



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 09/23/2026

ITEM NO: 6

DATE: September 18, 2026
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Forward a Recommendation to the Town Council on a Resolution Amending the North Forty Specific Plan Pursuant to Implementation Program D of the 2023-2031 Housing Element to: Allow 30 to 40 Dwelling Units Per Acre; Remove the Housing Unit Cap; and Remove Guest Parking Requirements on Properties Zoned North Forty Specific Plan and North Forty Specific Plan: Housing Element Overlay Zone. **Project Location: North Forty Specific Plan Area.** North Forty Specific Plan Amendment Application A-26-005. Not Subject to CEQA Review Pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with Certainty that there is No Possibility that the Amendments to the Specific Plan would have a Significant Effect on the Environment. All Projects to which the Specific Plan Applies Will Undergo Separate CEQA Review and Approval. Applicant: Town of Los Gatos. Project Planner: Jocelyn Shoopman.

RECOMMENDATION:

Forward a recommendation to the Town Council on a Resolution amending the North Forty Specific Plan (NF-SP) pursuant to Implementation Program D of the 2023-2031 Housing Element to: allow 30 to 40 dwelling units per acre; remove the housing unit cap; and remove guest parking requirements on properties zoned NF-SP and NF-SP:Housing Element Overlay Zone (HEOZ).

CEQA:

The proposed amendments are not subject to CEQA review pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with certainty that there is no possibility that the amendments to the Specific Plan would have a significant effect on the environment. All projects to which the Specific Plan applies will undergo separate CEQA review and approval.

PREPARED BY: Jocelyn Shoopman
Senior Planner

Reviewed by: Planning Manager, Community Development Director, and Town Attorney

FINDINGS:

- As required, the project is not subject to CEQA review pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with certainty that there is no possibility that the amendments to the Specific Plan would have a significant effect on the environment. All projects to which the Specific Plan applies will undergo separate CEQA review and approval.
- As required, the proposed amendments to the NF-SP are consistent with the General Plan and its Elements.

ACTION:

The Planning Commission will provide a recommendation to the Town Council who will render the final decision.

BACKGROUND:

A. North Forty Specific Plan Area

The NF-SP Area is approximately 44 acres and is bounded by Highway 85 to the north, Lark Avenue to the south, Highway 17 to the west, and Los Gatos Boulevard to the east.

The Town Council certified an environmental impact report (EIR) for the NF-SP on January 5, 2015. The NF-SP was adopted by the Town Council on June 17, 2015.

On August 1, 2017, the Town Council approved Phase I of the NF-SP, which included the construction of 320 residential units, of which 50 were affordable senior units; approximately 66,800 square feet of commercial floor area; on-site and off-site improvements; and a vesting tentative map.

On September 4, 2018, the Town Council adopted Resolution 2018-044 approving amendments to the NF-SP.

On January 13, 2026, the Town Council approved Phase II of the NF-SP, which included the construction of 450 residential units, of which 77 are designated as affordable units; approximately 15,074 square feet of commercial space; on-site and off-site improvements; and a vesting tentative map.

B. Housing Element Implementation Program D

Implementation Program D, Additional Housing Capacity for the NF-SP, of the 2023-2031 Housing Element requires that the Town amend the NF-SP to make specific modifications to facilitate achieving maximum densities and increasing the total number of dwelling units allowed in the Specific Plan by addressing the following topics (Exhibit 2):

1. Amend the NF-SP to allow for a density from 30 dwelling units per acre to 40 dwelling units per acre and increase the total number of dwelling units allowed in the Specific Plan;
2. Amend the NF-SP to remove the housing unit cap; and
3. Amend the NF-SP to remove guest parking requirements and modify development standards to facilitate achieving maximum densities.

DISCUSSION:

The following summarizes each task associated with Implementation Program D, Additional Housing Capacity for the NF-SP, and the proposed actions.

Item #1

Item #1 requires that the NF-SP be amended to establish a minimum density of 30 dwelling units per acre and a maximum density of 40 dwelling units per acre, therefore, allowing for an increase in the total number of dwelling units allowed in the Specific Plan area. The proposed amendment would insert the following new language in Section 2.5.1 of the NF-SP:

- “In no event shall a residential project be developed below the minimum density of 30 dwelling units per acre or above the maximum density of 40 dwelling units per acre. Residential units shall occupy at least 50 percent of the floor area in all mixed-use projects” (Exhibit 3).

This language is consistent with the language provided in Division 5 of Article VIII of Chapter 29 of the Town Code for the HEOZ.

Additionally, in Section 6.6 of the NF-SP, under the definition of *Residential Unit Size Mix Example*, reference to the maximum number of units allowed would be struck out (Exhibit 3).

Item #2

Item #2 requires that the NF-SP be amended to remove the housing unit cap, in order to allow developments the ability to reach the maximum allowable density, plus any additional units due to State Density Bonus Law or other applicable regulations. The proposed amendments would strike out references to a housing unit cap of 270 residential units in Policy LU-9, Section 2.5.1, Table 2-2, Section 2.5.8 (b), and Section 5.8.2 of the NF-SP (Exhibit 3).

Item #3

Item #3 requires that the NF-SP be amended to remove guest parking requirements. Currently, Table 2-4 of the NF-SP requires 0.5 guest parking spaces for a senior/affordable unit, 1 bedroom unit, or 2 plus bedroom unit. The proposed amendments would eliminate the guest parking requirements for all unit types (Exhibit 3).

CEQA DETERMINATION:

The proposed amendments are not subject to CEQA review pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with certainty that there is no possibility that the amendments to the Specific Plan would have a significant effect on the environment. All projects to which the Specific Plan applies will undergo separate CEQA review and approval.

CONCLUSION:

A. Summary

The proposed amendments to the NF-SP respond to the topics identified in Implementation Program D, Additional Housing Capacity for the NF-SP, of the 2023-2031 Housing Element.

B. Recommendation

Staff recommends that the Planning Commission review the information included in the staff report and forward a recommendation to the Town Council for approval of the amendments to the NF-SP in the draft Resolution (Exhibit 4). The Planning Commission should also include any comments or recommended changes to the draft Resolution in taking the following actions:

1. Make the finding that the proposed amendments are not subject to CEQA review pursuant to CEQA Guidelines Section 15061 (b)(3) because it can be seen with certainty that there is no possibility that the amendments to the Specific Plan would have a significant effect on the environment. All projects to which the Specific Plan applies will undergo separate CEQA review and approval (Exhibit 1);
2. Make the required finding that the amendments to the NF-SP are consistent with the General Plan and its Elements (Exhibit 1); and
3. Forward a recommendation to the Town Council for approval of the amendments to the NF-SP in the draft Resolution (Exhibit 4).

C. Alternatives

Alternatively, the Commission can:

1. Forward a recommendation to the Town Council for approval of the Draft Resolution with modifications; or
2. Continue the matter to a date certain with specific direction.

COORDINATION:

This report was coordinated with the Town Attorney's office.

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SUBJECT: North Forty Specific Plan Amendment, Implementation Program D/A-26-005

DATE: September 18, 2026

EXHIBITS:

1. Required Findings
2. Implementation Programs Program D, Additional Housing Capacity for the North Forty Specific Plan
3. Redlined Version of the Amendments to the North Forty Specific Plan
4. Draft Resolution with Exhibit A

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