



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/02/2026

ITEM NO: 8

DATE: October 28, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Consider a Recommendation of Approval by the Planning Commission to Adopt 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. Additionally, an Environmental Analysis Based on the Previously Certified 2040 General Plan Final Environmental Impact Report was Prepared for the 2023-2031 Housing Element. The Housing Element is Within the Scope of the Previously Approved 2040 General Plan, and the Program EIR for the General Plan Adequately Describes the Impacts of the Housing Element for the Purposes of CEQA. Applicant: Town of Los Gatos. Project Planner: Jocelyn Shoopman.**

RECOMMENDATION: Accept the Planning Commission's recommendation and adopt the 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.

PREPARED BY: Jocelyn Shoopman
Senior Planner

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

FISCAL IMPACT:

There is no fiscal impact associated with this action. Adopting the Resolution would not in itself result in an impact on the Town's budget and is required under Implementation Program D of the 2023-2031 Housing Element.

STRATEGIC PRIORITY:

The amendments to the North Forty Specific Plan (NF-SP) regarding allowing 30 to 40 dwelling units per acre, removing the housing unit cap, and removing guest parking requirements pursuant to Implementation Program D supports the Town's core goal of Community Character and the strategic priority to preserve the Town's small-town charm and provide a range of housing opportunities, while diligently maintaining and implementing the Housing Element.

BACKGROUND:

The NF-SP Area is approximately 44 acres and is bound 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 20, 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.

On September 23, 2026, the Planning Commission unanimously voted to recommend to the Town Council approval of the amendments to the NF-SP regarding Implementation Program D (Attachments 3 through 5).

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” (Attachment 2, Exhibit A).

This language is consistent with the language provided in Division 5 of Article VIII of Chapter 29 of the Town Code for the Housing Element Overlay Zone (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 (Attachment 2, Exhibit A).

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 (Attachment 2, Exhibit A).

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 (Attachment 2, Exhibit A). This item would align the NF-SP with Town Code amendments adopted by the Town Council on January 21, 2025.

CONCLUSION:

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. Adoption of the Draft Resolution (Attachment 2) will approve the proposed amendments to the NF-SP.

COORDINATION:

This report was coordinated with the offices of the Town Manager and Town Attorney.

ENVIRONMENTAL ASSESSMENT:

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. Additionally, an Environmental Analysis based on the previously certified 2040 General Plan Final Environmental Impact Report was prepared for the Los Gatos 2023-2031 Housing Element. The Housing Element is within the scope of the previously approved 2040 General Plan, and the Program EIR for the General Plan adequately describes the impacts of the Housing Element for the purposes of CEQA. A Notice of Exemption will not be filed.

ATTACHMENTS:

1. Required Findings
2. Draft Resolution with Exhibit A
3. September 23, 2026, Planning Commission Staff Report with Exhibits 1 through 4
4. September 23, 2026, Planning Commission Desk Item Report with Exhibit 5
5. September 23, 2026, Planning Commission Verbatim Minutes