment during construction to minimize emissions. Such equipment selection would include the following:</i> a. All diesel-powered off-road equipment larger than 50 horsepower and operating on the site for more than two days continuously shall, at a minimum, meet U.S. EPA particulate matter emissions standards for Tier 2 engines or equivalent; and b. All diesel-powered portable equipment (i.e., aerial lifts, air compressors, concrete saws, and forklifts) operating on the site for more than two days shall meet U.S. EPA particulate matter emissions standards for Tier 4 engines or equivalent.
Contamination & Toxic Substances	CT1. Remove the UST/Oil Water Separator feature prior to redevelopment. Developer shall provide CalHFA with a copy of the UST Removal Completion Report following completion of all UST removal activities and prior to proceeding with additional earthwork activities CT2. A Vapor Intrusion Mitigation System (VIMS) system is required. Developer shall show proof of completion of tasks in the <i>Vapor Intrusion Mitigation System Construction Quality Assurance Plan</i>. CT3. An Operations and Maintenance Plan (O&M Plan) is required for on-going maintenance and inspection of the Vapor Intrusion Mitigation System (VIMS) system. A copy shall be provided to CalHFA. CT4. Hazards and Hazardous Materials (37c,d): a. In conformance with State and local laws, a visual inspection/pre-demolition survey, and possible sampling, shall be conducted prior to the demolition of on-site building(s) to determine the presence of asbestos-containing materials (ACMs) and/or lead-based paint (LBP). b. During demolition activities, all building materials containing lead-based paint shall be removed in accordance with Cal/OSHA Lead in Title 8, California Code of Regulations (CCR), Section 1532.1 , including employee training, employee air monitoring, and dust control. Any debris or soil containing lead-based paint

Law, Authority, or Factor	Mitigation Measure
	or coatings shall be disposed of at landfills that meet acceptance criteria for the type of lead being disposed. c. All potentially friable asbestos containing materials (ACMs) shall be removed in accordance with National Emission Standards for Air Pollution (NESHAP) guidelines prior to demolition or renovation activities that may disturb ACMs. All demolition activities shall be undertaken in accordance with Cal/OSHA standards contained in Title 8, CCR, Section 1529, to protect workers from asbestos exposure. d. A registered asbestos abatement contractor shall be retained to remove and dispose of ACMs identified in the asbestos survey performed for the site in accordance with the standards stated above. e. Materials containing more than one-percent asbestos are also subject to Bay Area Air Quality Management District (BAAQMD) regulations. Removal of materials containing more than one-percent asbestos shall be completed in accordance with BAAQMD requirements and notifications.
Endangered Species Act	MM BIO – 1.1: The applicant shall follow the mitigation measure below. • If possible, construction shall be scheduled between September and January (inclusive) to avoid the nesting season. If this is not possible, pre-construction surveys for nesting raptors and other migratory breeding birds (including yellow warblers) shall be conducted by a qualified ornithologist to identify active nests that may be disturbed during project implementation on-site and within 250 feet of the site. Between February and April (inclusive) pre-construction surveys shall be conducted no more than 14 days prior to initiation of construction activities (including any ground-disturbing activities) or tree relocation or removal. Between May and August (inclusive), pre-construction surveys shall be conducted no more than 30 days prior to initiation of these activities. The surveying ornithologist shall inspect all trees in and immediately adjacent (within 250 feet) to the construction area for nests. • If an active nest is found in or close enough to the construction area to be disturbed by these activities, the ornithologist shall, in consultation with the California Department of Fish and Wildlife (CDFW), designate a construction-free buffer zone (typically 250 feet for raptors and 100 feet

Law, Authority, or Factor	Mitigation Measure
	for other birds) around the nest, which shall be maintained until after the breeding season has ended and/or a qualified ornithologist has determined that the young birds have fledged. • The project applicant shall submit a report indicating the results of the survey and any designated buffer zones to the City of San José and CalHFA. • Applicant shall provide CalHFA with a copy of the grading permit.
Explosive and Flammable Hazards	EX1. The concrete parapet wall at Level 5 outdoor deck will be a reinforced, 8" thick, solid concrete wall. EX2. The edge of the amenity deck shall be vegetated as shown on Sheet A1.5 dated June 17, 2025. Alternatives require approval of CalHFA.
Hazards and Nuisances	MM HAZ – 2.1: Prior to demolition activities, a visual inspection/pre-demolition survey and sampling shall be required of the existing buildings on-site to determine the presence of asbestos-containing materials (ACMs) and/or lead-based paint. A report identifying methodologies and findings of the visual inspection/pre-demolition survey and sampling shall be submitted to the Supervising Environmental Planner and the Building Division of City of San José Department of Planning, Building, and Code Enforcement prior to the issuance of any demolition permit for review and approval. MM HAZ – 2.2: If asbestos containing materials and/or lead based paint are found (as stated in MM "HAZ – 2.1), the project applicant shall implement the following measures: • Prior to demolition activities, all building materials containing lead-based paint shall be removed in accordance with Cal/OSHA Lead in Construction Standard, Title 8, California Code Regulations 1532.1, including employee training employee air" monitoring, and dust control. Any debris or soil containing lead-based paint or coatings shall be "disposed of at landfills that meet acceptance criteria for the waste being disposed of. • All potentially friable asbestos-containing materials (ACMs) shall be removed in accordance with USEPA's National Emission Standards for Hazardous Air Pollutants (NESHAP) guidelines prior to any building demolition or renovation that may disturb the materials. All demolition activities will be undertaken in accordance with Cal/OSHA standards

Law, Authority, or Factor	Mitigation Measure
	contained in Title 8 of CCR, Section 1529, to protect workers from exposure to asbestos. • A registered asbestos abatement contractor shall be retained to remove and dispose of ACMs identified in the asbestos survey performed for the site in accordance with the standards stated above. • Removal of materials containing more than one (1) percent asbestos shall be completed in accordance with Bay Area Air Quality Management District (BAAQMD) requirements.
Historic Preservation	HP1. Applicant shall adhere to the stipulations in the Memorandum of Agreement between the State Historic Preservation Officer and California Housing Finance Agency for the Gateway Tower project, San Jose, California and dated July 24, 2026, at all times.
Noise	N1. The site is exposed to a Future Noise Environment of up to 74 dBA DNL, which is considered “Normally Unacceptable” by HUD. To meet HUD standards, the following sound transmission class (STC) ratings for window/wall components are required:  Figure 22 South First Street Window STC Ratings

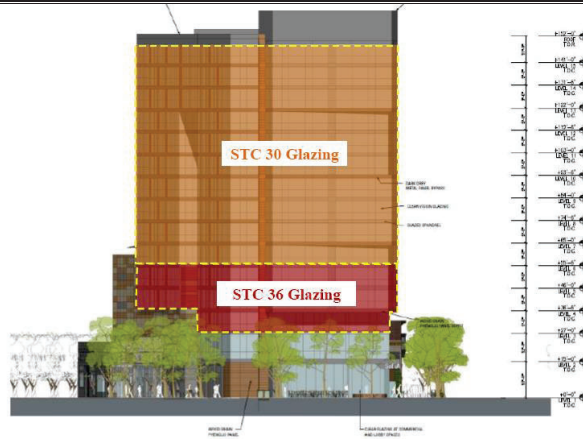


Figure 23 William Street Window STC Ratings

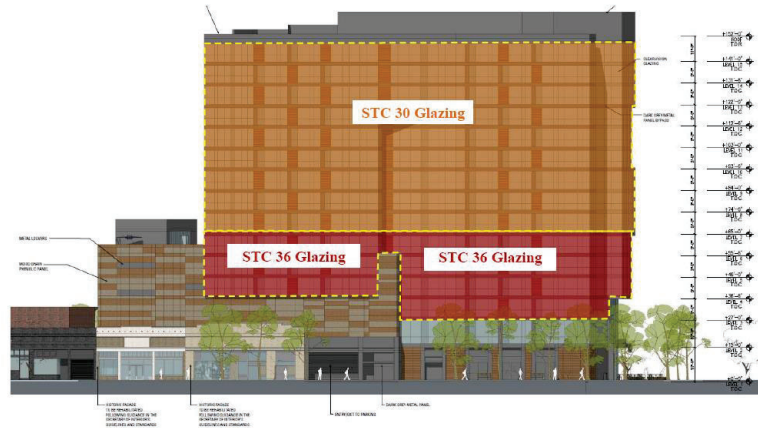


Figure 24 South Market Street Window STC Ratings



Figure 25 North Side of Building Window STC Ratings

- N2. Mechanical ventilation is required for all residential units and areas where windows are required to be kept closed to control noise.

Law, Authority, or Factor	Mitigation Measure
	MM NOI – 1.1: The project applicant shall develop and implement a construction noise logistics plan during all phases of construction on the project site. The construction noise logistics plan shall include, but not be limited to the following: • Noise-generating activities at the construction site or in areas adjacent to the construction site associated with the project in any way shall be restricted to the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, and 8:00 a.m. to 5:00 p.m. on Saturdays. No construction activities shall occur Sundays or holidays. • All internal combustion engine driven equipment shall be equipped with intake and exhaust mufflers that are in good condition and appropriate for the equipment. • Stationary noise generating equipment shall be located as far as possible from sensitive receptors when sensitive receptors adjoin or are near a construction project area. • "Quiet" air compressors and other stationary noise sources shall be used where technology exists. • A detailed construction plan shall be prepared identifying the schedule for major noise-generating construction activities. The construction plan shall identify a procedure for coordination with the adjacent noise sensitive facilities so that construction activities can be scheduled to minimize noise disturbance. • An on-site "disturbance coordinator" shall be designated to be responsible for responding to any local complaints about construction noise. The disturbance coordinator shall determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and shall require that reasonable measures to correct the problem be implemented. • A telephone number for the disturbance coordinator shall be conspicuously posted at the construction site and include it in the notice sent to neighbors regarding the construction schedule. The Plan shall be submitted to the City of San José for approval and a copy of the approved plan shall be provided to CalHFA upon. MM NOI - 2.3: A Construction Vibration Monitoring Plan (Plan) shall be implemented to document conditions prior to, during, and after vibration generating construction activities. The Plan shall address vibration impacts to sensitive historic structures of 0.08 in/sec Peak Particle Velocity (PPV) and all

Law, Authority, or Factor	Mitigation Measure
	normal conventional construction structures of 0.20 in/sec PPV. All Plan tasks shall be undertaken under the direction of a licensed Professional Structural Engineer in the State of California and be in accordance with industry accepted standard methods. The Construction Vibration Monitoring Plan shall include, but is not limited to, the following tasks: • Identification of the sensitivity of on- and off-site structures to ground-borne vibration. Vibration limits shall be applied to all vibration sensitive structures located on or within 50 feet of the project site. • Performance of a photo survey, elevation survey, and crack monitoring survey for each structure within 50 feet of construction activities identified as sources of high vibration levels. Surveys shall be performed prior to any construction activity, in regular intervals during construction and after project completion and shall include internal and external crack monitoring in structures, settlement, and distress and shall document the condition of foundations, walls, and other structural elements in the interior and exterior of said structures. • Development of a vibration monitoring and construction contingency plan to identify structures where monitoring shall be conducted, set up a vibration monitoring schedule, define structure-specific vibration limits, and address the need to conduct photo, elevation, and crack surveys to document before and after construction conditions. Construction contingencies shall be identified for when vibration levels approach the limits. • At minimum, vibration monitoring shall be conducted during pavement removal, building demolition, and drilling activities. Monitoring results may indicate the need for more or less intensive measurements. • If vibration levels approach limits, construction activities shall be suspended and contingencies implemented to either lower vibration levels or secure the affected structures. • Designate a person responsible for registering and investigating claims of excessive vibration. The contact information of such person shall be clearly posted on the construction site. • Conduct a post-construction survey on structures where either monitoring has indicated high levels of vibration or complaints of damage have been made. Make appropriate repairs or compensation where damage has occurred as a result of construction activities.

Law, Authority, or Factor	Mitigation Measure
	MM NOI – 2.4: The project applicant shall submit a report summarizing the result of the vibration monitoring process during all demolition and construction phases to the Supervising Environmental Planner of the City of San José Director of Planning, Building, and Code Enforcement no later than a week after substantial completion of each phase identified in the project schedule of the Construction Vibration Monitoring Plan. The report shall include, but is not limited to, a description of measurement methods, equipment used, calibration certificates and graphics as required to clearly identify vibration-monitoring locations. An explanation of all events that exceeded vibration limits shall be included together with property documentation supporting any such claims. A copy of the report shall be provided to CalHFA.
Soil Suitability/Storm water	G1. Applicant shall follow all recommendations in the <i>Geotechnical Investigation</i> by Langan and dated March 7, 2025 or later at all times. The Geotechnical report shall be submitted to the satisfaction of the City of San José's Building Department. G4. Stormwater Runoff Pollution Control Measures: This project must comply with the City's Post-Construction Urban Runoff Management Policy (Policy 6-29) which requires implementation of Best Management Practices (BMPs) which includes site design measures, source controls and numerically-sized Low Impact Development (LID) stormwater treatment measures to minimize stormwater pollutant discharges. a. The project's Stormwater Control Plan and numeric sizing calculations have been reviewed and this project shall be in conformance with City of San José Policy 6-29. b. Final inspection and maintenance information on the post-construction treatment control measures must be submitted prior to issuance of a City of San José Public Works Clearance. c. A post construction Final Report is required by the City of San José Director of Public Works from a Civil Engineer retained by the owner to observe the installation of the BMPs and stating that all post construction storm water pollution control BMPs have been installed as indicated in the approved plans and all significant changes have been reviewed and approved in advance by the Department of Public Works. d. Media Filter Unit(s) located within Building footprints must conform to City of San José Building Division Directive P-005 Stormwater Peak Flow Control Measures.

Law, Authority, or Factor	Mitigation Measure
	G5. Hydrology (37 e) 1) Burlap bags filled with drain rock shall be installed around storm drains to route sediment and other debris away from the drains. 2) Earthmoving or other dust-producing activities shall be suspended during periods of high winds. 3) All exposed or disturbed soil surfaces shall be watered at least twice daily to control dust as necessary. 4) Stockpiles of soil or other materials that can be blown by the wind shall be watered or covered. 5) All trucks hauling soil, sand, and other loose materials shall be covered and all trucks shall maintain at least two feet of free board. 6) All paved access roads, parking areas, staging areas and residential streets adjacent to the construction sites shall be swept daily (with water sweepers). 7) Vegetation in disturbed areas shall be replanted as quickly as possible. 8) All unpaved entrances to the site shall be filled with rock to remove mud from tires prior to entering City streets. A tire wash system shall be installed if requested by the City. 9) The permittee shall comply with the City of San José Grading Ordinance, including implementing erosion and dust control during site preparation and with the City of San José Zoning Ordinance requirements for keeping adjacent streets free of dirt and mud during construction.
Transportation	TR1. A Local Transportation Analysis was performed for the project based on net new 51 AM and 66 PM peak hour trips. See separate Traffic Memo dated 2/13/25 for additional information. The following conditions shall be implemented: 4) Construct bulb-outs and ADA ramps at the northwest and southwest corners of the intersection of William Street and First Street. 5) Install new red curb equal to a car length on both sides of the project driveway on South Market Street.

Law, Authority, or Factor	Mitigation Measure
	6) Install visible and audible warning signals to alert pedestrians and bicyclists to vehicles exiting the project driveway on South Market Street.
Waste Water	SS1. Sewage Treatment Demand. Pursuant to Chapter 15. 12 of Title 15 of the San José Municipal Code, acceptance of this Permit by Permittee shall constitute acknowledgement of receipt of notice by Permittee that (1) no vested right to a Building Permit shall accrue as the result of the granting of this Permit when and if the City Manager makes a determination that the cumulative sewage treatment demand of the San José - Santa Clara Regional Wastewater Facility represented by approved land uses in the area served by said Facility will cause the total sewage treatment demand to meet or exceed the capacity of San José - Santa Clara Regional Wastewater Facility to treat such sewage adequately and within the discharge standards imposed on the City by the State of California Regional Water Quality Control Board for the San Francisco Bay Region; (2) substantive conditions designed to decrease sanitary sewage associated with any land use approval may be imposed by the approval authority; (3) issuance of a Building Permit to implement this Permit may be suspended, conditioned or denied where the City Manager for the City of San José makes a determination that such action is necessary to remain within the aggregate operational capacity of the sanitary sewer system available to the City of San José or to meet the discharge standards of the sanitary sewer system imposed on the City by the State of California Regional Water Quality Control Board for the San Francisco Bay Region.

Determination:

☒ **Finding of No Significant Impact** [24 CFR 58.40(g)(1); 40 CFR 1508.27]

The project will not result in a significant impact on the quality of the human environment.

☐ **Finding of Significant Impact** [24 CFR 58.40(g)(2); 40 CFR 1508.27]

The project may significantly affect the quality of the human environment.

Preparer Signature: 

Date: July 27, 2026

Name/Title/Organization: Cinnamon Crake, President, Bay Desert, Inc.

Certifying Officer Signature:  Digitally signed by Anthony Sertich

Date: 7/28/26

Name/Title: Anthony Sertich, Executive Director

This original, signed document and related supporting material must be retained on file by the Responsible Entity in an Environmental Review Record (ERR) for the activity/project (ref: 24 CFR Part 58.38) and in accordance with recordkeeping requirements for the HUD program(s).

Gateway Tower – Source Documentation

July 2026

1. **DLR Group.** *Gateway Tower, 467 South First Street, San Jose, CA 95113 50% Design Development.* San Francisco, CA : s.n., April 11, 2025.
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10. **Ninyo & Moore.** *Phase I Environmental Site Assessment 2194 The Alameda San José.* October 26, 2022. 404375001.
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18. **Bay Area Air Quality Management District (BAAQMD).** *California Environmental Quality Act, Air Quality Guidelines.* San Francisco, CA : s.n., 2022.
19. **Illingworth & Rodkin, Inc.** *470 S. Market Draft Air Quality & Greenhouse Gas Emissions Assessment, San Jose, CA.* December 21, 2015.
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27. **Flora, Travis L.** *Letter to Gateway Tower SJ, LPO c/o Chris Neale in re: Gateway Tower, 470 South Market Street, San Jose, CA, Site Cleanup Program Case No. 2023-01s.* s.l. : County of Santa Clara, Department of Environmental Health, Hazardous Materials Compliance Division, May 30, 2025. Site Cleanup Program Case No. 2023-01s.
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Appendix A – project Description

- **DLR Group.** *Gateway Tower, 467 South First Street, San José, CA 95113 50% Design Development.* San Francisco, CA : s.n., April 11, 2025.

Appendix B – Airport Clear Zones

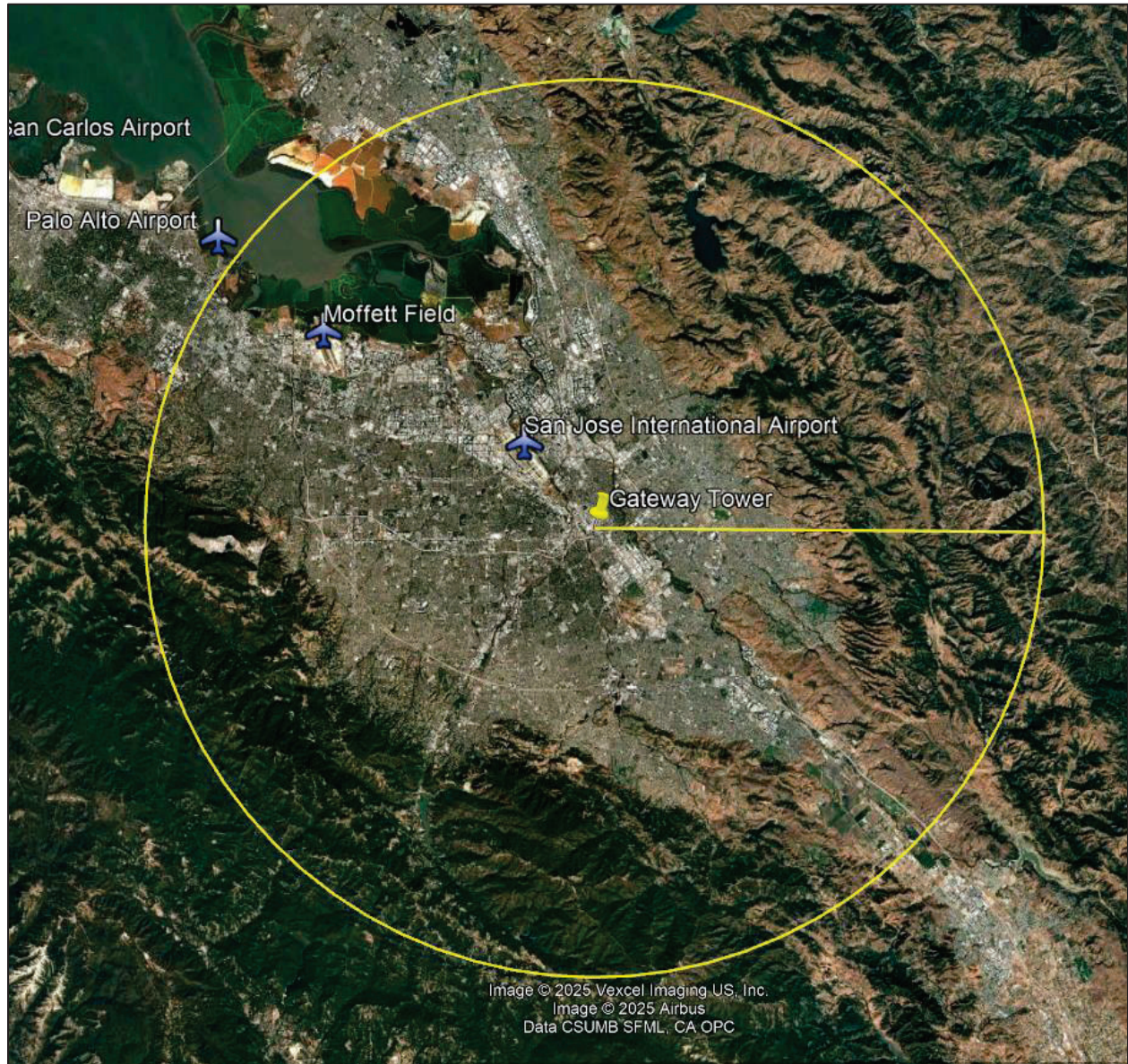
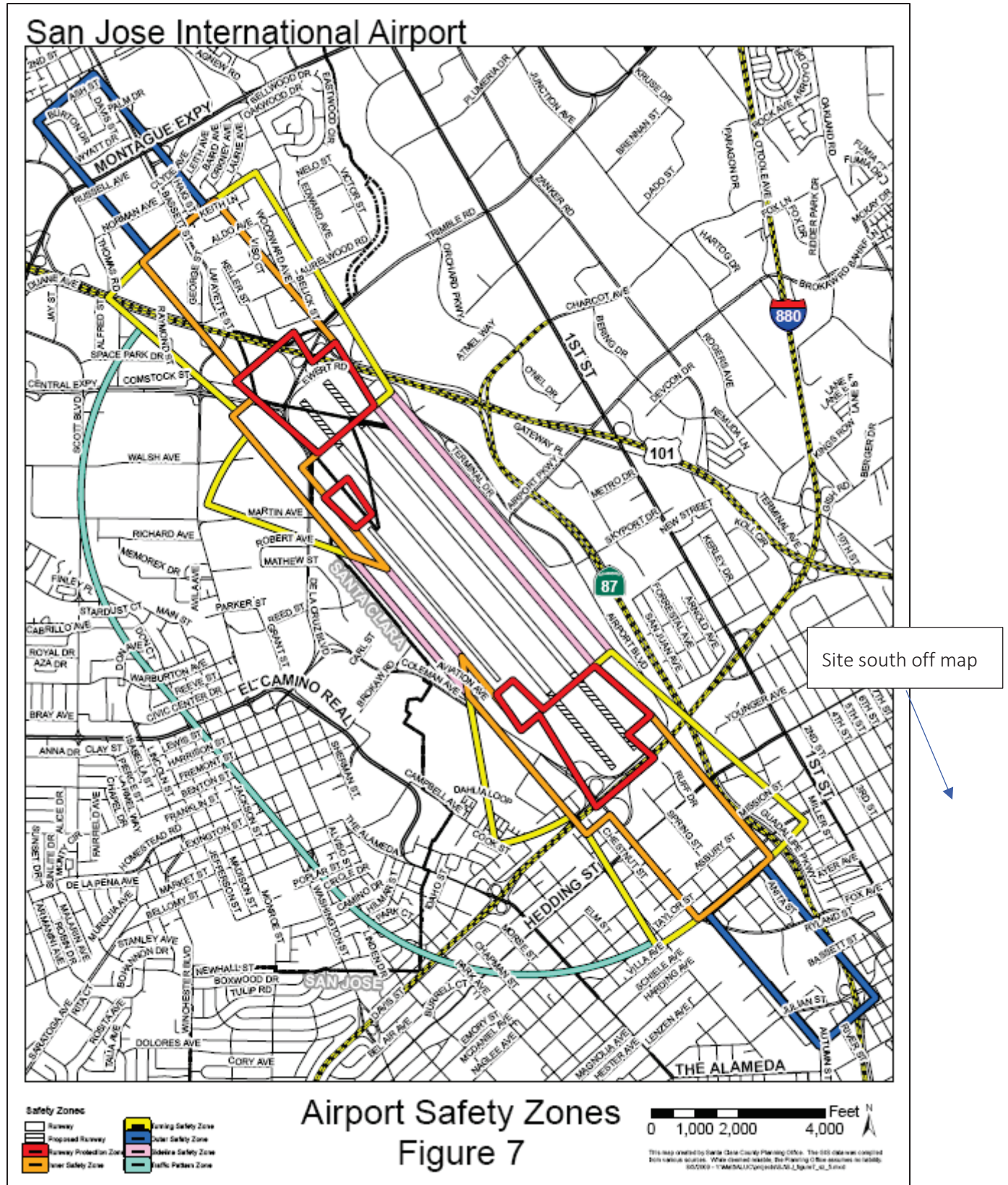


Figure 26 Airports within 15 miles of the subject site

Table 14 Distance to nearby airports

Airport type	Name	Distance from subject (Miles)	Airport Clear Zone
Major Airport	San José International Airport	3.43 miles north	No
Military Airfield	Moffett Field	10.67 miles northwest	No
Minor Airport	None	n/a	n/a



Map 10 San José International Airport - Safety Zones

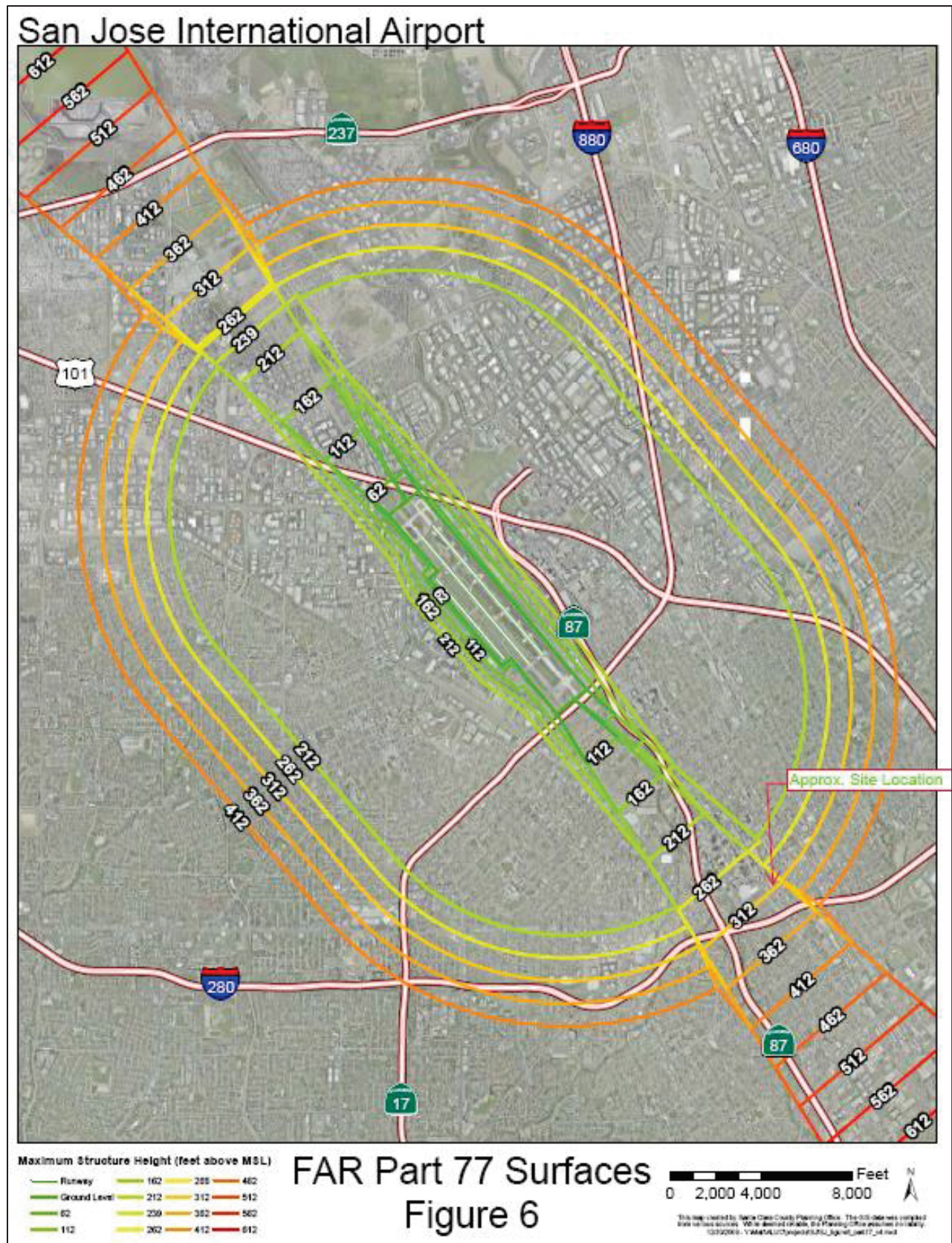


Figure 27 San José International Airport - FAR Part 77 Surfaces

Appendix C – Floodplains, Wetlands & Endangered Species

- **U.S. Department of Homeland Security.** *Federal Emergency Management Agency. Flood Insurance Rate Map, Santa Clara County, California and Incorporated Areas.* s.l. : Federal Emergency Management Agency, Effective Date May 18, 2009. FIRM Panel No. 06085C0234H.
- **United States Department of the Interior, Fish and Wildlife Service.** *List of threatened and endangered species that may occur in the project location or may be affected by project, Gateway Tower.* Sacramento, CA : Sacramento Fish and Wildlife Office, October 24, 2025. Project Code: 2026-0008475.
- **Monarch Consulting Arborists LLC.** *Tree Inventory, 470 Market Street, San José, CA 95113.* May 20, 2015.
- **United States Fish and Wildlife Service.** Wetlands Mapper. *National Wetlands Inventory.* [Online] [Cited: July 28, 2025.] <https://www.fws.gov/wetlands/Data/Mapper.html>.

Appendix D – Air Quality

- **Illingworth & Rodkin, Inc.** *Gateway Towers Update, San José, CA Air Quality Update*. May 22, 2025. I&R Job # 25-052.
- **Illingworth & Rodkin, Inc.** *470 S. Market Draft Air Quality & Greenhouse Gas Emissions Assessment, San José, CA*. December 21, 2015.
- **City of San José.** *Greenhouse Gas Emissions Compliance Checklist - Gateway Tower*. s.l. : Department of Planning, Building and Code Enforcement, undated.

Appendix E – Contamination and Toxic Substances

- **Costa, Aaron.** *Letter to Gateway Tower LP in re: Gateway Tower, 470 South Market Street, San Jose, CA.* s.l. : County of Santa Clara, Environmental Health, January 16, 2026. Site Cleanup Program Case No. 2023-01s; GeoTracker ID No. T10000020629.
- **AEI Consultants, Inc.** *Phase I Environmental Site Assessment, Gateway, 460, 470, and 480 South Market and 455, 465, and 493 South 1st Streets San Jose, Santa Clara County, California 95113.* Walnut Creek, CA : s.n., REPORT DATE: April 23, 2026. AEI Project No. 520570.
- **AEI Consultants.** *Additional Site Investigation Report, Gateway Tower, 470 South Market Street, San José, Santa Clara County, California 95113.* Report Date: February 3, 2025. AEI Project No. 348835; SCCDEH Case No. 2023-01s.
- **AEI Consultants.** *Additional On-Site Soil Gas Sampling Report, Gateway Tower SJ, LP, 460 to 480 South Market Street, San José, California 95113.* May 2, 2025.
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- **Running Moose Environmental Consulting LLC.** *HUD Explosive and Fire Hazards Review, Gateway Residential Tower - 467 S. 1st Street, San José, California 95113.* San José, CA : s.n., May 19, 2025.
- **DCI Engineers.** *HUD Explosive and Fire Hazards Review, Gateway Residential Tower, San José, CA.* October 30, 2025. **AEI Consultants.** *Vapor Intrusion Mitigation System Construction Quality Assurance Plan, Gateway Tower, 470 South Market Street, San José, Santa Clara County, California 95113.* October 2, 2025.

Appendix F – Historic Preservation

- *Memorandum of Agreement Between the California Housing Finance Agency and the California Historic Preservation Officer regarding the Gateway Tower Project in San Jose, California.* July 24, 2026.
- **Polanco, Julianne.** *Letter to Leon Spence, California Housing Finance Agency in re: Gateway Tower Project at 460-480 South Market and 455-493 South First Street, San Jose, CA.* Sacramento, CA : State of California, Department of Parks and Recreation, Office of Historic Preservation, June 26, 2026. Refer to: HUD_2025_1112_005.
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- **Bay Desert, Inc.** *List of Interested Parties, Gateway Tower 460-480 South Market and 455-493 South First Street, San Jose, Santa Clara County, California 95113.* Mailed January 8, 2026.
- **Proof of web posting.** January 11, 2026.
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- **Cooper, Natalie.** *Letter to Julianne Polanco, State Historic Preservation Officer in re: Gateway Tower, 460-480 South Market and 455-493 South First Street, San Jose, Santa Clara County, California 95113 (APNs 264-030-089, -090 and -114) – HUD Loan Risk-Sharing Program.* Sacramento, CA : California Housing Finance Agency, November 6, 2025.
- **Bay Desert Inc.** *Section 106 Supporting Documentation, Gateway Tower - San Jose, CA NEPA Project.* s.l. : Various, November 2025.

Appendix G – Noise and Traffic

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Appendix H – Soils and Miscellaneous

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