



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT:** SEE BELOW

**DATE:** October 3, 2022

**COUNCIL DISTRICT:** 3

**SUBJECT: FILE NO. DA22-001. CONSIDERATION OF AN ORDINANCE TO APPROVE A THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF SAN JOSE AND JACKSON TAYLOR PARTNERS, LLC (NOW ASSIGNED TO ICS CORPORATE YARD MULTIFAMILY, LLC), FOR THE JAPANTOWN CORPORATION YARD REDEVELOPMENT PROJECT (ORDINANCE NO. 29528), AS AMENDED, FOR THE PROPERTY LOCATED AT 696 NORTH 6TH STREET.**

## **RECOMMENDATION**

- (a) Approve an ordinance approving the Third Amendment to the Development Agreement with Jackson Taylor Partners, LLC (now assigned to ICS Corporate Yard Multifamily, LLC), as recommended by the Planning Commission (8-0-1 vote, Cantrell absent); and
- (b) Adopt a resolution authorizing the City Manager, or her designee, to negotiate and execute a Ground Lease between the City of San José and ICS Corporate Yard Multifamily, LLC consistent with the terms in the Third Amendment to the Development Agreement with Jackson Taylor Partners, LLC (now assigned to ICS Corporate Yard Multifamily, LLC).

## **OUTCOME**

Should the City Council approve the ordinance for a Development Agreement with Jackson Taylor Partners, LLC (now assigned to ICS Corporate Yard Multifamily, LLC), as recommended by the Planning Commission and staff, the Development Agreement as amended would further facilitate the redevelopment of the former Japantown Corporation Yard and allow the City and the Developer to revise their obligations towards constructing the Performance Center Site, as explained in the attached staff report.

## **BACKGROUND**

On September 28, 2022, the Planning Commission held a Public Hearing to consider the proposed Third Amendment to the Development Agreement between the City and the Developer. The Planning Commission recommended approval (8-0-1, Cantrell absent) of the proposed Third Amendment. A complete analysis of the proposed Development Agreement modifications, CEQA clearance, General Plan, Zoning Ordinance, and Council Policies are contained in the attached staff report to the Planning Commission.

## **ANALYSIS**

Nanci Klein, Kevin Ice, and Yen Bui from the Office of Economic Development and Cultural Affairs presented the changes to be made via the Third Amendment and the outcomes of those changes, including the intention to provide a permanent stable home for local nonprofit arts and cultural groups, such as San José Taiko. There were three speakers during the public comments. All three speakers were supportive and voiced their desire to provide a long-term permanent home for local nonprofit arts and cultural groups. Commissioner Ornelas-Wise mentioned her total support for the project. Commissioner Lardinois motioned to approve the recommendation and Commissioner Casey seconded the motion. The Planning commission voted 8-0-1, (Cantrell absent) to recommend that the City Council approve the Third Amendment to the Development Agreement.

## **CONCLUSION**

City Council approval of this action will allow the City and the Developer to execute the Third Amendment to the Development Agreement to revise the City and Developer's Performance Center Site obligations to facilitate the development of the Creative Center of the Arts, which will be dedicated to housing local nonprofit arts and cultural groups.

## **EVALUATION AND FOLLOW-UP**

Staff will work with the Developer to execute the Third Amendment.

## **CLIMATE SMART SAN JOSE**

The recommendation in this memorandum has no effect on Climate Smart San José energy, water, or mobility goals.

## **PUBLIC OUTREACH**

Staff followed Council Policy 6-30: Public Outreach Policy. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

## **COORDINATION**

This memorandum was coordinated with the City Attorney's Office and the Office of Economic Development and Cultural Affairs.

## **COMMISSION RECOMMENDATION/INPUT**

On September 28, 2022, the Planning commission voted 8-0-1 (Cantrell absent) to recommend that the City Council approve the Third Amendment to the Development Agreement.

## **CEQA**

Determination of Consistency with the Final Environmental Impact Report with the Japantown Corporation Yard Redevelopment Project (Resolution No. 74384) and Addenda thereto (May 20, 2008, May 2, 2014, November 17, 2015).

/s/  
Christopher Burton, Director  
Planning, Building and Code Enforcement

For questions, please contact Kevin Ice, Senior Manager, Real Estate Services, at [kevin.ice@sanjoseca.gov](mailto:kevin.ice@sanjoseca.gov) or (408) 535-8197 or Patrick Kelly, Supervising Planner, Development Review, at [patrick.kelly@sanjoseca.gov](mailto:patrick.kelly@sanjoseca.gov) or (408) 535-7858.

Attachment: Planning Commission Staff Report Memo



# Memorandum

**TO:** PLANNING COMMISSION

**FROM:** Christopher Burton

**SUBJECT:** DA22-001

**DATE:** September 28, 2022

**COUNCIL DISTRICT:** 3

<b>Type of Permit</b>	Development Agreement
Demolition	N/A
Proposed Land Uses	N/A
New Residential Units	N/A
New Square Footage	N/A
Additional Policy Review Items	N/A
Tree Removals	N/A
<b>Project Planner</b>	Patrick Kelly
<b>CEQA Clearance</b>	Determination of Consistency with the Final Environmental Impact Report with the Japantown Corporation Yard Redevelopment Project (Resolution No. 74384) and Addenda thereto (May 20, 2008, May 2, 2014, November 17, 2015).
<b>CEQA Planner</b>	Patrick Kelly

## RECOMMENDATION

Staff recommends that the Planning Commission recommends to City Council:

1. Determination of Consistency with the Final Environmental Impact Report with the Japantown Corporation Yard Redevelopment Project (Resolution No. 74384) and Addenda thereto (May 20, 2008, May 2, 2014, November 17, 2015).
2. Adopt an ordinance to approve the Third Amendment to the Development Agreement with Jackson Taylor Partners, LLC, to amend sections: (i) Section 3.C(1) Developer’s Creation of Separate Parcels; ; (ii) Section 3.C(4) Design Review of Performance Center; (iii) Section 3.C(5)(a), (iv) Section 3.C(5)(b), (v) Section 3.C(5)(c), (vi) Section 3.C(5)(d), and (vii) Section 4.D Legal Actions.

## PROPERTY INFORMATION

<b>Location</b>	Block bounded by N. Sixth Street, E. Taylor Street, N. Seventh Street, and Jackson Street
<b>Assessor Parcel No.</b>	249-39-043, 249-39-044, 249-39-045, 249-39-046
<b>General Plan</b>	Transit Residential (TR)
<b>Growth Area</b>	Jackson-Taylor Residential Strategy
<b>Zoning</b>	CP(PD) Planned Development

<b>Historic Resource</b>	No
<b>Annexation Date</b>	March 27, 1850 (Original City)
<b>Council District</b>	3
<b>Acreage</b>	5.28
<b>Proposed Density</b>	N/A

## PROJECT BACKGROUND

### Site Location and Description

The subject one-parcel site is 5.25 acres and comprises the entire block bounded by N. Sixth Street, E. Taylor Street, N. Seventh Street, and Jackson Street. The site is located immediately north of Downtown and within 2,000 feet of the Japantown/Ayer light rail station. The site is within the Jackson-Taylor Planned Residential Community and the Japantown Neighborhood Business District.

The site is situated on the City's former Main Corporation Yard and was developed with a series of buildings, mechanical equipment, and parking areas for the Main Corporation Yard. In 2007, the City expanded operations at its Central Service Yard on Senter Road and the uses of the Japantown Corporation Yard were transferred to the Central Service Yard. In 2008, the City's former Redevelopment Agency commenced demolition of the series of on-site buildings associated with the corporation yard. The entire site is currently split into four parcels – APNs 249-39-043, 249-39-044, 249-39-045, and 249-39-046. APNs 249-39-043 and 249-39-046 are now developed into approximately 600 residential units and 25,000 square feet of commercial space, APN 249-39-045 is a turn-key park site under construction, and APN 249-39-044 is a planned site dedicated as a permanent home for local nonprofit arts and cultural groups, including San Jose Taiko.



Figure 1: Aerial photo of project site

<b>SURROUNDING USES</b>			
	<b>General Plan</b>	<b>Zoning District</b>	<b>Existing Use</b>
<b>North</b>	Mixed Use Neighborhood	A(PD) Planned Development, CN Commercial Neighborhood, LI Light Industrial	Undeveloped parcel, single-family residence, multi-family residence, auto repair shop
<b>South</b>	Mixed Use	A(PD) Planned	Mixed-use residential
<b>East</b>	Mixed Use	CP Commercial	Mixed-use residential (under
<b>West</b>	Mixed Use Neighborhood, Mixed Use Commercial	A(PD) Planned Development	Commercial retail, church/religious assembly, vacant commercial building, undeveloped parcel, senior housing

### Site History

San Jose's Japantown is one of only three remaining Japantowns in the United States. Japantown is a thriving, active neighborhood in which the Japantown Neighborhood Business District has continued to add new retail offerings, even through the recent recession. The community continues to grow and is home to many cultures and ages that are drawn by the mix of new homes, the neighborhood-serving retail and specialty shops, and the area's proximity to Downtown and light rail transit.

In 2003, the community and the City's former Redevelopment Agency began working on redevelopment of the corporation yard with a Request for Qualifications (RFQ) and subsequent selection of the Olson Company. In March 2006, the City, the former Redevelopment Agency, and the Japantown Community Congress of San Jose convened a 20-member community task force to define the principles by which the corporation yard redevelopment would take place. The original project proposed by the Olson Company included approximately 600 residential units, 15,000 square feet of retail, and a 200-seat performing arts center. In late 2006, due to a slow-down in the economy, Olson Company informed the City and Agency that they would not proceed with redevelopment of the corporation yard.

In 2007, the City created a new RFQ and developer Williams/Dame and Associates from Portland was selected to redevelop the site. In 2008, due to further decline in the economy, Williams/Dame indicated they could not move forward with the proposed development. In 2012, staff reached out to Williams/Dame to reinstate plans for the corporation yard site. On February 26, 2013, the City Council approved a non-binding term sheet with Williams/Dame for the purchase of this City property and directed staff to continue non-binding and non-exclusive discussion with the development for the purposes of preparing a purchase and sale agreement for the City Council's consideration. In late 2013, Williams/Dame and The Related Companies agreed to partner on the project. Jackson-Taylor Partners, LLC was subsequently created to proceed with this redevelopment proposal. Subsequently, the Related Companies assigned the project to Shea Properties.

The project results from the City and developer's continued engagement with the Japantown community over the past 20 years. The project is a high-density development, with approximately 600 residential units and 25,000 square feet of commercial space constructed on 3.75 acres, along with a 0.75-acre turn-key park currently under construction and dedication of a 0.75-acre site committed to provide space for local nonprofit arts and cultural groups.

Since the 2014 City Council approval of the original Development Agreement, the City has since granted a Planned Development Rezoning in November 2015 to allow the residential, commercial and private community center development, as described above. A subsequent Planned Development Permit (File No. PD15-055) was approved in May 2016 to construct 520 multi-family residential units and 19,191 square feet of commercial space. In November 2016, the City Council approved an amendment to the Development Agreement that would vest the Planned Development Zoning District designation and the development standards set forth by that rezoning.

In October 2017, the City Council approved a second amendment to the Development Agreement to, among other changes, clarify certain provisions of the agreement and revise the remedies for Jackson Taylor Partners, LLC's delay in performance or default of the agreement and did not otherwise amend the terms and conditions of the agreement in any other manner.

In November 2017, Jackson Taylor Partners LLC assigned to Jackson Taylor Partners Owner LLC, all of its right, title and interest in, to, and under the SECOND AMENDMENT pursuant to that certain Assignment and Assumption of Development Agreement (Japantown Corporation Yard Redevelopment Project), recorded in the Official Records of Santa Clara County on November 13, 2017, as Instrument No. 23799048. Jackson Taylor Partners Owner LLC then assigned to ICS Corporate Yard Multifamily, LLC (Developer, Shea Properties), all of its rights, title and interest in, to, and under the Development Agreement, First Amendment, and Second Amendment pursuant to that certain Assignment and Assumption of Development Agreement (Japantown Corporation Yard Redevelopment Project), recorded in the Official Records of Santa Clara County on November 13, 2017, as Instrument No. 23799123.

City and Developer wish to execute a Third Amendment to further amend the Development Agreement and revise the parties' Performance Center Site obligations to facilitate the development of space dedicated to housing local nonprofit arts and cultural groups. Under the terms of the Third Amendment, the City of San Jose will be the master tenant at the Creative Center of the Arts. Silicon Valley Creates will be the master subtenant and will further sublease the space to groups including San Jose Taiko, Red Ladder Theater Company, and a range of local Japantown arts and cultural community organizations.

If the ordinance amending the Development Agreement is adopted by City Council, the following sections of the agreement would be changed as explained below:

1. Section 3.C(1) Developer's Creation of Separate Parcels is amended to clarify that the Performance Center Site is also known as the "Creative Center of the Arts Site."
2. Section 3.C(4) Design Review of Performance Center is amended to clarify that the Performance Center Site is also known as the "Creative Center of the Arts Site."
3. Section 3.C(5) is amended to adjust the deadline to November 1, 2022 for the Performance Center developer to obtain all necessary entitlements and funds to complete construction of the Performance Center and start construction of the Performance Center (PCS Deadline).
4. Section 3.C(5)(a) is amended to change the compensation for the Performance Center site. The compensation for the site shall be an obligation for developer to (i) commence construction of the Performance Center (at its sole cost and expense) within five years of the Effective Date of the Third Amendment, subject to extension with the City's consent and, (ii) subsequent to the completion of the Performance Center, enter into a sixty-five (65)-year with three (3) five (5)-year options lease with the City for the use of the Performance Center at no cost to City other than payment of customary triple net and common area maintenance charges allocable to the Performance Center.
5. Section 3.C(5)(b) is deleted.

6. Section 3.C(5)(c) is amended to adjust the terms of the quitclaim deed if Developer timely exercises the PCS Option. The quitclaim deed shall be subject to a right of reverter as set forth in Section 3.C(5)(d).
7. Section 3.C(5)(d) is deleted and replaced in its entirety to provide the terms to be included in the quitclaim deed if Developer exercises the PCS Option. The terms include a right of reverter to the City if the Developer does not commence construction of the Performance Center on or before the Construction Commencement Deadline (five years after the Effective Date of the Third Amendment), or complete construction within five (5) years of the Construction Commencement Deadline, either of which may be extended by City for up to five (5) one-year terms. If the City exercises its option to right of reverter, Developer shall reconvey the Performance Center Site to City subject to a recorded restriction that the Performance Center Site be used for the Performance Center or similar public or private use, including a use containing housing, that is compatible with the uses on the adjacent land, and for no other purpose.
8. Section 4.D is amended to include “except as otherwise provided herein.”

This Third Amendment to the Development Agreement will be considered by the City Council on October 25, 2022.

## ANALYSIS

The proposed Third Amendment to the Development Agreement is analyzed below with respect to conformance with:

- 1) Envision San José 2040 General Plan
- 2) Municipal Code
- 3) California Environmental Quality Act (CEQA)

### [Envision San José 2040 General Plan](#) Conformance

#### *Land Use Designation*

As shown in the below [General Plan map](#), the proposed project site has an Envision San Jose 2040 General Plan designation of Transit Residential. This designation is the primary designation for new high-density, mixed-use residential development sites that are located in close proximity to transit, jobs, amenities, and services. The allowable intensity for mixed-use development is 50 to 250 dwelling units per acre (DU/AC) and a range of 5 to 25 stories. The allowable density is further defined within applicable policy documents, such as the Jackson-Taylor Residential Strategy. The project is consistent with its General Plan designations in that it proposes a mixed-use development with a range of 113 to 160 DU/AC, which would be the equivalent of at least 5 stories in height.

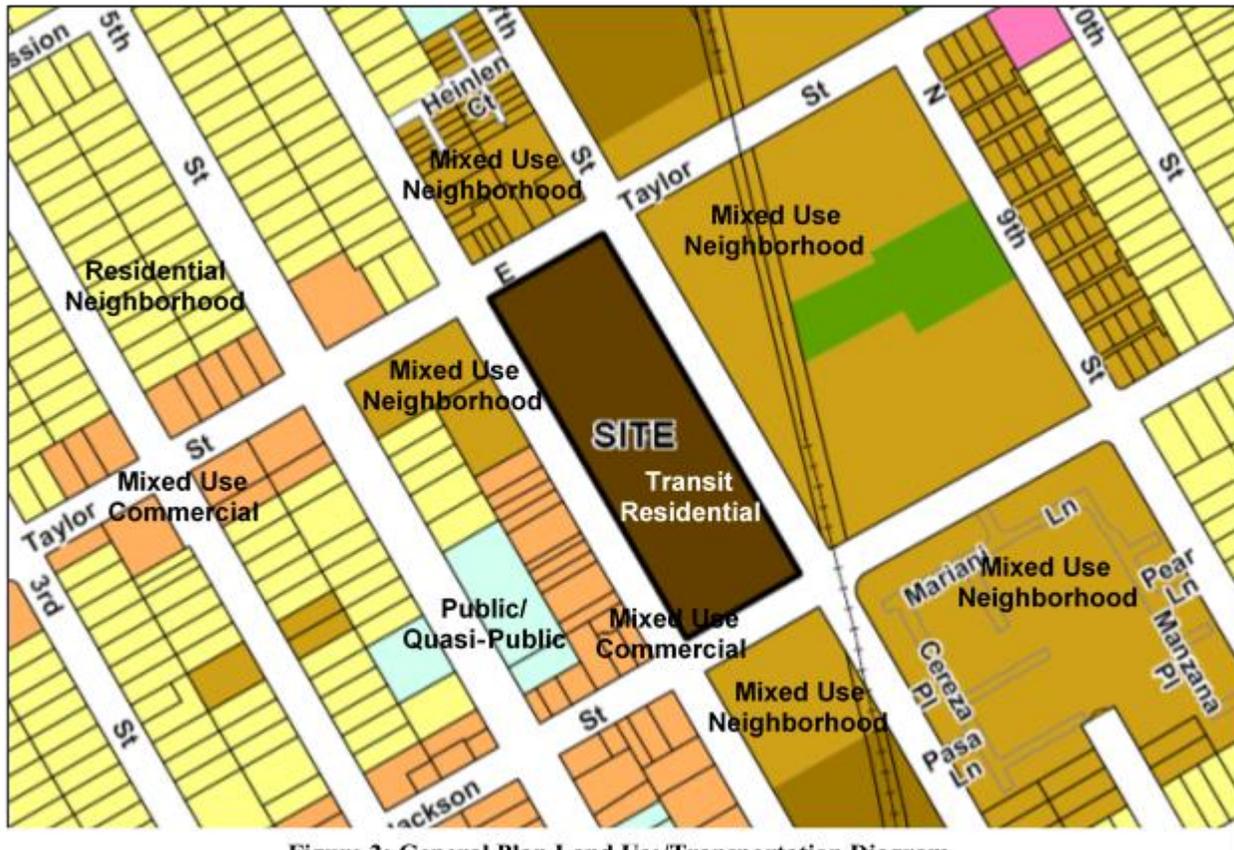


Figure 2: General Plan Land Use/Transportation Diagram

### General Plan Policies

The project conforms to the following key General Plan policies: FS-1.7, IP-7.5, LU-1.1, LU-2, LU-10.4, VN-1.3, VN-4.2, VN-4.3.

- Fiscal Sustainability Goal FS-1.7: Partner with public-non-profit, and private organizations to form mutually beneficial relationships that further the City's fiscal, environmental, economic development, and other major objectives.

*Analysis: This Development Agreement is a partnership between the City and a private developer to ensure the redevelopment of a major underutilized site in the Japantown community. The Development Agreement would facilitate the City's sale of the former corporation yard site, thereby divesting the City's fiscal resources from paying property taxes and property maintenance. The subsequent development addresses community needs and expectations, as outlined in the Jackson-Taylor Residential Strategy.*

- Implementation Policy IP-7.5: Typically accomplish implementation of specific plans through the rezoning and site development entitlement process.

*Analysis: The project site is located in the Japantown Specific Plan, which is guided by the Jackson-Taylor Residential Strategy document. The project proposed under this Development Agreement is consistent with this Strategy, as further analyzed in the below section "Jackson Taylor Residential Strategy." This Development Agreement facilitates the implementation of the Strategy and would result in future entitlement permits consistent with the Strategy.*

- Land Use Policy LU-1.1: Foster development patterns that will achieve a complete community in San Jose, particularly with respect to increasing jobs and economic development and increasing the

City's jobs-to-employed resident ratio while recognizing the importance of housing and a resident workforce.

Land Use Goal LU-2: Focus new growth into identified Growth Areas to protect the quality of existing neighborhoods, while establishing new mixed use neighborhoods with a compact and dense form that is attractive to the City's projected demographics i.e., a young and senior population, and that supports walking, provides opportunities to incorporate retail and other services in a mixed-use format, and facilities transit use.

Land Use Policy LU-10.4: Within identified growth areas, develop residential projects at densities sufficient to support neighborhood retail in walkable, main street type development.

Vibrant Neighborhoods Policy VN-1.3: Encourage the development and maintenance of compatible neighborhood retail and services within walking distance of residences as a means to promote the creation of "complete" neighborhoods.

*Analysis: These General Plan goals and policies encourage high-density housing and mixed-use development near public transit stations. This Development Agreement results in high-density residential project that incorporates ground-level commercial uses and, therefore, jobs within walking proximity to an existing light rail station and existing and future residences.*

- Vibrant Neighborhoods Policy VN-4.2: Encourage the availability of diverse cultural spaces and places throughout the community that can be used for the arts and cultural education, rehearsals, production, performance, and other programming.

Vibrant Neighborhoods Policy VN-4.3: Consider opportunities to include spaces that support arts and cultural activities in the planning and development of the Downtown, new Urban Village areas, and other Growth Areas.

*Analysis: The site is located in the Japantown Specific Plan Growth Area. The redevelopment proposal includes a 0.75 land dedication of a 0.75 acre site for the Creative Center for the Arts (CCA). The CCA is envisioned as a privately developed building that would support the San Jose Taiko Conservatory with a venue for practices and performances and house other community-based organizations such as CreaTV. San Jose Taiko is a local non-profit organization dedicated to Japanese cultural traditions through the advancement of the taiko art form. CreaTV is a non-profit community media center that helps San Jose residents, businesses, schools, and organizations to communicate their message to a broader audience through public and education television and Internet channels.*

### *Specific Plan*

The site is in the [Jackson-Taylor Residential Strategy](#) Growth Area and Japantown Neighborhood Business District (NBD), as designated by the General Plan. The General Plan identifies Growth Areas as specific areas which are planned to accommodate the majority of the City's job and housing growth, such as specific plan areas. The NBD designation applies to commercial areas along both sides of a street, which function in their neighborhoods or communities as central business districts, providing community focus and identity through the delivery of goods and services. NBDs may include adjacent non-commercial land uses. This project is consistent with the Growth Area and NBD designation in that it incorporates high-density residential in a mixed-use format that proposes ground-floor commercial retail along Jackson Street, the main commercial-oriented street of the Japantown NBD.

## Zoning Ordinance Conformance

### *Jackson-Taylor Residential Strategy Conformance*

The project site is located in the Jackson-Taylor Residential Strategy area, which is an approximately 75-acre area consisting of about 15 blocks between E. Hedding Street and E. Empire Street from roughly N. Sixth Street to N. 11th Street. The Jackson-Taylor Residential Strategy was originally approved by the City Council on October 6, 1992 and most recently amended on May 20, 2008.

The Strategy recognizes that the existing industrial uses in the area are undergoing transition, yet is oriented towards providing housing that will be more compatible with the surrounding residential neighborhood. To this end, the Strategy supports a mixed-use residential and commercial core in Japantown that is urban in character and at a scale and density that makes change economically feasible. Ground-floor retail space in select locations would provide neighborhood-serving and specialty shopping in a manner that complements the Japantown NBD, and supports employee and resident needs.

The Jackson-Taylor Residential Strategy designates the site with mixed use, recommended ground-floor retail, and park land use designations. The modifications maintains consistency with the following Jackson-Taylor Residential Strategy objectives and designations:

- **Land Use Objectives:** The Strategy identifies land use objectives, including: (1) provide for a mix of housing types, densities, and prices; (2) encourage supportive mixed uses; (3) and improve the quantity/quality of neighborhood open space.

*Analysis: Japantown consists of a mix of housing types. Developed and entitled properties immediately surrounding the project site include residential density ranges of 19, 39, 53, 72, 136, and 161 dwelling units per acre. The project proposes a density of 113 to 160 DU/AC, which falls within the existing density range and contributes towards the diversity of urban housing types. In addition to providing multi-family residences, the proposed development incorporates 16,000 to 25,000 square feet of ground-floor retail, provides for a 0.75 acre turn-key public park, and dedication of a 0.75 acre site for the future development of the Creative Center for the Arts.*

- **Neighborhood Character Objectives:** The Strategy identifies neighborhood character objectives, including: (1) maintain existing neighborhood character; (2) strengthen pedestrian linkages to adjacent neighborhoods, transit, and Japantown NBD; and (3) maintain existing street pattern.

*Analysis: The project maintains and enhances the character of the neighborhood by extending substantial ground-floor retail along Jackson Street, which is the Japantown NBD's main commercial corridor. Retail space within residential development provides shopping and employment opportunities within walking distance of various land uses and links these land uses to the existing Japantown/Ayer light rail station. The project maintains the existing street-block pattern, while providing for mid-block pedestrian access between Sixth and Seventh Streets through the future park and Creative Center for the Arts sites.*

- **Mixed-Use Core Land Use Designation:** This designation allows a mix of residential, office, and retail uses. New development would be up to 14 stories or 175 feet in height, with some ground-floor retail, up to two stories of office space, and 1 to 2 stories for community amenity uses. All parking would be below ground, in architecturally or landscape-treated structures or structures faced with ground-floor commercial, office, or residential space.

*Analysis: The new residential development would be 5 stories with up to 25,000 square feet of ground-floor retail. Vehicle parking at the ground-level is proposed to be wrapped by residential units, associated residential amenity spaces, and commercial retail spaces. The remainder of the*

*parking spaces is proposed below grade. The community amenity building, the Creative Center for the Arts, is envisioned to be up to 2 stories.*

- Parks, Open Space, and Community Facilities Land Use Designation: Public parks and plazas are fundamental features of livable and enjoyable higher-density communities. The parks shown in the Strategy reinforce the pedestrian streets that lead to and from main residential and shopping destinations. Whether designed as a landscaped park or a hard-surface plaza, public spaces should be the focus of commercial and residential developments and be placed next to public streets. The community that lives in the surrounding neighborhood sees a great need for a multi-purpose facility that sponsors activities and has space for classes, meetings, and performances for people of all ages.

*Analysis: The 0.75 acre turn-key park is centered on the project site between two proposed residential buildings. The park would be accessible from Sixth and Seventh Streets. In addition to the turn-key park, the project's dedication of a 0.75 acre site would facilitate the future development of the Creative Center for the Arts that provides spaces for community-based activities and gathering.*

#### *Development Agreement Amendment Findings*

Pursuant to Section 18.02.250 of the San Jose Municipal Code, any development agreement may be amended in whole or in part, by the mutual consent of the parties to the agreement or their successors in interest. The procedure for an amendment is the same as the procedures for approval, except for the findings required to be made under Section 18.02.240A. An amendment to a development agreement may be granted upon a finding by the City Council that an amendment is consistent either with the general plan and zoning codes in effect at the time the ordinance authorizing the agreement was adopted or at the time of any amendment. Review of an amendment shall be limited to consideration of those elements proposed to be added or changed.

As with approval of a development agreement, the Planning Commission is required under Section 18.02.220 to make a recommendation to the City Council on any proposed amendment.

*Analysis: As previously discussed, the proposed development is consistent with the General Plan designation of Transit Residential as it provides new mixed-use residential development in close proximity to transit, jobs, amenities and services. Additional analysis is described above in the "Envision San Jose 2040 General Plan Conformance" section.*

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

Determination of Consistency with the Second Addendum to the Japantown Corporation Yard Redevelopment Project Environmental Impact Report (adopted May 21, 2008 by Council Resolution No. 74384), was prepared for the project under the provisions of the environmental review requirements the California Environmental Quality Act of 1970, as amended (CEQA), including the state and local implementing regulations. The CEQA Guidelines Section 15162 states that when an EIR has been certified, no subsequent EIR shall be prepared for that project unless the lead agency determines that either substantial changes are proposed to the project which will require major revisions to the previous EIR, substantial changes will occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR, or new information of substantial importance is available. The Addendum provided updated studies for noise. The Addendum concluded that the implementation of the proposed Planned Development Rezoning would not result in any new significant impacts, impacts that are cumulatively considerable, or impacts that will directly or indirectly cause substantial adverse effects on human beings beyond those disclosed and evaluated in the Final EIR. This

Second Addendum was adopted on October 6, 2015 (File No. PDC15-018). The proposed project is also consistent with the City's Greenhouse Gas Reduction Strategy outlined in the General Plan, as determined in the first EIR completed for Japantown, and as updated in the first Addendum completed in 1998. The EIR includes a First Addendum, which was adopted on May 2, 2014 (File No. PP14-006).

## PUBLIC OUTREACH

Staff followed Council Policy 6-30: Public Outreach Policy in order to inform the public of the proposed project. A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. The staff report is also posted on the City's website. Staff has been available to respond to questions from the public.

**Project Manager:** Patrick Kelly

**Approved by:** /s/ Robert Manford, Deputy Director for Christopher Burton, Planning Director

<b>ATTACHMENTS:</b>
Exhibit A: Draft Third Amendment to Development Agreement

<b>Owner:</b>	<b>Applicant:</b>	<b>Applicant's Representative:</b>
City of San Jose 200 East Santa Clara Street, 17th Floor Tower San Jose, CA 95113	Shea Properties c/o Sean McEachern 130 Vantis Street, Suite 200 Aliso Viejo, CA 92656	Sean McEachern <a href="mailto:Sean.mceachern@sheaproperties.com">Sean.mceachern@sheaproperties.com</a>

**ATTACHMENT**

Draft Third Amendment to Development Agreement  
(behind this page)

**DA22-001**

**Links to Attachment A**

Click on the title to view document

Exhibit A: Draft Third Amendment to Development Agreement

Correspondence received after September 21, 2022