



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 10/29/2025

ITEM NO: 1

DATE: October 24, 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. Additional Environmental Review is Necessary Pursuant to CEQA Guidelines Section 15183: Projects Consistent with a Community Plan, General Plan, or Zoning Since the Proposed Project's Environmental Impacts were Adequately Addressed in the 2040 General Plan EIR, as Applicable. 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.

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

PREPARED BY: Jocelyn Shoopman
Senior Planner

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

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Multi-Family and Mixed-Use Residential Development; and
NF-SP

Parcel Size: 682,017 square feet (15.65 acres)

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:

An Initial Study (Exhibit 21) was prepared for the project concluding that additional environmental review is not necessary pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15183: Projects Consistent with a Community Plan, General Plan, or Zoning since the proposed project's environmental impacts were adequately addressed in the 2040 General Plan EIR.

FINDINGS:

- As required, additional environmental review is not necessary pursuant to CEQA Guidelines Sections 15183: Projects Consistent with a Community Plan, General Plan, or Zoning since the proposed project's environmental impacts were adequately addressed in the 2040 General Plan EIR;
- As required that the project is consistent with the General Plan with the incentives, concessions, waivers, and parking reductions requested pursuant to State Density Bonus Law;
- As required by Section 66474 of the Subdivision Map Act;
- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) with the concessions, waivers, and parking reductions requested pursuant to State Density Bonus Law;
- The project meets the objective standards of the North Forty Specific Plan with the incentives, concessions, waivers, and parking reductions requested pursuant to State Density Bonus Law;
- The project meets the Town of Los Gatos Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development with the waivers requested pursuant to State Density Bonus Law;
- As required by State Density Bonus Law for granting concessions pursuant to California Government Code Section 65915 (d) and for granting waivers pursuant to California Government Code Section 65915 (a)(2); and

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- As required by California Government Code Section 65863 regarding state RHNA requirements, the Town's Housing Element Sites Inventory, and No Net Loss Law.

CONSIDERATIONS:

- As required by Section 29.20.150 of the Town Code for granting approval of an Architecture and Site application.

ACTION:

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

BACKGROUND:

On April 30, 2025, the Planning Commission held a special meeting to consider the request, take public comment, and discuss the project. The Planning Commission continued the item to a date uncertain pending completion of the environmental analysis.

As discussed in the April 30, 2025, staff report, the Housing Crisis Act of 2019, or SB 330 statute, requires that a final decision on a project 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. The Planning Commission meeting of October 29, 2025, is the second public hearing for this application.

A. Housing Accountability Act

The Housing Accountability Act ("HAA") is codified at Government Code Section 65589.5. Per the HAA, a local agency may not deny, reduce the density of, or make infeasible housing development projects that are affordable to low- or moderate-income households and are consistent with local objective development standards.

In order for a development to qualify for the protections under the HAA it must meet the definition of a "housing development project." Furthermore, for a project to qualify for the affordable housing protections, it must also meet the definition of "Housing for very low-, low-, or moderate-income households."

1) What is an eligible housing development project?

Pursuant to Government Code Section 65589.5(h)(2), a "housing development project" is a use consisting of residential units only, mixed use developments consisting of residential and non-residential uses with at least two-thirds of the square footage

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designated for residential use, or transitional or supportive housing. Because the term “units” is plural, a development must consist of more than one unit to qualify under the HAA. The development can consist of attached or detached units and may occupy more than one parcel, so long as the development is included in the same development application.

Pursuant to Government Code Section 65589.5(h)(3), “a housing development affordable to lower- or moderate- income households” means a project that provides either of the following:

- At least 20 percent of the total units shall be sold or rented to lower income households. Lower-income households are those persons and families whose income does not exceed that specified by Health and Safety Code, § 50079.5, which is 80 percent of area median income.
- 100 percent of the units shall be sold or rented to persons and families of moderate income, or persons and families of middle income. Moderate-income households are those persons and families whose incomes are 80 percent to 120 percent of area median income (Health and Safety Code, § 50093.) Middle-income households are those persons and families whose income does not exceed 150 percent of area median income (Gov. Code, § 65008 subd. (c).)

In addition, the rent or sales prices of the affordable housing that is provided cannot exceed the following:

- For lower-income units, the monthly housing cost does not exceed 30 percent of 60 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the lower income eligibility limits are based.
- For moderate-income units, the monthly housing cost does not exceed 30 percent of 100 percent of area median income with adjustments for household size made in accordance with the adjustment factors on which the moderate-income eligibility limits are based.

2) What are Objective Development Standards?

Pursuant to Government Code Section 65589.5(f), local agencies are not prohibited from requiring a housing development project to comply with objective, quantifiable, written development standards, conditions, and policies that were in effect at the time of project vesting. Those standards, conditions, and policies must meet the following criteria:

- Be appropriate to, and consistent with, meeting the local agency’s share of its Regional Housing Needs Allocation;

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- Be applied to facilitate and accommodate development at the density permitted on the site and proposed by the development; and
- Meet the definition of “objective.” Objective standards are those that involve no personal or subjective judgment by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant and the public official.

3) HAA Provisions Addressing Disapproval of Housing Development Projects

Pursuant to Government Code Section 65589.5, the HAA limits, but does not prohibit a local agency from disapproving a housing development project. The HAA defines “disapproval” to include the following:

- A vote to disapprove a housing development project application.
- Failure to comply with statutory deadlines for a decision, including, but not limited to:
 - o 90 days after certification of an environmental impact report pursuant to the California Environmental Quality Act (“CEQA”);
 - o 60 days from the date of adoption of a negative declaration pursuant to CEQA;
 - o 60 days from a determination by the local agency that the project is exempt from CEQA.

The foregoing is a non-exhaustive list of the local agency actions that constitute “disapproval” of a housing development project under the HAA.

4) Ability to Impose Development Conditions

The HAA does not prohibit a local agency from imposing conditions of approval on housing development projects. However, the HAA limits the application of conditions that lower the residential density of the project and, for housing affordable to low- and moderate-income households, would render the project economically infeasible or would have a substantial adverse effect on the viability of the proposed housing -- unless specific findings are made and supported by a preponderance of evidence in the record. The “preponderance of the evidence” standard requires that local agencies weigh the evidence and conclude that the evidence on one side outweighs the evidence on the other side (i.e. 51 percent to 49 percent).

5) Determination of Consistency with Applicable Standards is Based on “Reasonable Person” Standard

In most cases, courts will uphold an agency’s determination if there is “substantial evidence” to support that determination. “Substantial evidence” means that there is

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reasonable, adequate evidence in in the administrative record to support of the agency's findings. However, when a project is subject to the HAA, a housing development project will be deemed consistent with local standards if there is substantial evidence that could allow a "reasonable person" to conclude that it is consistent.

6) Application of State Density Bonus Law

The use of a density bonus pursuant to state density bonus law does not constitute a valid basis on which to find a proposed housing development project is inconsistent with local standards. Here, with the use of incentives, concessions, and waivers that are available pursuant to state density bonus law, the project is consistent with Town standards. However, in order to be eligible for these incentives, concessions, and waivers, the applicant must "seek and agree" to build affordable housing.

7) Denial of a Housing Project that is Consistent with Local Standards

When a proposed housing development complies with applicable local standards, but the local agency proposes to disapprove the project or to impose a condition that the project be developed at a lower density, the local agency shall adopt written findings supported by a preponderance of the evidence that both of the following conditions exist:

- The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density.
- There is no feasible method to satisfactorily mitigate or avoid the adverse impact, other than the disapproval of the housing project or the approval of the project upon the condition that it be developed at a lower density. "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

8) Denial or Conditioning of Affordable Housing Affordable to Low- and Moderate-Income Households

The HAA specifies findings that local agencies must make if they wish to deny a housing development project that provides housing affordable to low-or moderate-income households, or condition such a project so as to render it infeasible or have a substantial adverse effect on the viability or affordability of the project. These findings are in addition to the findings described above. Under the version of the HAA that was in effect at the time that the preliminary application for this project was submitted, the local agency must make one of the following specific findings based upon a preponderance of the evidence:

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- The local government has an adopted Housing Element and has met its share of the RHNA in all income categories proposed in the housing development project.
- The housing development project would have a specific, adverse impact upon public health or safety and there is no feasible method to mitigate or avoid the impact without rendering the project unaffordable or financially infeasible.
- Denial of the housing project or the imposition of conditions is required to comply with specific state or federal law, and there is no feasible method to comply without rendering the project unaffordable to low- and moderate-income households.
- The housing development project is proposed on land zoned for agriculture or resource preservation that is either 1) surrounded on two sides by land being used for agriculture or resource preservation; or 2) does not have adequate water or wastewater facilities to serve the housing development project.
- The housing development project meets both of the following conditions:
 - o Is inconsistent with both the zoning ordinance and general plan land use designation as specified in any element of the general plan as it existed on the date the application was deemed complete. This finding cannot be used when the project is inconsistent with one but is consistent with the other.
 - o The local government has an adopted Housing Element in substantial compliance with state housing element law.
 - o This finding cannot be used when:
 - The project is proposed for a site identified as suitable or available for very low, low, or moderate-income households within the Housing Element and the project is consistent with the specified density identified in the Housing Element.
 - The local agency has failed to identify sufficient adequate sites in its inventory to accommodate its RHNA, and the project is proposed on a site identified in any Element of its General Plan for residential use or in a commercial zone where residential uses are permitted or conditionally permitted.

In September 2024, the California State Legislature passed, and the Governor signed into law, Assembly Bill 1893, which went into effect on January 1, 2025. AB 1893 made revisions to the findings in subsection (d) of Government Code Section 65589.5. However, the applicant for this project has not chosen to invoke the provisions of AB 1893. Therefore, the findings enumerated above are the ones that remain relevant to this project.

9) Violations of the HAA

If a plaintiff alleges an HAA violation and prevails, the court must issue an order compelling compliance with the HAA in 60 days. The court may also issue an order directing the local agency to approve the project. If the plaintiff prevails, the court

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awards attorney fees and costs to the plaintiff. If the local agency fails to comply with the order, the court must impose a minimum fine of \$10,000 per housing unit.

B. Explanation of Concessions/Incentives and Waivers

The applicant is seeking to use state density bonus law, which is codified at Government Code Sections 65915 through 65918.

The intent of state density bonus law is to encourage builders and local governments to include low- and moderate-income housing units in proposed developments. Under the statutes, the local authority must grant a density bonus or other specified incentives or concessions to a developer who “seeks and agrees” to build affordable housing.

Concessions and Incentives

So long as the required percentage of affordable housing is provided, a developer may opt to request “concessions and incentives” without seeking the density bonus. A local agency may decline to grant the concessions or incentives only under certain limited circumstances set forth in Government Code Section 65915(d). Those circumstances are:

- 1) The concession or incentive does not result in identifiable and actual cost reductions to provide for affordable housing;
- 2) The concession or incentive would result in a “specific adverse impact . . . upon public health and safety or the physical environment or on any real property that is listed in the California Register of Historical Resources,” which cannot be feasibly mitigated without rendering the development unaffordable to low-income and moderate-income households; or
- 3) The concession or incentive would be contrary to state or federal law. (Gov. Code Section 65915(d)(1)(A)-(C).)

Concessions and incentives include the following:

- 1) Reduction in site development standards;
- 2) Modifications of zoning or architectural design requirements that exceed state standards;
- 3) Approval of mixed-use zoning in conjunction with the project if commercial, office, industrial, or other land uses will reduce the cost of, and are compatible with, the development; and
- 4) Any other regulatory incentive or concession proposed by either party that results in “identifiable and actual cost reductions to provide for affordable housing costs” or to provide for affordable rents. (Gov. Code Section 65915(k).)

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Under the statute, two incentives or concessions are granted for projects that include at least 17 percent of the total units for lower income households. This applicant is proposing a project with 17 percent of the residential units affordable for lower income households and is therefore entitled to two incentives or concessions.

This applicant is seeking two incentives or concessions.

The first request is to eliminate the requirement for commercial uses on the ground floor of the townhomes and affordable multi-family apartment building (Exhibit 24). The applicant states that this will result in a cost reduction in that although portions of the Project incorporate commercial elements, it is not financially feasible to develop commercial spaces on the ground floor of all the buildings on the Project site. Therefore, eliminating this development standard will result in cost savings to help provide the level of affordability proposed.

The second request is to deviate from the Town's Below Market Rate Program Guidelines. The Town's Below Market Rate Program Guidelines provide that affordable units are to be provided concurrently with market rate units:

"Phasing of the Construction of On- and Off-Site BMP Units: On- and off-site BMP units shall be constructed and Certificates of Occupancies secured concurrently with or prior to the construction of the market-rate units. The BMP requirement will be calculated on the basis of the whole development. The Town Council may grant an exception to these phasing requirements during the Planned Development approval process."

The applicant is asking to build 127 market-rate townhomes before constructing any affordable units. The applicant states that this will provide for a "cost reduction" in that the applicant will receive cash for the sale of the townhome parcels, which can be used to fund the project infrastructure and will reduce the need for financing and the associated interest payments. In staff's view, this explanation satisfies the legal standard for establishing a cost reduction. If the Town disagrees, the burden is on the Town to produce evidence that there is no cost reduction associated with the requested incentive or concession.

However, state density bonus law only applies if an applicant is "seeking and agreeing" to build affordable housing. In this application, the applicant is proposing to build affordable housing, but is not committing to do so.

For that reason, staff recommends imposing the Town's standard Below Market Program condition of approval, which requires that the same ratio (here, 17%) of affordable units to market rate units be provided throughout construction.

The applicant has proposed an alternative condition of approval, which would provide that 127 market rate townhomes could be built first and that, if the 255-unit multi-family

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apartment building is built before the 100% affordable housing project, the 67 affordable units will need to be included in the 255-unit multi-family building in addition to the ten proposed to be included already. The applicant's proposed condition of approval is included for the Planning Commission's consideration in Exhibit 24.

In discussions with the applicant, the following additional proposed conditions of approval were proposed, but the applicant declined to agree to them:

- 1) Include a deadline for development of either the 100% affordable housing building or the multi-family apartment building.
- 2) Limit the number of building permits issued for the townhomes until building permits are pulled for the affordable units.
- 3) Make a deposit to be used toward the development of affordable housing if the affordable housing units are not constructed within a specified period of time.
- 4) Pay a penalty for each affordable unit that has not been constructed within three years of pulling the first townhome building permit.

In Phase 1 of the project, the BMP condition of approval read as follows:

"BMP Units. BMP applicants shall be qualified by the Santa Clara Housing Authority. The affordable units shall be required to be maintained for the term required under state density bonus law or for the life of the buildings, whichever is longer. The developer shall enter into an Affordable Housing Agreement with the Town prior to issuance of building permits. The proposed BMP units must be available and/or occupied prior to final occupancy issuance for the 187th market rate unit."

Waivers of Development Standards

Applicants are eligible for unlimited waivers of development standards when they "seek and agree" to provide affordable housing. This applicant is also requesting waivers from the Town's development standards. A local agency may not apply any development standard that will have the effect of physically precluding the construction of a development meeting the criteria for density bonuses set forth in Government Code Section 65915(b) or with the concessions or incentives permitted by Government Code Section 65915.

One waiver that this applicant is seeking is a waiver of the Town's setback requirement in the North 40 Specific Plan. Section 2.5.7 of the North 40 Specific Plan, "Perimeter Overlay Zone," requires that "buildings or portions of buildings located within 50 feet of Los Gatos Boulevard shall be restricted to a maximum building height of 25 feet." The applicant is proposing a 100-foot building to be located 20 feet from Los Gatos Boulevard.

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C. BMP Unit Phasing

The applicant has proposed that the 127 market rate townhomes be constructed first. The applicant's stated rationale is that the profits from the sale of the townhome parcel are needed in order to fund the required project infrastructure, which will reduce the cost of project financing.

The applicant anticipates that the 100% affordable housing project will be built by Eden Housing after construction of the townhomes. In the event that the 100% affordable housing project has not begun construction when the townhomes have been finished, the applicant will include all of the required affordable units in the multi-family apartment building with the ability to transfer the affordability restrictions to the 100% affordable housing project in the future. The applicant's proposal does not include a timeline by which the affordable housing units will be built.

Over many months, Town staff and the applicant have discussed a wide variety of options to guarantee that construction of the affordable units will start by a specified date. The options discussed included:

- 1) Requiring that affordable units be constructed along with market-rate units, such that 17% of the constructed units are affordable at all times during construction.
- 2) Requiring that construction on the affordable units begin after a specified number of townhomes, but not all 127 townhomes, have been built.¹
- 3) Imposing a monetary penalty if the affordable units have not been built by a specified date.
- 4) Requiring a deposit that will be forfeited if the affordable units have not been built by a specified date.

To date, the applicant has not been able to guarantee that construction of the affordable units will start by a specified date. Staff is recommending that the Planning Commission recommend option #1 above to the Town Council for consideration. Staff and the applicant will be prepared to discuss the other options at the public hearing.

D. No Net Loss Law

Pursuant to Government Code Section 65863 (No Net Loss Law), the Town must maintain adequate capacity in the Housing Element to accommodate its remaining unmet Regional Housing Needs Assessment (RHNA) by each income category at all times throughout the entire planning period. To comply with the No Net Loss Law, as the Town makes decisions

¹ Staff is currently gathering information regarding whether such a condition of approval would render the project "economically infeasible," which is prohibited by the state Housing Accountability Act.

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regarding zoning and land use, or as development is approved, the Town must assess whether it has adequate site capacity in the Housing Element to accommodate its RHNA at all income levels. If the Town approves a development of a parcel identified in the Housing Element with fewer units than anticipated, or at different income levels than projected, the Town must either find that the remaining capacity of the sites identified in the Housing Element is sufficient to accommodate the remaining unmet RHNA by each income level or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category.

If a developer proposes fewer units than shown in the Housing Element, then the developer may be required to identify additional sites if the Town does not have adequate capacity for its total RHNA. However, If the approval of a housing development results in the remaining sites capacity becoming inadequate to accommodate the RHNA by income category, the Town may not disapprove the development but has up to 180 days from the approval to identify and rezone, “sufficient additional, adequate, and available sites” to accommodate the remaining RHNA for each income category. Sites identified and rezoned must meet the following criteria:

- Must be considered an adequate site pursuant to the requirements of Government Code section 65583.2; and
- If the capacity to be replaced was on a site that was zoned by-right pursuant to Government Code section 65863.2 (h) and (i), then the replacement site must also satisfy those requirements.

As described in the table below, the project provides fewer Very Low-, Low-, and Moderate-Income units than anticipated in the Sites Inventory of the Housing Element, but more Above Moderate-Income units.

No Net Loss Evaluation					
Proposed Project's Impact on the Anticipated Development in the Housing Element Sites Inventory					
	Units by Income Category				
	Very Low	Low	Moderate	Above Moderate	Net Total
Anticipated Development Included in the Housing Element Sites Inventory	184	89	92	87	464
Proposed Project	67	10	0	373	450
Net Site-Level Impact from the Proposed Project to the Housing Element Sites Inventory	-117	-79	-92	+286	-14

Table A, Table B, and Table C on the following pages show that after project approval, the remaining capacity of the Sites Inventory will become inadequate to accommodate the very

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low and moderate-income RHNA categories. The evaluation procedure for the creation of the tables below were created using the HCD Technical Memorandum on No Net Loss. Pursuant to No Net Loss law, 180 days from approval of a project, the Town must identify and rezone available sites to accommodate the remaining RHNA for each income category.

The following table shows that the cumulative impact of the project on the capacity of the Housing Element creates a negative surplus in the Very Low and Moderate income categories. Therefore, the remaining capacity of the Housing Element is not adequate to meet the Town's remaining RHNA requirements. The No Net Loss findings cannot be made, and the Town is required to identify additional site(s) to accommodate the remaining RHNA should this project be approved.

No Net Loss Evaluation					
Evaluation of the Proposed Project's Impact on the Cumulative Housing Element Sites Inventory Surplus					
	Units by Income Category				
	Very Low	Low	Moderate	Above Moderate	Net Total
Housing Element Sites Inventory Surplus	101	78	138	558	601
Net Site-Level Impact from the Proposed Project to Housing Element Assumed Development Potential	-117	-79	-92	286	-14
Remaining Housing Element Sites Inventory Surplus with Project Approval	-16	33	-6	122	898

E. CEQA Determination

The Town Council adopted the 2040 General Plan and certified the 2040 General Plan EIR on June 30, 2022. On April 2, 2024, the Town Council voted to rescind the Land Use Element and Community Design Element of the 2040 General Plan. Therefore, the Town's current General Plan consists of the Land Use Element and Community Design Element of the 2020 General Plan, and the remaining elements of the 2040 General Plan.

CEQA Guidelines Section 15183 provides that a programmatic EIR, in this case the 2040 General Plan EIR, may serve as the EIR for subsequent activities or implementing actions, provided that it contemplates and adequately analyzes the potential environmental impacts of those subsequent activities. If the Town, as the CEQA Lead Agency, determines, pursuant to Section 15183 of the CEQA Guidelines, no Subsequent EIR would be required, the agency can approve the activity as being within the scope of

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the project covered by the programmatic EIR, and new environmental documentation would not be required.

In accordance with Section 15183 of the CEQA Guidelines, an Initial Study Checklist (Exhibit 21) was prepared to provide project-level consideration of potential new or more severe significant impacts associated with the proposed project to determine whether the project: 1) is within the scope of activities evaluated in the 2040 General Plan EIR; and 2) would trigger any of the criteria in CEQA Guidelines Section 15183.

The Initial Study includes a number of project-level technical studies, including: an Air Quality, Health Risk, and Greenhouse Gas Assessment; Noise Assessment; Arborist Report; and Transportation Analysis (Exhibit 21). All technical reports were peer reviewed by the Town or the Town's consultants. The Initial Study determined that the project's environmental impacts have been considered in the 2040 General Plan EIR that was certified by the Town, which remains relevant, and the conditions set forth in Section 15183 are not triggered by the proposed project. In addition, the analysis determined that the proposed project is within the scope of activities evaluated in the 2040 General Plan EIR and the Environmental Analysis for the 6th Cycle Housing Element. As such, this Initial Study is the appropriate environmental document for the proposed project, pursuant to CEQA Guidelines Section 15183 and no additional environmental review is necessary.

PUBLIC COMMENTS:

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 in anticipation of the October 29, 2025, Planning Commission meeting.

Staff conducted outreach through the following media and social media resources, for the 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, October 24, 2025, are included as Exhibit X.

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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. 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 (Exhibit 24).

B. Recommendation

Staff recommends that the Planning Commission consider the request and, if merit is found with the proposed project, forward a recommendation that the Town Council approve the Architecture and Site and Subdivision applications by taking the following actions:

1. Make the finding that additional environmental review is not necessary pursuant to CEQA Guidelines Sections 15183: Projects Consistent with a Community Plan, General Plan, or Zoning since the proposed project's environmental impacts were adequately addressed in the 2040 General Plan EIR (Exhibit 22);
2. Make the finding that the project is consistent with the General Plan with the incentives, concessions, waivers, and parking reductions requested pursuant to State Density Bonus Law (Exhibit 22);
3. Make the finding that the proposed project complies with Section 66474 of the State Subdivision Map Act and make affirmative findings to approve the subdivision (Exhibit 22);
4. Make the finding that the project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) with the concessions, waivers, and parking reductions requested pursuant to State Density Bonus Law (Exhibit 22);
5. The project meets the objective standards of the North Forty Specific Plan with the incentives, concessions, waivers, and parking reductions requested pursuant to State Density Bonus Law (Exhibit 22);
6. The project meets the Town of Los Gatos Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development with the waivers requested pursuant to State Density Bonus Law (Exhibit 22);

SUBJECT: 14859, 14917, 14925, and 16392 Los Gatos Boulevard; 16250, 16260, and 16270
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7. Make the affirmative findings as required by State Density Bonus Law for granting concessions pursuant to California Government Code Section 65915 (d) and for granting waivers pursuant to California Government Code Section 65915 (a)(2) (Exhibit 22);
8. Make the findings that the proposed project complies with California Government Code Section 65863 regarding state RHNA requirements, the Town's Housing Element Sites Inventory, and No Net Loss Law (Exhibit 22); and
9. Make the considerations as required by Section 29.20.150 of the Town Code for granting approval of an Architecture and Site application (Exhibit 22);
10. Approve Architecture and Site Application S-23-031 and Subdivision Application M-23-005 with the recommended conditions contained in Exhibit 23 and the development plans in Exhibits 11 through 16.

C. Alternatives

Alternatively, the Planning Commission can:

1. Continue the matter to a date certain with specific direction; or
2. Recommend approval of the applications with additional and/or modified conditions; or
3. Recommend denial of the applications.

EXHIBITS:

Previously Received with the April 30, 2025, Staff Report:

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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Previously Received with the April 30, 2025, Addendum Report:

- 17. Public Comments Received Between 11:01 a.m., Friday, April 25, 2025, and 11:00 a.m., Tuesday, April 29, 2025
- 18. Full Transportation Analysis Report

Previously Received with the April 30, 2025, Desk Item Report:

- 19. Public Comments Received Between 11:01 a.m., Tuesday, April 29, 2025, and 11:00 a.m., Wednesday, April 30, 2025
- 20. Additional Correspondence from the Applicant

Received with this Staff Report:

- 21. Final Initial Study – September 2025
(available online at https://www.losgatosca.gov/N40II_FinalInitialStudy)
- 22. Required Findings and Considerations
- 23. Recommended Conditions of Approval
- 24. Revised Letter of Justification with Proposed Density Bonus Concessions, Waivers, and Parking Reductions
- 25. Revised Objective Design Standards Checklist
- 26. Public Comments Received Between 11:01 a.m., Wednesday, April 30, 2025, and 11:00 a.m., Friday, October 24, 2025

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