



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 03/26/2025

ITEM NO: 4

DATE: March 21, 2025
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Consider a Request for Approval to Demolish Existing Commercial Structures, Construct a Mixed-Use Development (30 Multi-Family Residential Units) with Commercial Space on the Ground Floor, a Conditional Use Permit, a Condominium Vesting Tentative Map, and Remove Large Protected Trees Under Senate Bill 330 (SB 330) on Property Zoned C-2. **Located at 143 and 151 E. Main Street.** APNs 529-28-001 and -002. Architecture and Site Application S-24-007, Conditional Use Permit Application U-24-002, Vesting Tentative Map Application M-24-004, and Mitigated Negative Declaration Application ND-24-003. An Initial Study and Mitigated Negative Declaration Have Been Prepared. Property Owner: David Blatt, CSPN LLC. Applicant: Kenneth Rodrigues and Partners, Inc. Project Planner: Ryan Safty.

RECOMMENDATION:

Consider a request for approval to demolish existing commercial structures, construct a mixed-use development (30 multi-family residential units) with commercial space on the ground floor, a Conditional Use Permit, a condominium Vesting Tentative Map, and remove large protected trees under Senate Bill 330 (SB 330) on property zoned C-2, located at 143 and 151 E. Main Street.

PROJECT DATA:

General Plan Designation: Central Business District
Zoning Designation: C-2, Central Business District Commercial Zone
Applicable Plans & Standards: General Plan; Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development
Parcel Size: 18,516 square feet (0.425 acres)

PREPARED BY: Ryan Safty
Associate Planner

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

Surrounding Area:

| | Existing Land Use | General Plan | Zoning |
|-------|--|------------------------------------|-----------|
| North | Religious Institution | Medium Density Residential | R-M:5-12 |
| South | Los Gatos-Saratoga Adult Recreation Center and Hotel Los Gatos | Public and Neighborhood Commercial | C-1:PD |
| East | Los Gatos High School | Public | R-1:20:PS |
| West | Masonic Hall | Central Business District | C-2 |

CEQA:

In accordance with the California Environmental Quality Act (CEQA), an Initial Study and Mitigated Negative Declaration (MND) have been prepared for this project (Exhibit 1). It has been determined that this project will not have a significant impact on the environment with adoption of the MND and Mitigation Monitoring and Reporting Program (MMRP) in Exhibit 19, to mitigate potential impacts to a less than significant level.

FINDINGS:

- As required by CEQA for adopting the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program;
- As required that the project is consistent with the General Plan with granting of the requested exceptions to Town standards pursuant to the Builder’s Remedy provision of the Housing Accountability Act;
- As required by Section 66474 of the Subdivision Map Act with granting of the requested exceptions to Town standards pursuant to the Builder’s Remedy provision of the Housing Accountability Act;
- As required by Section 29.20.190 of the Town Code for granting a Conditional Use Permit;
- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) with granting of the requested exceptions to Town standards pursuant to the Builder’s Remedy provision of the Housing Accountability Act;
- The project meets the Town of Los Gatos Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development with granting of the requested exceptions to Town standards pursuant to the Builder’s Remedy provision of the Housing Accountability Act; and
- As required by the Builder’s Remedy provision of the Housing Accountability Act for granting exceptions pursuant to California Government Code Section 65589.5 (d).

CONSIDERATIONS:

- As required by Section 29.20.150 of the Town Code for granting approval of an Architecture and Site application.

ACTION:

The Planning Commission will provide a recommendation to the Town Council who will render the final decision on the proposal.

BACKGROUND:

On June 14, 2023, the Conceptual Development Advisory Committee (CDAC) reviewed a preliminary proposal at this site for a similar four-story proposal (Exhibit 5). The CDAC was generally supportive of the concept and provided the following summarized direction: preference for good architecture that continues the character of downtown; preference for small units; supportive of underground parking; importance of site landscaping and open space; preference of ownership over rentals; and supportive of mixed-use component near downtown. The applicant has included a response memorandum to the CDAC meeting minutes in Exhibit 6.

Senate Bill 330

The Housing Crisis Act of 2019, or Senate Bill 330 (SB 330), became effective on January 1, 2020, and will remain in effect until it sunsets on January 1, 2030. SB 330 provides an expedited review process for housing development projects and offers greater certainty for applicants by allowing an optional vesting opportunity through the Preliminary Application process. Submittal of a Preliminary Application allows an applicant to provide a specific subset of information on the proposed housing development ahead of providing the full amount of information required by the Town for a housing development application. Once the preliminary application is "deemed submitted" and payment of the permit processing fee is made, a vesting date is established, freezing the applicable fees and development standards that apply to the project while the applicant assembles the rest of the materials necessary for a full application submittal. Eligible projects are exempt from discretionary review and must be consistent with objective zoning and design standards. The statute requires that a final decision be made in no more than five public hearings, including appeals. The SB 330 preliminary application for this project achieved a vesting date of May 3, 2024.

Housing Accountability Act - Builder's Remedy

The California Legislature adopted the Housing Accountability Act (HAA) to "significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects" [Gov. Code § 65589.5 (a)(2)(K)]. It is the policy of the state that the HAA "be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing" [Gov. Code § 65589.5 (a)(2)(L)]. The "Builder's Remedy" provision of the HAA specifically prohibits a local agency from relying on inconsistency with zoning and general

plan standards as a basis for denial of a qualifying housing development project unless the agency has adopted a sixth cycle housing element in substantial compliance with state law by January 31, 2023. The Town's sixth cycle housing element was certified by the California Department of Housing and Community Development (HCD) on July 10, 2024. The preliminary application for this project achieved a vesting date of May 3, 2024, prior to certification of the Town's Housing Element. Therefore, the project qualifies as a Builder's Remedy project and the applicant has invoked the provisions of Builder's Remedy with this proposed project.

Project Site

The subject property consists of two lots totaling 0.425 acres located at the intersection of E. Main Street, High School Court, and Church Street, immediately east of the Los Gatos High School (Exhibit 4). The site is currently developed with a commercial structure and a parking lot. The property has a General Plan designation of Central Business District and is zoned Central Business District Commercial (C-2).

The preliminary application under SB 330 was deemed submitted on May 3, 2024, establishing the vesting date for the application. Therefore, the applicant vested to the Town's development standards that were in effect on May 3, 2024. On June 18, 2024, the applicant submitted a formal application, within 180-days of the established vesting date as required by state law.

Through the Town's technical review process, the application was deemed complete on November 27, 2024, within the timelines prescribed by state law.

The application includes a Vesting Tentative Map, requiring approval by the Town Council, pursuant to Town Code Section 29.10.020. The applicant seeks a recommendation on the development proposal from the Planning Commission to the Town Council, who will render the final decision on the project.

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject property consists of two lots totaling 0.425 acres located at the intersection of E. Main Street, High School Court, and Church Street (Exhibit 4). The site is currently developed with a commercial structure occupied by a coffee shop and office uses, as well as a parking lot. A church (Los Gatos United Methodist Church) is located to the north, across Church Street. The Los Gatos-Saratoga Adult Recreation Center and Hotel Los Gatos are located to the south, across E. Main Street. Los Gatos High School is located to the east, across High School Court. The Masonic Hall is located to the west.

B. Project Summary

The applicant proposes demolition of the existing commercial structure and construction of a four-story mixed-use development consisting of 30 attached residential units along all four levels and a 2,416-square foot commercial space at the ground floor along the south-eastern corner of the property (Exhibit 19). Of the 30 units, six of the units (20 percent) would be designated as Below Market Price (BMP) units per the requirement of Builder's Remedy. The applicant submitted a Project Description Letter (Exhibit 7) and Letter of Justification (Exhibit 8) discussing the project. As noted in the letters, the applicant is proposing two different below-grade options for parking; one with a single level of below-grade parking and the other with two levels. Both options would take vehicular access off of Church Street.

C. Zoning Compliance

The property is zoned C-2, or Central Business District Commercial. The C-2 zone is intended to encourage a viable and predominantly pedestrian-oriented Central Business District that facilitates a wide variety of retail, service, entertainment, and administrative uses, which are vital to a large trading area. Residential uses are only allowed in the C-2 zone within a mixed-use or live/work development with approval of a Conditional Use Permit (CUP). A CUP was included with the application submittal.

As described above, the Builder's Remedy provision of the HAA specifically prohibits a local agency from relying on inconsistency with zoning and general plan standards as a basis for denial of a qualifying housing development project, and there is no limit on the amount of exceptions requested as a part of a Builder's Remedy project. As noted in the Letter of Justification (Exhibit 8), there are exceptions to Town Code requested with this application, including maximum floor area ratio, maximum building height, minimum required setbacks, and minimum parking requirements. Details on the Town Code requirements, requested exception amounts, and justification are provided in Exhibit 8.

DISCUSSION:

A. Architecture and Site Analysis

The project proposes demolition of existing commercial structures and construction of a four-story, 52-foot tall, mixed-use building with underground parking accessed off of Church Street (Exhibit 19). The building would include 30 multi-family residential units distributed along all four floors of the building, with 2,416 square feet of pedestrian-oriented commercial space. The unit types include one, two, and three bedrooms ranging in size from 743 to 2,188 square feet. Each unit would have private open space in the form of a

patio or balcony, ranging in size from 66 to 803 square feet. A summary of the unit types, sizes, and commercial space is provided on the floor plans (Exhibit 19, Sheets A2.0 – A2.3). A Project Description Letter discussing the project is included as Exhibit 7.

B. Building Design

As noted in the Project Description Section of the cover sheet of the plans (Exhibit 19) and the Project Description Letter (Exhibit 7), the proposed building takes its cue from the design of the Los Gatos High School located next door and the many significant brick structures located on Main Street and N. Santa Cruz Avenue. The design is inspired by the work of Architect William Weeks, the surrounding hotel, and the Masonic Hall next door. Example building designs from Architect William Weeks are provided on Sheet A0.1 of Exhibit 19 for added context. Building materials for the first three floors include brick walls, precast concrete façade detailing, iron balconies, metal grid windows, and canvas awnings. The fourth floor is stepped back to reduce the overall mass, and the proposed materials include exterior plaster walls, precast concrete detailing, and a sloped clay tile roof. The building would be four stories and 52 feet tall.

Review by the Town's Consulting Architect is typically required for Architecture and Site applications. For this application, it should be noted that the feedback provided by the Consulting Architect is subjective in nature and should not be used as the basis for a decision since the Town's review is limited to objective standards only, pursuant to SB 330 and Builder's Remedy.

The Town's Consulting Architect reviewed the proposed project and provided feedback and recommendations (Exhibit 10). The Consulting Architect noted that although the proposed building is much taller than the preponderance of structures in the site's context, the presence of the adjacent high school provides a height transition for a taller building on this property. The Consulting Architect noted that the design is well done, but identified a few recommendations to enhance the building's compatibility with the surrounding neighborhood:

1. Maximize the amount of landscaping along the E. Main Street frontage;
2. Extend the stone cornice and decorative stonework consistently around all sides of the building;
3. Add brick spandrel infill on the four-story wall over the primary E. Main Street entry; and
4. Modify the gable roof form on the rear façade to blend in better with the overall design.

The applicant submitted a letter responding to these recommendations and summarizing design changes that were made (Exhibit 11). The applicant also provided a letter explaining how the proposed project complies with applicable sections of the Town's Commercial Design Guidelines (Exhibit 9).

The Town's Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development (ODS) also contains building design standards related to building form and massing, façade articulation, materials, and roof design. Approximately half of the applicable standards in Section B-Building Design are not proposed and the applicant is requesting exceptions pursuant to Builder's Remedy. The applicant provided the ODS Checklist in Exhibit 15, which includes reasoning to why certain standards are not proposed. Many of the standards marked as "no" in the ODS Checklist are either partially complied with, or the overall intent of the standard is met, but by using a different design technique.

C. Height

The proposed building would be four stories tall with a maximum height of 52 feet where 45 feet is the maximum allowed in the C-2 zone. The applicant has requested an exception to maximum building height pursuant to Builder's Remedy, stating that the minor deviation in height is justified as it allows the project to accommodate 30 residential units and associated amenities. See Exhibit 8 for details on each of the exceptions requested, as well as justification to why each is needed to facilitate the project.

D. Subdivision and Site Design

The project includes a Vesting Tentative Map for condominium purposes to divide airspace and allow each unit to be sold separately (Exhibit 19, Sheets C-1.0 and C-2.1). The map also shows sidewalk easements along all three street frontages.

The proposed building footprint would occupy the majority of the site, with a proposed lot coverage of 72 percent. There is no maximum lot coverage in the C-2 zone. The applicant has requested exceptions to the required front setback (along E. Main Street), streetside setback (along High School Court), and the rear setback (along Church Street) pursuant to Builder's Remedy. See Exhibit 8 for details on each of the setback exceptions requested, as well as justification to why they are needed to facilitate the project. Additionally, Sheet A1.0 of Exhibit 19 shows the required setbacks (red dashed line) in relation to the proposed setbacks.

Parking for the property is proposed below-grade, with the entry ramp to the below-grade parking garage proposed off of Church Street. The applicant has provided two different options for the parking garage, which are discussed in more detail below. A vehicular entry gate is proposed along the entry ramp, with a 20-foot proposed setback from the rear property line to allow room for a car to queue off of the public street.

The existing sidewalks along the three street frontages would remain, but would be updated with new landscaping and street trees, which is discussed in more detail below. As identified in the circulation plan (Exhibit 19, Sheet A0.5), the main resident lobby is accessed off E. Main Street, but residents can also enter the building on the High School Court frontage and along the west side property line. Each of the bottom floor units can

also enter through their private patios, which face the three street frontages. The entrance to the commercial space is at the corner of Main Street and High School Court, recessed from the floors above to create a covered entry way of approximately 200 square feet which is noted as possible outdoor seating (Exhibit 19).

Bike parking is proposed, but exceptions to many of the applicable bike-specific ODS are requested pursuant to Builder's Remedy. A total of eight short-term bike parking spaces are proposed along the E. Main Street and High School Court frontages, where ODS A.2.2 requires 32 for the project. However, an excess of up to 42 long-term bike parking spaces are proposed to help off-set the shortage of short-term spaces, depending on the parking garage option chosen. The location requirements for both types of bike parking are complied with, but many of the minimum size standards would not be. See Exhibit 15 for additional information on the ODS exceptions.

The ODS also has standards related to landscaping and open space. As noted on Sheet A0.6 of Exhibit 19, ten percent of the site area would be landscaped. However, due to the limited area of the proposed front setback, only 41 percent of the front setback is landscaped when ODS A.8.1 requires 50 percent. The landscape plan (Exhibit 19, Sheet L3.0) shows that trees, shrubs, and other plantings would be distributed on all four sides of the proposed building. Each unit would have private recreation space in the form of a patio or balcony, but the patio sizes on the first floor would be under the minimum 120-square foot requirement of ODS A.11.1. The private recreation space for floors 2, 3, and 4 would exceed the minimum requirement. Outdoor community recreation space is not proposed due to the size of the proposed building footprint in relation to the lot. See Exhibit 15 for additional information on the ODS exceptions pursuant to Builder's Remedy.

E. Parking Garage Options

The applicant has proposed two different below-grade parking garage options for the project and is requesting that the Town approve both options. As noted in the Letter of Justification (Exhibit 8), given the costs and complexities inherent in below-grade construction, this parking optionality is essential for maintaining the project's financial health, securing necessary construction financing, and ensuring adaptability to an uncertain market. Option 1 is for a two-level parking garage with 47 standard spaces; while Option 2 is a single level parking garage with 39 spaces with the use of parking stackers and tandem spaces, which are not standard in the Town.

Consistent with the project's vesting date, the applicable Town Code requirements for parking in a multi-family residential project are one and one-half spaces for each unit, plus one space per unit for guest parking. Town Code requirements for commercial parking is one space per 300 square feet. This equates to 45 resident parking spaces, 30 guest parking spaces, and nine spaces for the commercial space for a total requirement of 84 spaces. It is also worth noting that the property purchased 12 parking space credits in the Downtown

Parking Assessment District in 1989, which brings the required parking total down to 72 spaces. Neither Option 1 (47 spaces) or Option 2 (39 spaces) would meet this requirement, and the applicant is requesting an exception pursuant to Builder's Remedy.

F. Tree Impacts

There are ten existing trees in the vicinity of the development; three are on the subject property, five are street trees along E. Main Street, and two are on the property to the west along the shared property line. The development plans show that all three on-site trees would be removed, as well as three of the street trees, all of which are protected trees under the Town Code.

Based on the canopy size of the protected trees proposed for removal, 17 24-inch box trees would need to be planted onsite to offset the removal. The applicant has the option to request in-lieu payment for any required replacement trees that cannot be accommodated on site. The schematic planting plan shows that 21 new trees are proposed on site, ranging in size from 24-inch box to 48-inch box (Exhibit 19, Sheet L3.0.)

The applicant submitted an arborist report for peer review by the Town's Consulting Arborist. Following the review, the revised arborist report from the applicant was confirmed to meet the Town's requirements by the Consulting Arborist. The arborist report for the project is included as Exhibit 13 and tree protection details are provided on Sheet T-1.0 of Exhibit 19. If the project is approved, tree protection measures would be implemented prior to construction and maintained for the duration of construction activity. Arborist recommendations for tree protection, as well as compliance with the Town's Tree Protection Ordinance, are included in the MND as Mitigation Measure BIO-2, and compliance with each mitigation measure has been included in the Conditions of Approval (Exhibit 3).

G. Public Health and Safety Standards:

During the Town's review process, the Town's Planning, Building, and Parks and Public Works staff, as well as the Santa Clara County Fire Department, reviewed the application for compliance with applicable objective standards. Although exceptions pursuant to Builder's Remedy are requested for some of the design and density standards, the proposed application was reviewed and deemed consistent with applicable public health and safety standards with the inclusion of the recommended conditions of approval in Exhibit 3, if approved by the Town Council.

As a part of the Initial Study and MND prepared for this application (Exhibit 1), the project was reviewed for CEQA compliance on a number of required topics, including the following which are related to public health and safety: Air Quality; Geology and Soils; Greenhouse Gas Emissions; Hazards and Hazardous Materials; Hydrology and Water Quality; Noise;

Public Services; Transportation, including review on whether the project would result in inadequate emergency access; Utilities and Service Systems; and Wildfire. As described in the CEQA Determination section of this report below, it was determined that the project would not result in a significant impact in each of the categories either as proposed or with the inclusion of mitigation measures. Each of these mitigation measures are included in the Conditions of Approval in Exhibit 3.

Specifically for transportation, a Transportation Study was prepared by Hexagon Transportation Consultants, Inc. (Exhibit 1, Appendix H) for the proposed project. As noted in the study, Town Council designated the use of Vehicle Miles Traveled (VMT) as the metric for conducting transportation analyses pursuant to CEQA and establishing the thresholds of significance to comply with Senate Bill 743 (Resolution 2020-045). Consistent with State CEQA Guidelines Section 150643, the Town of Los Gatos has adopted the following thresholds of significance to guide in determining when a land use project will have a significant transportation impact. First, "project impact", where a significant impact would occur if the total VMT per service population for the project would exceed a level of 11.3% below the total VMT per service population for the Town of Los Gatos baseline conditions. Second, "project effect", where a significant impact would occur if the project increases total (boundary) County-wide VMT by 6.5% compared to baseline conditions. The proposed development was determined to not have significant project impact or cumulative project effect. Additionally, based on the Institute of Transportation Engineer's (ITE) Trip Generation Manual (2021), it is estimated that the proposed project would generate 17 new daily trips, with no new trips during the AM and PM peak hours. Therefore, no offsite traffic operations analysis is necessary.

H. Density and Below Market Price (BMP) Units

The proposed project includes a total of 30 units, six of which would be designated as affordable units. The Town's General Plan allows a maximum density of 20 dwelling units per acre at this location, which would allow a maximum of 8.49 units on the 0.425-acre property. The proposed 30 units would provide a density of approximately 71 dwelling units per acre. However, as this project has invoked Builder's Remedy and proposes 20 percent of the units to be designed as affordable for lower income households (six of the thirty units), the General Plan density can be exceeded.

The proposed floor plans on Sheets A2.0 through A2.3 of Exhibit 19 show the distribution of the six BMP units along the second and third floors. The BMP units will be restricted to those low-income households whose income is above 50 percent, but no greater than 80 percent of the median area income. Conditions of approval are included in Exhibit 3 pertaining to the provision and sale of the BMP units.

I. No Net Loss Law

Pursuant to Government Code Section 65863 (No Net Loss Law), the Town must maintain adequate capacity in the Housing Element to accommodate its remaining unmet Regional Housing Needs Assessment (RHNA) by each income category at all times throughout the entire planning period. To comply with the No Net Loss Law, as the Town makes decisions regarding zoning and land use, or development occurs, the Town must assess its ability to accommodate new housing within the remaining capacity of the Housing Element. If the Town approves a development of a parcel identified in the Housing Element with fewer units than anticipated, the Town must either make findings that the remaining capacity of the Housing Element is sufficient to accommodate the remaining unmet RHNA by each income level, or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category. The Town may not disapprove a housing project on the basis that approval of the development would trigger the identification or zoning of additional adequate sites to accommodate the remaining RHNA.

The subject property was not identified in the Sites Inventory of the Housing Element, and therefore, the findings related to the Not Net Loss are not applicable for this project. However, the proposed housing units would count towards fulfilling the Town's RHNA requirements. The Town is not required to identify additional sites to accommodate the remaining RHNA as a result of this project.

J. Neighbor Outreach

The applicant has reached out to the Los Gatos High School. A summary of this correspondence is provided in Exhibit 16.

K. CEQA Determination

An Initial Study was prepared for the project, which included a number of project-level technical studies, including: Air Quality, Greenhouse Gas, Health Risk, and Energy Analysis (CalEEMod Results); Special-Status Species Evaluation; Arborist Report; Emission Factors Model (EMFAC); Phase 1 Environmental Site Assessment; Noise Assessment; and Transportation Analysis (Exhibit 1). All technical reports were peer reviewed by the Town or prepared by the Town's consultants. The Initial Study concluded that the project will not have a significant impact on the environment with adoption of the MND and MMRP to mitigate potential impacts to a less than significant level. Each of the 13 mitigation measures identified in the MND (AQ-1, AQ-2, BIO-1, BIO-2, CUL-1, CUL-2, GEO-1, GEO-2, GHG-1, HAZ-1, N-1, N-2, and TRANS-1) are included in the MMRP (Exhibit 19) and as Conditions of Approval in Exhibit 3.

The CEQA mandated 20-day public review period began on February 28, 2025, and ended on March 20, 2025. Exhibit 20 includes a response to comments received on the MND. Exhibit 21 includes a revised MND in response to public comments received during the public review period. The only change to the MND in Exhibit 21 is for a slight modification to the wording of mitigation measure BIO-1, at request of the applicant. Condition of Approval 22 has been updated in Exhibit 3 to reflect this revision.

PUBLIC COMMENTS:

Project identification signage was installed on the E. Main Street, High School Court, and Church Street frontages by September 4, 2024, consistent with Town policy. Visual simulations were completed by the Town's consultant and posted to the Town's website by February 25, 2025 (Exhibit 14). Written notice was sent to property owners and tenants within 1,000 feet of the subject property and notice of public hearing signage was installed on the street frontages by March 7, 2025, in anticipation of the March 26, 2025, Planning Commission hearing.

Staff conducted outreach through the following media and social media resources, for the availability of the visual simulations, public review of the Initial Study and MND, and notice of the public hearing:

- The Town's website home page, What's New;
- The Town's Facebook page;
- The Town's Twitter account;
- The Town's Instagram account; and
- The Town's NextDoor page.

Public comments received by 11:00 a.m., Friday, March 21, 2025, are included as Exhibit 17. The applicant submitted a response to the public comments, which is included as Exhibit 18.

CONCLUSION:

A. Summary

The applicant is requesting approval of Architecture and Site, Conditional Use Permit, and Subdivision applications to demolish the existing commercial structure, construct a four-story mixed-use development (30 multi-family residential units) with commercial space on the ground floor, a Conditional Use Permit, a condominium Vesting Tentative Map, and remove large protected trees under SB 330 on property zoned C-2, located at 143 and 151 E. Main Street. As detailed above, the application was submitted and is being processed under SB 330, and the applicant has requested a number of exceptions to Town standards pursuant to Builder's Remedy.

B. Recommendation

Staff recommends that the Planning Commission consider the request and, if merit is found with the proposed project, forward a recommendation that the Town Council approve the Architecture and Site, Conditional Use Permit, Subdivision, and Mitigated Negative Declaration applications by taking the following actions:

1. Adopt the Mitigated Negative Declaration (ND-24-003) and Mitigation Monitoring and Reporting Program (Exhibit 1, Exhibit 19, and Exhibit 21) and make the finding that the project, with adoption of the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program, will not have a significant effect on the environment per CEQA;
2. Make the finding that the project is consistent with the General Plan with granting of the requested exceptions to Town standards pursuant to the Builder's Remedy provision of the Housing Accountability Act (Exhibit 2);
3. Make the finding that the proposed project complies with Section 66474 of the State Subdivision Map Act with granting of the requested exceptions to Town standards pursuant to the Builder's Remedy provision of the Housing Accountability Act and make affirmative findings to approve the subdivision (Exhibit 2);
4. Make the findings as required by Section 29.20.190 of the Town Code for granting a Conditional Use Permit (Exhibit 2);
5. Make the finding that the project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) with granting of the requested exceptions to Town standards pursuant to the Builder's Remedy provision of the Housing Accountability Act (Exhibit 2);
6. Make the finding that the project meets the Town of Los Gatos Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development with granting of the requested exceptions to Town standards pursuant to the Builder's Remedy provision of the Housing Accountability Act (Exhibit 2);
7. Make the finding that, as required by California Government Code Section 65589.5(d) of the California Housing Accountability Act, none of the findings for denial of a Builder's Remedy project can be made (Exhibit 2);
8. Make the considerations as required by Section 29.20.150 of the Town Code for granting approval of an Architecture and Site application (Exhibit 2); and
9. Approve Architecture and Site Application S-24-007, Conditional Use Permit Application U-24-002, Subdivision Application M-24-004, and Mitigated Negative Declaration Application ND-24-003 with the recommended conditions contained in Exhibit 3 and the development plans in Exhibit 19.

C. Alternatives

Alternatively, the Planning Commission can:

1. Continue the matter to a date certain with specific direction; or
2. Approve the applications with additional and/or modified conditions; or
3. Deny the applications.

EXHIBITS:

1. Initial Study and Mitigated Negative Declaration with Appendices A through H
(available online at <https://www.losgatosca.gov/143EMainStCEQA>)
2. Required Findings and Considerations
3. Recommended Conditions of Approval
4. Location Map
5. June 14, 2023, Conceptual Development Advisory Committee Meeting Minutes
6. Applicant's Response to Conceptual Development Advisory Committee Comments
7. Project Description Letter
8. Letter of Justification
9. Commercial Design Guidelines Compliance
10. Consulting Architect's Report
11. Applicant's Response to Consulting Architect's Report
12. Consulting Arborist's Peer Review
13. Final Arborist's Report
14. Visual Renderings
15. Objective Design Standards Checklist
16. Summary of Neighborhood Outreach
17. Public comments received by 11:00 a.m., Friday, March 21, 2025
18. Applicant's Response to Public Comments
19. Mitigation Monitoring and Reporting Program
20. Public Comments and Responses Regarding the Mitigated Negative Declaration
21. Revised Mitigated Negative Declaration in Response to Public Review Comments
22. Development Plans