



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 12/11/2024

ITEM NO: 5

DATE: December 6, 2024

TO: Planning Commission

FROM: Joel Paulson, Community Development Director

SUBJECT: Forward a Recommendation to the Town Council on Amendments to Chapter 29 (Zoning Regulations) of the Town Code Regarding Considerations for an Architecture and Site Application, Findings for a Conditional Use Permit, Manufactured Housing, and Private Open Space and Community Recreation Space Requirements, Pursuant to Implementation Program AQ of the 2023-2031 Housing Element. Adoption of this Ordinance is Exempt Pursuant to CEQA, Section 15061(b)(3) in that it Can be Seen with Certainty that it Will not Impact the Environment. Town Code Amendment Application A-24-008.
Project Location: Town Wide. Applicant: Town of Los Gatos.

RECOMMENDATION:

Forward a recommendation to the Town Council on amendments to Chapter 29 (Zoning Regulations) of the Town Code regarding considerations for an Architecture and Site application, findings for a Conditional Use Permit, manufactured housing, and private open space and community recreation space requirements, pursuant to Implementation Program AQ of the 2023-2031 Housing Element.

CEQA:

The proposed amendments are exempt pursuant to California Environmental Quality Act (CEQA) Guidelines 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 applicable to considerations for an Architecture and Site application, findings for a Conditional Use Permit, manufactured housing, and private open space and community recreation space requirements.

PREPARED BY: Jocelyn Shoopman
Senior Planner

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

FINDINGS:

- The proposed amendments are exempt pursuant to CEQA, Section 15061(b)(3); and
- The amendments to Chapter 29 of the Town Code are consistent with the General Plan.

BACKGROUND:

Implementation Program AQ of the Housing Element requires amendments to Chapter 29 (Zoning Regulations) of the Town Code to comply with state law and to ensure that there are adequate sites available to accommodate the identified sites in the Sites Inventory. The proposed amendments include:

1. Amend the Zoning Code to include a Housing Element Overlay Zone (HEOZ) to apply to the sites included in the Site Inventory to modify the development standards (i.e., density, lot coverage, FAR, height) on those sites. The Town will commit to monitoring and evaluating the HEOZ development standards and complete first evaluation of said standards by December 2026 and then annually thereafter, including outreach with the development community, and making adjustments as necessary. If it is determined that adjustments are needed, they will be completed within six months of the annual evaluation. The amended HEOZ Ordinance is projected to be adopted by the Town Council in March of 2024.
2. Clarify the text of the non-residential zones regarding housing.
3. Rezone the Caltrans Right-of-Way Site E3 from R:1:8 to R-M. Take additional steps to make the site available for residential development, including decertification, by the end of 2026. If by 2027 the site has not progressed to be available for residential development in the planning period, identify and add additional sites, if necessary, by 2028.
4. Amend the Accessory Dwelling Unit Ordinance (ADU).
5. Amend the Density Bonus Ordinance.
6. Amend the Architecture and Site considerations for a multi-family and mixed-use project to make them objective and provide certainty in outcomes.
7. Amend the Architecture and Site findings for a multi-family and mixed-use project to make them objective and provide certainty in outcomes of the application review. Specifically, address Finding (4) relating to site layout and Finding (6) relating to the exterior architectural design of buildings and structures. These findings can be considered subjective and open to interpretation.
8. Amend the Conditional Use Permit findings for a multi-family and mixed-use project to make them objective and provide certainty in outcomes of the application review. Specifically, address Finding (1) relating to use of the property as desirable to the public convenience and Finding (2) relating to the integrity and character of the zone. These findings can be considered subjective and open to interpretation.
9. Amend the Zoning Code to clarify that the Town will comply with Section 65852.3 of the Government Code to allow the installation of manufactured homes.

10. Amend the Zoning Code to align the private open space and the community recreation space requirements for a multi-family and condominium project with the Objective Design Standards.
11. Amend the Zoning Code to align parking requirements for a multi-family and condominium project with the preparation of the Objective Design Standards.

DISCUSSION:

Items #1, #3, and #4 of Implementation Program AQ have been completed as they were all introduced by the Town Council on November 7, 2023, and adopted on November 21, 2023. In October of 2024, the Governor signed additional housing bills regarding ADUs and Junior ADU regulations that will take effect on January 1, 2025. As a result, further amendments to the Town's ADU Ordinance (Item #4) is expected to be considered by the Planning Commission in early 2025.

Item #2 will be addressed through Implementation AB and is tentatively expected to be considered by the Planning Commission in early 2025.

Item #5, a Zoning Code amendment was introduced by the Town Council on December 3, 2024.

Item #11 was inadvertently included in Program AQ as the Town's Objective Design Standards does not contain parking requirements for multi-family and condominium projects. Reductions in parking standards required through Implementation Program AA of the 2023-2031 Housing Element will be considered in a separate Zoning Code amendment item on tonight's Planning Commission agenda.

Below is a summary of the amendments to Chapter 29 (Zoning Regulations) of the Town Code as required by Implementation Program AQ (Exhibit 2):

- Modify the Architecture and Site findings to make them objective, specifically, Finding (4) relating to the site layout and Finding (6) related to architectural design of the building [29.20.150, Items #6 and #7];
- Modify the Conditional Use Permit findings to make them objective, specifically, Finding (1) relating to the desirableness of the project to the public convenience or welfare and Finding (2) related to the integrity and character of the zone [29.20.190, Item #8];
- Modify the definition of a dwelling, single-family by adding that the definition also includes manufactured homes pursuant to Section 65852.3 of the Government Code [29.10.020, Item #9]; and
- Modify the private open space and community recreation open space requirements for a multi-family and condominium project to align with the Objective Design Standards [29.10.065 and 29.40.660, Item #10].

CEQA DETERMINATION:

The proposed amendments are exempt 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 applicable to considerations for an Architecture and Site application, findings for a Conditional Use Permit, manufactured housing, and private open space and community recreation space requirements.

CONCLUSION:

A. Summary

The Draft Ordinance aligns the Town's regulations with State law and responds to Implementation Program AQ of the 2023-2031 Housing Element.

B. Recommendation

Staff recommends that the Planning Commission review the information included in the staff report and forward a recommendation to the Town Council for approval of the amendments to Chapter 29 of the Town Code in the Draft Ordinance (Exhibit 2). The Planning Commission should also include any comments or recommended changes to the Draft Ordinance in taking the following actions:

1. Make the finding that the proposed amendments to the Town Code are exempt 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 applicable to considerations for an Architecture and Site application, findings for a Conditional Use Permit, manufactured housing, and private open space and community recreation space requirements (Exhibit 1);
2. Make the required finding that the amendments to Chapter 29 of the Town Code in the Draft Ordinance are consistent with the General Plan (Exhibit 1); and
3. Forward a recommendation to the Town Council for approval of the amendments to Chapter 29 of the Town Code in the Draft Ordinance (Exhibit 2).

C. Alternatives

Alternatively, the Commission can:

1. Forward a recommendation to the Town Council for approval of the Draft Ordinance with modifications; or
2. Continue the matter to a date certain with specific direction.

PAGE 5 of 5

SUBJECT: Zoning Code Amendments, Implementation Program AQ/A-24-008

DATE: December 6, 2024

COORDINATION:

This report was coordinated with the Town Attorney's office.

EXHIBITS:

1. Required Findings
2. Draft Ordinance

*This Page
Intentionally
Left Blank*