



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/18/2026

ITEM NO: 1

DATE: August 13, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Consider a Request for Approval to Construct a Multi-Family Residential Development (138 units), a Condominium Vesting Tentative Map, Remove Large Protected Trees, and Site Improvements Requiring a Grading Permit Under Senate Bill 330 (SB330) on Vacant Properties Zoned R-1:8:HEOZ and R:1-8. Located at 14789 Oka Road. APN's 424-08-074 and -035. Architecture and Site Application S-24-052, Subdivision Application M-24-017, and Mitigated Negative Declaration Application ND-26-001. An Initial Study and Mitigated Negative Declaration Have Been Prepared. Property Owner: Edward Morimoto, Yuki Farms, LLC. Applicant: Erik Hayden, Urban Catalyst. Project Planner: Erin Walters.**

RECOMMENDATION: Staff recommends that the Town Council consider the Planning Commission's recommendation and adopt a Resolution to approve a request to construct a multi-family residential development (138 units), a Condominium Vesting Tentative Map, remove large protected trees, and site improvements requiring a Grading Permit under Senate Bill 330 (SB330) on vacant properties zoned R-1:8:HEOZ and R:1-8 located at 14789 Oka Road.

FISCAL IMPACT:

Approving the Architecture and Site, Subdivision, and Mitigated Negative Declaration applications does not impact the Town's budget.

STRATEGIC PRIORITY:

The proposed project aligns with the adopted Core Goal of Community Character and the Strategic Priority to preserve the Town's small-town charm and provide a range of housing

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

opportunities, while diligently maintaining and implementing the Housing Element.

BACKGROUND:

The applicant proposes construction of a multi-family residential development consisting of 138 units distributed amongst 18 separate three-story buildings on a 6.71 net acre vacant site located at 14789 Oka Road (Exhibit 20 of Attachment 2). The project site is currently developed as a walnut orchard. The project sites are zoned R-1:8:HEOZ (Single Family Residential: Housing Element Overlay Zone) and R-1:8 (Single Family Residential). The subject site is Housing Element Site E-2, as identified in the Housing Element Sites Inventory. The applicant submitted a Letter of Justification discussing the project (Exhibit 6 of Attachment 2). Two driveways taking access from the north side of Oka Road would provide access to the site. New private roads would provide internal circulation within the site. The proposed project also includes a right-of-way dedication of five feet and frontage improvements along the north side of Oka Road. Of the 138 proposed units, 28 units (20 percent of the total units) would be designated as low-income Below Market Price (BMP units).

On May 27, 2026, the Planning Commission reviewed the project and voted unanimously to forward a recommendation to the Town Council to approve the project, subject to the Conditions of Approval included in Exhibit A of Attachment 1. Additional details regarding the Planning Commission's review, discussion, and recommendation are provided below.

A comprehensive discussion and analysis of the project are contained in the May 27, 2026, Planning Commission Staff Report, Addendum, and Desk Item Reports, included as Attachments 2 through 4. Verbatim minutes are provided in Attachment 5.

The applicant is utilizing the provisions of Senate Bill 330 (SB 330) and the Builder's Remedy. The project qualifies as a Builder's Remedy project, and the applicant invoked provisions of the Builder's Remedy with this project. As a result, the planning application is subject to the requirements of the state Housing Accountability Act (HAA). In addition, the State's "No Net Loss" law applies to the project. These statutory frameworks are discussed in detail in the May 27, 2026, Planning Commission Staff Report, included as Attachment 2.

On June 16, 2026, this matter was scheduled to be heard by the Town Council at a special public hearing and was regularly noticed in conformance with state and Town law; however, the hearing was cancelled due to a lack of quorum and rescheduled to be heard on August 18, 2026.

DISCUSSION:

A. Planning Commission:

On May 27, 2026, the Planning Commission received the Staff Report, the applicant's presentation, and public comments on the proposed project (Attachments 2 through 5).

The Planning Commission voted unanimously to forward a recommendation to the Council to approve the project with the Conditions of Approval (Exhibit A of Attachment 1).

During the Planning Commission meeting, several questions were raised regarding the project, including clarification of the parcel size (6.71 net acres), clarification of the maximum height of the buildings (42 feet to 44 feet), the project's consistency with the Town Consulting Architect's recommendations, the proposed use of vinyl windows, reduced setbacks, public outreach efforts, tree species selection, and the height of the proposed six-foot concrete wall along the mobile home park property line.

The Planning Commission also questioned whether the applicant would be willing to make additional changes to the architectural elevations to better comply with the Town Consulting Architect's recommendations and Objective Design Standard B.4.5. This standard requires changes in exterior building materials to occur at inside corners of a building. As shown on Sheets A.7, A.8, A.14, A.15, A.22, and A.23 (Exhibit 20 of Attachment 2), several proposed changes in exterior materials do not occur at inside corners.

During the Planning Commission hearing, the applicant stated that they were not willing to make additional changes to the architectural elevations. The applicant explained that the design had already been revised throughout the application review process. The Planning Commission considered this issue and ultimately recommended approval of the project as proposed.

The Housing Accountability Act provides that local jurisdictions may apply objective development standards to housing projects, so long as application of those standards does not render a project infeasible. The Act defines "feasible" as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors. (Gov. Code Section 65589.5(h)(1).) The objective standard at issue in this case is Objective Design Standard B.4.5, which requires changes in exterior building materials to occur at inside corners.

On July 28, 2026, the applicant submitted a letter stating that the Town should not require compliance with Objective Design Standard B.4.5 (Attachment 6). The applicant argues that, because the project is being processed under the Builder's Remedy, the Town cannot require compliance with this standard. The applicant also argues that the Town has not demonstrated that compliance with the standard is feasible. Alternatively, the applicant argues that it is entitled to a concession under the State Density Bonus Law that would allow the project to avoid complying with this standard.

Staff has reviewed the applicant's arguments. As stated above, the Act authorizes local jurisdictions to impose objective standards so long as application of those standards will not render a project "infeasible." The determination of "feasibility" is made by the decision-makers based on the "preponderance of the evidence" standard – weighing evidence in favor of a determination of feasibility against the evidence of infeasibility. Staff has evaluated whether

requiring compliance with Objective Design Standard B.4.5 would affect the applicant's ability to construct the proposed project. Staff determined that the changes needed to comply with the standard are limited to adjusting the locations where exterior building materials meet on certain building elevations.

Staff finds that these changes would not reduce the number of homes, reduce the project's density, affect the proposed affordable housing units, or require a major redesign of the project. The project could still be constructed with the same overall development program. Based on this analysis, staff does not believe that requiring compliance with Objective Design Standard B.4.5 would render the project infeasible. The applicant has submitted correspondence stating that compliance with the standard would render the project "infeasible" in that the applicant would be required to prepare several new building elevations.

Separate from the HAA and the issue of "infeasibility," the applicant does have the ability to utilize a concession or incentive pursuant to state density bonus law. Here, the applicant has submitted evidence that obtaining a concession or incentive to allow deviation from the objective standard would result in a cost reduction in that the applicant would not be required to prepare new building elevations. In staff's view, the applicant is eligible for an incentive or concession and has demonstrated that the incentive or concession would result in a cost reduction.

ENVIRONMENTAL REVIEW:

An Initial Study and Mitigated Negative Declaration (IS/MND) was prepared for the project, which includes a number of project-level technical studies: Land Evaluation and Site Assessment Modeling Results (LESA); Air Quality and Greenhouse Gas Assessment; Transportation Analysis; Arborist Report; Geotechnical Investigation; Phase I Environmental Site Assessment; Limited Phase II Soil Investigation Report; Stormwater Management Plan; Stormwater Quality Treatment Modeling Summary, Flooding Memorandum; and Noise and Vibration Assessment (Exhibit 1 of Attachment 2, available online at <https://www.losgatosca.gov/14789Oka>). All technical reports were peer reviewed by the Town or prepared by the Town's consultants. The Initial Study concluded that the project will not have a significant impact on the environment with the adoption of the Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) to mitigate potential impacts to a less than significant level.

Each of the 11 mitigation measures identified in the MND and Errata Sheet (IV-1, IV-2, IV-3, V-1, V-2, VII-1, X-1, XIII-1, XIII-2, and XVII-1) are included in the MMRP (Exhibit 15 of Attachment 2) and as Conditions of Approval in Attachment 1, Exhibit A.

Pursuant to CEQA requirements, the IS/MND was circulated for the mandated 30-day public review period beginning March 6, 2026, and ending April 6, 2026. Exhibit 16 of Attachment 2 includes responses to comments received during the public review period.

An Errata Sheet is included in Exhibit 17 of Attachment 2 that includes revisions to the IS/MND. The revisions to the IS/MND reflected in the Errata do not affect the adequacy of the previous environmental analysis contained in the 14789 Oka Road Project IS/MND. Because the changes presented in the Errata would not result in any new significant impacts or an increase in impact significance from what was identified in the IS/MND, recirculation of the 14789 Oka Road Project IS/MND is not required.

PUBLIC COMMENTS:

Consistent with the Town's Height Pole, Flagging, Netting, and Signage Policy, a project sign was installed on the site. Additionally, notice cards for the Town Council meeting were mailed to all property owners and residents within 1,000 feet, a legal advertisement was published in the newspaper, and meeting agendas were posted at Town Hall and the Library.

Staff conducted outreach through the following online communication channels to publicize the availability of the visual simulations, the public review of the IS/MND, and 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 prior to the Planning Commission hearing were included in the May 27, 2026, Planning Commission Staff Report, Addendum, and Desk Item Reports (Attachments 2 through 4). Public comments received between 11:01 a.m. Wednesday, May 27, 2026, and 3:00 p.m. Thursday, August 13, 2026, are included as Attachment 6.

CONCLUSION:

The applicant is requesting approval of an Architecture and Site, Subdivision, and Mitigated Negative Declaration applications to construct a multi-family residential development (138 units), a Condominium Vesting Tentative Map, remove large protected trees, and site improvements requiring a Grading Permit under Senate Bill 330 (SB330) on vacant properties zoned R-1:8:HEOZ and R:1-8 located at 14789 Oka Road. As detailed above, the application was submitted and is being processed under SB 330, and the applicant has requested a number of exceptions to Town standards pursuant to Builder's Remedy. On May 27, 2026, the Planning Commission forwarded a recommendation of approval to the Town Council.

RECOMMENDATION:

Staff recommends that the Town Council adopt the draft Resolution included as Attachment 1 to make the required findings and approve the Architecture and Site, Subdivision, and

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Mitigated Negative Declaration applications subject to the conditions of approval (Attachment 1, Exhibit A).

ALTERNATIVES:

Alternatively, the Council can:

1. Approve the applications with additional and/or modified conditions;
2. Continue the matter with specific direction; or
3. Deny the applications and make the required findings for denial.

COORDINATION:

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

ATTACHMENTS:

1. Draft Resolution making the required findings and approving the applications subject to the Conditions of Approval (included as Exhibit A)
2. May 27, 2026, Planning Commission Staff Report, with Exhibits 1 through 20
3. May 26, 2026, Planning Commission Addendum, with Exhibit 21
4. May 27, 2026, Planning Commission Desk Item, with Exhibit 22
5. May 27, 2026, Planning Commission Verbatim Minutes
6. Applicant's Letter regarding the Inapplicability of ODS Section B.4.5
7. Public Comments Received Between 11:01 a.m. Wednesday, May 27, 2026, and 3:00 p.m. Thursday, August 13, 2026