



November 6, 2024

Revised: March 5, 2025

Revised: May 21, 2025

Revised: August 18, 2025

Sean Mullin, Planning Manager
Community Development Department
110 E. Main Street
Los Gatos, CA 95030

Project: **RH – Los Gatos**
Location: 31 University Ave

Subject: **Letter of Justification for Architecture and Site Approval; Conditional Use Permit**

PROJECT DESCRIPTION & REQUEST

RH is requesting architecture and site approval, as well as a conditional use permit (“CUP”) for 1) formula retail use exceeding 10,000 sf, and 2) for restaurant use with the selling of alcoholic beverages for consumption on-premises. RH is seeking these approvals to allow for the remodel of a 15,330 sq. ft. building located at 31 University Avenue, which will feature an innovative retail experience seamlessly integrating luxury home furnishings collections within a curated hospitality program (the “Proposed Project”).

BACKGROUND

A curator of design, taste and style in the luxury lifestyle market, RH offers collections through its retail galleries, sourcebooks and online at [RH.com](https://rh.com), [RHContemporary.com](https://rhcontemporary.com), [RHModern.com](https://rhmodern.com), [RHBabyandChild.com](https://rhhbabyandchild.com), [RHTEEN.com](https://rhteen.com), and [Waterworks.com](https://waterworks.com).

Committed to creating architecturally inspiring and immersive retail spaces that blur the lines between residential and retail, indoors and outdoors, home and hospitality, RH Design Galleries are bespoke design destinations presenting the largest curated and fully integrated assortment of luxury home furnishings in the world. From restored landmark buildings to grand-scale contemporary structures, these architecturally inspiring spaces reimagine and redefine the shopping experience.

Designed with sensory-inspiring spaces that cannot be replicated online, these innovative and architecturally significant retail environments include lush gardens, professional design services, one-

of-a-kind culinary experiences, and artistic installations of curated RH Collections by internationally acclaimed designers and artisans across the globe.

In addition to RH Madrid, the Gallery at Plaza del Marqués de Salamanca, RH Aynho Park, a magnificent 17th-century estate in the English countryside, and RH Brussels, a grand 18th century French baroque mansion prominently situated on the premier Boulevard de Waterloo, RH chairman & CEO Gary Friedman has revitalized several landmark properties across North America, including the former Museum of Natural History in Boston, the historic Three Arts Club in Chicago, the Historic Post Office in Greenwich, Connecticut; the Bethlehem Steel Building in San Francisco, and the brand's impressive Gallery in New York's Meatpacking District.

The plan for a RH Design Gallery, together with a food and beverage program, allows for the reimagination of an exceptional building that is appropriately scaled and sited on a key intersection of Old Town Los Gatos.

SITE DETAILS

The existing 15,330 sf building for the Proposed Project is sited at the corner of University Ave and Elm St, and sits on a 4.18 acre parcel that spans both sides of University Ave which houses an outdoor retail center known as the Old Town Shopping Center.

The Proposed Project will combine two previously separate tenant spaces within the existing building, which were previously home to a 6,400 sf Steamers of Los Gatos and a 8,641 sf Gap.

The zoning for the site is C-2:LHP:PD: Central Business District with a Landmark & Historic Preservation and Planning Development overlay. The Proposed Project's uses are allowed per zoning with a Conditional Use Permit. The Proposed Project will maintain the existing square footage of the existing building and would comply with the zoning ordinance standards for setbacks and building height.

ARCHITECTURE

The primary proposed building material is a multi-coat cement plaster system with steel and aluminum decorative building elements. The existing structural system is maintained in place. Architectural aluminum windows line the exterior elevations and provide transparency across the facades facing Elm St, University Ave, and along the pedestrian pass-through on the building's southern side.

The length of the facades across University Ave and Elm St are scaled down through sections that alternatively step back in ground plane from each other. These wall panels also alternatively feature rectangular- or semicircular- topped windows, as well as a parapet line that steps up and down in height in line with the panels. These features ultimately provide a sense of rhythm, symmetry, visual relief, and interest to the length of the existing building. Further, the fenestration sits materially inside the edge of the exterior wall, providing for deep shadows, which along with projected louvered awnings add additional textural detail across the facades.

Finally, the full-service restaurant sits centrally inside the Proposed Project and is covered by a pyramidal skylight that brings in light and highlights the cafe as a central gathering space. Barrel-

vaulted hallways bookend both sides of the cafe, which add an uncommon architectural expression, facilitates a unique play of light, and creates a sense of place as customers enter the Gallery or exit the cafe.

COMPLIANCE WITH COMMERCIAL DESIGN GUIDELINES

31 University Ave sits within the C-2A subdistrict, which specifies site development and building design guidelines for projects within its boundaries. Applicable guidelines to the site are noted below along with the Proposed Project's conformance:

3.2 Site Development:

3.2.1: Facades should be setback from the public street property lines no more than five feet: The Proposed Project is a renovation of an existing building, so the existing building's existing footprint and setback are proposed to remain. Currently, the building's façade is set back farther than five feet, but this was part of and consistent with the overall design included Planned Development Ordinance 2025. Landscaping elements including planters, benches, and trees are included within this setback area.

3.2.3. Pass-through pedestrian walkways from rear parking lots may be required: The Proposed Project will maintain and enhance the existing pedestrian walkway along its southern side.

3.3 Building Design:

3.3.1 Maintain a building front module that is consistent with the remaining block front streetscape: As the Proposed Project is a renovation of an existing building with less than 50% of the façade being demolished, the massing, setbacks, and cadence remain consistent with the larger Old Town Shopping Center it is a part of. The proposed changes harmonize and rationalize the façade to further integrate, rather than separately distinguish itself, from the surrounding streetscape.

3.3.3 Emphasize display windows and storefront entries: The Proposed Project includes abundant display windows and several entries. Architectural aluminum windows line the exterior elevations and provide transparency across the facades facing Elm St, University Ave, and along the pedestrian pass-through on the building's southern side.

3.3.4 Maintain transparent storefronts and public right-of-way walls: The Proposed Project's amount of openings are consistent with the existing buildings, although they have been expanded in several areas.

3.3.5 Provide vestibules at building entries: There is no vestibule at the main entrance to the Proposed Project; however, the entry opens into a barrel-vaulted passage which acts as a transition point within the gallery.

3.3.6 Utilize high quality storefront materials: The primary proposed building material is a multi-coat cement plaster system with steel and aluminum decorative building elements. Architectural aluminum windows line the exterior elevations. These materials will serve to elevate the building from its existing material palette.

3.3.7 Operable windows and French doors are encouraged for restaurants and coffee cafes: The restaurant is in the middle of the Proposed Project, however; full-height windows/doors line the perimeter, several being operable.

3.3.8 Install awnings: The Proposed Project includes awnings along all facades.

The Commercial Design Guidelines further note conformance guidelines for the University/Edelen Historic District which 31 University Ave sits within – these guidelines and the Proposed Project’s conformance are noted in detail in the Supplemental Letter of Justification submitted for the February 26, 2025 Historic Preservation Committee.

USES

A majority of the Proposed Project will display furniture and décor in a series of complete living, bath, and bedrooms. There will also be a restaurant on the ground floor beyond the entryway, along with a kitchen and other back of house. An Interior Design Studio room will also be sited toward the back of the store, where interior designers can provide customers further assistance. Further information on how the gallery and restaurant will operate is as follows:

Hours of Operation: Proposed operating hours for the design gallery and restaurant will be from 10:00am to 10:00pm (last seating at 9:00p) Monday to Saturday, and 10:00am to 9:00pm (last seating at 8:00pm) on Sunday. Note: these hours are subject to change.

Maximum hours of operation, including maximum staff shifts, start no earlier than 6AM and end no later than midnight.

Staffing: The design gallery would employ 20 full-time staff. Shifts will start no earlier than 6AM and the latest shift will end no later than two hours after closing. Shifts will likely be overlapped and max out mid-day at around 15 employees. Gallery shifts are typically 8-hours long.

The restaurant would employ approximately 50 staff – 40 of these are expected to be full-time staff. Restaurant shifts would start no earlier than 7AM and the latest would end by 12AM. Restaurant shifts are typically 8-hours long. A maximum of 35 staff would be working at the highest point of crossover (Saturday 2-4PM), while the average amount of staff on-site will total 15-20.

ABC License: RH intends to apply for an On-Sale General – Eating Place License (Type 47) from the ABC. RH may apply for a Type 41 beer and wine license in lieu of a Type 47.

Other: RH will consider all group dining and buyout requests within normal business hours.

The vision within the building is to reimagine the retail experience by blurring the lines between residential and retail, hospitality and home, indoors and outdoors – creating an immersive retail environment that is more home than store. All amenities will be made available to the public during the hours of store operation.

PLANNED DEVELOPMENT ORDINANCE AMENDMENT FINDINGS

The existing building at 31 University Avenue is governed by Planned Development Ordinance 2025, adopted on December 16, 1996. **RH is requesting an amendment to Planned Development Ordinance 2025** – specifically, to remove the requirement that the building be designed to “appear to be a collective of individual structures that abut each other.” This change would allow for a more cohesive and contextually appropriate façade.

Currently, the building’s façade is articulated to resemble three separate structures. The styles represented by the existing façade largely do not correspond to the architectural character of the University-Edelen Historic District, which includes the contributing styles of Mission Revival, Mediterranean, Craftsman, and Victorian. In contrast, the proposed redesign adopts a unified Mediterranean-style façade that thoughtfully reflects the proportions, window types, and architectural articulation seen throughout Old Town. As such, the revised design offers a more harmonious and respectful relationship to its surroundings.

Town code Section 29.80.120 allows for amendments to PD’s, provided the proposed amendment meets the requirements and findings of Town code Section 29.80.095. The proposed PD Amendment and the Proposed Project comply with the required findings in the following manner:

- 1) The proposed PD is in compliance with all sections of this division.

The proposed PD amendment is within the limitations of use of a planned development as it pertains to property within a landmark and historic preservation overlay zone, and serves to enhance the Town’s historic resources that provide a public benefit to the citizens of the Town.

- 2) The proposed PD is in conformance with the goals, policies, and applicable land use designation(s) and standards of the Town's general plan.

The proposed PD amendment maintains a baseline set of requirements consistent with the Town's general plan. The policies consistent with the PD amendment include, but are not limited to:

Policy LU-6.5: The type, density, and intensity of new land use shall be consistent with that of the immediate neighborhood.

Policy LU-9.3: Maintain a variety of commercial uses, including a strong Downtown commercial area combined with Los Gatos Boulevard and strong neighborhood commercial centers to meet the shopping needs of residents and to preserve the small-town atmosphere.

Policy CD-9.1: Exterior building materials in the Central Business District should be consistent with those used in existing, tastefully executed surrounding buildings.

Policy CD-12.2: Encourage the preservation, maintenance, and adaptive reuse of existing residential, commercial or public buildings.

- 3) The proposed PD is in conformance with all other applicable land use regulations, including but not limited to Town Council adopted guidelines, except as otherwise provided in section 29.80.095(4).

The PD amendment seeks a modification specifically to requirements in PD Ordinance 2025 but otherwise maintains a baseline set of requirements consistent with the Town's land use regulations and design guidelines, including Ordinance 1920 and 2168, which governs over the University/Edelen Historic District, and which includes the Proposed Project's site.

The Proposed Project is consistent with the design guidelines for the remodel of a non-contributing structures within the University/Edelen Historic District. The Proposed Project is sensitive to and supportive of the larger District as it expands the Mediterranean components of the existing building's and Old Town Shopping Center's style while maintaining the existing building's footprint, setbacks, massing, and density. The Proposed Project's stucco building material, as well as doors and window rhythm, type and proportions, are consistent to the existing building's Mediterranean style, as well as that of the larger Old Town Shopping Center across University Ave. In particular, the stucco and proposed openings evoke the style of 50 University Ave, a significant commercial structure within the University/Edelen Historic District. The Proposed Project limits decorative details and scale however, in sensitivity and support of the Historic District's contributing structures.

The proposed PD amendment and Proposed Project also conform with required findings for landmark and historic preservation applications per Town Code Section 29.80.290, as the proposed work does not adversely affect the exterior architecture or its relationship with its surroundings. The Proposed Project is more harmonious and consistent with the larger Old Town Shopping Center's style and aesthetic:

"Sec. 29.80.290. Standards for review. In evaluating applications, the deciding body shall consider the architectural style, design, arrangement, texture, materials and color, and any other pertinent factors. Applications shall not be granted unless:

(2) In historic districts, the proposed work will neither adversely affect the exterior architectural characteristics or other features of the property which is the subject of the application, nor adversely affect its relationship, in terms of harmony and appropriateness, with its surroundings, including neighboring structures, nor adversely affect the character, or the historical, architectural or aesthetic interest or value of the district."

- 4) Any proposed use or development standards that deviate from the underlying zoning district(s) result in innovative and creative site planning to develop:
 - b. Mixed commercial, or mixed residential, or mixed commercial and residential development; or
 - e. The proposed PD provides a public benefit to the citizens of the Town.

The proposed PD amendment facilitates the revitalization of two vacant storefronts into a mixed commercial amenity of innovative and creative use programming for the benefit of both residents and visitors, which satisfies conditions (b) and (e) above.

CONDITIONAL USE PERMIT FINDINGS

In the C-2 zone, Town code requires a CUP for a formula retail business exceeding 10,000 sf and for restaurant use with the selling of alcoholic beverages for consumption on-premises (Section 29.20.185). Los Gatos stipulates terms for the approval or denial of conditional use permits under Section 29.20.190. The Proposed Project and its uses will comply with the objectives in the following manner:

- (1) The proposed uses of the property are essential or desirable to the public convenience or welfare;

The proposed uses provide for a bespoke dining and shopping experience which will be desirable to both residents and visitors as a destination within Los Gatos. Further, the Proposed Project will be an addition to an existing RH gallery at 26 N Santa Cruz Ave, which has been an integral part of the Los Gatos community for over 10 years.

- (2) The proposed uses will not impair the integrity and character of the zone;

The proposed use will not impair the integrity and character of the zone as it is a commercial use located in a commercial zone.

Further, the Proposed Project is consistent with the Commercial Design Guidelines for C-2A zones and as a non-contributing structure within a historic preservation district. The Proposed Project maintains the existing building's massing and density, reimagines the existing facade variation, and maintains the pedestrian pass-through along the southern wall.

- (3) The proposed uses would not be detrimental to public health, safety or general welfare;

The proposed uses, formula retail use and restaurant use with the selling of alcoholic beverages for consumption on-premises, represent no change from the current uses of the most recent tenants at the existing building (Gap and Steamer's), and would not be detrimental to public health, safety, and general welfare.

- (4) The proposed uses of the property are in harmony with the various elements or objectives of the general plan and the purposes of this chapter.

The proposed uses are in harmony with the General Plan and the Town Code because they contribute to the variety of commercial uses in the Central Business District.

The goals and policies of the 2040 General Plan (2020 Land Use and Community Development Elements) applicable to this project include, but are not limited to:

Policy LU-1.4: Infill projects shall be designed in context with the neighborhood and surrounding zoning with respect to the existing scale and character of surrounding structures, and should blend rather than compete with the established character of the area.

Policy LU-9.3: Encourage a mix of retail and office uses in commercial areas, except in the Central Business District designation, where retail should be emphasized and office should be limited to upper floors and other areas as defined by the Town Code.

Policy LU-9.6: Encourage development that maintains and expands resident-oriented services and/or creates employment opportunities for local residents consistent with overall land use policies of the Town.

Policy CD-1.4: Development on all elevations shall be of high quality design and construction, a positive addition to and compatible with the Town's ambiance. Development shall enhance the character and unique identity of existing commercial and/or residential neighborhoods.

- (5) A hazardous waste facility proposal is subject to the California Health and Safety Code, Article 8.7, Section 25199—25199.14 and shall be consistent with the Santa Clara County Hazardous Waste Management Plan.

Not Applicable

FORMULA RETAIL CONDITIONAL USE PERMIT FINDINGS

Further, the Formula Retail CUP requires that none of the additional findings below are made for a proposed formula retail business exceeding 10,000 sf, pursuant to Town Code Section 29.20.190(b). None of the below findings can be made to deny the Proposed Project, as further elaborated below:

- (1) The proposed use of the property is not in harmony with specific provisions or objectives of the general plan and the purposes of this chapter;

The proposed use is in harmony with the specific provisions and objectives of the general plan and the purposes of Chapter 29 of the Town Code. Please review finding #2 under Planned Development Ordinance Amendment (above) and finding #4 under Conditional Use Permit (above) on how specific objectives of the general plan are met.

- (2) The proposed use will detract from the existing balance and diversity of business in the commercial district in which the use is proposed to be located;

The Proposed use will not detract from the existing balance and diversity of business in the commercial district it is located within. The proposed uses, formula retail use and restaurant use with the selling of alcoholic beverages for consumption on-premises, represent no change from the current uses of the most recent tenants at the existing building (Gap and Steamer's).

- (3) The proposed use would create an over-concentration of similar types of businesses, or

The proposed use would not create an over-concentration of similar types of businesses as the former RH store will transform into a different concept, and the Proposed Project also includes a hospitality component, which is unseen in other merchandise uses in the neighborhood.

- (4) The proposed use will detract from the existing land use mix and high urban design standards including uses that promote continuous pedestrian circulation and economic vitality.

The proposed use does not detract from the existing land use mix and high urban design

standards. As noted previously, the Proposed Project complies with commercial design guidelines including those which encourage pedestrian circulation. Further, the Proposed Project replaces two vacant storefronts which currently deter pedestrian circulation and additionally hinders economic vitality.

CONCLUSION

We believe the Proposed Project will enhance the corner of University Ave and Elm St in Old Town Los Gatos by at once seamlessly fitting into the character and scale of the neighborhood surrounding, while also providing visual interest through harmonious, textured, and elevated design. While the Proposed Project's programming does not represent a change of use from the existing use at the building, the reimagined dining and shopping space will help improve customer experience, thereby helping to activate pedestrian activity in this area.

The Proposed Project:

- Respects the existing scale and character of surrounding structures, and blends rather than competes with the established character of the area.
- Presents elevations that are of high-quality design and construction, and a positive addition to and compatible with the Town's ambiance. The Proposed Project enhances the character and unique identity of the existing commercial neighborhood.
- Represents no change in use from the former tenants at the existing building; rather the Proposed Project will improve and reimagine a blend of both uses under one roof.

DEVELOPER and DESIGN FIRM INFORMATION

RH

RH is a curator of design, taste and style in the luxury lifestyle market. The company offers collections through its retail galleries, sourcebooks and online at RH.com, RHContemporary.com, RHModern.com, RHBabyandChild.com, RHTEEN.com, and Waterworks.com.

RH operates Galleries and outlets throughout the U.S., Canada, UK and Europe.

There are places you visit and those you remember™

Awards and Recognition

Award of Merit - Interior/Tenant Improvement – ENR Mountain States - RH Denver - 2016

Connecticut Preservation Award - Connecticut Trust for Historic Preservation – Former Greenwich Post Office - 2015

Preservation Excellence Award (Adaptive Reuse) – Chicago Landmarks – Three Arts Club - 2016

MBH Architects

MBH Architects is a full service architecture and integrated services firm building innovative solutions from offices in the San Francisco Bay Area, New York City, Denver, Mumbai and Bengaluru since 1989.

MBH Architects is a Minority-Owned Business Enterprise (MBE) with staff from around the world. Their wide array of experience includes over 10,000 projects of nearly every project type, and their global reach spans more than 96 countries worldwide. MBH Architects take incredible pride in our work and clients' satisfaction.

Awards and Recognition

Gold - Shop! Design Awards - Bucherer Time Machine Flagship Store - 2023

Commercial Construction & Renovation Project Profile Award - 300 Grant - 2021

AIA East Bay Design Awards - 930 Brittan - 2021

Urban Confluence Design Competition - Breeze of Innovation - 2021

Honorable Mention - MNSD's Retail Renovation Competition - Peet's Coffee Georgetown - 2017