



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 05/13/2026

ITEM NO: 3

DATE: May 8, 2026
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Consider a Request for Approval for a Conditional Use Permit for a Bank (BMO) on Property Zoned C-1. **Located at 15521 Union Avenue.** APN 532-41-035. Conditional Use Permit Application U-26-005. Categorically Exempt Pursuant to CEQA Guidelines Section 15301: Existing Facilities. Property Owner: Cindy Johnson, Donahue Schriber Realty Group LP. Applicant: Laurence Solis. Project Planner: Erin M. Walters.

RECOMMENDATION:

Consider approval of a request for a Conditional Use Permit (CUP) for a bank (BMO) on property zoned C-1, located at 15521 Union Avenue.

PROJECT DATA:

General Plan Designation: Neighborhood Commercial
Zoning Designation: C-1
Applicable Plans & Standards: General Plan, Commercial Design Guidelines
Parcel Size: 21,780 square feet
Surrounding Area:

	Existing Land Use	General Plan	Zoning
North	Commercial	City of San Jose	
East	Single Family Residential	City of San Jose	
South	Commercial	Neighborhood Commercial	C-1
West	Commercial	Neighborhood Commercial	C-1

PREPARED BY: Erin M. Walters
Senior Planner

Reviewed by: Planning Manager and Community Development Director

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CEQA:

The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities.

FINDINGS:

- The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities.
- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations).
- As required by Section 29.20.190 of the Town Code for granting a Conditional Use Permit.

ACTION:

The decision of the Planning Commission is final unless appealed within ten days.

BACKGROUND:

The subject property is located in the Downing Shopping Center on the southwest corner of Union Avenue and Los Gatos-Almaden Road, bordering San Jose on the north and east side (Exhibit 1). The property is approximately 21,780 square feet and is developed with a single 4,200-square foot building in the northeast corner of the property. Two points of access provide ingress and egress from both Union Avenue and Los Gatos-Almaden Road.

The subject vacant tenant space was previously occupied by Chase Bank. The bank use operated under CUP U-09-21, which was approved on January 13, 2010. The previous bank use ceased when Chase Bank vacated the premises on June 18, 2019. Pursuant to applicable zoning regulations, a CUP becomes void if the authorized use is discontinued for a period of one year or more. As the tenant space has remained vacant since June 2019, the prior approval has lapsed. Accordingly, a new CUP is required to reestablish a bank use within the tenant space.

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject property is located in the Downing Shopping Center on the southwest corner of Union Avenue and Los Gatos-Almaden Road, bordering San Jose on the north and east side (Exhibit 1). The property is approximately 21,780 square feet and is developed with a single 4,200-square foot building in the northeast corner of the property.

B. Project Summary

The applicant is requesting approval of a CUP for a bank use (Exhibit 4). The applicant proposes the addition of an automated teller machine (ATM) on the southern elevation of the existing building, oriented towards the interior parking lot. The project also includes minor exterior modifications to the building façade (Exhibit 6).

DISCUSSION:

A. Zoning Compliance

A bank is allowed as a conditional use in the C-1 zone, requiring approval of a CUP. The project complies with the zoning requirements related to lot coverage, building height, parking, and circulation. The applicant is not requesting any exceptions or Variances to the Town Code.

B. Conditional Use Permit

The proposed project is for a bank. The applicant proposes operation hours of 9:00 a.m. to 5:00 p.m. Monday through Thursday, 9:00 a.m. to 6:00 p.m. on Fridays, and 9:00 a.m. to 4:00 p.m. on Saturdays. The bank would not operate on Sundays. The proposed bank use will include a new ATM located on the southern elevation of the existing building, facing the interior parking lot (Exhibit 4). Per Section 29.20.750 of the Zoning Code, the Planning Commission is the deciding body for bank use.

In order to grant approval of a CUP for the proposed use, the deciding body must make the following findings:

1. The proposed use of the property is essential or desirable to the public convenience or welfare;
2. The proposed use would not impair the integrity and character of the zone;
3. The proposed use would not be detrimental to public health, safety, or general welfare; and
4. The proposed use of the property is in harmony with the various elements or objectives of the General Plan and the purposes of the Town Code.

In regard to the first finding, the proposed use is desirable to the public convenience because it provides a bank use for visitors, residents, and the surrounding area. As required by finding two, the proposed use would not impair the integrity of the zone, in that the proposed use is a commercial use and would be located in a commercial zone. In regard to the third finding, the proposed use would not be detrimental to public health, safety, or general welfare, as the conditions placed on the permit would maintain the welfare of the

community. In regard to the final finding, the proposed use is in conformance with the Town Code and General Plan as discussed within this report.

C. Parking

The building fronts Union Avenue and Los Gatos-Almaden Road. The parking is located on the south and west sides of the building. The proposed use requires 18 parking spaces (calculated at one space per every 235 square feet. The site currently provides 23 parking spaces and, therefore, meets the parking requirement.

D. Public Improvements

At the time CUP application was filed, staff observed a section of raised sidewalk leading from the public sidewalk along Union Avenue to the south side of the building. This section of the sidewalk needs to be removed and replaced by the applicant to remove the trip hazard. A Condition of Approval, included in Exhibit 3, requires that prior to the issuance of any building permit and before any work is performed within the Town's right-of-way, the applicant shall obtain an encroachment permit for the sidewalk replacement work.

E. General Plan

The 2020 General Plan Land Use designation for the site is Neighborhood Commercial. This designation provides for necessary day-to-day commercial goods and services required by the residents of adjacent neighborhoods. This designation encourages concentrated and coordinated commercial development at easily accessible locations.

Applicable goals and policies of the 2020 General Plan Land Use Element include, but are not limited to the following:

- Policy LU-2.1 – Minimize vehicle miles traveled for goods and services by allowing and encouraging stores that provide these goods within walking distance of neighborhoods in Los Gatos.
- Goal LU-4 – To provide for well-planned, careful growth that reflects the Town's existing character and infrastructure.
- Policy LU-9.6 – Encourage development that maintains and expands resident-oriented services and/or creates employment opportunities for local residents consistent with overall land use policies of the Town.

F. CEQA Determination

The project is Categorical Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act (CEQA), Section 15301: Existing Facilities.

PUBLIC COMMENTS:

Written notice of the Planning Commission hearing was sent to property owners and tenants within 300 feet of the subject property. At the time of this report's preparation, the Town has not received any public comment.

CONCLUSION:

A. Summary

The applicant is requesting approval of a CUP for a bank in the C-1 zone. The project is consistent with the Zoning Code and General Plan.

B. Recommendation

Based on the analysis above, staff recommends approval of the CUP application subject to the recommended Conditions of Approval.

If the Planning Commission finds merit with the proposed project, it should:

1. Find that the project is Categorical Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities (Exhibit 2);
2. Make the finding that the project complies with the objective standards of Chapter 29 of the Town Code (Zoning Regulations) (Exhibit 2);
3. Make the findings as required by Section 29.20.190 of the Town Code for granting a CUP (Exhibit 2); and
4. Approve CUP application U-26-005 with the conditions contained in Exhibit 3, and development plans included as Exhibit 6.

C. Alternatives

Alternatively, the Commission can:

1. Continue the matter to a date certain with specific direction; or
2. Approve the application with additional and/or modified conditions; or
3. Deny the application.

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EXHIBITS:

1. Location Map
2. Required Findings
3. Recommended Conditions of Approval
4. Letter Justification
5. Town Transportation Impact Policy 1-08
6. Development Plans