

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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May 3, 2024

Joel Paulson, Director
Community Development Department
Town of Los Gatos
110 East Main Street
Los Gatos, CA 95030

Dear Joel Paulson:

RE: Town of Los Gatos' 6th Cycle (2023-2031) Revised Draft Housing Element

Thank you for submitting the Town of Los Gatos' (Town) revised draft housing element that was received for review on March 18, 2024, along with edits that were received on April 26, 2024. In addition, the California Department of Housing and Community Development (HCD) received Rezone Ordinances 2347, 2348, 2349, and 2350. Our review was facilitated by a conversation on April 26, 2024 with yourself, Jennifer Armer, Planning Manager; Jocelyn Shoopman and Erin Walter, associate planners; and Veronica Tram, the Town's consultant. In addition, HCD considered public comments from Los Gatos Community Alliance, Silicon Valley at Home and Burke, Williams, and Sorensen pursuant to Government Code section 65585, subdivision (c). Pursuant to Government Code section 65585, HCD is reporting the results of its review.

The revised draft element, incorporating the edits, meets the statutory requirements of State Housing Element Law (Gov. Code, § 65580 et seq) and addresses the statutory requirements described in HCD's December 1, 2023 review. This finding is based on, among other things, completion of Programs D (Additional Housing Capacity for the North Forty Specific Plan), AR (General Plan Amendment), and AS (Provide Adequate Sites for Housing, Regional Housing Needs Allocation (RHNA) Rezoning, and Lower-Income Households on Nonvacant and Vacant Sites Previously Identified). The housing element will substantially comply with State Housing Element Law when it is adopted, submitted to, and approved by HCD, in accordance with Government Code section 65585.

For your information, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households, the housing element must demonstrate that the existing use is not an impediment to additional residential development in the planning period (Gov. Code, § 65583.2, subd. (g)(2)). This can be demonstrated by providing substantial evidence that the existing use is likely to be discontinued during the planning period (Gov. Code, § 65583.2, subd. (g)(2)).

Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA. The Town must make these findings as part of its adoption resolution. Please see HCD's Guidance memo (p. 27) for additional information: https://www.hcd.ca.gov/community-development/housing-element/housing-element-memos/docs/sites_inventory_memo_final06102020.pdf.

Pursuant to Government Code section 65583.3, subdivision (b), the Town must utilize standards, forms, and definitions adopted by HCD when preparing the sites inventory and submit an electronic version of the sites inventory. While the Town has submitted an electronic version of the sites inventory, if changes occur, any future re-adopted versions of the element must also submit the electronic version of the sites inventory.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the Town must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities programs, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the Town meets housing element requirements for these and other funding sources.

HCD appreciates the hard work and dedication the entire Town staff provided in preparation of the Town's housing element and looks forward to receiving the Town's adopted housing element. If you have any questions or need additional technical assistance, please contact Jose Armando Jauregui, of our staff, at Jose.Jauregui@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager