

Page 10-15 of Chapter 10 of the Draft Revised Housing Element
(January 2024 version) without recommendation #4 of the
January 18, 2024 Housing Element Advisory Board meeting

10. Housing Element

Justice, Diversity, Equity, and Inclusion

Like many other cities in the United States, Los Gatos has a history which includes racial injustice. The Town also has a long-standing commitment to being equitable and inclusive. In the last couple years, with racial justice issues at the forefront of local and national conversations, the Town has taken a more holistic approach to Justice, Equity, Diversity, and Inclusion work. The Town of Los Gatos values justice, equity, diversity, and inclusion (JEDI). The Town works proactively to ensure the rights and opportunities of everyone in Los Gatos and opposes any attempts to undermine the safety, security, and rights of any members of the community. The Town promotes equal treatment, equitable distribution of and access to resources, and engagement in issues affecting the lives of residents, workers, and visitors. The Town does not tolerate discrimination, racial injustice, or police brutality. The Town works toward realizing the values of diversity, equity, and inclusion by taking specific actions to become a more inclusive community.

In May of 2017, the Town Council affirmed a commitment to Los Gatos as a diverse, supportive, equitable, and inclusive community.

On June 5, 2020, the Town affirmed its commitment to stand in solidarity with the black community with a Proclamation from the Mayor.

On June 17, 2020, the Mayor signed the Obama Foundation's Mayor's Pledge, committing to review Police Department standards, report back to the community, and work on reforms.

On June 19, 2020, the Town launched a new webpage, "Becoming an Inclusive Community," dedicated to outlining the shared values of justice, diversity, equity, and inclusion. In naming the new webpage "Becoming an Inclusive Community," the Town acknowledged that there is work to do; and by clearly stating the commitment to inclusivity and diversity, the Town strives to take the steps needed to reach that goal. The dedicated webpage can be viewed at www.LosGatosCA.gov/Inclusivity and is kept updated on a regular basis with Town efforts and current information.

On July 30, 2020, the General Plan Update Advisory Committee (GPAC) held a special meeting to review and discuss the topics including racial, social, and environmental justice in the General Plan. As a result of this meeting, the first Element of the 2040 General Plan is a new Racial, Social, and Environmental Justice Element.

In 2020, the Town hosted three community workshops via teleconference to foster dialogue on racial and social justice and how Los Gatos can be more welcoming for all. The three conversations covered police reform, and housing. The inclusivity webpage contains full video recordings, presentations, and other information associated with these conversations.

On June 30, 2022, the Council adopted the 2040 General Plan with a brand-new chapter: the Racial, Social, and Environmental Justice Element. This guiding Element works in conjunction with the Town's commitment to create a more inclusive Los Gatos and provide safe spaces for all to join in conversations to shape the Town's future. The Town's work to further the goals and policies stated in this new Element include:- hosting community conversations; adopting Diversity, Equity, and Inclusion as an ongoing Council Strategic Priority since 2021; implementing Police reforms; working with the California Senate and Assembly on the development of Senate Bill 1100, which updates public meeting laws to provide an important balance of maintaining freedom of speech, protecting public safety, and providing protection for elected officials; and developing a formal JEDI plan with goals, action items, and timelines.

Pop-up Community Outreach

Farmers' Market Informational Booth

Town staff hosted a 2040 General Plan Update and Housing Element Update informational booth at the Los Gatos Farmers' Market on Sundays from 9:00 a.m. to 12:00 p.m. on the following dates:

- June 27, 2021.
- July 18, 2021.
- August 8, 2021.
- August 29, 2021.

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To help guide the update to the General Plan, the Town Council appointed a GPAC. The GPAC was composed of the Town's General Plan Committee (GPC) and three additional residents. The GPC includes two Town Council members, three Planning Commissioners, and four residents. The GPAC served to review and discuss issues, opportunities, and the development the Draft 2040 General Plan. The GPAC held more than 35 public meetings throughout the General Plan Update process, listening to community input and contributing to the development of Land Use Alternatives, and the content of the General Plan document.

Public Participation to Affirmatively Furthering Fair Housing

The Los Gatos public participation program was also responsive to AFFH, which requires local jurisdictions to conduct public outreach to equitably include all stakeholders in the housing element public participation program (see Section 10.1.3 for more complete information on AFFH).

Tribal Consultation

This public participation effort also includes formal consultation, pursuant to Government Code §65352.3, with representatives from nine Native American tribes that are present and active in Santa Clara County.

10.1.6 Public Comment

Public Comments

A full listing of public comments received during the public review of the 6th Cycle Housing Element are included in Appendix I: Public Comments. Responses to public comments, where appropriate, are also provided.

10.2 Overview of Housing Needs and Constraints

This section summarizes the housing needs of Los Gatos as determined through the comprehensive housing data assessment and analysis presented in Appendix B and serves as the basis for housing goals, policies, and implementation programs. The housing summary gives an overview of population trends: characteristics of the housing stock; housing affordability; and special needs households.

10.2.1 Introduction

The Bay Area continues to see growth in both population and jobs, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have housing opportunities. While the number of people drawn to the region over the past 30 years has steadily increased, housing production has stalled, due to the high cost of land, contributing to the housing shortage that communities are experiencing. In many communities, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across income levels being able to purchase homes or meet surging rents.

10.2.2 Los Gatos Overview

As California works to face its housing crisis, the State of California has adopted rules to ensure that the burden of housing an economically diverse and growing population is shared proportionately among all California communities. The Town is committed to meeting the housing challenge, while preserving the essential character of the community. The Town faces some of the following conditions as summarized below:

- Population growth trends in the Town are significantly lower than the County and regional rates.
- The Town has more than double the County share of White population and a correspondingly smaller percent of minority populations.
- The Town has a higher share of high-income earners than the County and Bay Area.
- The income gap between lower income residents and higher income residents in the Town is higher than the average value for Bay Area jurisdictions.
- Poverty rates are very low in the Town.

Pages 10-46 and 10-47 of Chapter 10 of the Draft Revised Housing Element (January 2024 version) without recommendation #1 of the January 18, 2024 Housing Element Advisory Board meeting

Programs	
	Performance Metric(s)
	Delivery of Housing Element
JJ Helping Senior Housing s PrograResourcesm Provide financial assistance for health, safety, emergency and accessibility home repairs to low-income seniors and low-income mobile homeowners through the Below Market Price Program funds, subject to availability of Program funds. <u>Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.</u>	Implementation Policies
	HE-1.6 Universal Design HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs <u>HE-6.1 Fair Housing</u> <u>HE-6.2 Financial Assistance</u> <u>HE-6.3 Housing for Persons with Special Needs</u> <u>HE-6.4 Affordable Housing Awareness</u> <u>Responsible Department/Review Authority</u>
	Responsible Department/Review Authority
	Community Development Department and the Town Council
	Timeframe
	Ongoing and annual effort <u>Update materials annually</u>
	Funding Source
	Town Affordable Housing Funds
	Quantified Objective
	Maintain the existing housing stock by funding three home repairs to lower income seniors <u>annually</u>
	Performance Metric(s)
	Measure the number of units assisted versus the need
	Implementation Policies
	HE-1.5 Variety of Housing Choices HE-2.4 Rental Housing HE-3.3 Efficient Development Processing
JK Small Multi-Unit Housing, "Missing Middle" <u>The Housing Element supports the land use goal of providing opportunities for housing that can accommodate the needs, preferences, and financial capabilities of current and future residents in terms of different housing types, tenures, density, sizes, and costs. Specifically, the Town aims to create mixed residential neighborhoods through new and innovative housing types that meet the changing needs of Los Gatos households and expand housing in a variety of neighborhoodsall neighborhoods. These housing types include, but are not limited to, single dwelling units, multifamily dwelling units, accessory dwelling units, small and micro units, use of pre-fabricated homes, and clustered housing/cottage housing. The</u>	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	December 2024
	Funding Source
	None required
	Quantified Objective
	Increase the number of <u>small multi-unit housing</u> <u>low-rise multi-family developments by five 50 units from the previous yearover eight years with the goal of achieving 100% of the units in low to medium density designations and high median income areas</u>

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Programs	
<p>Town will also promote small multi-unit housing that increases density while remaining consistent with the building scale and character present in existing neighborhoods. This includes multi-family units or clustered residential buildings that provide relatively smaller, less expensive units within existing neighborhoods.</p> <p>Update the Zoning Code to facilitate low rise multi-family structures small multi-unit housing in the low to mMedium Residential Density designations.</p> <p>The General Plan defines sSmall multi-unit housing is defined as multiple units on a single parcel (whether attached or detached) that are compatible in scale and form with detached single-family homes. Common housing types include duplexes; triplexes; fourplexes; courtyard apartments; cottage courts; townhomes; triplex stacked (vertical); and live-work spaces.</p> <p>Promote this program through publication, to include the following information: Low rise multi-family dwelling units ranging from two to 10 units can help meet the needs of families, seniors and students. Permit processing times tend to be shorter than larger multi-family buildings due to the low-rise nature of the structures.</p> <p>Specifically, update the Zoning to allow for all housing types considered for the provision of Small Multi-Unit Housing types as part of Low Density High Density Residential designations.</p> <p>Research existing regulatory impediments to the creation of new housing types that have the potential to fulfill unmet housing needs (e.g., tiny homes, co-housing developments) and if necessary, amend applicable ordinances and development standards to facilitate and to allow for their development at the maximum density</p> <p>Pursue establishment of a maximum average unit size as a tool to moderate unit sizes for developments over a certain size but to allow flexibility for a range of unit sizes.</p>	<p>Performance Metric(s)</p> <p>Complete Zoning Code amendment by December 2024 and track the number of entitled Planning applications received per year</p>

Pages 10-52, 10-53, and 10-75 of Chapter 10 of the Draft Revised Housing Element (January 2024 version) without recommendation #3 of the January 18, 2024 Housing Element Advisory Board meeting

Programs	
<p>In existing and new rental developments, the Town could provide a rehabilitation loan or another form of subsidy to a rental property owner in exchange for securing affordability covenants on a percentage of units and the owner's agreement to restrict rents on these units to levels that would be affordable to very low- and low-income households.</p>	Affordability covenants for three housing units with BMP funding to increase the supply of affordable housing per year
	Performance Metric(s)
	Number of affordability covenants
<p>UQ Accessory Dwelling Units</p> <p><u>Facilitate ADU/JADU production with the following efforts:</u></p> <ul style="list-style-type: none"> — Waive building fees when an ADU is deed restricted for very low-and low-income pursuant to Town Code (Section 29.10.320(a). — Initiate a marketing program for homeowners on the benefits of ADUs and the availability of resources (templates, cost calculators, technical support) to support development. <u>Promote the use of Housing Choice Vouchers (HCVs) and homesharing (once established) to make the units available to lower income households.</u> — Collaborate with countywide efforts to develop pre-approved ADU plans suitable for Los Gatos, including designs that are ADA accessible. — Streamline the review and permitting of ADU's by publishing pre-approved plans including plans that are ADA-compliant, which shall be posted on the Town's website. — <u>Promote California Housing Finance Agency (CHFA) ADU grants of \$40,000 available to qualified homeowners for pre-development costs.</u> — <u>Proactively promote information made available through the Santa Clara County Planning Collaborative, a joint initiative of all 16 jurisdictions in the county on the Town's website with resources for interested property owners.</u> — <u>Actively apply for grant programs, as funds are made available to assist</u> 	Implementation Policies
	HE-1.7 Infill Opportunities in Single-Family Neighborhoods HE-2.4 Rental Housing HE-2.5 Pre-Approved Accessory Dwelling Units HE-2.6 Promote Accessory Dwelling Unit Construction HE-2.7 Senior Housing HE-3.1 Regulatory Incentives for Affordable Housing HE-3.3 Efficient Development Processing HE-3.5 Development Impact and Permit Fees
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	<ul style="list-style-type: none"> ■ Initiate marketing program and coordinate efforts on pre-approved ADU plans (2023) <u>and other resources and services (December 2025).</u> ■ Select at least three plans and conduct media campaign to promote (December 2024) ■ <u>Monitor Annually monitor</u> the production and affordability of ADUs ■ <u>Amend the ADU Ordinance (January 2024)</u> ■ <u>Monitor ADU/JADU production against projection by July 2027 and develop strategies to address any potential shortfall in meeting RHNA by the end of 2027 annually and adjust, if necessary, within six months</u>
	Funding Source
	Below Market Price Housing In-lieu Fees for Waiving Building Fees and General Fund
	Quantified Objective

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Programs	
<p>property owners in the construction of ADU's/JADU's. Monitor funding availability annually.</p> <ul style="list-style-type: none"> Develop and adopt objective standards to allow more than one (at minimum two) JADUs <p>Annually monitor number of ADU's/JADU's produced, affordability levels. By July 2027, if the production of ADU/JADU is falling short of the projected trend, and make adjustments the Town will initiate developing strategies (additional incentives, flexible development standards, and/or identify additional sites for housing development) to accommodate a potential shortfall if determined necessary (i.e. adopt additional incentives or other strategies) and assess whether additional strategies and adjustments are necessary to increase ADU production, including searching for innovative funding sources and revisiting the ADU marketing program for property owners, shortfall by the end of 2027.</p> <p><u>Amend the ADU Ordinance to comply with State law.</u></p> <p>Work with a nonprofit organization to administer a homesharing program that will expand beyond roommate matching by assisting homeowners in renting out ADUs and JADUs, further serving residents in the region with outreach for potential tenants.</p>	<ul style="list-style-type: none"> Facilitate construction of at least 200 ADUs or JADUs with a goal to facilitate construction of up to 200-350 ADUs or JADUs throughout the Planning period with a goal of 5% of these units being affordable to lower-income households and 50% in single-family, high median income neighborhoods Publish pre-approved ADU plans and templates, including designs that address ADA and senior housing needs Post pre-approved plans on Town website Use the Town's social media, website, local press, and community events to distribute information Adopt objective standards to allow more than one JADU per property by July 2025 Facilitate construction of at least 10 JADUs in low density neighborhoods Through a homesharing programs, assist homeowners in renting out available ADUs and JADUs, especially in high/higher resource areas
VR	Performance Metric(s)
	Number of Building Permits issued; number of ADU/JADUs rented at a rental rate affordable for very low-and low-income households
	Implementation Policies
	HE-3.1 Regulatory Incentives for Affordable Housing HE-2.3 Mixed-Use Development HE-2.8 Equal Housing and Special Needs
	Responsible Department/Review Authority
	Community Development Department
<p>Conduct a study to evaluate the existing Density Bonus Ordinance and recommend changes to increase the number of units constructed. The study will include an evaluation of the implementation of the ordinance to date and actual construction of affordable housing units that utilized the Density Bonus. Additional density and height incentives beyond what the State requires will be considered (i.e., fee reductions, add free density of BMP units). The study shall recommend improvements to the Ordinance based on the outcome of the evaluation.</p>	Timeframe
	<ul style="list-style-type: none"> Amend the Density Bonus Ordinance (December 2024) Complete study by June 2026 and implement recommended actions by December 2029
	Funding Source
	None required

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Programs	
	Measure the number of replacement housing units entitled that are restricted to low-income households
BLAV Senate Bill 9 Monitoring Annually monitor the development of SB 9 applications every year beginning in 2023 to better understand their role in the Los Gatos housing market if trends indicate a potential shortfall in meeting the estimated SB 9 development in the Sites Inventory, and consider additional efforts to incentivize SB 9 applications and reassess and revise the overall sites strategy for the RHNA within one year through adjusting SB 9 capacity assumptions with actual permitted units, and/or identifying additional sites to expand site capacity to the extent necessary to accommodate the RHNA. Annually monitor the number of SB 9 entitlements produced. By July 2027, if the production of SB 9 entitlements is falling short of the projected trend, the Town will initiate and develop strategies (additional incentives or provide greater flexibility to the development standards) to accommodate a potential shortfall by the end of 2027. Based on objective criteria that are consistent with recent SB 9 applications in the Town, about 3,000 parcels can potentially accommodate SB 9 units. Given the number of SB 9 applications received during 2023 (four two-unit development and seven urban lot splits), a projection of 12 SB 9 units annually is considered conservative.	Implementation
	HE-1.1 Adequate Sites
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Evaluate effectiveness of SB 9 approvals every year beginning in 2023; and identify additional incentives and/or site capacity, if needed by 2025/2027
	Funding Source
	General fund (staff time)
	Quantified Objective
	Prepare Annual Progress Report and issue 96 SB 9 entitlements units over the eight-year period issue 12 SB 9 building permits per year
	Performance Metric(s)
	Number of issued SB 9 Building Permits.
BMAW Story Poles and Netting Policy Update the Review Story Pole and Netting Policy and explore create alternative options for residential or mixed-use projects with affordable housing to reduce the associated costs of installing story poles, by providing an option to provide visuals, video rendering or other visual methods in place of story poles for all multi-family and mixed-use	Implementation
	Policy HE-3.1 Regulatory Incentives for Affordable Housing
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Implement by December-March 2024 ⁴³ , and evaluate effectiveness of reduced requirements every year beginning in 2025; and identify

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