



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/20/2026

ITEM NO: 13

DATE: October 15, 2026

TO: Mayor and Town Council

FROM: Chris Constantin, Town Manager

SUBJECT: **Consider a Recommendation by the Planning Commission to Introduce an Ordinance Amending Chapter 29 (Zoning Regulations) of the Town Code Regarding Objective Design Standards for Single-Family and Two-Family Residential Dwelling Units and Second-Story Additions. The Proposed Amendments to the Town Code are Not Subject to CEQA Review Pursuant to CEQA Section 15061(b)(3) Because it can be Seen with Certainty that they will not Significantly Affect the Physical Environment in that they Make Minor Changes to the Regulations and Design Review Process Applicable to New Single-Family and Two-Family Residential Dwelling Units and Second-Story Additions. Town Code Amendment Application A-26-003. Project Location: Town Wide. Applicant: Town of Los Gatos. Project Planner: Ryan Safty.**

RECOMMENDATION: Accept the Planning Commission's recommendation, conduct a public hearing, and introduce an Ordinance amending Chapter 29 (Zoning Regulations) of the Town Code regarding objective design standards for single-family and two-family residential dwelling units and second-story additions.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Adopting the draft Ordinance would not in itself result in an impact on the Town's budget.

PREPARED BY: Ryan Safty
Associate Planner

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

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STRATEGIC PRIORITY:

The amendments to Chapter 29 of the Town Code regarding new objective design standards for single-family and two-family residential dwelling units and second-story additions 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 and historic neighborhoods, while diligently maintaining and implementing the Housing Element.

BACKGROUND:

In September 2021, Governor Newsom signed a new state law, Senate Bill 9 (SB 9), which went into effect on January 1, 2022. SB 9 requires ministerial approval of certain housing development projects and lot splits on a single-family zoned parcel, with the intent to increase residential densities within single-family neighborhoods across the State.

The law allows for two new types of development activities that must be reviewed ministerially, without any discretionary action or public input:

- **Two-unit housing development** – Two residences on an eligible single-family residential parcel.
- **Urban lot split** – A one-time subdivision of an existing single-family residential parcel into two parcels.

On December 21, 2021, the Town Council adopted an Urgency Ordinance to implement local objective design standards for SB 9 applications. On November 15, 2022, the Town Council approved Ordinance 2334, which established the permanent SB 9 Ordinance within Chapter 29 (Zoning Regulations) of the Town Code. On May 21, 2024, the Town Council approved Ordinance 2359 (Attachment 3, Exhibit 2), which included modifications to the previous ordinance to modify design review standards and make clarifying revisions. Ordinance 2359 is the Town's current SB 9 Ordinance, which is found in Division 10 of Article 1 of Chapter 29 of the Town Code.

Previous SB 9 law allowed jurisdictions to adopt objective zoning, subdivision, and design standards specific to two-unit housing development and urban lot split applications so long as they would not preclude the construction of two, 800-square foot units with four-foot side and rear setbacks. As a reminder, objective design standards are development regulations that involve no personal or subjective judgment by a public official. They must be uniformly verifiable using an external, measurable benchmark known to both the applicant and the public official before application submittal. The Town's current SB 9 Ordinance includes a Design Review Standards Section applicable to two-unit development applications [Town Code Section 29.10.630 (2)] and a Subdivision Standards Section applicable to urban lot split applications

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[Town Code Section 29.10.650 (1)]. Since SB 9 applications allow reduced side and rear setbacks and require ministerial review, and since design guidelines aren't enforceable on these projects, the objective design standards for SB 9 projects were created to protect neighbor privacy and enforce some of the Town's residential and hillside design guidelines to encourage orderly development and neighborhood compatibility.

In September of 2024, Governor Newsom signed a new state law, Senate Bill 450 (SB 450), which went into effect on January 1, 2025 (Attachment 3, Exhibit 3). SB 450 updates and expands the required provisions of SB 9. The most significant change from SB 450 is that it now prohibits the Town from adopting specific zoning, subdivision, or design standards for SB 9 projects that do not already apply uniformly to development in the underlying zoning district. Instead, the Town can only apply objective zoning, subdivision, and design standards to SB 9 projects if those standards are applicable to or are more permissive than standards within the underlying zone. As a result, many of the Town's existing objective SB 9 standards are no longer enforceable. Attachment 3, Exhibit 4, includes a strike-through version of the Town's current SB 9 Ordinance, showing which provisions are no longer enforceable based on SB 450.

Several neighboring jurisdictions have recently updated their SB 9 process following the adoption of SB 450, which highlights the array of options available to the Town. On one end of the spectrum is the City of Campbell, who reduced their objective standards across the majority of their jurisdiction to line up with the increased allowances of SB 9, essentially removing their standard discretionary process and reducing setbacks for all new single-family units down to four feet side and rear. The City of Berkeley took a different approach, essentially eliminating single-family zoning altogether, and therefore removed the ability to use SB 9 since it is only applicable in single-family zones. Lastly, the cities of Cupertino, Sunnyvale, and Palo Alto have created new objective design standards to be applicable to all new single- and two-family dwelling units and second-story additions; therefore, allowing them to apply to SB 9 projects as well as those units created through their discretionary processes. Palo Alto and Cupertino took their previous SB 9 design standards and made them applicable across all residential zones. Therefore, the cities can continue to apply the previous standards to SB 9 projects while providing an exception process for standard discretionary applications that do not meet these new standards. Sunnyvale took their existing, subjective residential design guidelines and, with the support of a consultant, completed an extensive update to turn them into modernized, objective design standards within City Code and applicable across all residential zones. The following hyperlink includes the council reports for the various approaches for each of the neighboring jurisdictions listed above:

<https://www.losgatosca.gov/DocumentCenter/Index/2977>

In March of this year, staff met with the local architect and design community to discuss the new changes to state law and the need to create objective design standards. The group of roughly ten architects and designers discussed what they have seen work well in other jurisdictions and, in summary, concluded that “less is more” when it comes to objective design standards. They noted that jurisdictions that tried to overly control architectural styles and detailing tended to result in poor design, and that if new standards are necessary, they prefer options rather than one set standard.

In addition to the architect and design community input, staff has received input from the public since SB 9 was first adopted in 2021. The primary concerns, both before and after SB 450 was adopted, have largely been centered around privacy as SB 9 allows reduced four-foot side and rear setbacks. Now that SB 450 has removed some of the previous attempts to protect neighborhood privacy, there is a need to modify Town Code to introduce protections applicable to all new single- and two-family residential dwelling units and second-story additions, including those created through SB 9. Specifically, as detailed in the Planning Commission report in Attachment 3, staff recommends new objective design standards related to porches, patios, decks, platforms, balconies, and other open, unenclosed areas; and window restrictions when over a certain height and within a certain distance of a shared property line.

In developing the draft Ordinance, staff considered the feedback from the architects and design community and Town residents; conducted research on the approaches used by neighboring jurisdictions; and drafted a new Town Code section as discussed below. Staff recommends an approach similar to Palo Alto and Cupertino, where many of the existing SB 9 standards, and some commonly used design guidelines, are added into Town Code to apply across all residential zones and be applicable to all single-family and two-family projects.

On August 12, 2026, the Planning Commission received the staff report and considered public comments on the draft Ordinance (Attachment 2). The Planning Commission discussed the matter and forwarded suggested edits in their recommendation of approval to Town Council (see Verbatim Minutes in Attachment 4).

DISCUSSION:

On August 12, 2026, the Planning Commission forwarded a recommendation of approval of the draft Ordinance to the Council (Attachments 3 and 4). The recommendation included suggested edits to the draft Ordinance, which included the following:

- Add material specifications to the mechanical equipment screening standard in Section 29.40.090 (5) of the draft Ordinance, ensuring that new screening proposed will be of a permanent material used on the adjacent residence; and

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- Correct a typo regarding allowed building heights (25 feet instead of 30 feet) for the height definitions in Sections 29.40.410 and 29.40.745 of the draft Ordinance for R-1 and R-1D zoned properties located within the Town's Hillside Area.

Following consideration by the Planning Commission, staff made a clarifying revision to the draft Ordinance to address public comment regarding mandatory Building and Fire Code access and site standards. Specifically, the site grading standard in Section 29.40.090 (b) would be amended to clarify that both "drainage" and "required minimum access" were also intended to be allowed when grading a site in the Hillside Area.

The recommended edits from the Planning Commission are included in the draft Ordinance in Attachment 2.

The Town's existing SB 9 regulations are contained in Division 10 of Article I of Chapter 29. Staff anticipates bringing forward separate amendments to those regulations to address changes in State law and reconcile applicable standards. The proposed ordinance in Attachment 2 establishes the new objective design standards, while the separate SB 9 ordinance update will address the existing provisions specific to two-unit housing developments and urban lot splits.

PUBLIC OUTREACH:

In addition to the in-person meeting with local architects and designers in March of this year, staff has conducted outreach through the following media and social media resources, as well as direct communication with stakeholders prior to Planning Commission review in August and prior to this Town Council review, as summarized below:

- The Town's website home page, What's New;
- The Town's Facebook page;
- The Town's Twitter account;
- The Town's Instagram account;
- The Town's NextDoor page; and
- Direct email communication to local architects and designers.

No public comments were received prior to the deadline for the August 12, 2026, Planning Commission meeting. Public comments received between 11:01 a.m. Wednesday, August 12, 2026, and 3:00 p.m. Thursday, October 15, 2026, are included as Attachment 5.

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CONCLUSION:

In response to recent changes to state law, the Town must rely on objective design standards in the review of certain types of applications, including SB 9 applications. The draft Ordinance in Attachment 2 takes current SB 9 standards that were removed through SB 450, as well as some existing design guidelines, and makes them objective and applicable to all single-family and two-family residential dwelling units and second-story additions.

COORDINATION:

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

ENVIRONMENTAL ASSESSMENT:

The proposed amendments establish design and development standards for future residential projects but do not approve or authorize the construction of any specific residential development. The amendments include provisions addressing building placement, hillside grading, building height, exterior materials, architectural details, and privacy screening. In determining the applicability of CEQA Guidelines Section 15061(b)(3), the Town has considered the nature and scope of these amendments and their potential direct and reasonably foreseeable indirect physical environmental effects. A Notice of Exemption will not be filed.

ATTACHMENTS:

1. Required Findings
2. Draft Ordinance
3. August 12, 2026, Planning Commission Staff Report with Exhibits
4. August 12, 2026, Planning Commission Verbatim Minutes
5. Public Comments Received Between 11:01 a.m. Wednesday, August 12, 2026, and 3:00 p.m. Thursday, October 15, 2026