



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/05/2024

ITEM NO: 9

DATE: February 29, 2024
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Discuss and Provide Direction on the Proposed Revisions to the Draft Revised 2023-2031 Housing Element and Next Steps. Location: Town-Wide. General Plan Amendment Application GP-22-003.

RECOMMENDATION:

Discuss and provide direction to staff on the proposed revisions to the Draft Revised 2023-2031 Housing Element and next steps.

BACKGROUND:

On December 1, 2023, the Town received the California Department of Housing and Community Development's (HCD) findings/comment letter, previously provided as Attachment 3 to the January 16, 2024 Town Council staff report. A link to past staff reports and attachments can be viewed on the Town's website at: <https://losgatos-ca.municodemeetings.com>.

On December 19, 2023, the Town Council unanimously voted to follow the following process regarding the 2023-2031 Housing Element update, which includes the following actions:

1. Prioritizing the comments from the December 1, 2023 HCD comment letter;
2. Addressing the most challenging comments first and presenting the draft text of the Draft Revised Housing Element to the Town Council for review, including examples from two to three certified Housing Elements. Additionally, the Town Council hearing will provide the public with an opportunity to comment on the draft text with staff addressing the public comments in subsequent meetings, as needed;
3. Scheduling Town Council meetings with staff and the Housing Element consultant on a regular basis to complete the edits;
4. Reviewing the proposed edits with HCD, as frequently as HCD is able to meet with Town staff, and the Housing Element consultant and providing written feedback to the Council about HCD's responses; and

PREPARED BY: Erin Walters, Associate Planner and
Jocelyn Shoopman, Associate Planner

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and the Community Development Director

BACKGROUND (continued):

The Town Council also unanimously voted to review the Draft Revised Housing Element prior to a resubmittal to HCD.

On January 16, 2024, the Town Council met to review and discuss the proposed revisions to the Draft Revised Housing Element in response to the December 1, 2023 HCD comment letter. The Town Council provided direction for each HCD comment.

On January 18, 2024, staff and the Town's Housing consultant met with the Town's HCD reviewer and received an informal preliminary review matrix. A copy of this informal preliminary review matrix was previously provided as Attachment 9 to the January 16, 2024 Town Council staff report, available online on the Town's agenda website at: <https://logatos-ca.municodemeetings.com>. The informal preliminary comments are based on the proposed edits made to the Draft Revised Housing Element and provided to the Town's HCD reviewer for initial feedback on December 24, 2023.

On January 18, 2024, the Housing Element Advisory Board (HEAB) met to review and discuss the proposed revisions to the Draft Revised Housing Element in response to the December 1, 2023 HCD comment letter; Town Council direction provided on January 16, 2024; and HCD's informal preliminary review matrix provided on January 18, 2024.

On February 6, 2024, the Town Council met to review and discuss the proposed revisions to the Draft Revised Housing Element. The Town Council voted to modify the language of Program J and Program AY. The Town Council also approved a motion to confirm that the work of the HEAB is complete.

On February 20, 2024, the Town's HCD reviewer provided a second informal preliminary review matrix based on revisions made to the Draft Revised Housing Element and informally provided to the Town's HCD reviewer on February 1, 2024 and February 9, 2024 (Attachment 21).

On February 20, 2024, the Town Council met to review and discuss the proposed revisions to the Draft Revised Housing Element made at the February 6, 2024 Town Council meeting, as summarized below in Section A of this report.

DISCUSSION:

The primary purpose of this agenda item is for the Town Council to review and discuss the proposed revisions to the Draft Revised Housing Element. Staff is also seeking direction from Town Council on the timing of next steps, including the required seven-day public review period and the resubmittal to HCD for the formal 60-day review.

DISCUSSION (continued):

A. Town Council Meeting – February 20, 2024

The Draft Revised Housing Element was reviewed by Town Council on February 6, 2024, and February 20, 2024. The Town Council staff reports and attachments can be viewed online at: <https://losgatos-ca.municodemeetings.com>.

The revisions made to the various iterations of the Draft Revised Housing Element are color coded as follows:

- **Blue** highlighting denotes revisions reviewed by Town Council at the January 16, 2024 Town Council meeting.
- **Green** highlighting denotes revisions reviewed by the Town Council at the February 6, 2024 Town Council meeting.
- **Grey** highlighting denotes revisions made at the February 6, 2024, and February 20, 2024 Town Council meetings.

On February 20, 2024, the Town Council approved the following motions:

1. Include the language that HCD included in their letter, to add the words “including the combination of small multi-unit housing, religious institutions, Junior Accessory Dwelling Units (JADU) and SB10” to Program J.
2. To modify language to Program J and Program AY to the following:

Modify the Zoning Code to facilitate small multi-unit housing in certain low and medium density designations. This includes creating mixed residential neighborhoods through new and innovative housing types that meet the changing needs of Los Gatos households and expand housing choices in a variety of neighborhoods. Housing types include, but are not limited to single dwelling units, multifamily dwelling units, accessory dwelling units, small and micro units, use of prefabricated homes, and clustered/cottage housing. ~~This zoning will occur in a variety of areas throughout the Town but NOT in areas which are in Very High Fire Hazard Severity Zones, historic districts, adjacent to home in our historic inventory (currently pre-1941) homes, in hillside residential zones, within 500 feet of an evacuation route and within a half mile of a transit stop.~~ The modification of the zoning code to facilitate small multi-unit housing will occur in a variety of areas throughout the Town, but in no event in any of the following areas or locations: Very High Fire Hazard Severity Zones, historic districts, adjacent to homes in our historic inventory (currently pre-1941 homes), hillside residential zones, within 500 feet of an evacuation route, or farther than one half mile of a transit stop.

DISCUSSION (continued):

The following revisions were made to the Draft Revised Housing Element based on Town Council's motions:

1. Modified language for the qualified objective for Program J on Page 10-46 of Chapter 10.
2. Modified language for Program J on Page 10-47 and Program AY on Pages 10-77 and 10-48 in Chapter 10.

Extracted pages from the Draft Revised Housing Element to illustrate these proposed revisions in grey highlighting have been provided as Attachment 20.

On February 20, 2024, the Town Council unanimously approved a motion asking the Town Manager to share with the Council any information regarding the Housing Element that has been provided to HCD or received from HCD whether written or oral with 24 hours of receipt. Communications with HCD are further described in Section B below.

B. HCD Communications

On February 20, 2024, shortly before the Town Council meeting, the Town's HCD reviewer provided a second informal preliminary review matrix (Attachment 17) based on revisions made to the Draft Revised Housing Element and informally provided to the Town's HCD reviewer on February 1, 2024, and February 9, 2024.

On February 22, 2024, staff requested a meeting with the Town's HCD reviewer and HCD's Senior Program Manager to discuss the second informal preliminary review matrix prior to the March 5, 2024 Town Council meeting (Attachment 21).

On February 26, 2024, the HCD reviewer responded with availability to meet on Friday, March 1, 2024. Staff has scheduled a Zoom meeting on Friday, March 1, 2024 with Town staff, the Town's Housing Element consultant, the Town's HCD reviewer, and HCD's Senior Program Manager to conduct a live editing meeting where staff and the Housing Element consultant can share the Town's draft approach in addressing the preliminary review matrix comments.

Attachment 19 provides the HCD second informal preliminary review matrix with staff's draft responses. Town staff and the Housing Element consultant will be meeting with HCD on Friday, March 1, 2024 to verify the Town's draft approach to responding the comments.

An Addendum will be provided to Town Council on Monday, March 4, 2024, summarizing the results of the meeting with the HCD.

DISCUSSION (continued):

C. Next Steps

This agenda item provides the Town Council an opportunity to discuss the proposed revisions to the Draft Revised Housing Element and provide direction to staff on the next steps. The Town's Housing consultant and Town's outside legal counsel will be available to answer Council Member questions. As required by AB 215, revisions to the Draft Revised Housing Element must be made available to the public for a seven-day review period prior to a formal resubmittal to HCD.

Should the Town Council be satisfied with the proposed revisions to the Draft Revised Housing Element, the seven-day review period could be started on Thursday, March 7, 2024, ending on Thursday, March 14, 2024, with a formal resubmittal to HCD by Monday March 18, 2024. Subsequent review by HCD will take up to 60 days.

CONCLUSION:

Staff looks forward to the Town Council's discussion and direction.

PUBLIC COMMENTS:

The meeting has been publicized on the Town's website and through the Town's social media platforms. As of the drafting of this report, no comments from the public have been received.

COORDINATION:

The Community Development Department coordinated with the offices of the Town Attorney and Town Manager in the preparation of this report.

ENVIRONMENTAL ASSESSMENT:

An Environmental Analysis was prepared for the Housing Element update and available on the Town's Housing Element website at: <https://www.losgatosca.gov/EnvironmentalAnalysis>. All potentially significant effects have been analyzed adequately in the Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), pursuant to applicable standards including CEQA Guidelines Section 15168(c)2, because the Housing Element update is consistent with the growth projections evaluated in the General Plan EIR.

ATTACHMENTS:

Previously Received with the January 16, 2024 Staff Report:

1. Draft Revised Housing Element, Track Changes Copy
2. Draft Response Table
3. December 1, 2023 HCD's Findings Comment Letter
4. Public Comments Received Between 11:01 a.m., Tuesday, December 19, 2023, and 11:00 a.m., Thursday, January 11, 2024

Previously Received with the January 16, 2024 Desk Item:

5. Comments from the Vice Mayor
6. Public Comments Received Between 11:01 a.m., Thursday, January 11, 2024, and 11:00 a.m., Tuesday, January 16, 2024

Previously Received with the February 6, 2024 Staff Report:

7. Draft Revised Housing Element, Track Changes – January 2024
8. Draft Response Table – January 2024
9. HCD Informal Preliminary Review Matrix with Staff's Responses
10. Goldfarb & Lipman, LLP Feedback Table with Staff's Responses
11. Track Changes and Clean Version of Program AY Housing Mobility
12. Public Comments Received Between 11:01 a.m., Tuesday, January 16, 2024, and 11:00 a.m., Thursday, February 1, 2024

Previously Received with the February 5, 2024 Addendum:

13. Pages from the Draft Revised Housing Element Without the Recommendations Made by the Housing Element Advisory Board
14. Correspondence with HCD

Previously Received with the February 20, 2024 Staff Report:

15. Extracted Pages from the Draft Revised Housing Element with Revisions

Previously Received with the February 20, 2024 Desk Item:

16. Correspondence with HCD
17. HCD Second Informal Preliminary Review Matrix
18. Public Comment Received Between 11:01 a.m., Thursday, February 15, 2024, and 11:00 a.m., Tuesday, February 20, 2024

Attachments Received with this Report:

19. HCD Second Informal Preliminary Review Matrix with Staff's Responses
20. Extracted Pages from the Draft Revised Housing Element with Revisions
21. Correspondence with HCD