



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 06/10/2026

ITEM NO: 3

DATE: June 5, 2026

TO: Planning Commission

FROM: Joel Paulson, Community Development Director

SUBJECT: Forward a Recommendation to the Town Council on an Ordinance Amending Chapter 29 (Zoning Regulations) of the Town Code Regarding Accessory Dwelling Units and Definitions. The Proposed Amendments 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 Applicable to Accessory Dwelling Units and Definitions. Additionally, the Proposed Amendments are Statutorily Exempt Pursuant to Public Resources Code Section 21080.17. Town Code Amendment Application A-26-001. **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 accessory dwelling units and definitions.

CEQA:

The proposed amendments 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 applicable to accessory dwelling units and definitions. Additionally, the proposed amendments are Statutorily Exempt pursuant to Public Resources Code Section 21080.17.

PREPARED BY: Sean Mullin, AICP
Planning Manager

Reviewed by: Community Development Director, and Town Attorney

FINDINGS:

- The proposed amendments are not subject to CEQA review pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3); and the proposed amendments are statutorily exempt pursuant to Public Resources Code Section 21080.17; and
- The amendments to Chapter 29 of the Town Code are consistent with the General Plan.

BACKGROUND:

In 2016, the Governor signed several bills intended to help address the State's housing crisis by creating new housing opportunities through accessory dwelling units (ADU) and junior accessory dwelling units (JADU). Since then, the Governor continued to sign additional bills into law that further streamlined the permitting process for ADUs and JADUs. As a result, the Town updated the Town Code regarding ADUs and JADUs in 2017, 2020, and 2023 to comply with updated state laws. Since the current ADUs and JADUs regulations have been in place, additional bills have been signed into law further revising regulations around ADUs and JADUs, requiring additional amendments to the Town Code. The latest bills signed into law impacting the Town's Ordinance include:

- **AB 462** (2025) requires a local agency to issue a Certificate of Occupancy for an ADU, even if the primary dwelling has not yet been issued a Certificate of Occupancy, if constructed in a county that is subject to a proclamation of a state of emergency made by the Governor on or after February 1, 2025.
- **SB 477** (2024) made changes to the numbering of the sections of Government Code for State ADU and JADU Laws.
- **SB 543** (2025) revised the definition of a JADU to clarify and require the size of a JADU to be no more than 500 square feet of interior livable space and prohibits impact fees upon the development of an ADU that has 750 square feet of interior livable space or less or JADU that has 500 square feet of interior livable space or less. Furthermore, the prohibition on requiring fire sprinkler installation additionally applies to JADUs.
- **AB 1154** (2025) made changes to the owner-occupancy requirement of JADUs for only those units that have shared sanitation facilities with the existing structure, and allows rental of a JADU for a term longer than 30 days.
- **SB 1211** (2024) defines "livable space" as a space in a dwelling intended for human habitation. Furthermore, it specifies that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced. Additionally, the bill authorizes up to eight detached ADUs on a lot with an existing multi-family dwelling, provided that the number of ADUs does not exceed the number of existing units on the lot, and prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a).

Below is a discussion of a draft Ordinance that includes amendments to Chapter 29 of the Town Code (Zoning Regulations), Section 29.10.020 (Definitions) and Sections 29.10.305 through 29.10.400 (ADUs) (Exhibit 2).

DISCUSSION:

The draft Ordinance, included as Exhibit 2, would align the Town’s regulations with state law. The most significant change coming from state law is the creation of two categories of ADUs. The first, enabled under CA Government Code Section 66314, allows for an ADU that is subject to the Town’s standard ADU development regulations. These Town-standard ADUs are subject to most of the regulations included in the current ADU Ordinance. The second, enabled under CA Government Code Section 66323, allows for multiple ADUs on a property by-right and allows for JADUs. The draft Ordinance includes separate sections for Town-standard ADUs, by-right ADUs, and JADUs.

Much of the Town’s existing ADU Ordinance has been carried forward into the draft Ordinance with some revisions and reorganization to align with state law as discussed in the following section. The most substantive change in the draft Ordinance relates to the number of accessory units that can be built on a single property. When combining each unit type, the draft Ordinance allows the following:

Maximum Number of Accessory Units per Property			
Primary Dwelling Type	Single-Family Dwelling	Multi-Family Dwelling (MFD)	
		Existing MFD	Proposed MFD
Number of Accessory Units Allowed per Lot	<p><u>4 total</u></p> <ul style="list-style-type: none"> 1 Town-standard ADU. Can be attached, detached, or conversion. 3 by-right ADUs: <ul style="list-style-type: none"> 1 detached ADU + 1 conversion ADU + 1 JADU 	<p><u>4 minimum</u></p> <ul style="list-style-type: none"> 1 conversion, or up to 25 percent of existing units. 8 detached ADUs, provided the number does not exceed the number of existing primary units. 	<p><u>2 detached ADUs</u></p>

The discussion below goes through the Code sections and provides staff’s summary of the modifications proposed under the draft Ordinance.

Sec. 29.10.305. Intent and authority.

The current language has been carried forward. References to CA Government Code have been updated.

Sec. 29.10.310. Definitions.

All existing definitions have been carried forward with modifications to some. New definitions were added for by-right accessory dwelling unit, conversion, Hillside Area, livable space, nonconforming zoning condition, permitting agency, and Town-standard accessory dwelling unit.

Sec. 29.10.315. Review process.

The review process section has been revised to reflect new review timelines mandated by state law.

Sec. 29.10.320. General requirements and restrictions.

Much of the general requirements and restrictions section has been carried forward into the draft Ordinance and are applicable to Town-standard ADUs, by-right ADUs, and JADUs. Several requirements and restrictions were moved into this section from Section 29.10.325 to make them applicable to all ADUs, including: height; stories; balconies and decks; entrances; interior connection; and conversion of existing floor area. The FAR, design standards, and number of ADUs subsections were relocated to the Town-standard ADU section since they would not apply to by-right ADUs or JADUs. Table 1-1 was revised to remove the limitation on combined grading depths, which staff identified as a barrier to some ADU projects.

Sec. 29.10.325. Town-standard accessory dwelling unit development requirements.

The draft Ordinance includes a revised section that provides requirements and regulations specific to Town-standard ADU projects. Separate sections specific to by-right ADUs and JADU projects follow.

A new table is included in the draft Ordinance to help simplify the general development standards applicable to a Town-standard ADU project. Most of the regulations included in this table are consistent with the existing Ordinance; however, the FAR regulations have been revised. The FAR regulations continue to provide a 10 percent increase in FAR standards for single-family properties to be used for a Town-standard ADU project. Language was added clarifying that the maximum increase is limited to 1,200 square feet per single-family property. Additionally, for a single-family property that already exceeds the FAR standards, the increase is limited to 800 square feet.

New language applicable to an ADU project on a multi-family property recognizes that FAR standards do not apply to multi-family properties and allocates 800 square feet for a Town-standard ADU.

Sec. 29.10.327. By-right accessory dwelling unit development requirements.

Section 29.10.327 in the draft Ordinance is a new section providing development requirements for by-right ADUs as required by CA Government Code Section 66323. This new section includes a table providing the development standards applicable to by-right ADU projects. The table provides the applicable standards for by-right ADUs located on single-family and multi-family properties.

Sec. 29.10.330. Junior accessory dwelling unit development standards.

The majority of the current language applicable to JADUs has been carried forward in the draft Ordinance. Subparagraph (c) was revised to recognize that the size of a JADU is measured pursuant to the interior livable space definition. Subparagraph (g) was revised to require owner-occupancy of the primary dwelling or the JADU only when sanitation facilities are not provided within the JADU.

Sec. 29.10.335. Unpermitted units.

The current language has been carried forward. References to CA Government Code have been updated.

Sec. 29.10.340. Nonconforming accessory dwelling units and junior accessory dwelling units.

The current language has been carried forward.

Sec. 29.10.350. Elimination and/or demolition of existing accessory dwelling units and/or junior accessory dwelling units.

The current language has been carried forward.

Sec. 29.10.355. Nonconforming zoning conditions.

The current language has been carried forward.

Sec. 29.10.360. Utilities.

The current language has been carried forward with minor changes to clarify the exceptions that apply to by-right ADUs.

Sec. 29.10.365. Fees.

The current language has been carried forward. Additional subparagraphs were added from state law that clarify exemptions to fees applicable to some ADUs.

Amendments to other Code Sections.

While not directly related to the proposed amendments to the ADU ordinance, staff recommends an amendment to Town Code Section 29.10.020 – Definitions. Specifically, the definition of *attic* would be revised to align with the habitable space definition of the Building Code:

Attic means a non-habitable space (that may or may not be used for storage) with a maximum height of seven (7) feet ~~six (6) inches~~ as measured from the upper surface of the attic floor to the underside of the roof above. For the purposes of this definition, unfinished attic spaces are considered to have floor surfaces. Once an attic space exceeds seven (7) feet ~~six (6) inches~~ in height, all areas down to five (5) feet will be counted toward the floor area ratio.

PUBLIC COMMENTS:

Staff conducted outreach through the following media and social media resources, as well as direct communication with stakeholders 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.

At the time this report was published, no public comments were received.

ENVIRONMENTAL ASSESSMENT:

The proposed amendments 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 applicable to accessory dwelling units and definitions. Additionally, the proposed amendments are Statutorily Exempt pursuant to Public Resources Code Section 21080.17.

CONCLUSION:

A. Summary

The draft Ordinance aligns the Town's ADU/JADU regulations with state law and provides a clear set of regulations and process framework for residents to follow when pursuing an ADU/JADU project. The draft Ordinance also updates a term included in the Definitions section of the Town Code to align with the Building Code.

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 are not subject to CEQA 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 accessory dwelling units and definitions. Additionally, the proposed amendments are Statutorily Exempt pursuant to Public Resources Code Section 21080.17 (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.

EXHIBITS:

1. Required Findings
2. Draft Ordinance
3. ADU Ordinance in track changes
4. CA Government Code Sections 66310 through 6634

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