



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 12/19/2023

ITEM NO: 15

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DATE: December 14, 2023  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Review and Discuss the Draft Revised 2023-2031 Housing Element. Location: Town-Wide. General Plan Amendment Application GP-22-003.

**RECOMMENDATION:**

Review and discuss the Draft Revised 2023-2031 Housing Element (November 2023).

**EXECUTIVE SUMMARY:**

The Town of Los Gatos has prepared a revised update to the Housing Element of the General Plan to affirmatively further fair housing and accommodate the 1,993-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element cycle. The content of the Draft Revised 2023-2031 Housing Element is structured for further consistency with the requirements set forth in State law.

In addition to responding to requirements of State law, the Housing Element also demonstrates the Town of Los Gatos' strategy to meet the Town's locally determined housing needs, and that these needs are addressed through policies and programs outlined within the Housing Element.

Public review and input have been a critical component of this 6<sup>th</sup> cycle Housing Element update. A copy of the Draft Revised 2023-2031 Housing Element (November 2023) (Attachment 1), as submitted to the Department of Housing and Community Development (HCD) on November 28, 2023, is available on the Town's Housing Element website: [www.losgatosca.govHousingElement](http://www.losgatosca.govHousingElement).

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

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

BACKGROUND:

On October 2, 2023, after the seven-day review period, the Town submitted the Draft Revised Housing Element (September 2023) in response to the May 30, 2023 California Department of Housing and Community Development (HCD) findings/comment letter to HCD for review. The documents submitted to HCD can be viewed on the Housing Element update website at: [www.losgatosca.gov/HousingElement](http://www.losgatosca.gov/HousingElement).

On November 7, 2023, staff and the Housing Element consultant met with the Town's HCD reviewer, received preliminary feedback, and was subsequently provided with a Draft Preliminary Review Matrix on the Draft Revised Housing Element submitted to HCD on October 2, 2023.

On November 15, 2023, the Planning Commission reviewed HCD's Draft Preliminary Review Matrix along with staff's draft responses, asked questions of staff and the Housing Element consultant, received verbal public comment, and continued the item to a date certain of November 29, 2023 for a special meeting to continue the public hearing for any additional public comment, deliberation, and a recommendation (Attachments 4 through 6).

On November 16, 2023, the Draft Revised Housing Element (November 2023) with modifications in response to HCD's Draft Preliminary Review Matrix received by the Town on November 7, 2023 was made available to the public for a seven-day review as required by Assembly Bill 215 starting on November 16, 2023 and ending on November 27, 2023.

On November 28, 2023, the Town resubmitted the Draft Revised Housing Element (November 2023) with modifications in response to HCD's Draft Preliminary Review Matrix received by the Town on November 7, 2023 to HCD for review and comment. The documents submitted to HCD can be viewed on the Housing Element update website at: [www.losgatosca.gov/HousingElement](http://www.losgatosca.gov/HousingElement).

On November 29, 2023, the Planning Commission made a recommendation to the Town Council to adopt the Draft Revised Housing Element (November 2023) (Attachments 7 through 10). See Discussion below.

On December 1, 2023, the Town received HCD's findings/comment letter (Attachment 11) on the Town's Draft Revised Housing Element (November 2023) as submitted to HCD on October 2, 2023, along with the modifications submitted on November 28, 2023.

The primary purpose of this agenda item is for Town Council to review and discuss the Draft Revised Housing Element (November 2023) (Attachment 1) with the Environmental Analysis (Attachment 2) in light of the HCD findings and comment letter received by the Town on December 1, 2023 (Attachment 11).

DISCUSSION:

A comprehensive list of the modifications that were made to the Draft Revised Housing Element (November 2023), based on the HCD Draft Preliminary Review Matrix provided on November 7, 2023, is provided in Attachment 3 and includes modifications to the Affirmatively Furthering Fair Housing (AFFH) analysis, refinement of the metrics, timelines, and language to the Implementation Programs, and a reduction in the total capacity of the Sites Inventory as detailed in Table 10-3 (Attachment 1).

A. Planning Commission

On November 15, 2023, the Planning Commission reviewed HCD's preliminary comments and staff's responses (Attachments 4 through 6), asked questions of staff and the Housing Element consultant, received verbal public comment, and continued the item to a date certain of November 29, 2023 for a special meeting to continue the public hearing for any additional public comment, deliberation, and a recommendation.

On November 29, 2023, the Planning Commission received and considered public comments on the Draft Revised Housing Element (November 2023) (Attachments 7 through 9). The Planning Commission found that the Draft Revised Housing Element (November 2023) was in substantial compliance with State law (see verbatim minutes in Attachment 10). The majority of the Planning Commission recommended that the Town Council adopt the Draft Revised Housing Element (November 2023) (Attachment 1).

B. HCD Communications

On December 1, 2023, the Town received HCD's findings/comment letter on the Town's Draft Revised Housing Element (November 2023), as submitted to HCD on October 2, 2023, along with the modifications submitted on November 28, 2023 (Attachment 11). Town staff and the Housing Element consultant continue to work on responses to the HCD comment letter, with a partial interim working draft response table included in Attachment 14.

Town staff and the Housing Element consultant met with the Town's HCD reviewer and the HCD Senior Program Manager, Paul McDougall on December 13, 2023 and received feedback on the following topics:

- Additional discussion of income and race at a local level as part of the Affirmatively Furthering Fair Housing analysis;
- Additional actions specific to promoting housing mobility;
- Additional discussion and a potential modification to the maximum building height within the Housing Element Overlay Zone (HEOZ) for General Plan land use designations with a density range of 30 to 40 dwelling units per acre;

DISCUSSION (continued):

- Refinement of the definition of a mixed-use project within the HEOZ Ordinance;
- Refinement of the language of Implementation Program AA to include a defined action; and
- Additional evaluation of the Town's guest parking requirements for multi-family and mixed-use projects.

Additionally, staff discussed the actions taken by the Town Council at the meeting of December 5, 2023, and received feedback that modifications to the Story Pole Policy does seem to address the intent of HCD's December 1, 2023 comment to modify the Story Pole Policy with cost effective measures.

C. Next Steps

This agenda item provides the Town Council an opportunity to discuss the Housing Element, HCD letter, and related matters. The Housing Element consultant intends to join remotely to answer the Council's questions.

Town staff expects to provide additional revisions to the Draft Revised Housing Element to the Housing Element Advisory Board (HEAB) in mid-January for their review and consideration prior to a resubmittal to HCD. As required by AB 215, revisions to the Draft Revised Housing Element must be made available to the public for a seven-day review period prior to a formal resubmittal to HCD.

Based on HCD's subsequent review, it is possible that additional revisions may be needed before HCD would certify the Housing Element. This means that Planning Commission and Town Council hearings for adoption of a Draft Revised Housing Element would need to be conducted.

A tentative schedule, based on the items described above, but subject to change is:

- HEAB meeting on January 18, 2024;
- Seven-day review period January 19 through 26, 2024\*;
- Submittal to HCD on January 30, 2024;
- Deadline for comment letter from HCD on March 30, 2024;
- Planning Commission hearing in April if no further revisions required by HCD; and
- Town Council Hearing in May.

\*If a draft of proposed changes is completed in early January, then a seven-day review period may be initiated prior to the HEAB meeting. If the HEAB recommends additional changes, then the seven-day review period would be restarted prior to submittal to HCD.

CONCLUSION:

The HCD findings and comment letter, received by the Town on December 1, 2023, requested additional changes be made before HCD will be prepared to certify the Housing Element. As a result, staff recommends that additional Planning Commission and Town Council hearings for adoption of a Draft Revised Housing Element be conducted at a future date, and that the Town Council review and discuss the Draft Revised Housing Element (November 2023) given HCD's findings and comment letter and refer the item back to the Housing Element Advisory Board for additional modifications.

ALTERNATIVES:

Alternatively, the Council may:

1. Continue this item to a date certain with specific direction to staff;
2. Refer the item back to the Planning Commission with specific direction;
3. Adopt a Resolution (Attachment 13) to adopt the Draft 2023-2031 Housing Element (November 2023); or
4. Recommend adoption with modifications.

PUBLIC COMMENTS:

Public comments received between 11:01 a.m., Wednesday, November 29, 2023, and 11:00 a.m., Thursday, December 14, 2023, are included as Attachment 15.

COORDINATION:

The Community Development Department coordinated with the offices of the Town Attorney and Town Manager in the preparation of this report.

ENVIRONMENTAL ASSESSMENT:

An Environmental Analysis (Attachment 2) was prepared for the Housing Element update. All potentially significant effects have been analyzed adequately in the Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), pursuant to applicable standards including CEQA Guidelines Section 15168(c)2, because the Housing Element update is consistent with the growth projections evaluated in the General Plan EIR.

PAGE 6 OF 6

SUBJECT: DRAFT REVISED 2023-2031 HOUSING ELEMENT/GP-22-003

DATE: December 14, 2023

ATTACHMENTS:

Received with this Staff Report:

1. Draft Revised Housing Element (November 2023), Track Change Copy
2. Environmental Analysis
3. Response Memorandum to the HCD Draft Preliminary Review Matrix
4. November 15, 2023, Planning Commission Staff Report with Exhibits 1-2
5. November 15, 2023, Planning Commission Addendum Report with Exhibit 3
6. November 15, 2023, Planning Commission Verbatim Minutes
7. November 29, 2023, Planning Commission Staff Report with Exhibits 4
8. November 29, 2023, Planning Commission Addendum Report with Exhibit 5-9
9. November 29, 2023, Planning Commission Desk Item Report with Exhibits 10-12
10. November 29, 2023, Planning Commission Verbatim Minutes
11. December 1, 2023, HCD's Findings Comment Letter
12. Public Comments Received by HCD
13. Draft Resolution with Exhibit 1
14. Partial Interim Working Draft Response Table
15. Public Comments Received Between 11:01 a.m., Wednesday, November 29, 2023, and 11:00 a.m., Thursday, December 14, 2023