



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Planning Commission

**SUBJECT: SEE BELOW**

**DATE:** September 23, 2024

**COUNCIL DISTRICT: 10**

**SUBJECT: PDC23-006, PD23-002, H24-008 & ER23-005 - Planned Development Rezoning, Planned Development Permit, and Site Development Permit on those Certain Real Properties Located at 250 Hospital Parkway and 6120 Liska Lane (Kaiser Permanente San Jose Medical Center)**

## **RECOMMENDATION**

The Planning Commission voted 9-0 to recommend that the City Council take the following actions:

1. Adopt a resolution certifying the Environmental Impact Report (EIR) for the Kaiser Permanente San Jose Medical Center (File No. ER23-005), make certain findings concerning significant impacts, mitigation measures, alternatives, and adopt a related Mitigation Monitoring and Reporting Plan, in accordance with the California Environmental Quality Act (CEQA);
2. Approve an ordinance rezoning that certain real property of an approximately 39.2-gross-acre campus site situated on the easterly side of Cottle Road, south of Highway 85 (250 Hospital Parkway) from the A(PD) Planned Development Zoning District to a new A(PD) Planned Development Zoning District.
3. Adopt a resolution approving, subject to conditions, a Planned Development Permit to effectuate the Planned Development Rezoning (File No.PDC23-006) to allow the demolition of the existing approximately 250,000-square-foot hospital at 250 Hospital Parkway (APN 706-05-037), the removal of temporary structures and 59 trees including 32 ordinance-size trees on an approximately 8.45-acre site (APN 706-05-011) located on the northwest corner of Santa Teresa Boulevard and Camino Verde Drive for the construction of a 303-bed, six-story, approximately 685,000-square-foot hospital including a basement, and a new 35,000-square-foot energy center/service yard, and to allow the removal of 56 trees including 14 ordinance-size trees on an approximately 2.46-acre site (APN 706-05-025) located on the northeast corner of Santa Teresa Boulevard and Camino Verde Drive for the construction of a five-level, approximately 350,000-square-foot parking structure, and to allow extended construction hours from

6:00 a.m. to 7:00 p.m., Monday to Friday and on Saturdays between 8:00 a.m. and 5:00 p.m., and certain nighttime construction activities such as concrete pours on an as-needed basis during the construction period.

4. Adopt a resolution approving, subject to conditions, a Site Development Permit to allow the removal of 16 trees, including seven ordinance-size trees, for the installation of an approximately 18,543-square-foot temporary construction office trailer complex with necessary site improvements within the 0.9-acre area of a 3.96-acre site located on the northeast of Liska Lane, approximately 91 feet north from Cheryl Beck Court (6120 Liska Lane) to support the hospital construction, and to allow the extended construction hours for installing the trailer complex from 6:00 a.m. to 7:00 p.m., Monday to Friday and 8:00 a.m. to 5:00 p.m. on Saturdays for a three-to-four month period.

### **SUMMARY AND OUTCOME**

If the City Council approves the actions listed above as recommended by the Planning Commission, the approximately 39.2-gross-acre site to the southeast of Highway 85/ramp and Cottle Road (APN 706-05-011, -025, -017, -037, -020, -032, and -035) would be rezoned from its current A(PD) Planned Development Zoning District to a new A(PD) Planned Development Zoning District. Additionally, the project applicant can move forward with constructing a new hospital with an energy center/service yard, a parking structure, and a temporary construction office trailer complex, as well as demolishing the existing hospital.

### **BACKGROUND**

On September 11, 2024, the Planning Commission held a Public Hearing to consider the Environmental Impact Report (EIR) for the Kaiser Permanente San Jose Medical Center, Planned Development Rezoning, Planned Development Permit, and Site Development Permit.

This item was heard during the public hearing portion of the agenda. Commissioner Rosario made a motion to approve the staff's recommendation. Commissioner Oliverio seconded the motion. The motion passed 9-0. The Planning Commission recommended that the City Council adopt the EIR and the related Mitigated Monitoring and Reporting Program (MMRP), and approve the Planned Development Rezoning, Planned Development Permit, and Site Development Permit.

## **ANALYSIS**

Analysis of project impacts pursuant to CEQA, the Planned Development Rezoning, the Planned Development Permit, and the Site Development Permit, including conformance with the General Plan, Municipal Code, and City Council policies, is contained in the attached staff report.

### *Climate Smart San José Analysis*

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals. The project would provide job opportunities and would include energy-efficient design features. Given its adjacency to existing and future transit options, the project would facilitate mobility choices beyond single-occupancy, gas-powered vehicles.

## **EVALUATION AND FOLLOW-UP**

The City Council is the final decision-making body for this Planned Development Rezoning, Planned Development Permit and Site Development Permit applications. The City Council has the option to approve, deny, or defer the project to a later City Council meeting. If denied, the entire 39.2-acre site would keep its current A(PD) Zoning, and the applicant would not be able to proceed with constructing a new hospital with a new energy center/service yard, a parking structure, and a temporary construction office trailer complex. If approved, the entire site will be rezoned to the A(PD) Planned Development Zoning District, and the applicant will be able to proceed with the proposed projects. The rezoning would become effective 30 days after a second reading of the rezoning ordinance at a subsequent City Council meeting.

## **COORDINATION**

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

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the October 8, 2024 City Council meeting.

Additionally, staff followed [Council Policy 6-30: Public Outreach Policy](#) in order to inform the public of the proposed project. Eight on-site signs were posted at the hospital project street frontages on March 31, 2023, and one on-site sign was posted at the temporary construction office trailer site on May 9, 2024. A formally noticed (1,000-foot

noticing radius) Community Meeting with the Environmental Scoping was held on June 5, 2023, via Zoom to introduce the project to the community. Fourteen members of the public attended the meeting and one member of the public spoke concerning about the tree removal.

A notice of the public hearing was distributed to the owners and tenants of all properties located within 1,000 feet of the project site and posted on the City website. Additionally, a notice of the public hearing was posted in a newspaper of record (San José Post Record) on August 21, 2024. The staff report is also posted on the City's website. Staff has also been available to respond to questions from the public.

### **COMMISSION RECOMMENDATION AND INPUT**

The project was heard during the Public Hearing agenda of the September 11, 2024 Planning Commission meeting, which proceeded as follows:

#### *Staff Presentation*

Planning staff provided an oral presentation of the proposed project, including an overview of the project and the project's conformance with the General Plan, the proposed Planned Development Zoning District regulations, Citywide Design Standards and Guidelines, and the California Environmental Quality Act (CEQA). Staff also read into the record of a condition to be added to the Planned Development Permit to include a wayfinding sign design in three locations in Public Right-of-Ways at the public improvement plan submittal to address Santa Teresa Branch Library's concern about visibility.

#### *Applicant Presentation*

The applicant, Tina Wehrmeister, representing Kaiser Permanente, presented the project. She provided the background information about the current hospital and how Kaiser Permanente serves the community, explained why a replacement hospital is needed, and highlighted the project design features and the potential future programs that have been studied in the project EIR but have not been formally proposed. She explained how parking will be addressed during the construction and stated the project will provide wayfinding signs for the library and that the potential farmer's market schedule changes due to the project. She also emphasized that the proposed hospital will be one of the first all-electric hospitals in California and will have a LEED Gold certification for the facility. She stated that Kaiser Permanente will pay \$1.75 million commercial linkage fees in support of the City's affordable housing, and she and her team were available to answer any questions from the Planning Commission.

### *Public Hearing*

Chair Tordillos opened the public comment portion of the agenda.

One member of the public who resides within 1,000 feet of the project site spoke. This public member stated he was initially concerned about the construction process, tree removal, trailer access, etc. However, all his questions were answered by the applicant's team before the hearing. He stated there would be temporary construction noise and traffic impact on the neighborhood for approximately three to four years. Still, in the long term, the project would benefit the community. Therefore, he supported the project.

### *Commissioner Discussion*

Commissioner Cantrel described his experience of having to wait in the car when one of his family members was in the emergency room during the pandemic and asked the applicant how the project would address such issues.

Applicant responded that the project would include gardens and outdoor seating areas that are close to the emergency department to allow people to rest and wait.

Commissioner Bickford commented that increasing the number of beds from 265 to 303 seems not significant given the growing population and wondered how Kaiser analyzed the needs of the growing aging population.

The applicant explained that Kaiser has a group that studies demographics carefully and recommends the size of the new hospital based on a thorough analysis. The applicant also clarified that the capacity of the shared rooms in the current hospital is generally not realized, and the average daily census is around 160 beds. The new hospital would have one bed per room.

Commissioner Rosario asked when Kaiser started retrofitting/replacing hospitals. Applicant responded that their first hospital replacement project was the Santa Clara hospital in 2002, and since then, Kaiser has replaced multiple hospitals in northern California and many in southern California.

Commissioner Rosario then asked which method was more straightforward, comparing retrofit with replacement. Applicant responded that per their experience, they need to replace the hospitals to keep the service without disruption. Retrofitting the hospital would require vacating the building to upgrade the structure, which is generally not economically or operationally feasible.

Commissioner Rosario made a motion to approve staff's recommendation and Commissioner Oliverio seconded the motion.

Commissioner Randall asked about the plan for the existing hospital. Applicant responded that the existing hospital will be demolished after the new hospital is built.

Commissioner Oliverio asked about the construction cost and applicant responded that they generally do not disclose the cost. Commissioner Oliverio then asked about the funding resources and applicant stated they self-finance their projects.

Commissioner Borocio asked whether the construction cost of the new hospital would result in increasing the insurance cost of the Kaiser subscribers. Applicant responded that they are not specifically related but it is a part of Kaiser's capital plan and the capital plan is also just one part of the total cost that Kaiser has to have the members pay.

The Planning Commission voted 9-0 to pass the motion to approve staff's recommendation.

### **CEQA**

The City of San José, as the lead agency for the proposed Project prepared an Environmental Impact Report ("EIR") in compliance with CEQA. The Kaiser Permanente San Jose Medical Center Project's Draft EIR ("DEIR") was circulated for public review and comment for 45 days, from February 23, 2024, through April 11, 2024. The City received three written comment letters from three public agencies and one organization during the public circulation period. Comments received requested clarifying information be added to the DEIR. No comments required substantiative changes to any CEQA analysis. A summary of the public comments received on the DEIR is provided in the Planning Commission staff report, as well as information on 1st Amendment to the Draft EIR/Response to Comments.

The entire Final EIR, including the DEIR, 1st Amendment to the DEIR, and other related environmental documents are available on the Planning website at:

<https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/environmental-review/environmental-review-documents/kaiser-permanente-san-jos-medical-center-project>

A copy of the signed Mitigated Monitoring Reporting Program is attached to the proposed CEQA resolution.

### **PUBLIC SUBSIDY REPORTING**

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

HONORABLE MAYOR AND CITY COUNCIL

September 23, 2024

**Subject: PDC23-006, PD23-002, H24-008 & ER23-005 - Planned Development Rezoning, Planned Development Permit, and Site Development Permit on Certain Real Property Located at 6120 Liska Lane (Kaiser Permanente San Jose Medical Center)**

Page 7

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CHRIS BURTON

Secretary, Planning Commission

For questions, please contact the Division Manager of the Planning Division's Development Review Team, John Tu, at (408) 535-6818.

Attachment:

- Planning Commission Staff Report



# Memorandum

**TO:** PLANNING COMMISSION  
**SUBJECT:** PDC23-006, PD23-002, H24-008  
 & ER23-005

**FROM:** Christopher Burton  
**DATE:** September 11, 2024

**COUNCIL DISTRICT: 10**

|                                    |   |
|------------------------------------|---|
| <b>Type of Applications</b>        | <b>Planned Development Rezoning (PDC23-006), Planned Development Permit (PD23-002), and Site Development Permit (H24-008)</b>                 |
| Demolition                         | A 250,000-square-foot hospital  |
| Proposed Land Uses                 | Hospital, parking garage, and temporary construction office trailer   |
| New Residential Units              | 0   |
| New Non-Residential Square Footage | 685,000 square feet of hospital and 35,000 square feet of energy center   |
| Additional Policy Review Items     | N/A   |
| Tree Removals                      | PD23-002 site: 46 ordinance-size trees and 69 non-ordinance-size trees<br>H24-008 site: 7 ordinance-size trees and 9 non-ordinance-size trees |
| <b>Project Planner</b>             | Angela Wang   |
| <b>CEQA Clearance</b>              | Environmental Impact Report for the Kaiser Permanente San José Medical Center (PDC23-002 and PD23-002) State Clearinghouse No. 2023050424.    |
| <b>CEQA Planner</b>                | Cort Hitchens   |

## RECOMMENDATION

Staff recommends that the Planning Commission recommend the City Council to take all of the following actions regarding the Kaiser Permanente San Jose Medical Center Campus site ("campus"), and the Bright Horizons Daycare site ("Bright Horizons site"):

1. Adopt a Resolution certifying the Environmental Impact Report (EIR) for the Kaiser Permanente San José Medical Center (SCH #2023050424), make certain findings concerning significant impacts, mitigation measures, alternatives, and adopt a related Mitigation Monitoring and Reporting Plan, in accordance with the California Environmental Quality Act (CEQA);
2. Approve an Ordinance rezoning the approximately 39.2-gross-acre campus site from the A(PD) Planned Development Zoning District to a new A(PD) Planned Development Zoning District to increase the development capacity and modify the development standards;

3. Adopt a Resolution approving, subject to conditions, a Planned Development Permit to effectuate the Planned Development Rezoning, PDC23-006, to allow the demolition of the existing approximately 250,000-square-foot hospital at 250 Hospital Parkway (APN 706-05-037), the removal of temporary structures and 59 trees including 32 ordinance-size trees on an approximately 8.45-acre site (APN 706-05-011) within the southwest corner of the campus for the construction of a 303-bed, six-story, approximately 685,000-square-foot hospital including a basement, and a new 35,000-square-foot energy center/service yard, and to allow the removal of 56 trees including 14 ordinance-size trees on an approximately 2.46-acre site (APN 706-05-025) within the southeast corner of the campus for the construction of a five-level, approximately 350,000-square-foot parking structure, and to allow extended construction hours from 6:00 AM to 7:00 PM, Monday to Friday and on Saturdays between 8:00 AM and 5:00 PM, and certain nighttime construction activities such as concrete pours on an as-needed basis during the construction period.
4. Adopt a Resolution approving, subject to conditions, a Site Development Permit to allow the removal of 16 trees including seven ordinance-size trees for the installation of an approximately 18,543-square-foot temporary construction office trailer complex with necessary site improvements within the 0.9-acre area of the 3.96-acre Bright Horizons site to support the hospital construction, and to allow the extended construction hours for installing the trailer complex from 6:00 AM to 7:00 PM, Monday to Friday and 8:00 AM to 5:00 PM on Saturdays for a three-to-four month period.

**PROPERTY INFORMATION**

Please note the “campus site” listed below refers to the PD Rezoning (PDC23-006) site; the Project site refers to the PD Permit (PD23-002) site; and the Bright Horizons site refers to the Site Development Permit (H24-008) site to the east of the campus site. The PD23-002 site is within the PDC23-006 boundary.

|                                 |   |
|---------------------------------|---|
| <b>Location</b>                 | Campus site (multiple addresses): southeast of Cottle Road and Highway 85/ramp<br>Project site: <ul style="list-style-type: none"> <li>• New construction site: northeast and northwest corners of Santa Teresa Boulevard and Camino Verde Drive</li> <li>• Demolition site (250 Hospital Parkway): east half of the block bounded by International Circle</li> </ul> Bright Horizons site (6120 Liska Lane): northeast of Liska Lane, approximately 91 feet northerly from Cheryl Beck Court |
| <b>Assessor Parcel Nos.</b>     | Campus site: 706-05-011, -025, -017, -037, -020, -032, and -035<br>Project site: 706-05-011, -025 (new construction site) , and -037 (demolition site)<br>Bright Horizons site: a portion of 706-04-017   |
| <b>General Plan Designation</b> | Campus site: NCC Neighborhood/Community Commercial & PQP Public/Quasi-Public<br>Project site: NCC (new construction site) & PQP (demolition site)<br>Bright Horizons site: Industrial Park  |

|                          |  |
|--------------------------|--|
| <b>Growth Area</b>       | Project site: The new construction site is within the Santa Teresa Boulevard/Cottle Road Urban Village Area (no UV plan approved or under development.)  |
| <b>Zoning – Existing</b> | Campus site: A(PD) Planned Development, File No. PDC90-025<br>Bright Horizons site: IP Industrial Park   |
| <b>Zoning – Proposed</b> | Campus site: A(PD) Planned Development, File No. PDC23-006   |
| <b>Historic Resource</b> | N/A  |
| <b>Annexation Date</b>   | Campus site: March 4, 1971 (Oak Grove No. 38) and December 29, 1966 (Oak Grove No. 20)<br>Bright Horizons site: March 19, 1979 (Oak Grove No. 58)  |
| <b>Council District</b>  | 10   |
| <b>Project Acreage</b>   | Campus site (PDC23-006): +/- 39.2 acres<br>Project site (PD23-002): +/- 10.91 acres (new construction site) and +/- 6.8 acres (demolition site)<br>Bright Horizons site (H24-008): +/- 0.9 acres of a 3.96-acre site |

## PROJECT BACKGROUND

As shown on the attached [Vicinity Map \(Exhibit A\)](#), the Kaiser Permanente San Jose Medical Center Campus Site (“campus”) is located on an approximately 39.2-acre site and bounded by Highway 85 and the Valley Transit Authority (VTA) Cottle Light Rail Station and parking lot to the north, Cottle Road to the west, Santa Teresa Boulevard to the south, and Liska Lane to the east. Hospital Parkway, Camino Verde, and International Boulevard provide access to and through the campus. The campus is surrounded by urban uses, including a gas station at the northeast corner of Cottle Road and Santa Teresa Boulevard adjacent to the campus, commercial uses to the south across Santa Teresa Boulevard, the Oakridge Palmia residential neighborhood, and daycare and pre-school to the west across Cottle Road, and the Santa Teresa Branch Library, Bright Horizons Daycare, and residential uses to the east.

The campus contains approximately 675,000 square feet of hospital and medical office space and comprises multiple parcels, APNs 706-05-011, 706-05-025, 706-05-017, 706-05-037, 706-05-020, 706-05-032, and 706-05-035. The majority of the campus is developed and includes the existing approximately 250,000-square-foot, seven-story hospital and emergency department with 247 beds, multiple medical office buildings, one administrative building, two parking structures, surface parking, and support uses. The campus provides both outpatient and inpatient clinical services.

The entire campus is currently within the A(PD) Planned Development Zoning District, File No. PDC90-025. This Planned Development Zoning District was adopted in 1994 and allows up to 805,344 square feet of medical use within this campus and limits the building heights to up to 45 feet in three areas of the campus and the rest up to 95 feet. Currently, approximately 670,000 square feet of hospital and medical office space exist on the campus.

The existing hospital was built in 1974 and is required to implement State-mandated seismic upgrades or be replaced to continue providing acute care services beyond 2030. Given the age of the hospital structure, advancements in medical technology, and changes to service delivery models, Kaiser Permanente has determined that a hospital replacement would most effectively enable the successful provision of services to members with limited service disruptions and is the most cost-effective approach to meeting the seismic requirements. More intensive medical/hospital development on the

campus site is required to serve the growing patient base of the community adequately. Due to the specific needs of this development, a Planned Development Rezoning is required.

Therefore, on January 13, 2023, Kaiser Foundation Hospitals (Kaiser Permanente), the project applicant and property owner, filed the following two applications:

- **Planned Development Rezoning** (PD Rezoning, File No. **PDC23-006**) to Rezone the entire campus from the A(PD) Planned Development Zoning District to a new A(PD) Zoning District to increase the development capacity and modify the development standards.
- **Planned Development Permit** (PD Permit, File No. **PD23-002**) to allow the demolition of the existing approximately 250,000-square-foot hospital at 250 Hospital Parkway (APN 706-05-037), the removal of temporary structures and 59 trees including 32 ordinance-size trees on an approximately 8.45-acre site (APN 706-05-011) within the southwest corner of the campus for the construction of a 303-bed, six-story, approximately 685,000-square-foot hospital including a basement, and a new 35,000-square-foot energy center/service yard, and to allow the removal of 56 trees including 14 ordinance-size trees on an approximately 2.46-acre site (APN 706-05-025) within the southeast corner of the campus for the construction of a five-level, approximately 350,000-square-foot parking structure, and to allow extended construction hours from 6:00 AM to 7:00 PM, Monday to Friday and on Saturdays between 8:00 AM and 5:00 PM, and certain nighttime construction activities such as concrete pours on an as-needed basis during the construction period. The existing hospital will continue to function at full capacity while the new hospital is under construction and will be demolished after construction.

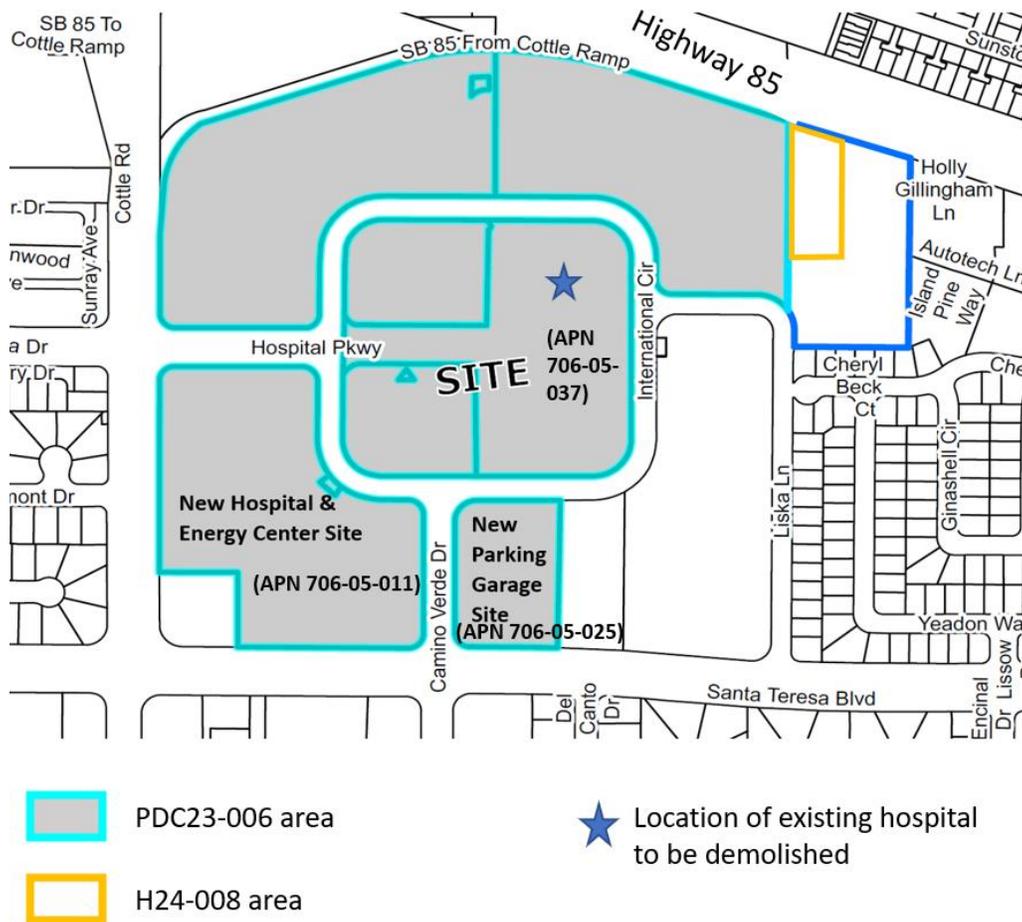
The two new construction sites of this PD Permit are located within the southwest and southeast corners of the campus. Both sites are currently used as surface parking lots for the existing hospital and medical offices within the campus. The proposed hospital would be located on the southwest corner of Hospital Parkway and International Circle with the primary entrance facing International Circle, toward the campus center, and the Emergency Department facing Cottle Road and Hospital Parkway would be accessed from these two streets. The energy center and service yard would be located south of the hospital along Santa Teresa Boulevard and accessed from Camino Verde Drive. The five-level, 1,015-space parking garage would be located to the east of the hospital site, on the 2.9-acre site on the northeast corner of Santa Teresa Boulevard and Camino Verde Drive. The garage is accessed from Camino Verde Drive and International Circle.

To support the construction of the hospital project, Kaiser Permanente, on behalf of the applicant, Rudolph and Sletten, Inc. (a construction firm), also filed a **Site Development Permit** (File No. **H24-008**) on February 13, 2024, to allow the installation of a temporary 18,465-square-foot construction office trailer complex on a 0.9-acre vacant portion of the adjacent Bright Horizons Daycare site. The 3.96-acre Bright Horizons site is located east of the campus, bounded by Highway 85 to the north, multi-family residential to the east, and single-family residential to the south. The site includes a daycare in the front and the east and an approximately 0.9-acre vacant area in the rear adjacent to the campus.

The permit also includes the removal of 16 trees, including seven ordinance-size trees, and extended construction hours for installing the trailer complex from 6:00 AM to 7:00 PM, Monday to Friday and 8:00 AM to 5:00 PM on Saturdays for a three-to-four month period. The trailer area will be accessed from the campus parking lot to the west and separated from the daycare by fences, hence, the use of the trailer complex would not affect the daycare operation or vehicle/pedestrian circulation. The trailer complex will stay in operation until the hospital construction is complete. The construction timeline for

the hospital site is approximately five years. The site would be restored to its original condition after the trailer complex is removed.

The map below illustrates the boundaries of the three applications:



PD23-002 area: The two sites labeled above, on the northeast and northwest corners of Santa Teresa Boulevard and Camino Verde Drive, for new construction, and the existing hospital site for demolition.

| SURROUNDING USES OF THE CAMPUS AND THE BRIGHT HORIZONS SITES |   |   |   |
|--|---|---|---|
|  | General Plan  | Zoning District   | Existing Use  |
| North  | Neighborhood/Community Commercial, Public/Quasi-Public, and Urban Village (UV across Highway 85)            | IP(PD) (across Hwy 85) and A(PD)  | VTA park and ride site and Highway 85, with multi-family residential beyond                                 |
| East   | Residential Neighborhood, Public/Quasi-Public and Mixed-Use Neighborhood                                    | LI(PD) and A(PD)  | City of San José Library, multi-family residential, and single-family residential                           |
| South  | Neighborhood/Community Commercial, Public/Quasi-Public, Mixed-Use Neighborhood and Residential Neighborhood | Light Industrial, Commercial Pedestrian, Commercial Office, and R-1-8 Single-Family Residence | Gas station, commercial, library, multi-family residential, and single-family residential                   |
| West   | Transit Residential and Residential Neighborhood  | Light Industrial, A(PD), and R-1-8 Single-Family Residence (across Cottle Road)               | Day care and single-family residential across Cottle Road, and gas station at corner abutting project site. |

**ANALYSIS**

The proposed **Planned Development Rezoning, Planned Development Permit, and Site Development Permit** have been analyzed with respect to consistency with:

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

**Envision San José 2040 General Plan**

***PDC23-006 (PD Rezoning) and PD23-002 (PD Permit)***

As shown in the attached **General Plan Map (Exhibit B)**, the entire campus (PDC23-006 Rezoning site) is within the **NCC Neighborhood/Community Commercial** and **PQP Public/Quasi-Public** land use designation in the Envision San José 2040 General Plan Land Use/ Transportation Diagram Map. The existing hospital site (APN 706-05-037) is within the PQP land use designation. The proposed hospital and energy center/service yard site (APN 706-05-011) and the parking structure site (APN 706-05-025) are both within the NCC land use designation and are within the Santa Teresa Boulevard/Cottle Road Urban Village, which does not have an adopted Urban Village Plan to date, nor a projected date to commence planning. Prior to the adoption of an Urban Village Plan, development should occur consistent with the General Plan land use designation and the Zoning District.

**Public/Quasi-Public**

Density: FAR (N/A)

This category is used to designate public land uses, including schools, colleges, corporation yards, homeless shelters, permanent supportive housing, libraries, fire stations, water treatment facilities, convention centers and auditoriums, museums, governmental offices and airports. This category is also used to designate lands used by some private entities, including private schools, daycare centers, hospitals, public utilities, and the facilities of any organization involved in the provision of public services such as gas, water, electricity, and telecommunications facilities that are consistent in character with established public land uses.

### **Neighborhood/Community Commercial**

Density: FAR Up to 3.5

The Neighborhood/ Community Commercial land use designation supports a very broad range of commercial activity, including commercial uses that serve the communities in neighboring areas, such as neighborhood-serving retail and services and commercial/ professional office development. Neighborhood / Community Commercial uses typically have a strong connection to and provide services and amenities for the nearby community.

*Analysis: The PQP and NCC land use designations support hospital and medical use. The Planned Development Rezoning would allow more intensive hospital and medical use development within an existing medical center campus to accommodate the growing patient population base within the City. The Planned Development Permit allows the construction of a larger hospital and the associated structures, including the parking garage and the energy center/service yard. The proposed FAR on the hospital site is 1.67, and the proposed FAR on the parking structure site is 3.17. Therefore, the PD Zoning and Permit are consistent with the PQP and NCC land use designations.*

The PD Rezoning and PD Permit are also **consistent** with the following General Plan goals and policies:

**Implementation Policy IP-1.7:** Ensure that proposals to rezone and prezone properties conform to the Land Use/Transportation Diagram and advance Envision General Plan Vision, goals and policies.

*Analysis: The proposed Rezoning advances several Envision 2040 General Plan goals and policies, detailed below. The rezoning would allow the continued provision of adequate medical and hospital services for the growing patient population base throughout the City and the area, consistent with PQP and NCC land use designations, as stated above.*

**Implementation Policy IP-8.5:** Use the Planned Development zoning process to tailor such regulations as allowed uses, site intensities and development standards to a particular site for which, because of unique circumstances, a Planned Development zoning process will better conform to Envision General Plan goals and policies than may be practical through implementation of a conventional Zoning District.

*Analysis: The current PD Zoning approved in 1994 (File No. PDC90-025) caps development capacity and limits the building height. The new PD Zoning District would remove this development cap and increase the building height limit to allow greater hospital and medical use development intensity to better align with the NCC and PQP land use designations. NCC land use designation allows development up to 3.5 FAR. The rezoning provides more development flexibility for public/quasi-public projects to meet the identified needs of the community, there is no maximum allowed floor area ratio within the PQP designation, development is subject to environmental review to ensure that any significant environmental impacts are addressed through project design measures or mitigation measures. According to the Environmental Impact Report for the project, any identified significant environmental impacts have been reduced to levels of insignificant with the implementation of mitigation measures.*

*The proposed hospital building, energy center, and parking garage are limited to the height and locations identified on the Planned Development Permit plans. Any changes to these plans or a future project are also subject to environmental review if new or previously-identified issues would result in potentially significant impacts.*

**Education and Services ES-6:** Provide for the health care needs of all members of the San José community.

**Education and Services ES-6.1:** Facilitate the development of new and promote the preservation and enhancement of existing health care facilities that meet all the needs of the entire San José community.

*Analysis: The PD Rezoning would continue only to allow medical-related uses with the potential for more intensive hospital development to continue adequately serving the growing community patient base. The PD Permit would allow the development of the new hospital buildings. Moreover, the new hospital would meet current seismic requirements, resulting in greater safety and ongoing capacity to provide for community hospital needs should a major seismic event occur. Therefore, the PD Rezoning and PD Permit are consistent with ES-6 and ES-6.1.*

#### **H24-008 (Site Development Permit for the temporary construction office trailer complex)**

As shown in the attached [General Plan Map \(Exhibit B\)](#), the Bright Horizons site is located within the **IP Industrial Park** land use designation in the Envision San José 2040 General Plan Land Use/Transportation Diagram Map. The Industrial Park designation is an industrial designation intended for a wide variety of industrial users such as research and development, manufacturing, assembly, testing and offices. Hospitals may be appropriate within this designation, if it can be demonstrated that they will not be incompatible with Industrial Park uses or other nearby activities. Additional flexibility may be provided for retail and service commercial uses through the City's discretionary review and permitting process.

*Analysis: The site is currently used for daycare. Daycare is allowed with a Special Use Permit in the IP designated area. The proposed temporary construction office trailer complex is located on the vacant area of this daycare site adjacent to the campus parking lot. The trailer complex is to support the construction of the new hospital nearby and will be removed after the construction is complete. The trailer project would not change the site's existing use and, therefore, is consistent with the IP land use designation.*

#### **Zoning Ordinance Conformance**

##### **PDC23-006 & PD23-002**

The project includes a rezoning from the A(PD) Planned Development Zoning District, File No. PDC90-025, to a new **A(PD) Planned Development** Zoning District, File No. PDC23-006.

##### **Land Use**

Chapter 20.60 of the Zoning Ordinance allows a Planned Development Zoning District to be established through ordinance, including regulations for allowed uses and development standards. The Planned Development zoning can be effectuated through a valid Tentative Map or Planned Development Permit. Per [Section 20.60.040.B](#) of the Zoning Code, when a PD permit has been implemented, the provisions of the permit prevail over the regulations of the base district zoning of the property.

The current PD Zoning District allows inpatient and outpatient services, support care (including home, respite, day, and hospice services), childcare, administrative office and support services, auditorium/community services, pharmacy, steam sterilization unit, surface parking and parking structures, medical offices, and specialty clinics. The proposed PD Zoning District will not change these allowable uses.

### **Development Regulations**

To better conform with the 2040 General Plan, the proposed development standards will align with the development standards of the CP Commercial Pedestrian and PQP Public/Quasi-Public Zoning Districts, corresponding to the boundaries of the NCC and PQP General Plan Land Use designation boundaries on the property, respectively, with the following exceptions:

- **Building Setbacks (Minimum):** No setback requirements to the property lines and sidewalk easement lines along Cottle Road and Santa Teresa Boulevard. 10 feet in all other locations.
- **Building Height (Maximum):** 120 feet for buildings located on APNs 706-05-011 & 706-05-025; 95 feet for buildings in all other locations.

All other applicable provisions of the Zoning Code shall apply to this Planned Development Zoning area except where they would conflict with the specific setback and building height provisions herein.

Per Table 20-270 of Section 20.120.110, CP (Commercial Pedestrian), CO (Commercial Office) and CG (Commercial General) Zoning Districts are all the Conforming Zoning Districts to the NCC land use designation. Compared with the CO and CG Zoning Districts, Commercial Pedestrian Zoning District regulations are considered more in line with Urban Village Plans, which encourage buildings to be placed closer to streets and promote pedestrian activities. Because a portion of the NCC designated area in the campus (the new hospital site and the parking structure site) is within an Urban Village, the CP Zoning District development standards are appropriate as references for areas designated NCC in this proposed PD Zoning District.

APN 706-05-011 is the proposed new hospital and emergency center/service yard site, and APN 706-05-025 is the proposed parking structure site. These two sites are both designated NCC and are both within the Urban Village.

Below are the comparisons of the CP, PQP Zoning Districts, the proposed PD Zoning District development standards, and the evaluation of the PD Permit with the proposed PD Zoning District:

| Development Standards           | CP Zoning District Requirements  | PQP Zoning District Requirements   | Proposed A(PD) Planned Development Zoning District Development Standards   | Project (PD23-002) Compliance with PD Standards   |
|---------------------------------|--|--|--|---|
| Minimum Lot Area                | 6,000 square feet  | 6,000 square feet  | Same   | No changes on the lot sizes (8.45 acres and 2.46 acres)   |
| Front Setback                   | No minimum; 10 feet maximum, or as established in approved Urban Village Plan  | Minimum 10 feet, or less than 10 if established in approved development permit | No setback requirements to the property lines or sidewalk easement lines along Cottle Road and Santa Teresa Boulevard. | Except for the energy center along Santa Teresa Boulevard***, the proposed buildings have more than 10 feet of setbacks to the respective property lines. |
| Minimum Side Setback (interior) | None; or as established in approved Urban Village Plan   | 10 feet; less than 10 feet if established in approved development permit       | 10 feet minimum in all other locations.  |   |
| Minimum Side Setback (corner)   | None; or as established in approved Urban Village Plan   | 10 feet; less than 10feet if established in approved development permit        |  |   |
| Minimum Rear Setback            | 25 feet*; or as established in approved Urban Village Plan<br><br>*Per Section 20.90.490, no setback requirement if abuts property in any commercial | 10 feet; less than 10feet if established in approved development permit        |  |   |

|                |  |  |   |  |
|----------------|--|--|---|--|
|                | district or less restrictive district  |  |   |  |
| Maximum Height | 50 feet, unless a different maximum is established in <a href="#">Chapter 20.85</a> ; or as established in approved Urban Village Plan** | 65 feet, unless a different maximum is established in <a href="#">Chapter 20.85</a> ** | 120 feet for buildings located on APNs 706-05-011 & 706-05-025; 95 feet for buildings in all other locations. | New hospital (on APN 706-05-011): 110 feet<br>Energy center (on APN 706-05-011): 35 feet<br>Parking structure (on APN 706-05-025): 55 feet to the top of the solar panel and 60 feet to the elevator shaft |

\*\* Chapter 20.85 allows building height exception to a maximum of 120 feet for properties within an unplanned Urban Village and properties located wholly or partially within a radius of two thousand feet of the existing light rail station. The entire campus includes two sites within the unplanned Urban Village and sites or portions of the sites within a 2,000-foot radius of the Cottle Light Rail Station.

\*\*\* A sidewalk easement is required along the Santa Teresa Boulevard due to the frontage improvements required by Public Works Department and Department of Transportation. The energy center footprint does not encroach into the sidewalk easement area. Project complies with the no setback requirement. A small portion of the façade on the roof level encroaches into the sidewalk easement approximately 1 foot. Sidewalk easement (air space) encroachment is regulated by Public Works. Public Works has reviewed and allowed such encroachment as it does not affect pedestrian access.

*Analysis: As shown on the Planned Development Permit PD23-002 Plan Set and analyzed above, the project conforms with all required setback and height standards pursuant to the General Development Plan of the proposed A(PD) Planned Development Zoning District, File No. PDC23-006.*

**Vehicle Parking:**

The vehicle parking requirement is pursuant to Chapter 20.90, which does not require a minimum number of parking spaces. However, the project is required to provide and implement a Transportation Demand Management (TDM) Plan to achieve the required TDM points:

Hospital use is classified as a Commute End Use (CEU) and the energy center is classified as an Other Use (OTH) per Table 20-190 of Section 20.90.060 of the San José Municipal Code. Per Section 20.90.900, the project is subject to the TDM requirements of Section 20.90, Part 9, as it includes more than 10,000 square feet of CEU use and more than 30,000 square feet of OTH use. This project is classified as a Level 2 project under Table 20-250 (Section 20.90.910) and requires 25 TDM points for CEU use and 5 points for OTH use and requires TDM Monitoring per Table 20-255 of the same section.

As documented in the Transportation Demand Management Plan prepared by ALTRANS TMA, INC (Exhibit L) dated August 1, 2024, the project achieves 31 TDM points, exceeding the 30-point requirement through the following TDM measures:

1. Provide pedestrian network improvements and design and construct pedestrian street improvements outside of the project property frontage and within 1 mile of the Project site (6 points): The project includes multimodal improvements in the following four off-frontage areas:
  - Improvement and extension of the Class IV bike lane at the northeast corner of Santa Teresa Boulevard and Cottle Road
  - Construction of raised crosswalks at the northwest and southwest intersections of Palma Drive and Cottle Road
  - Implementation of concrete separators for the Class IV bike lane on Cottle Road between Santa Teresa and Endicott
  - Implementation of raised plastic delineators for the Class IV bike lane and ADA curb ramps on the segment of Cottle Road within the Caltrans right-of-way.
2. Right-size vehicle parking supply (18 points): This project provides 1,040 parking stalls (including 1,040 parking spaces in the proposed parking structure and 25 parking spaces on the surface parking lot at the new hospital site) for the 685,000-square-foot hospital. The parking ratio is 1.52 stall per 1,000 square feet for CEU in a High-Quality Transit Area (proximate to Cottle Light Rail Station and Santa Teresa Light Rail Station), which yields 18 TDM points per Table 20-257 (Section 20.90.915).
3. Provide short-term and long-term bicycle parking and provide showers, changing rooms, and lockers at a rate twice as required (1 point): The project would provide 40 short-term and 46 long-term spaces, which are more than double the required 13 spaces as discussed below. Showers and changing rooms will also be provided for staff.
4. Provide education, marketing and outreach to encourage the use of transit, shared rides, and active modes, with an expected participation rate of 25% (2 points).
5. Provide pre-tax deduction transportation expense benefits (2 points)
6. Provide targeted behavior interventions to help individuals identify their travel options and offer custom recommendations (2 points)

Annual monitoring and reporting are required, as specified in the TDM Plan and the Permit Conditions.

Motorcycle Parking: Motorcycle parking shall be provided at a rate of 2.5% of standard vehicle parking provided. With 1,040 vehicle parking spaces, 26 motorcycle parking spaces are required. *The project would provide 26 motorcycle parking spaces, and therefore meeting the motorcycle parking requirements.*

Bicycle Parking: A hospital/inpatient facility requires one space per 25 beds. At 303 beds, the project would require 13 bicycle spaces, including at least 10 short-term spaces. *The project would provide 40 short-term and 46 long-term spaces, therefore meeting the bicycle parking requirements.*

#### Extended Construction Hours:

Per Zoning Code [Section 20.100.450](#), hours of construction within 500 feet of a residential unit is limited to Monday through Friday between 7:00 a.m. and 7:00 p.m., unless otherwise allowed in a development permit. The project site is within 500 feet of residential uses. This PD Permit would allow extended construction hours from 6:00 AM to 7:00 PM, Monday to Friday and on Saturdays between 8:00 AM and 5:00 PM, and allow certain nighttime construction activities such as concrete pours on an as-needed basis. The construction-related standard conditions included in the draft Resolution (Exhibit

G) and mitigation measures included in the Mitigation Monitoring and Reporting Program (MMRP) (Exhibit D) would apply to the project to limit noise and dust to reduce the construction impact to the nearby residential use. The extended construction hours would benefit from shortening the overall construction period, thereby reducing the duration of construction impacts. The mitigation measures include submitting a Construction Noise Reduction Plan, providing equipment specifications, and contracting a qualified acoustical engineer to prepare an acoustical study during the final building design to evaluate the potential noise generated by equipment, identify the necessary design measures to meet the City standards, etc. The proposed nighttime construction activities such as nighttime concrete pours or other nighttime work necessary to achieve satisfactory results or to avoid traffic impacts, must be included in the Construction Noise Reduction Plan which the City will review. The contact information of the construction disturbance coordinator would be required to be posted at the construction site. Therefore, staff recommends allowing extended construction hours with the implementation of the MMRP and compliance with the Permit conditions.

#### ***H24-008 (Site Development Permit for temporary construction office trailer complex)***

The Bright Horizons site is within the IP Industrial Park Zoning District.

##### Use:

General office is a permitted use in the IP Zoning District. In addition, this construction office trailer complex is temporary and will be removed after the hospital construction is complete. Therefore, the installation and use of this temporary trailer complex for construction office use are allowed.

##### Setback and Height:

IP Zoning District requires a minimum of 25 feet of building/structure/parking/circulation setbacks from the side and rear abutting residential districts or zero setbacks from the side and rear not abutting residential districts. The Bright Horizons site is adjacent to the residential district to the east therefore, the setback requirement to the eastern property line is 25 feet. There are no setback requirements to the western and northern property lines since these two sides are not adjacent to residential districts. The trailer complex would be located in the west and rear of the site and would be approximately 194.2 feet to the eastern property line. Therefore, the trailer complex meets the setback requirement.

The height limit in the IP Zoning District is 50 feet. The height of the trailer complex is 16.25 feet, well below the height limit.

##### Parking:

The trailer complex is temporary and is meant to support the nearby construction project; therefore, it would be exempt from the TDM requirement. There are no bicycle and motorcycle parking requirements for this temporary use to support construction.

##### Extended Construction Hours:

Per Zoning Code [Section 20.100.450](#), hours of construction within 500 feet of a residential unit is limited to Monday through Friday between 7:00 a.m. and 7:00 p.m., unless otherwise allowed in a development permit. The project site is within 500 feet of residential uses. This Site Development Permit would allow extended construction hours for installing the trailer complex from 6:00 AM to 7:00 PM, Monday to Friday and on Saturdays between 8:00 AM and 5:00 PM for a three-to-four month period. The installation and use of the construction trailer were analyzed in the Environmental Impact Report prepared for the hospital project. The same construction-related standard conditions included in

the draft Resolution (Exhibit G) and mitigation measures included in the MMRP (Exhibit D) would apply to the project to limit noise and dust to reduce the construction impact to the nearby residential use. The extended construction hours would have the beneficial effect of shortening the overall construction period, thereby reducing the duration of construction impacts. Therefore, staff recommends allowing extended construction hours with the implementation of the MMRP and the compliance with the Permit conditions.

### **Citywide Design Guidelines and Standards Consistency for PD23-002**

The project was analyzed for consistency with the Citywide Design Guidelines and Standards (CDSG). The CDSG includes an exception process for design standards which cannot be met and establish findings in Section 1.1.2 of the CDSG that are required to be made by decision makers in order to grant the requested design standard exceptions. These findings include:

- a. There is a physical constraint or unique situation that:
  - i. Is not created by the project applicant or property owner; and
  - ii. Is not caused by financial or economic considerations.
- b. Approving the waiver will not create a safety hazard or impair the integrity and character of the neighborhood in which the subject property is located.
- c. The proposed project meets the intent of design standard under consideration to the extent feasible.

*The PD23-002 project architecture, massing, and materials, and site plan have been determined to be consistent with the applicable standards, with two requested exceptions below:*

1. **Standard 3.3.5. S1 Parking Garage Design:** Line at least 50 percent of the total parking structure façade length facing a primary street, open space, or paseo with a minimum 20-foot-deep active frontage or residential and commercial uses.

*Analysis: Santa Teresa Boulevard is identified as a Primary Street in the CDSG. This standard requires a minimum 20-foot-deep active frontage or residential and commercial uses to be placed on the ground floor of the proposed parking structure along Santa Teresa Boulevard. The proposed parking garage does not include any active use along this street; hence, it does not meet this standard. An exception was requested.*

*The garage site is within the Kaiser Permanente campus. Kaiser Permanente medical campuses do not contain leasable space to other entities, which distinguishes this project from others that would propose a parking garage containing lease space, such as a mixed-use center. In addition, this parking structure provides parking spaces for hospital employees, patients, and visitors which requires high parking demand within the 24-hour operation. Hence, utilizing the entire building footprint for parking is necessary. The nature of the hospital program is a unique situation that is not created by the applicant or is not caused by financial or economic considerations. Therefore, Finding a can be made.*

*The location and design of the parking garage will not create a safety hazard as setback and sight distance standards have been met. Therefore, Finding b can be made.*

*The design standard intends to enhance both the streetscape and adjoining properties and bring activity and life back to streets. A decorative façade is proposed to compliment the neighborhood*

*character, create visual interest, and screen the parking function. In addition, the project would provide an outdoor plaza to the west of the parking garage along Camino Verde Drive for community activities such as the farmer's market. The project meets the intent of the design standard to the extent feasible. Therefore, Finding c can be made.*

*All required findings can be made per the above analysis; therefore, it is recommended that the exception request be granted.*

2. **Standard 2.3.7.S7 Site Lighting:** Keep the maximum color temperature for outdoor lighting below 2700 Kelvin, except for outdoor decorative lighting from November 15 to January 15.

*Analysis: The color temperature of the proposed outdoor lighting for site and pedestrian circulation areas is 3000 Kelvin and the color temperature for the site lighting fixtures for parking lots and driveways is 4000 Kelvin. The project does not meet this standard. Hence, an exception is requested.*

*The hospital is a 24-hour facility dedicated to providing health care services. Therefore, outdoor lighting is crucial in designing the facility to be safe and easy to navigate during overnight hours. Higher color temperature will promote higher acuity and increase levels of security than 2700 Kelvin lighting. The hospital program and the need for 24-hour operation are unique situations that are not created by the applicant or are not caused by financial or economic considerations. Therefore, Finding a can be made.*

*As discussed above, the white color lights provide higher acuity, contributing to an increased sense of security as persons and objects will be easier to see at night. The exception will not create a safety hazard or impair the integrity and character of the neighborhood, therefore, Finding b can be made. The project is consistent with all other lighting standards except for the standard regarding color temperature. Therefore, Finding c can be made.*

*All required findings can be made per the above analysis; therefore, it is recommended that the exception request be granted.*

## **PERMIT FINDINGS**

### **Planned Development Permit Findings for PD23-002**

To make the Planned Development Permit findings pursuant to San José Municipal Code Section 20.100.940 and recommend approval to the Planning Commission, staff must determine that:

1. The planned development permit, as issued, is consistent with and furthers the policies of the general plan; and

*Analysis: As analyzed in the General Plan consistency section above, the hospital with the associated energy center/service yard and parking garage is consistent with the NCC land use designation because it provides services to the community. The project will further the General Plan Goal and Policies ES-6 and ES-6.1 to provide the healthcare needs for San Jose residents.*

2. The planned development permit, as issued, conforms in all respects to the planned development zoning of the property; and

*Analysis: As analyzed in the Zoning Ordinance Consistency section above, the project is consistent with the proposed A(PD) Planned Development Zoning District Development Standards. The project is consistent with the use, setback, and height requirements of the Planned Development Standards and the General Development Plan.*

3. The planned development permit, as approved, is consistent with applicable city council policies, or counterbalancing considerations justify the inconsistency; and

*Analysis: As discussed in the City Council Policy Consistency section below, the project is subject to and conforms to the Public Outreach Policy for Pending Land Use and Development Proposals. The project was noticed at a 1,000-foot radius, and eight on-site signs have been posted at the sites since March 31, 2023, to inform the neighborhood of the project. A virtual community meeting was held on June 5, 2023. 14 community members joined the meeting with one question about tree removal. Staff has been available to answer questions from the public during the review process.*

4. The interrelationship between the orientation, location, mass and scale of building volumes, and elevations of proposed buildings, structures and other uses on-site are appropriate, compatible and aesthetically harmonious; and

*Analysis: The project design adheres to the neighborhood context by stepping back and maintaining a lower profile presence along Cottle and Santa Teresa and placing the six-story tower portion of the hospital toward the campus. The hospital's primary entrance would be facing the campus and accessed from the International Circle. The Emergency Department entrance is located on the north side of the new hospital to be most immediately visible and accessible off Cottle Road. Along Cottle, accessed from Hospital Parkway, is an ambulance drop-off with direct access to the Emergency Department service. A maintenance driveway is located off Camino Verde on the new hospital's south side, leading to a below-grade loading dock and service yard that hides service activities from the street and neighborhood view. The five-level parking garage is located east of the hospital site across the street from Camino Verde Drive and has decorative screens to contribute to façade variations. Outdoor amenities include a healing garden and outdoor seating for dining and respite directly adjacent to the hospital café. Additionally, a flexible-use plaza along Camino Verde to the west side of the Parking Structure is available to support a farmer's market or other community gatherings. Hospital design reflects the function within; however, to create variety and character in the façade, windows are framed with deeper mullion profiles, and changes in material, color, and variation in window sizes break down the length of the building façade and volumes. The entire project applies a consistent contemporary architectural style.*

5. The environmental impacts of the project, including, but not limited to noise, vibration, dust, drainage, erosion, storm water runoff, and odor which, even if insignificant for purposes of the California Environmental Quality Act (CEQA), will not have an unacceptable negative effect on adjacent property or properties.

*Analysis: The project construction will generate temporary impacts in terms of noise, vibration, and air quality, which the implementation of the approved Mitigation Monitoring and Reporting Program will address. In terms of operation, solid waste generated by the hospital will be subject to the waste handling and disposal regulations contained in Title 9 of the San José Municipal Code. In contrast, medical waste disposal will be subject to the regulations contained in California Health and Safety Code Sections 117600 through 118360. Hospital use does not generate smoke, gases, or other harmful air pollutants. The hospital is conducted entirely indoors and will not generate a private or public nuisance. Project noise from operations is not expected to exceed at adjacent property lines, which is consistent with the Zoning Code. The project will be required to adhere to all applicable standard permit conditions and mitigation measures related to reducing temporary and operational sources of noise and vibration, dust, and erosion. The project must also comply with all City permits and policies*

*related to erosion and storm water runoff. For these reasons, the project is not anticipated to have an unacceptable negative impact on adjacent properties.*

### **Demolition Findings for PD23-002**

Per Section 20.80.460 of the Municipal Code, prior to the issuance of any Development Permit which allows for the demolition, removal or relocation of a Building, the approval authority shall determine whether the benefits of permitting the demolition, removal or relocation outweigh the impacts of the demolition, removal or relocation. In making such a determination, the following factors shall be considered. Staff recommends the Planning Commission adopt the considerations below for each factor, based on the above stated findings related to General Plan, Zoning and CEQA conformance and other reasons stated below, and subject to the conditions set forth in the Resolution:

1. The failure to approve the permit would result in the creation or continued existence of a nuisance, blight or dangerous condition;
2. The failure to approve the permit would jeopardize public health, safety or welfare;
3. The approval of the permit should facilitate a project that is compatible with the surrounding neighborhood;
4. The approval of the permit should maintain the supply of existing housing stock in the City of San José;
5. Both inventoried and non-inventoried buildings, sites and districts of historical significance should be preserved to the maximum extent feasible;
6. Rehabilitation or reuse of the existing building would not be feasible; and
7. The demolition, removal or relocation of the building without an approved replacement building should not have an adverse impact on the surrounding neighborhood.

*Analysis: The project includes the demolition of the existing hospital. The existing hospital does not contain any housing units; hence, its demolition will not decrease the City's housing stock. The existing hospital was built in 1974. Per the Historic Resources Evaluation prepared by ESA dated July 2023, the building is not notable for its architectural design and does not qualify as historically significant on a local, state, or federal level. Rehabilitation or reuse of the existing hospital is not feasible because the project seeks to construct a much larger hospital (increasing the building area of the hospital from 250,000 square feet to 650,000 square feet). The replaced hospital project is consistent with the use and development standards of the zoning district and the Citywide Design Standards and Guidelines. It is therefore compatible with the surrounding neighborhood. The old hospital site will become surface parking lots after the demolition; hence the demolition will not have an adverse impact on the surrounding neighborhood.*

### **Site Development Permit Findings for H24-008**

To make the Site Development Permit findings pursuant to San José Municipal Code [Section 20.100.630](#), and recommend approval to the City Council, the Planning Commission must determine that:

1. The Site Development Permit, as approved, is consistent with and will further the policies of the General Plan, applicable specific plans and area development policies; and

*Analysis: As discussed in the General Plan Consistency section, the proposed construction office trailer complex is temporary and will be removed after the hospital project is complete. This project does not*

*change the existing use on site hence is consistent with the General Plan. The Project is to support the construction of a hospital nearby. The project furthers Education and Services Policies ES-6 & ES-6.1 which provide and facilitate the development of healthcare facilities to the San Jose community.*

2. The Site Development Permit, as approved, conforms with the Zoning Code and all other Provisions of the San José Municipal Code applicable to the project; and

*Analysis: As discussed above, the temporary construction office trailer project is consistent with the height and setback requirements of the IP Industrial Park Zoning District.*

3. The Site Development Permit, as approved, is consistent with applicable City Council policies, or counterbalancing considerations justify the inconsistency; and

*Analysis: Staff followed [Council Policy 6-30: Public Outreach Policy](#) to inform the public of the proposed project. A sign describing the project has been posted on the project site since May 9, 2024. The 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.*

4. The interrelationship between the orientation, location, and elevations of proposed buildings and structures and other uses on-site are mutually compatible and aesthetically harmonious.

*Analysis: The temporary trailer complex will be located at the rear of a 3.6-acre daycare site, occupying a vacant area of 0.9 acres. The trailer complex will be separated from the daycare area by fences. Access to the trailer site will be from the parking lot within the medical center campus to the west and will not affect the operation and circulation of the existing daycare. The trailer height is approximately 16 feet and is compatible with the one-story daycare building.*

5. The orientation, location, and elevations of the proposed buildings and structures and other uses on the site are compatible with and are aesthetically harmonious with adjacent development or the character of the neighborhood.

*Analysis: The trailer complex is temporary, and this one-story, 16.25-foot-high structure is consistent with the one to two-story medical office buildings to the west of the site. The trailer complex will be removed after the hospital construction is complete. The site will be restored to its original condition.*

6. The environmental impacts of the project, including but not limited to noise, vibration, dust, drainage, erosion, storm water runoff, and odor which, even if insignificant for purposes of the California Environmental Quality Act (CEQA), will not have an unacceptable negative effect on adjacent property or properties.

*Analysis: The installation of the trailer complex with the necessary site improvement will not cause any negative effect due to storm water runoff, drainage and erosion controls per the Final Memo issued by the Department of Public Works dated August 19, 2024. The Project will comply with the City's Post-Construction Urban Runoff Management Policy (Council Policy 6-29) which requires implementation of Best Management Practices to minimize stormwater pollutant discharges. The vibration and noise associated with construction will be temporary and would last only during the duration of the installation of the trailer complex (approximately three to four months). Some nighttime use will occur when the nighttime hospital construction is needed. The project will be required to implement the mitigation measures (Exhibit D) to mitigate the temporary construction impacts. The trailer complex is used as office for construction. There are no hazardous substances or odors associated with the use of the trailer complex. Therefore, the installation and use of this*

temporary construction office trailer complex will not have an unacceptable negative effect on adjacent properties.

7. Landscaping, irrigation systems, walls and fences, features to conceal outdoor activities, exterior heating, ventilating, plumbing, utility and trash facilities are sufficient to maintain or upgrade the appearance of the neighborhood.

*Analysis: Plumbing and sewer connections will be provided through the campus parking lot from Liska Lane. There is an existing chain link fence along the southern border of the trailer area. Temporary fences will be installed along the eastern border to separate the trailer and daycare areas entirely. The waste generated by the trailer complex will be picked up and transferred over to the Hospital site for collection. Although the trailer project includes some site improvements such as the installation of landscape areas due to stormwater treatment requirements, the improvements are temporary and the site will be restored to the original condition after the trailer is removed.*

8. Traffic access, pedestrian access and parking are adequate.

*Analysis: Ingress and egress of the trailer site will be provided from the campus parking lot to the west of the trailer site. Two rows of parking (31 spaces) will be provided on this trailer site. Pedestrian access to the trailer complex will be also from the campus parking lot.*

**Tree Removal Findings for PD23-002 and H24-008**

[Chapter 13.32](#) of the San José Municipal Code establishes that at least one of the following required findings must be made for issuance of a Live Tree Removal Permit for ordinance-size trees. Findings are made for the project based on the findings related to General Plan, Zoning Ordinance and CEQA conformance and for the reasons stated below, and subject to the conditions set forth in the resolution.

1. That the trees affected are of a size, type, and condition and are in such a location and surroundings that their removal would not significantly frustrate the purposes of Chapter 13.32 of the San José Municipal Code as set forth in Section 13.32.010;
2. That the location of the tree with respect to a proposed improvement unreasonably restricts the economic development of the parcel in question; or
3. That the condition of the tree with respect to disease, danger of falling, proximity to an existing or proposed structure, and/or interference with utility services, is such that preservation of the public health or safety requires its removal.

Replacement trees are required to be replaced at the ratios shown in the table below.

| <b>Tree Replacement Ratios</b>   |                                   |                   |                |  |
|--|-----------------------------------|-------------------|----------------|--|
| <b>Circumference of Tree to be Removed</b>   | <b>Type of Tree to be Removed</b> |                   |                | <b>Minimum Size of Each Replacement Tree</b> |
|  | <b>Native</b>                     | <b>Non-Native</b> | <b>Orchard</b> |  |
| 38 inches or more  | 5:1                               | 4:1               | 3:1            | 15-gallon                                    |
| 19 up to 38 inches   | 3:1                               | 2:1               | none           | 15-gallon                                    |
| Less than 19 inches  | 1:1                               | 1:1               | none           | 15-gallon                                    |
| x:x = tree replacement to tree loss ratio  |                                   |                   |                |  |
| Note: Trees greater than or equal to 38-inch circumference shall not be removed unless |                                   |                   |                |  |

| Tree Replacement Ratios  |                            |            |         |                                       |
|--|----------------------------|------------|---------|---------------------------------------|
| Circumference of Tree to be Removed  | Type of Tree to be Removed |            |         | Minimum Size of Each Replacement Tree |
|  | Native                     | Non-Native | Orchard |                                       |
| a Tree Removal Permit, or equivalent, has been approved for the removal of such trees. For Multi-Family residential, Commercial, and Industrial properties, a permit is required for removal of trees of any size. |                            |            |         |                                       |
| A 38-inch tree equals 12.1 inches in diameter.   |                            |            |         |                                       |
| A 24-inch box tree = two 15-gallon trees.  |                            |            |         |                                       |

PD23-002 Tree Removal Analysis

The project includes tree removal on two sites. On the hospital site, 32 ordinance-size trees and 27 non-ordinance-size trees would be removed. Most trees will be removed due to the proposed construction. Those trees are either within the proposed building footprints, surface parking lot, pedestrian walkways, or stormwater treatment areas. To replace the removed trees, 209 15-gallon trees will be required to be planted on this site, including 24 native ordinance-size trees replaced at a 5:1 ratio, eight non-native ordinance-size trees replaced at a 4:1 ratio, seven native ordinance-size trees replaced at a 3:1 ratio, 16 non-native ordinance-size trees replaced at a 2:1 ratio, four non-ordinance-size trees replaced at a 1:1 ratio. According to the landscape plans, 88 24-inch box trees will be planted on this site, equivalent to 176 15-gallon trees.

On the parking garage site, 14 ordinance-size trees and 42 non-ordinance-size trees will be removed due to the construction. To replace the removed trees, 149 15-gallon trees are required to be planted on this site, including three native ordinance-size trees replaced at a 5:1 ratio, four non-native ordinance-size trees replaced at a 4:1 ratio, three native ordinance-size trees replaced at a 3:1 ratio, 36 non-native ordinance-size trees replaced at a 2:1 ratio. According to the landscape plans, a total of 22 24-inch box trees will be planted on this site, equivalent to 44 15-gallon trees.

The applicant will pay the off-site planting fee for the remaining 138 15-gallon trees, prior to the issuance of building permits, in accordance with the City Council's approved fee resolution, which is in effect at the time of payment.

H24-008 Tree Removal Analysis

A total of seven ordinance-size trees and nine non-ordinance-size trees will be removed due to the project. 13 of these trees are located along the western property line and three are located along the southern border of the project area. These trees are either within the driveways, stormwater treatment areas, surface parking areas, or walkways. To replace the removed trees, 47 15-gallon trees will be required to be planted on this site, including two native ordinance-size trees replaced at a 5:1 ratio, five non-native ordinance-size trees replaced at a 4:1 ratio, two native ordinance-size trees replaced at a 3:1 ratio, four non-native ordinance-size trees replaced at a 2:1 ratio, three non-ordinance-size trees replaced at a 1:1 ratio. According to the landscape plans, 24 24-inch box trees will be planted on this site, equivalent to 48 15-gallon trees. This project meets the replacement tree requirement.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

The City of San José, as the lead agency for the proposed Project prepared an Environmental Impact Report (“EIR”) in compliance with CEQA. The Kaiser Permanente San José Medical Center Project’s Draft

EIR (“DEIR”) was circulated for public review and comment for 45 days, from February 23, 2024, through April 11, 2024. Comments were received from three public agencies and one organization. Comments received requested clarifying information be added to the DEIR. No comments required substantive changes to any CEQA analysis.

City staff prepared a 1<sup>st</sup> Amendment to the Draft EIR/Response to Comments document and made it available to all commenters and posted it on the Project’s page in the City’s Environmental Review Documents website at least 10 days prior to the Planning Commission Hearing. The comments received on the DEIR did not raise any new issues about the Project’s environmental impacts or provide information indicating the Project would result in new environmental impacts or impacts substantially greater in severity than disclosed in the DEIR. Minor revisions were added to the text of the EIR and are included in the 1<sup>st</sup> Amendment to the DEIR document. The text revisions do not constitute a “substantial revision” pursuant to CEQA Guidelines Section 15073.5 and recirculation of the DEIR is not required.

The EIR concluded that the proposed Project would not result in any significant and unavoidable environmental impacts with implementation of identified mitigation measures. The Project includes a Mitigation Monitoring and Reporting Program (MMRP) to lessen the identified impacts in the following resource areas to a less than significant level: Air Quality, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Noise and Vibration, and Transportation. Therefore, the EIR that was prepared for the project is the correct clearance for the Project under CEQA.

The entire Final EIR, including the DEIR, 1<sup>st</sup> Amendment to the DEIR, and other related environmental documents are available on the Planning website at: <https://www.sanjoseca.gov/your-government/departments-offices/planning-building-code-enforcement/planning-division/environmental-review/environmental-review-documents/kaiser-permanente-san-jos-medical-center-project>

## **PUBLIC OUTREACH**

Staff followed Council Policy 6-30: Public Outreach Policy to inform the public of the proposed projects. Eight on-site signs have been posted on the new hospital and parking garage sites since March 31, 2023, and one on-site sign has been posted on the Bright Horizons site since May 9, 2024, consistent with the City Council Policy.

A formally noticed (1,000-foot noticing radius) Community Meeting with the Environmental Scoping was held on June 5, 2023, via Zoom to introduce the proposed project to the community. 14 members of the public attended the meeting and one member of the public spoke concerning about the tree removal.

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:** Angela Wang

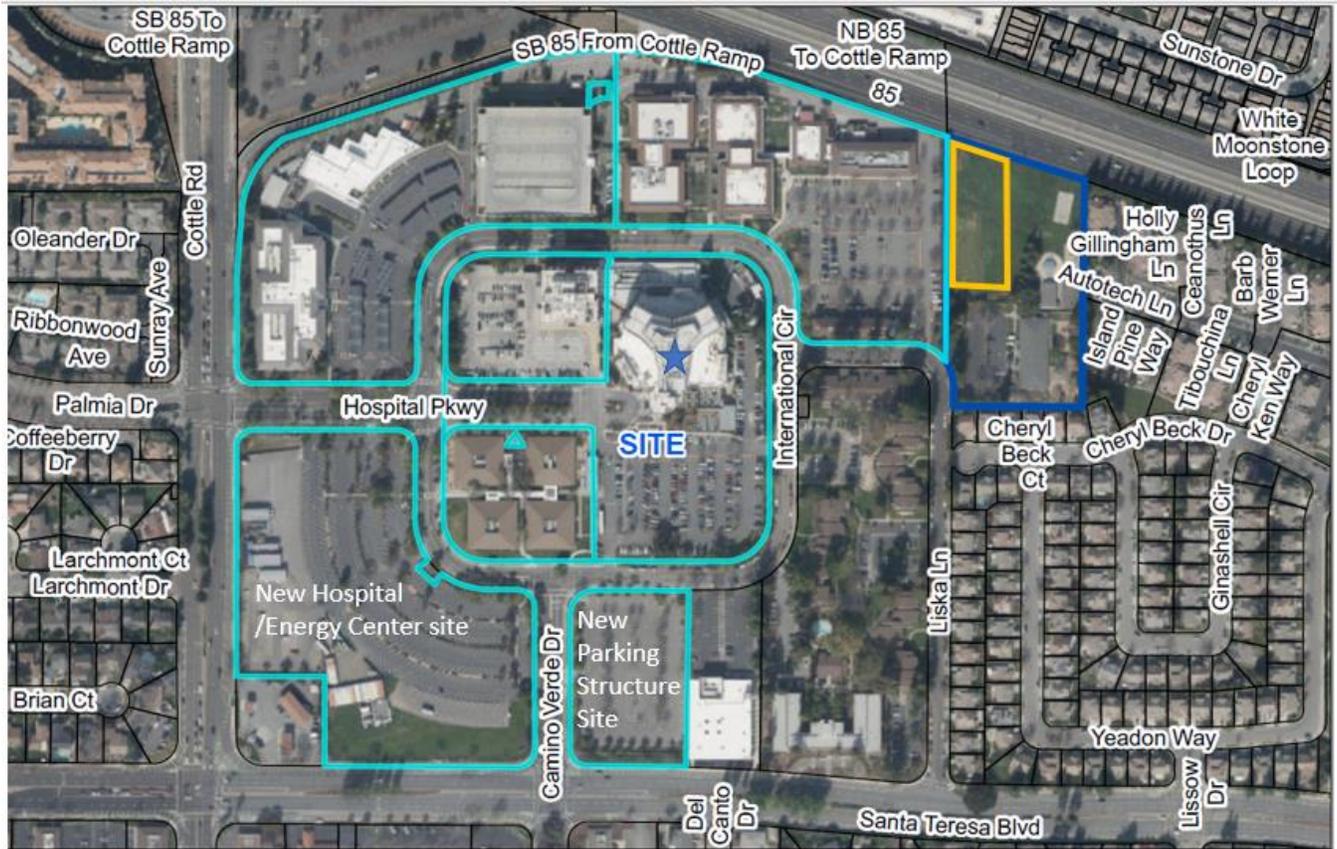
**Approved by:** /s/ John Tu, Division Manager for Christopher Burton, Director of Planning, Building & Code Enforcement

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

| <b>ATTACHMENTS:</b> |  |
|---------------------|--|
| Exhibit A:          | <a href="#">Vicinity Map, Aerial (Page 23)</a>                                 |
| Exhibit B:          | <a href="#">General Plan Land Use Designation Map (Page 24)</a>                |
| Exhibit C:          | <a href="#">Existing Zoning District Map (Existing and Proposed) (Page 25)</a> |
| Exhibit D:          | <a href="#">Draft CEQA Resolution &amp; MMRP</a>                               |
| Exhibit E:          | <a href="#">Draft Planned Development Zoning PDC23-006 Ordinance</a>           |
| Exhibit F:          | <a href="#">Draft PDC23-006 Development Standards</a>                          |
| Exhibit G:          | <a href="#">Draft Planned Development Permit PD23-002 Resolution</a>           |
| Exhibit H:          | <a href="#">Draft Site Development Permit H24-008 Resolution</a>               |
| Exhibit I:          | <a href="#">Planned Development Zoning PDC23-006 Plan Set</a>                  |
| Exhibit J:          | <a href="#">Planned Development Permit PD23-002 Plan Set</a>                   |
| Exhibit K:          | <a href="#">Site Development Permit H24-008 Plan Set</a>                       |
| Exhibit L:          | <a href="#">PD23-002 TDM Plan</a>  |

| <b>Owner</b>  | <b>Applicant</b>  |
|---|---|
| <u>PDC23-006</u> Site: Kaiser Foundation Hospitals          | <u>PDC23-006 &amp; PD23-002</u> : Kaiser Foundation Hospitals |
| <u>H24-008</u> Site: Bright Horizons Children’s Centers LLC | <u>H24-008</u> : Rudolph and Sletten, Inc.                    |

Exhibit A: Vicinity Map/Aerial

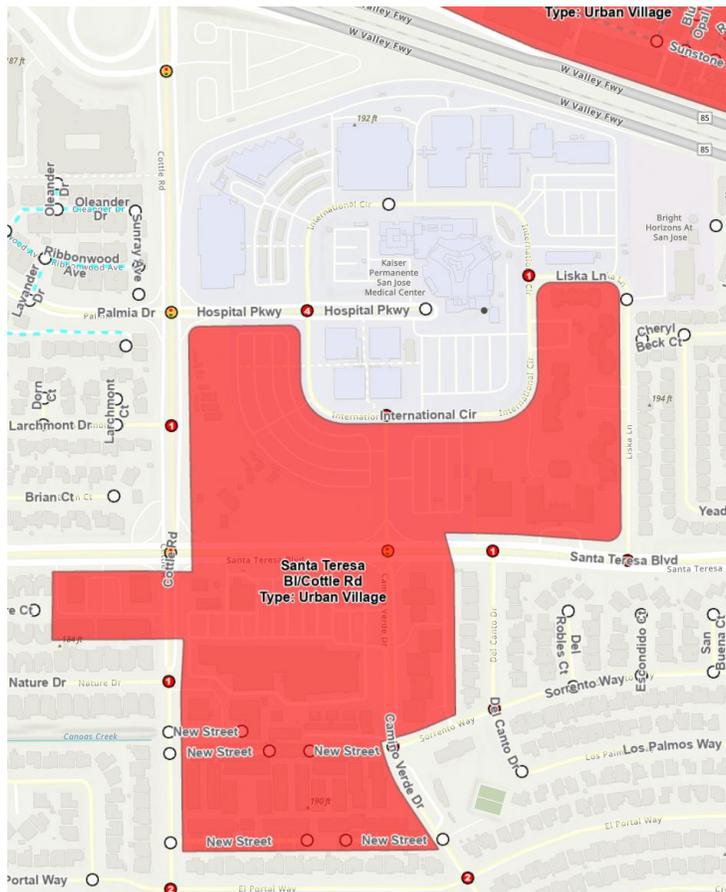
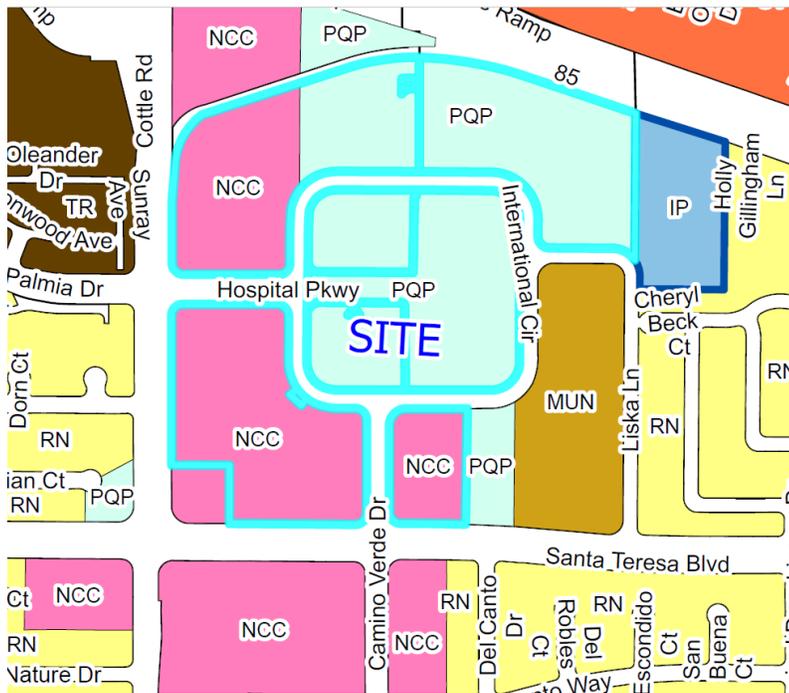


 PDC23-006 area

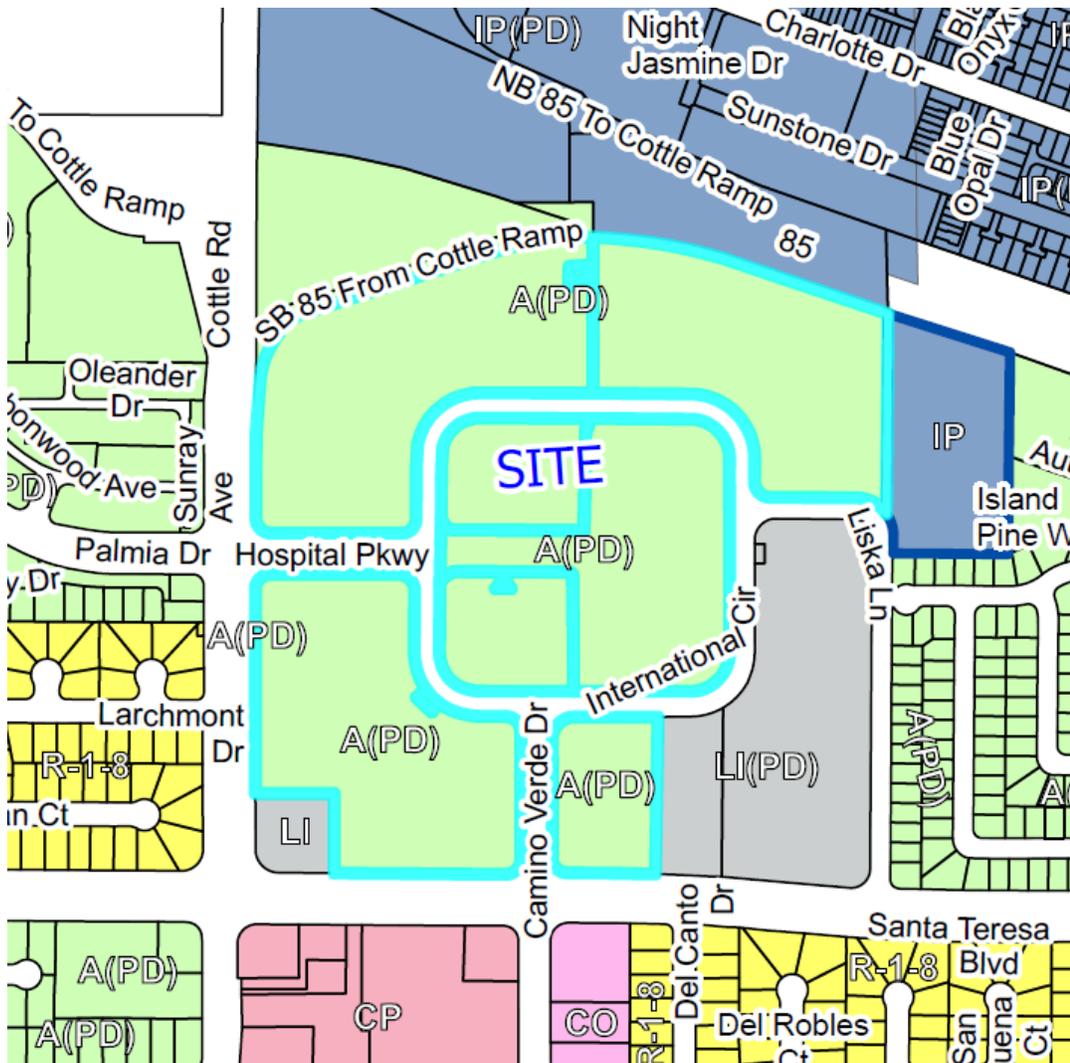
 Existing Hospital to be demolished

 H24-008 area

### Exhibit B: General Plan Land Use Designation and Urban Village Area



Santa Teresa Boulevard and Cottle Road Urban Village Area  
Exhibit C: Zoning District Map



**Note:** The color of the zoning map is not changing with this Planned Development Zoning since the new Zoning District is still **A(PD) Planned Development Zoning District**.

# **PDC23-006, PD23-002 & ER23-005**

Click on the title to view document.

[Correspondence received AFTER 9/4/24](#)