



**TOWN OF LOS GATOS  
PLANNING COMMISSION  
REPORT**

MEETING DATE: 08/23/2023

ITEM NO: 5

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DATE: August 18, 2023  
TO: Planning Commission  
FROM: Joel Paulson, Community Development Director  
SUBJECT: Forward a Recommendation to the Town Council on a Request to Amend the General Plan Land Use Designation of 16492 Los Gatos Boulevard and Assessor Parcel Number (APN) 532-07-086 from Low Density Residential to Neighborhood Commercial; Amend the General Plan Land Use Designation of Caltrans Right-of-Way Adjacent to 14685 Oka Road from Low Density Residential to Medium Density Residential and from R:1:8 to R-M:14-22; and Apply the Housing Element Overlay Zone to Allow for Increases to the Allowable Density, Height, Floor Area Ratio, and Lot Coverage to the Sites Included in the Sites Inventory Analysis of the 2023-2031 Housing Element:

**APN's 42406116, 42407116, 42408029, 42408058, 42408059, 42408060, 42408074, 52924001, 52924003, and 53207085; 401 through 409 Alberto Way; 620 and 14000 Blossom Hill Road; 16210, 16240, 16245, 16250, 16260, and 16270 Burton Road; Cal Trans Right-of-Way Adjacent to 14685 Oka Road; 110 and 206 Knowles Drive; 445 Leigh Avenue; 440 Los Gatos Almaden Road; 16603 Lark Avenue; 14823, 14831, 14849, 14859, 14917, 14925, 15300, 15349, 15367, 15405, 15425, 15480, 15500, 15795, 16151, 16203, 16392, and 16492 Los Gatos Boulevard; 50 and 165 Los Gatos Saratoga Road; 61 Montebello Way; 14800 and 14840 Oka Road; 50 Park Avenue; 101 South Santa Cruz Avenue.** An Environmental Impact Report (EIR) was Prepared and Certified for the 2040 General Plan Update on June 30, 2022, which Included the Proposed General Plan Amendments. No further Environmental Analysis is Required. Zoning Code Amendment Application Z-23-003 and General Plan Amendment Application GP-23-003. Applicant: Town of Los Gatos.

PREPARED BY: Jocelyn Shoopman and Erin Walters  
Associate Planner and Associate Planner

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

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RECOMMENDATION:

Due to notice letters that were delayed in delivery, staff recommends that the Planning Commission hold the public hearing, ask questions of staff, and receive any verbal public comment from those in attendance, and continue the item to a date certain of September 13, 2023, to continue the public hearing for any additional public comment, deliberation, and recommendation.

BACKGROUND:

The Town of Los Gatos is required to prepare an updated Housing Element for the period covering 2023-2031 that is certified by the State Housing Community Development Department (HCD). The Housing Element is one of nine State-mandated elements that must be included in every General Plan. The Housing Element assesses housing needs for all income groups within the community and identifies implementation programs to meet those housing needs. Unlike other General Plan elements, the Housing Element must be updated every eight years, rather than every 10 to 20 years, must address statutory requirements regarding its content, and is subject to mandatory review by HCD. The Town's Regional Housing Needs Allocation (RHNA) for the sixth cycle planning period is 1,993 units.

On January 30, 2023, the Town Council adopted the 2023-2031 Housing Element with modifications to the Sites Inventory, finding that it was in substantial compliance with State law. Two of the Implementation Programs contained in the Housing Element adopted by Town Council are the basis for the items under consideration and described in further detail below.

The Town continues to work with HCD to get the 2023-2031 Housing Element certified and resubmitted its latest version to HCD on March 31, 2023.

The Housing Element Advisory Board (HEAB) met on July 20, 2023, to review and discuss portions of the Town's interim working Draft Revised Housing Element addressing HCD's findings/comment letter received by the Town on May 30, 2023.

The most recent information on the status of the ongoing Housing Element update process can be viewed online at: <https://www.losgatosca.gov/1735/Housing-Element>.

DISCUSSION:

A. General Plan Committee

On July 20, 2023, at a special meeting, the General Plan Committee (GPC) reviewed the requests described below and recommended approval of the General Plan amendments to the Planning Commission and Town Council.

B. General Plan Land Use Designation

The following Implementation Program is included in the Housing Element adopted by Town Council on January 30, 2023, and is presented below, as modified and presented in the March 2023 Draft Revised Housing Element. This program proposes to amend the General Plan to comply with State Housing Element law:

- *Implementation Program BG, General Plan Amendment*

Amend the General Plan to modify the designation of 16492 Los Gatos Boulevard and APN 532-07-086 from Low Density Residential to Neighborhood Commercial and modify the designation of the Cal Trans right- of-way from Low Density Residential to Medium Density Residential, and establish new maximum densities for the High Residential, Medium Density Residential, Low Density Residential, Mixed-Use, Neighborhood Commercial, and Central Business District land use designations to provide for the development of housing for the sites in the Sites Inventory.

In response to Implementation Program BG, staff has drafted amendments to the General Plan designation of 16492 Los Gatos Boulevard and APN 532-07-086 from Low Density Residential to Neighborhood Commercial and to modify the designation of the Caltrans right-of-way from Low Density Residential to Medium Density Residential (Exhibit 4 through 6). The establishment of new development standards for the applicable General Plan Land Use designations of the 2023-2031 Housing Element was considered under Item 4 of tonight's Planning Commission agenda.

C. Zoning

The following Implementation Program is included in the Housing Element adopted by Town Council on January 30, 2023, and is presented below, as modified and presented in the March 2023 Draft Revised Housing Element. This program proposes to amend the Zoning Code to comply with State Housing Element law:

DISCUSSION (continued):

- *Implementation Program BF, Zoning Code Amendments*

Amend the Zoning Code to comply with State law and ensure adequate sites are available to accommodate the identified sites in the Sites Inventory (Exhibits 2 and 3). These Code revisions include:

1. Amend the Zoning Code to include a HEOZ to apply to the sites included in the Sites Inventory to modify the development standards (i.e., density, lot coverage, FAR, height) on those sites;
2. Amend the Affordable Housing Overlay Zone to increase the maximum allowable density from 20 dwelling units per acre to 40 dwelling units per acre;
3. Clarify the text of the non-residential zones regarding housing;
4. Rezone the Caltrans Right-of-Way – Site E3 from R:1:8 to R-M:14-22;
5. Amend the Accessory Dwelling Unit Ordinance; and
6. Amend the Density Bonus Ordinance.

In response to items #1 and #4 of Implementation Program BF, staff has drafted amendments re-zone the Caltrans right-of-way site from R:1:8 to R-M:14-22 (Exhibit 7) and apply the HEOZ to the sites included in the Sites Inventory of the 2023-2031 Housing Element (Exhibit 8). Maps showing the rezoning of the sites in the Sites Inventory will be included in the ordinance that will go to the Town Council for future adoption and the ordinance will be codified.

The component of item #1 which requires amendment of the Zoning Code, as well as item #2 were considered under item 4 of tonight's Planning Commission agenda. The draft Zoning Code amendments provided in Exhibit 9 have been provided for context only.

PUBLIC NOTIFICATION:

Public notification has included a legal ad in the paper, noticing property owners, tenants, and properties located within 300 feet of all the sites listed within the Town. The meeting has been publicized on the Town's website and through the Town's social media platforms.

Following the mailing of notice letters for this item, the Town received some returned to sender letters due to errors with the postage on the envelopes. Town staff has determined that six of these letters were the only notice letter sent to the subject parcel, and therefore are important for notification of that property owners. Because a majority of the notice letters were successfully mailed, staff recommends that the Planning Commission hold the public hearing,

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ask questions of staff, and receive any verbal public comment from those in attendance on August 23, 2023. Due to the notice letters that were delayed in delivery, staff recommends PUBLIC NOTIFICATION (continued):

that following public comment on the item, the item be continued to a date certain of September 13, 2023, to continue the public hearing for any additional public comment, deliberation, and recommendation. The notice letters that were returned to the Town because of postage errors have been corrected and resent.

PUBLIC COMMENTS:

As of the drafting of this report, no comments from the public have been received.

CONCLUSION:

A. Summary

A request for approval of the following General Plan Amendments and Zone Changes:

1. Approval of a request to amend the General Plan to modify the land use designation of 16492 Los Gatos Boulevard and APN 532-07-086 from Low Density Residential to Neighborhood Commercial;
2. Approval of a request to amend the General Plan to modify the designation of the Caltrans right-of-way from Low Density Residential to Medium Density Residential;
3. Approval of a zone change for the Caltrans Right-of-Way Adjacent to 14685 Oka Road from R:1:8 to R-M:14-22; and
4. Application of the Housing Element Overlay Zone to the sites included in the Sites Inventory of the 2023-2031 Housing Element.

B. Recommendation

Due to the notice letters that were delayed in delivery, staff recommends that the Planning Commission hold the public hearing, ask questions of staff, and receive any verbal public comment from those in attendance, and continue the item to a date certain of September 13, 2023, to continue the public hearing for any additional public comment, deliberation, and recommendation.

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EXHIBITS:

1. Draft Findings
2. Appendix D, Sites Inventory Analysis of the July 2023 Interim Working Draft Revised Housing Element
3. Appendix H, Sites Inventory Form of the July 2023 Interim Working Draft Revised Housing Element
4. Location Maps – 16492 Los Gatos Boulevard (Showing Existing and Proposed General Plan Designations)
5. Location Maps – Parcel 532-07-086 (Showing Existing and Proposed General Plan Designations)
6. Location Maps – Caltrans Right-of-Way (Showing Existing and Proposed General Plan Designations)
7. Location Maps – Caltrans Right-of-Way (Showing Existing and Proposed Zoning)
8. Location Maps – 2023-2031 Housing Element (Showing Existing and Proposed Zoning)
9. Draft Zoning Code Ordinance Amendments, Division 5. Housing Element Overlay Zone