



**TOWN OF LOS GATOS  
PLANNING COMMISSION  
REPORT**

MEETING DATE: 04/09/2025

ITEM NO: 1

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DATE: April 25, 2025  
TO: Planning Commission  
FROM: Joel Paulson, Community Development Director  
SUBJECT: Consider a Request to Construct a Mixed-Use Residential Development (450 Units), a Vesting Tentative Map, Site Improvements Requiring a Grading Permit, and Removal of Large Protected Trees Under Senate Bill 330 (SB 330) on Property Zoned North Forty Specific Plan: Housing Element Overlay Zone. **Located at 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270 Burton Road; and Assessor Parcel Number 424-07-116.** APNs 424-07-009, -052, -053, -081, -094, -095, -115, and -116. Architecture and Site Application S-23-031 and Subdivision Application M-23-005. Property Owner: Yuki Farms LLC. Applicant: Grosvenor Property Americas c/o Steve Buster. Project Planner: Jocelyn Shoopman.

**RECOMMENDATION:**

Consider a request to construct a mixed-use residential development (450 units), a vesting tentative map, site improvements requiring a grading permit, and removal of large protected trees under Senate Bill 330 (SB 330) on property zoned North Forty Specific Plan: Housing Element Overlay Zone (HEOZ), located at 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270 Burton Road; and Assessor Parcel Number 424-07-116. Following consideration, the Planning Commission should continue the matter to a date uncertain.

**PROJECT DATA:**

General Plan Designation: North Forty Specific Plan (NF-SP)  
Zoning Designation: NF-SP:HEOZ, Housing Element Overlay Zone  
Applicable Plans & Standards: General Plan; Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development; and NF-SP  
Parcel Size: 682,017 square feet (15.65 acres)  
  
PREPARED BY: Jocelyn Shoopman  
Senior Planner

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

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SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

Surrounding Area:

	Existing Land Use	General Plan	Zoning
North	Residential and Commercial	NF-SP	NF-SP:HEOZ
South	Residential	NF-SP	NF-SP:HEOZ
East	Residential and Commercial	Mixed Use Commercial	R-1:10, C-1, CH:PD, and NF-SP
West	Highway 17	N/A	N/A and NF-SP

CEQA:

The CEQA analysis has not yet been completed and will be presented to the Planning Commission at a future meeting.

ACTION:

Continue the matter to a date uncertain.

BACKGROUND AND STATE LAW PROVISIONS:

The North Forty Specific Plan (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.

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

Senate Bill 330

The Housing Crisis Act of 2019, or SB 330, became effective on January 1, 2020, and will remain in effect until it sunsets on January 1, 2030. SB 330 offers greater certainty by allowing an optional vesting opportunity through the Preliminary Application process. Submittal of a Preliminary Application allows a developer to provide a specific subset of information on the proposed housing development before providing the full amount of information required by the Town for a housing development application. On the date that a preliminary application containing all required information is submitted and the permit processing fee is paid (the

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

vesting date), all applicable fees and development standards that apply to the project are frozen in place while the applicant assembles the rest of the materials necessary for a full application submittal. The statute requires that a final decision be made in no more than five public hearings, including appeals. The SB 330 preliminary application for this project achieved a vesting date of April 18, 2023.

#### State Density Bonus Law

State Density Bonus Law (SDBL) created a mechanism to obtain more favorable development requirements for projects with affordable or senior units. To meet the affordable housing goals, developers are entitled to a density bonus that corresponds to specified percentages of units set aside for very-low, low, or moderate-income households. In addition to the density bonus, SDBL provides three additional benefits for qualifying projects:

1. One or more concessions/incentives that provide cost reductions for the development. Under the law, a concession includes a reduction in site development standards and/or regulations when such regulations potentially make the project economically infeasible for the developer to build. These can include a reduction in site development standards or modification of zoning or architectural design requirements that exceed minimum building standards. The number of allowed concessions/incentives is determined on a sliding scale based on the percentage of units that will be set aside as affordable units and the household income category of those affordable units.

Concessions/incentives may only be denied if the Town has substantial evidence that the concession/incentive would be contrary to state or federal law; does not result in identifiable and actual cost reductions; or would have a “specific, adverse impact” on public health and safety; or on property listed in the California Register, based on objective standards, which cannot be mitigated. “Objective” standards must be verifiable by reference to an external and uniform benchmark.

2. Waivers are reductions or modifications of any development standards and other regulations that would physically preclude the development of a project at the density permitted and with the allowed incentives or concessions. Development standards include, but are not limited to, height limitations, setback requirements, FAR, open space requirements, or parking requirements that apply to a residential development pursuant to any ordinance, general plan element, policy, resolution, or regulation. There is no limit in the number of waivers an applicant can request through SDBL.

A recent case (*Banker’s Hill 150 v. City of San Diego*) held that waivers must be approved for projects “as designed” unless the waiver would have a specific, adverse impact on health or safety which cannot be mitigated; would be contrary to state or federal law; or would have an adverse impact on property listed in the California Register.

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

3. Reductions in parking requirements provided based on the number of bedrooms in each unit and the type of project.

The proposed project qualifies for a density bonus and the associated benefits under the SDBL, unless the required findings can be made to deny the concessions and waivers.

#### Housing Accountability Act and the Builder's Remedy

The California Legislature adopted the Housing Accountability Act (HAA) to "significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects" [Gov. Code § 65589.5(a)(2)(K)]. It is the policy of the state that the HAA "be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing." [Gov. Code § 65589.5(a)(2)(L)].

No housing development project that is consistent with all objective standards in the general plan, zoning, subdivision ordinance, and any specific plan (including any approved density bonus, concessions, waivers, and parking reductions) may be denied or reduced in density unless the Town finds that the project would have a "specific, adverse impact" on health or safety that cannot be mitigated.

The HAA defines projects containing specific amounts of affordable housing, or containing 10 units or less and meeting other standards, as "housing for very low, low-, or moderate-income households." The "Builder's Remedy" provision of the HAA specifically prohibits a local agency from relying on inconsistency with zoning and general plan standards as a basis for denial of a housing development project for very low, low-, or moderate-income households unless:

- 1) There are potential adverse impacts on public health and safety that cannot be mitigated, which must be based on objective, written standards;
- 2) Denial or the imposition of a condition is required in order to comport with state or federal law;
- 3) The project is proposed on land zoned for agriculture or resource preservation;
- 4) There are no adequate water or sewer facilities to serve the project; or
- 5) On the date when the preliminary application was submitted, the Town had adopted a sixth cycle housing element in substantial compliance with State law. Also, the Town cannot deny a project for failing to be consistent with the general plan and zoning if the site is shown in the Housing Element as suitable for affordable housing, and the project is consistent with the density specified in the Housing Element, but the zoning

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

ordinance and land use element have not yet been amended to allow the density in the Housing Element.

The state Housing and Community Development Department (“HCD”) has opined, and state law has been revised, to provide that agencies do not have the ability to “self-certify” their Housing Elements. In other words, HCD certification is required.

The Town’s sixth cycle Housing Element was certified by HCD on July 10, 2024. The preliminary application for this project achieved a vesting date of April 18, 2023, prior to state certification of the Town’s Housing Element. Therefore, the project is eligible for the Builder’s Remedy.

AB 1893, effective January 1, 2025, created a definition of a “builder’s remedy project” and allows developers who filed preliminary applications before January 1, 2025 to decide whether to take advantage of the new provisions or not. Although this project meets the new definition of a “builder’s remedy project,” the applicant instead has chosen to be subject to the Town’s Housing Element adopted in January 2023 and the NF-SP zoning in effect on the vesting date of April 18, 2023, with modifications requested through SDBL, and has not cited the new provisions in the most recent letter dated March 6, 2025.

#### PROJECT HISTORY

The property has a General Plan designation of NF-SP and is zoned NF-SP: HEOZ. The Housing Element Overlay Zone (“HEOZ”) overlay is applied to sites included in the Sites Inventory of the Housing Element and modifies development standards such as density, lot coverage, FAR, and height. The HEOZ became effective on December 21, 2023. The preliminary application under SB 330 was deemed submitted on April 18, 2023, establishing the vesting date for the application. Although AB 1893 would allow the applicant to utilize the provisions of the HEOZ, the applicant has elected to utilize the NF-SP zone standards in effect on the vesting date.

On September 22, 2023, the applicant submitted a formal application, within 180-days of the established vesting date as required by state law.

Through the Town’s technical review process, the application was deemed complete on April 17, 2024, within the timelines prescribed by state law. On March 7, 2025 the application was deemed consistent with applicable Town standards, assuming the waivers and concessions are

approved, and ready for consideration through the Town’s public hearing process. The application includes a Vesting Tentative Map, requiring approval by the Town Council pursuant to Town Code Section 29.10.020. The applicant seeks a recommendation on the development proposal from the Planning Commission to the Town Council, who will render the final decision on the project.

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject property consists of eight parcels totaling 15.65 acres located on the north side of Los Gatos Boulevard, approximately 286 feet south of the intersection of Los Gatos Boulevard and Samaritan Drive (Exhibit 1). The property is developed with eight single-family homes and walnut orchards. Highway 17 is located to the west, residential uses are located to the north, and commercial and residential uses are located to the south and east of the property.

B. Project Summary

The scope of the application proposes the following:

- Demolition of eight single-family homes;
- Construction of a mixed-use residential building with approximately 7,874 square feet of commercial space on the ground floor along with 255 rental apartments (Building E1);
- Construction of a 100 percent affordable housing building consisting of 67 rental apartments for lower-income households along with one unit for an on-site manager (Building G1);
- Construction of 127 for sale and/or rental townhomes (Buildings A1 through A4; B1 through B3; C1 through C3; D1 and D2; F1 through F3; and H1 and H2);
- Construction of two commercial buildings totaling approximately 7,200 square feet (Buildings J and I1); and
- Approximately 3.5 acres of publicly accessible open space (Sheet G3, Exhibit 11).

The applicant submitted a revised Letter of Justification for the project on March 6, 2025 (Exhibit 2). New private roadways would provide circulation throughout the site with Street C1 and Street C5 taking access from Los Gatos Boulevard, in addition to an extension of N. Turner Street running horizontally through the project site, connecting the property to

Phase I of the NF-SP. Of the 450 proposed units, 77 units (17 percent of the total units) would be designated as Below Market Price (BMP) units.

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005

DATE: April 25, 2025

C. Zoning Compliance

The property is zoned NF-SP:HEOZ. The property is located within the Northern District of the NF-SP. Envisioned land uses for the Northern District include:

- Recreation/entertainment (live theater, health clubs);
- Hotel;
- Market hall/specialty market;
- Office;
- Open space (plazas, courtyards, paseos, and planting strips);
- Residential (above commercial) - including condominium, live-work flats, multi-family flats, multiplexes, and rowhouses;
- Restaurants; and
- Retail.

The applicant requests approval of a concession from the NF-SP through SDBL to allow for residential uses on the ground floor of buildings. Additionally, the applicant requests approval of a waiver through SDBL to exceed the maximum allowable building height of 25 feet for buildings located within 50 feet of Los Gatos Boulevard, and a reduction in the road width for Section 6d of North A Street to allow for wider sidewalks and bicycle lanes (Exhibit 2). The requested concession and waivers are discussed further below.

The HEOZ overlay modifies development standards such as density, lot coverage, FAR, and height. The preliminary application under SB 330 established vesting prior to the implementation of the HEOZ; the applicant has elected to be subject only to the NF-SP zoning provisions.

DISCUSSION:

A. Architecture and Site Analysis

The project includes a total of 450 residential units distributed amongst two apartment buildings (Buildings G1 and E1) and 17 townhome buildings (Buildings A1 through A4; B1 through B3; C1 through C3; D1 and D2; F1 through F3; and H1 and H2); two commercial buildings totaling approximately 7,200 square feet (Buildings I1 and J); approximately 7,874 square feet of commercial space on the ground floor of the mixed-use building (Building E1); and approximately 3.5 acres of publicly accessible open space (Sheet G3, Exhibit 11).

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

### Building G1

Building G1 is proposed to be developed as a 100 percent affordable housing building with 67 rental units available to lower-income households, in addition to one market rate unit to be reserved for an on-site manager for a total of 68 units. Once developed, the approximate 1.25-acre site will be transferred to an affordable housing developer for management of the building and residents. The unit types include one, two, and three bedrooms with dedicated on-site common areas including a meeting room, community room with kitchen, laundry, bike storage, outdoor dining, and a playground (Sheet A1.101, Exhibit 14). The five-story building is proposed at a maximum height of 62 feet, five inches. Building materials include smooth stucco, horizontal and vertical siding, cement panels, metal awnings, and a standing seam metal roof. A Letter of Justification discussing the project is included as Exhibit 2.

### Building E1

Building E1 is proposed to be developed as a mixed-use building with approximately 7,874 square feet of commercial space on the ground floor and 255 rental housing units located on floors one through seven, a ground level parking garage, and one level of below grade parking. The unit types include studio, one, two, and three bedrooms with on-site amenities including a courtyard terrace and pool on level two of the building and two additional rooftop terraces on level seven of the building (Sheet A4.010, Exhibit 14). The seven-story building is proposed at a maximum height of 99 feet, eight inches. Building materials include smooth stucco, fiber cement panels, porcelain tile, and glass railing. A Letter of Justification discussing the project is included as Exhibit 2.

### Townhome Buildings

Buildings A1 through A4, B1 through B3, C1 through C3, D1 and D2, F1 through F3, and H1 and H2 are proposed to be developed as townhome buildings along the western and northern portion of the project site. The applicant proposes seven different architectural styles for the 17 townhome buildings. The unit types include two, three, and four bedrooms with attached two-car garages, and optional roof decks. All townhome styles are proposed at three stories, ranging in height from 44 feet, three inches to 48 feet, nine inches. Building forms for all architectural styles feature a mixture of gable and shed roof forms with building materials of horizontal and vertical siding, smooth stucco, metal awnings, standing seam metal roofing, and composite shingle roofing (Sheets A3.1.5.500 through A3.7.5.500, Exhibit 14). A Letter of Justification discussing the project is included as Exhibit 2.

### Building I1

Building I1 is proposed to be developed as an approximate 4,800-square foot commercial building divided into three retail spaces. The one-story building is proposed at a maximum



SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

height of 27 feet. Building materials include wood siding, red cedar, galvanized corrugated steel, cascade coil metal shade, anodized aluminum, color integrated concrete, and a standing seam metal roof. A Letter of Justification discussing the project is included as Exhibit 2.

#### Building J

Building J is proposed to be developed as an approximate 2,400-square foot commercial building for a restaurant use. The one-story building is proposed at a maximum height of 25 feet. Building materials include wood siding, galvanized corrugated steel, and a masonry wall. The applicant proposes to construct a replica of the existing Red Barn while using limited elements of the existing structure to pay homage to the site's agricultural history. Due to structural issues with the existing structure, only interior elements of the structure will be re-used in the reconstruction. A Letter of Justification is included as Exhibit 2.

#### The Meadow

The proposal includes approximately 3.5 acres of publicly accessible open space that is spread through the project site. The majority of the publicly accessible open space is located within The Meadow, a centralized open space that contains Building I1, an outdoor pavilion, a pedestrian path that connects the project site to Los Gatos Boulevard, and active recreation uses including a garden, amphitheater, and play space. Access to the open space is provided through street parking on N. Turner Street, C5 Street, and D4 Street. A Letter of Justification discussing the project is included as Exhibit 2.

### B. Building Design

Review by the Town's Consulting Architect is typically required for Architecture and Site applications. For this application, it should be noted that the feedback provided by the Consulting Architect is subjective in nature and may not be used as the basis to deny or reduce the density of the project.

The Town's Consulting Architect reviewed the proposed project and provided feedback and recommendations (Exhibit 3). The Consulting Architect identified issues and concerns related to the proposed scale of the development. The Consulting Architect made recommendations on the following topics:

#### *Townhomes*

1. Provide more individual unit identities;
2. Reduce the visual repetitiveness of the facades;
3. Enhance and vary the end facades;
4. Vary and strengthen building tops;

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005

DATE: April 25, 2025

5. Reduce the strong vertical emphasis with a better balance between horizontal and vertical forms and architectural details;
6. Provide more color variations;
7. Enhance the pedestrian scale with stronger entry porches, canopies, and projecting second floor balconies;
8. Provide some height variety at the ends of buildings; and
9. Enhance the sense of unit identity on the auto courts with additional balconies and facade offsets, as was done in the Phase 1 townhomes.

*Affordable Housing Building*

1. Step back and consider other approaches to this building. It would be preferable to avoid the appearance of one big building with superimposed appliques in favor of varied façade elements.

*Commercial Buildings*

1. Revise to provide a more welcoming facade facing Los Gatos Boulevard;
2. Consider providing activity space such as outdoor dining on the Los Gatos Boulevard frontage;
3. Consider warmer building materials in lieu of the proposed metal siding; and
4. Consider lowering the building scale with a sloped roof or awning on the Los Gatos Boulevard facade.

*Mixed-Use Building*

1. Horizontal and vertical balance. I do believe that the project will be more successful if the current strong vertical elements of the design are more subdued;
2. Building Base. While the “residential structure on top of a garage podium” is quite common, I think in this instance it creates a great deal of rigidity in conflict with the scale and character goals of the specific plan and divorces the residential units from the pedestrian environment. My strong suggestion would be to bring the residential structure and details down to grade level in lieu of using the podium formant. Further, I would suggest that plans be implemented to allow greater user individuality and variety that better reflects the scale and character of Los Gatos;
3. Balconies. Increase the number of balconies to more strongly enhance the residential character of the structure; and
4. Greater Articulation. Reduce the boxiness of the building forms by more height variations and by taking advantage of special building corner designs, especially at the pedestrian Paseo.

The applicant submitted a letter responding to these recommendations and the reasoning for not incorporating any of the recommendations into the project (Exhibit 4.

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

C. Subdivision and Site Design

The project includes a vesting tentative map for condominium purposes (Sheet C1, Exhibit 16). The subdivision design creates 21 parcels to accommodate the proposed buildings, 24 parcels for the private roadways, 32 parcels for the open space areas, one parcel for a surface parking lot, and one parcel to be dedicated to the Town to accommodate a future widening of Burton Road. The map also includes numerous easements for emergency access, public access, and various utility infrastructure.

New private roadways would provide circulation throughout the site with C1 and C5 streets taking access from Los Gatos Boulevard. An extension of N. Turner Street is also proposed horizontally through the development to connect Phase II with Phase I (Sheet C18, Exhibit 16). Vehicular circulation would be provided through several private roadways.

Eleven buildings would be located along the west edge of the property, adjacent to Highway 17, eight buildings would be located in a centralized area of the property, and two buildings would be located adjacent to Los Gatos Boulevard. Pedestrian pathways would provide circulation throughout the interior of the site, as well as providing a connection to Phase I of the NF-SP and Los Gatos Boulevard (Sheet G12, Exhibit 11). Open space areas are provided throughout the site connected via the pedestrian pathways circulating between the buildings and several community recreation spaces. The space provided through the community recreation spaces exceed the NF-SP requirements and the Town's Objective Design Standard (ODS) requirements for such spaces. The conceptual landscape plan shows that trees, shrubs, and other plantings would be distributed throughout the site.

D. Grading and Retaining Walls

The Preliminary Grading Plan included as Sheets C7 through C12 of Exhibit 16 provides information regarding earth movement and the location and height of retaining walls.

Preliminary cumulative grading quantities total 31,565 cubic yards of cut and 24,756 cubic yards of fill for a net off haul of 6,809 cubic yards, well above the 50 cubic yard threshold for requirement of a Grading Permit. The Town's Parks and Public Works Engineering staff will

include a condition of approval requiring submittal and evaluation of a Grading Permit in parallel with the required Building Permits.

Retaining walls between one foot, eight inches and five feet, six inches are proposed along C5 Street and the northeastern portion of the property, adjacent to existing residential uses. These proposed retaining walls do not comply with the ODS requiring that retaining walls do not run in a continuous direction for more than 50 feet without a break, offset, or landscape pocket.

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

### E. Parking

The NF-SP provides specific off-street parking requirements for residential uses within the Specific Plan Area and uses the required parking for the downtown (Section 29.10.150 of the Town Code) for commercial uses.

The parking requirements for each building type are described in the table below:

<u>Proposed Uses</u>	<u>Specific Plan Parking Requirement</u>	<u>Proposed Use Total</u>
<b>Commercial:</b>	<i>Based on Town Code for Downtown</i>	
Retail/Commercial Shop (Bldg. I1)	1/300 gross square feet	4,800 sq. ft.
Retail/Commercial Shop (Bldg. J)	1/300 gross square feet	2,400 sq. ft.
Retail/Commercial Shop (Bldg. E1)	1/300 gross square feet	7,874 sq. ft.
<b>Total Commercial Parking Required</b>		<b>50 Spaces</b>
<b>Residential:</b>	<i>Resident + Guest</i>	
Affordable Units	$(.5/\text{Units} + .5/\text{Unit}) = 1/\text{Unit}$	77 Units
Single Bedroom Units	$(1/\text{Unit} + .5/\text{Unit}) = 1.5/\text{Unit}$	138 Units
Two or More Bedroom Units	$(2/\text{Unit} + .5/\text{Unit}) = 2.5/\text{Unit}$	235 Units
<b>Total Residential Parking Required</b>		<b>872 Spaces</b>
<b>Total Project Parking Required:</b>		<b>922 Spaces</b>
<b>Project Parking Provided:</b>		
Off-Street Parking		137
Two-Story Garage (Bldg. E1)		363
Parking Lot (Bldg. I1)		14
Residential Garages		254
<b>Total New Parking Spaces</b>		<b>768 Spaces</b>

The project requires a total of 922 spaces under the NF-SP parking requirements, whereas 768 parking spaces are proposed. Since the project qualifies under SDBL, the applicant has elected to utilize the reduced parking requirements from SDBL, which supersede the NF-SP for the parking requirements for the mixed-use building (Building E1) and the townhomes (Buildings A1 through A4; B1 through B3; C1 through C3; D1 and D2; F1 through F3; and H1 and H2). Through SDBL, the parking requirement is 527 spaces with no guest parking requirements for the mixed-use building, affordable housing building, and townhomes.

The proposed project includes 254 spaces in the private garages of the townhomes and a total of 363 spaces in the two-story parking garage of the mixed-use building. Of the 363 spaces in the two-story parking garage, 26 spaces are assigned to the ground floor

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

commercial uses, 312 spaces are assigned to the residents, and 25 spaces are assigned as guest parking spaces (Sheet A4.010, Exhibit 15). The applicant proposes to utilize parking stackers for the resident parking spaces on both levels of the parking garage, which are not standard in the Town.

Additional information pertaining to parking will be provided in an Addendum or Desk Item.

F. Tree Impacts

There are approximately 292 existing trees in the vicinity of the development. The development plans propose the removal of 265 trees based on the construction impacts and footprints. Of the 265 trees to be removed, 127 are considered to be exempt from the Tree Protection Ordinance due to being a fruit or nut tree under 18 inches in diameter. Of the 138 protected trees proposed to be removed, 19 are considered to be large, protected trees (Exhibit 5).

The applicant has the option to request in-lieu payment for any required replacement trees that cannot be accommodated on site. The preliminary landscape plan shows that 400 trees are proposed to be planted on-site (Sheet L1.00, Exhibit 12).

The applicant submitted an arborist report for peer review by the Town's Consulting Arborist. Following two rounds of review, the revised arborist report from the applicant was confirmed to meet the Town's requirements by the Consulting Arborist. The arborist report for the project is included as Exhibit 5. If the project is approved, tree protection measures would be implemented prior to construction and maintained for the duration of construction activity. Arborist recommendations for tree protection will be included in the Conditions of Approval to mitigate impacts to protected trees.

G. Traffic

A Transportation Analysis Report was prepared by Hexagon Transportation Consultants, Inc. (Exhibit 10) for the proposed project and peer reviewed by the Town's Traffic Consultant. The Transportation Analysis Report determined that the trips generated collectively by the development of Phases I and II of the NF-SP would not exceed the trip generation estimates analyzed in the NF-SP EIR Transportation Analysis. As a result, the Phase II project would not increase the severity of the previously identified transportation impacts or result in any new transportation impacts.

The report found that the proposed project would generate 2,968 daily trips, with 225 trips (66 inbound and 159 outbound) occurring during the AM peak hour and 284 new trips (162 inbound and 122 outbound) occurring during the PM peak hour.

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

The recommended improvements from the Transportation Analysis Report are all proposed to be implemented for the project.

#### H. State Density Bonus Law Concession and Waivers

As discussed above, through SDBL, qualifying projects are entitled to a density bonus, as well as concessions/incentives, waivers, and parking reductions. The proposed project is entitled to two concessions, unlimited waiver requests, and reduced parking requirements.

The property is zoned NF-SP:HEOZ. Section 2.5.10(c) of the NF-SP prohibits residential uses on the ground floor in the Northern District of the specific plan area. The applicant requests approval of a concession through SDBL to allow for residential uses on the ground floor of buildings.

ODS A.11.1.b requires that each ground floor dwelling unit shall have a minimum of 120 square feet of usable private recreation space. Currently, the applicant complies with this standard through the use of private roof decks; however, the applicant requests approval of a concession through SDBL to allow for their removal at the time of building permit submittal if necessary to reduce construction costs, which would cause the project to fall short of the open space standard.

The applicant provided a Letter of Justification that details the requested concessions, noting that it is not financially feasible to develop commercial spaces on the ground floor of all buildings on the project site. Additionally, the applicant notes that the second requested concession, if elected to be used at the time of building permit submittal, will provide cost savings to help provide the level of affordability proposed for the project (Exhibit 2).

The Letter of Justification also discusses the waivers to development standards requested by the applicant and why they are needed to construct the project (Exhibit 2).

#### I. Below Market Price (BMP) Units

The proposed project includes a total of 450 units, 77 of which would be designated as affordable units. The Town's BMP ordinance and policy requires that mixed-use residential developments with more than 100 units provide a number of BMP units equal to 20 percent of the market rate units. The project includes 373 market rate units, requiring a minimum of 75 BMP units. The proposed 77 BMP units exceeds the Town's BMP requirements.

The BMP Guidelines require owner occupied units to be priced to affordable households in two income categories:

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270 Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005

DATE: April 25, 2025

- Moderate Income Households, those whose income is above 80 percent, but no greater than 120 percent, of the Median Family Income (MFI); and
- Low Income Households, those whose income is above 50 percent, but no greater than 80 percent, of the MFI.

The project includes 10 affordable units to be located in the mixed-use building (Building E1) to be designated for low-income households and 67 affordable units to be located in the 100 percent affordable housing building (Building G1) to be designated for lower income households. The applicant proposes to transfer Building G1 to an affordable housing developer for management of the building and residents (Exhibit 2). The table below provides a summary of the 10 BMP units within the mixed-use building (Building E1) by income level and number of bedrooms. Conditions of approval will be included pertaining to the provision, sale, and rental of the BMP units.

<b>BMP Units – Mixed Use Building (Building E1)</b>	
<b>Unit Type</b>	<b>Low Income</b>
Studio	2
One Bedroom	3
Two Bedroom	4
Three Bedroom	1
<b>TOTAL</b>	<b>10</b>

The table below provides a summary of the 67 BMP units within the affordable housing building (Building G1) by the number of bedrooms (Sheet A1.101, Exhibit 14). Because the applicant proposes to partner with a nonprofit developer to provide the affordable housing units in Building G1 using tax credits and other financing mechanisms, the breakdown of the number of lower income units is not available at this time. Conditions of approval will be included pertaining to the provision, sale, and rental of the BMP units.

<b>BMP Units – Affordable Housing Building (Building G1)</b>	
<b>Unit Type</b>	<b>Low Income</b>
One Bedroom	31
Two Bedroom	18
Three Bedroom	18
<b>TOTAL</b>	<b>67</b>

The Town's BMP Guidelines require that affordable units be dispersed throughout the development, to the extent feasible. The applicant requests approval of a waiver through SDBL from the BMP Guidelines requirement to have the units be dispersed throughout the property (Exhibit 2). The applicant states that because the project would involve a partnership with a nonprofit developer to provide affordable housing units, using tax credits and other financing mechanisms, which requires the affordable units be

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

consolidated, compliance with the Town's BMP Guidelines requirements would physically preclude development of the project.

The applicant also requests a waiver from the requirement that the affordable units have proportionately the same number of bedrooms as the market-rate units.

J. Neighbor Outreach

As summarized in Exhibit 6, the applicant has conducted outreach regarding the project since 2021.

PUBLIC COMMENTS:

Project identification signage was installed on the Los Gatos Boulevard and Burton Road frontages by August 14, 2024, consistent with Town policy. Visual simulations were completed by the Town's consultant and posted to the Town's website by April 14, 2025 (Exhibit 7). Written notice was sent to property owners and tenants within 1,000 feet of the subject property and notice of public hearing signage was installed on the street frontages by April 15, 2025, in anticipation of the April 30, 2025, Planning Commission meeting.

Staff conducted outreach through the following media and social media resources, for both the availability of the visual simulations and notice of the public hearing:

- The Town's website home page, What's New;
- The Town's Facebook page;
- The Town's Twitter account;
- The Town's Instagram account; and
- The Town's NextDoor page.

Public comments received by 11:00 a.m., Friday, April 25, 2025, are included as Exhibit 9.

CONCLUSION:

A. Summary

The applicant is requesting approval of Architecture and Site and Subdivision applications to construct a mixed-use residential development (450 units), a vesting tentative map, site improvements requiring a grading permit, and removal of large protected trees under SB 330 on property zoned NF-SP:HEOZ, located at 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270 Burton Road; and Assessor Parcel Number 424-07-116.



SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270  
Burton Road; and Assessor Parcel Number 424-07-116/S-23-031 and M-23-005  
DATE: April 25, 2025

As detailed above, a preliminary application was submitted under SB 330. The project qualifies for two concessions and unlimited waivers under SDBL. The application meets the definition of a builder's remedy project, but the applicant has requested that the project be reviewed under the January 2023 Housing Element and the NF-SP zoning and has not cited provisions of the HAA regarding the builder's remedy that became effective January 1, 2025. The deviations from the Town's standards included in the project are requested exclusively through SDBL for which the applicant has provided justification.

B. Recommendation

Staff recommends that the Planning Commission consider the request, take public comment, and discuss the project. Following consideration, the Planning Commission should continue the matter to a date uncertain. A future Planning Commission meeting will be scheduled to discuss the environmental analysis performed for the project and to make a recommendation to the Town Council regarding the project.

EXHIBITS:

1. Location Map
2. Letter of Justification with Proposed Density Bonus Concessions, Waivers, and Parking Reductions
3. Consulting Architect's Report
4. Applicant's Response to Consulting Architect's Report
5. Final Arborist Report
  
6. Neighbor Outreach Summary
7. Visual Renderings
8. Objective Design Standards Checklist
9. Public Comments Received by 11:00 a.m., Friday, April 25, 2025
10. Transportation Analysis Report
11. Development Plans, Part 1
12. Development Plans, Part 2
13. Development Plans, Part 3
14. Development Plans, Parts 4 through 6
15. Development Plans, Parts 7 through 9
16. Development Plans, Parts 10 through 11

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