

From: Veronica Tam [REDACTED]
Sent: Thursday, February 1, 2024 10:49 AM
To: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>; Gabrielle Whelan <GWhelan@losgatosca.gov>; McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>
Cc: Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]
Subject: RE: Los Gatos - Revised HE

[EXTERNAL SENDER]

Hi Paul and Jose –

Just a correction that we are not going for readoption yet. We would like to get the HE to a certifiable status first.

Thanks,
Veronica

Veronica Tam, AICP
Principal
Veronica Tam and Associates, Inc.
[REDACTED]
[REDACTED]
[REDACTED]

From: Veronica Tam
Sent: Thursday, February 1, 2024 10:30 AM
To: 'Jauregui, Jose @HCD' <Jose.Jauregui@hcd.ca.gov>; Gabrielle Whelan <GWhelan@losgatosca.gov>; McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>
Cc: Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]
Subject: Los Gatos - Revised HE

Hi Joe and Paul –

Attached (and below) are the revised pages for Los Gatos Housing Element based on our most recent discussions. The Town is going to Planning Commission and Town Council for readoption. We are hoping that you can take a look at these changes before we move to readopt.

Please note the GREEN highlights are new changes.

Revised Pages Only

<https://www.dropbox.com/scl/fi/1s5nf8il7zmxk7nd4bhwt/Draft-Revised-Housing-Element-Revised-Pages-Only.pdf?rlkey=aiiu0b9s09qfjaxry77ijdulj&dl=0>

Full HE with Tracked Changes

<https://www.dropbox.com/scl/fi/m1a675bsloxifr09bxolk/Draft-Revised-Housing-Element-Track-Changes.pdf?rlkey=okew0qyjququhbi94f7a81d2v&dl=0>

Veronica Tam, AICP

Principal

Veronica Tam and Associates, Inc.

[REDACTED]

[REDACTED]

[REDACTED]

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From: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Sent: Wednesday, January 24, 2024 8:55 AM

To: Gabrielle Whelan <GWhelan@losgatosca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]; Barbara E. Kautz [REDACTED]

Subject: Re: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

[EXTERNAL SENDER]

Thank you for clarifying.

Warm regards,



Jose A. Jauregui *he / him*

Housing Policy Analyst

Housing Policy Development

Housing & Community Development

2020 W. El Camino Avenue, Suite 500 | Sacramento, CA 95833

Cell: (916) 820-1516



From: Gabrielle Whelan <GWhelan@losgatosca.gov>

Sent: Tuesday, January 23, 2024 4:59:46 PM

To: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]; Barbara E. Kautz [REDACTED]

Subject: RE: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

Hello, Mr. Jauregui. Thank you for your quick review. Here are our answers:

1. how does this apply to the sites in the inventory? Will there also be a zoning map change?
 - The HEOZ has already been applied to all of the sites in the sites inventory. The overlay zone and change to the zoning map went into effect in December 2023; the updated and more explicit language will apply to all of those sites once the ordinance is approved by Council.
2. Do all the sites in the inventory for the lower-income RHNA meet the 16 units per site minimum number of units?
 - Yes, all of the sites in the inventory comply with the 16-unit requirement. As a result of previous revisions to remove low-income RHNA allocations from sites less than .5 acre, the

Town complies with the 16-unit requirement. Appendix D of the Housing Element explains how several sites are made up of two smaller parcels, because the parcels are consolidated under a single owner or otherwise are anticipated to develop together.

3. How do they meet the Clovis decision/minimum density issue for base zones that allow residential development? Do the overlay minimum densities prevail? If so, where is that?
 - Yes, the overlay minimum densities prevail. The revised language included in this ordinance is explicit that projects with residential components must use the HEOZ densities, not the base zoning. Section 29.80.510 (d) states, "Regardless of the underlying zoning designation, no residential use may be developed that does not meet the applicable HEOZ development standards."

Please let me know if you have any follow-up questions. We are taking the draft amendment to the Planning Commission for a recommendation tomorrow evening.

Thanks again.

(I'm adding Barb Kautz from Goldfarb and Lipman as a cc since Barb also helped us with the ordinance revisions.)



Gabrielle Whelan • Town Attorney

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From: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Sent: Monday, January 22, 2024 11:00 AM

To: Gabrielle Whelan <GWhelan@losgatosca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JARmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]

Subject: RE: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

[EXTERNAL SENDER]

Good morning Gabrielle,

Just a few questions following a review of the draft ordinance provided.

1. how does this apply to the sites in the inventory? Will there also be a zoning map change?
2. Do all the sites in the inventory for the lower-income RHNA meet the 16 units per site minimum number of units?
3. How do they meet the Clovis decision/minimum density issue for base zones that allow residential development? Do the overlay minimum densities prevail? If so, where is that?

Warm regards,



Jose A. Jauregui *he / him*

Housing Policy Analyst

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[\[landlordtenant.dre.ca.gov\]](https://landlordtenant.dre.ca.gov/)

From: Jauregui, Jose @HCD

Sent: Friday, January 19, 2024 9:51 AM

To: Gabrielle Whelan <GWhelan@losgatosca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]

Subject: RE: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

Received, thanks!



Jose A. Jauregui *he / him*

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[\[landlordtenant.dre.ca.gov\]](https://landlordtenant.dre.ca.gov/)

From: Gabrielle Whelan <GWhelan@losgatosca.gov>

Sent: Friday, January 19, 2024 9:47 AM

To: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]

Subject: RE: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

Hello, Mr. Jauregui. Attached is a clean version of the proposed Housing Element Overlay Zone ordinance. I inadvertently sent you a working draft yesterday. Thank you.



Gabrielle Whelan • Town Attorney

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From: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Sent: Friday, January 19, 2024 9:40 AM

To: Gabrielle Whelan <GWhelan@losgatosca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]

Subject: RE: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

[EXTERNAL SENDER]

Thank you Gabrielle!

Warm regards,



Jose A. Jauregui *he / him*

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From: Gabrielle Whelan <GWhelan@losgatosca.gov>

Sent: Thursday, January 18, 2024 12:34 PM

To: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Cc: Veronica Tam [REDACTED]; Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]

Subject: Los Gatos - adopted Housing Element Overlay Zoning ordinances and draft ordinance amendment attached

Hello, Mr. Jauregui. Per our call this morning, attached for your review are:

1. The adopted Housing Element Overlay Zoning (“HEOZ”) ordinances (one establishing the development standards for the Housing Element Overlay Zone and three others applying the Housing Element Overlay Zone to specific parcels).
2. The staff report accompanying proposed amendments to the HEOZ ordinance, which summarizes the changes.
3. The draft amendment to the HEOZ ordinance which established the development standards for the Housing Element Overlay Zone, which will be presented to the Planning Commission on 1/24 and to the Town Council on 2/6.

Thank you for your time this morning and your review of the Town’s proposed ordinance amendments. If you have any questions about this material, recommended edits, or would like to discuss, please let me know. I’ve included Nazanin Salehi of Goldfarb & Lipman, who is assisting the Town with the proposed ordinance amendments.



Gabrielle Whelan • Town Attorney

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DRAFT ORDINANCE

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
AMENDING CHAPTER 29, "ZONING REGULATIONS," OF THE TOWN CODE
TO DEFINE "BY RIGHT APPROVALS" AND AMEND THE HOUSING
ELEMENT OVERLAY ZONE AS DIVISION 5 OF ARTICLE VIII, "OVERLAY
ZONES AND HISTORIC PRESERVATION."**

ZONING CODE AMENDMENT APPLICATION Z-24-001

**PROPERTY LOCATION: TOWN WIDE
APPLICANT: TOWN OF LOS GATOS**

WHEREAS, the Town of Los Gatos 2023-2031 Housing Element identifies amending the Town Code to create the Housing Element Overlay Zone as a strategy to accommodate the Town's Regional Housing Needs Allocation (RHNA); and

WHEREAS, the Planning Commission at its meeting on August 23, 2023, reviewed the proposed Town Code amendments, held a public hearing, and forwarded a recommendation of approval to the Town Council; and

WHEREAS, on October 3, 2023, the Town Council accepted the report of the Planning Commission's recommendation of approval for the proposed Town Code amendment and held a public hearing; and

WHEREAS, on November 7, 2023, the Town Council reviewed the proposed Town Code amendments, held a public hearing, and introduced the ordinance to amend the Town Code to modify the Affordable Housing Overlay Zone to be the Housing Element Overlay Zone; and

WHEREAS, the Town Council adopted Ordinance No. 2347 to enact the proposed Town Code amendments on November 21, 2023; and

WHEREAS, on December 1, 2023, the Town received comments from the State Housing and Community Development Department (HCD) regarding the adopted Housing Element Overlay Zone ordinance; and

WHEREAS, staff has prepared a revised ordinance to address HCD's comments; and

WHEREAS, the Planning Commission at its meeting on January 24, 2024, reviewed proposed Town Code amendments, held a public hearing, and forwarded a recommendation of _____ to the Town Council; and

WHEREAS, this matter was regularly noticed in conformance with State and Town law

and came before the Town Council on _____, 2024.

WHEREAS, on _____, 2024, the Town Council accepted the report of the Planning Commission's recommendation of _____ for the proposed Town Code amendments, held a public hearing, and introduced an ordinance to add a definition of "by right approval" and modify the HEOZ Ordinance; and

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Los Gatos as follows:

SECTION I. Section 29.10.020, "Definitions," of Chapter 29, "Zoning Regulations," of the Town Code is amended to add the following between the definitions of "*Business or commerce*" and "*Carport*" to read as follows:

By right approval shall have the meaning set forth in Government Code Section 65583.2 (i).

SECTION II. Division 5 of Article VIII, "Overlay Zones and Historic Preservation," of Chapter 29, "Zoning Regulations," is amended to read as follows:

ARTICLE VIII. OVERLAY ZONES AND HISTORIC PRESERVATION

...

DIVISION 5. HOUSING ELEMENT OVERLAY ZONE

Sec. 29.80.505. Intent.

The Housing Element Overlay Zone (HEOZ) ordinance in this division is intended to increase the supply and the mix of housing types, tenure, and affordability within the Town of Los Gatos. Through appropriate densities, concessions, and fee deferrals or waivers, the HEOZ encourages the development of housing affordable to all income levels on sites within the Town that are deemed to be most appropriate for such uses. The Housing Element lists sites within the Town of Los Gatos as key housing opportunities. The designation of these sites will assist the Town in meeting its Regional Housing Needs Allocation (RHNA), as required by the State.

Sec. 29.80.510. HEOZ and underlying zoning.

- (a) "By right" residential developments on sites with underlying zoning of RM, CH, or NF-SP (Table 1A below). Pursuant to Government Code Section 65583.2, subsections (h) and (i), in the HEOZ, residential developments with at least 20 percent of the units proposed for "low income" households and without a subdivision are subject to "by right approval." These developments are subject to the following:

1. The developments must be developed at the densities specified in Table 1A below and in no event shall any residential development projects be developed below the minimum density of 30 units per acre.
2. The developments shall be subject to non-discretionary design review based on objective development standards in accordance with the procedures specified in Article II, "Administration and Enforcement," of Chapter 29, "Zoning Regulations," of the Town Code.
3. No California Environmental Quality Act review shall be required.
4. Subdivisions remain subject to all applicable state and local laws, including but not limited to the Subdivision Map Act.
5. Residential units shall occupy at least 50 percent of the floor area in all mixed-use projects.
6. For residential developments and mixed-use projects, the standards set forth in Table 1A shall apply.

Table 1A HEOZ Development Standards for "By Right" Residential Development

General Plan Land Use Designation	Zoning	Minimum Yards	Maximum Lot Coverage	Maximum Floor Area Ratio (FAR)	Maximum Height Limit (ft)	Density Units Per Acre
High Density Residential	R-M	As authorized by Section 29.40.645	75%	N/A	45 feet	30-40
Mixed-Use	CH	As authorized by Section 29.60.435	N/A	3.0	45 feet	30-40
North Forty Specific Plan	NF-SP	As defined in Specific Plan	As defined in Specific Plan	As defined in Specific Plan	As defined in Specific Plan	30-40

- (b) For all other residential developments other than those described in subsection (a), the standards set forth in Table 1B below shall apply.

Table 1B HEOZ Development Standards for Other Residential Development

General Plan Land Use Designation	Zoning	Minimum Yards	Maximum Lot Coverage	Maximum Floor Area Ratio (FAR)	Maximum Height Limit (ft)	Density Units Per Acre
Low Density Residential	R-1	As authorized by Section 29.40.405	50%	N/A	30 feet	0-5
Medium Density Residential	R-1D, R-D, and R-M	As authorized by Section 29.40.405, 29.40.530, and 29.40.645	75%	N/A	35 feet	14-22 or 5-12 in Very High Fire Hazard Severity Zones
Neighborhood Commercial	C-1	As authorized by Section 29.60.225	N/A	1.0	35 feet	10-20

Central Business District	C-2	As authorized by Section 29.60.335	N/A	2.0	45 feet	20-30
Office Professional	O	As authorized by Section 29.60.100	N/A	1.0	35 feet	10-20

- (c) The underlying zoning development standards will remain in effect for all other development without a residential component.
- (d) Regardless of the underlying zoning designation, no residential use may be developed that does not meet the applicable HEOZ development standards.
- (e) Where standards are not specified, the development standards provided in the underlying zoning district shall apply.

SECTION III. CEQA.

The Town Council finds as follows:

- A. No further Environmental Analysis is required as an Environmental Impact Report (EIR) was prepared and certified for the 2040 General Plan Update on June 30, 2022, which included the proposed Town Code amendments; and
- B. The Town Code amendments are consistent with the General Plan and its elements; and
- C. That all proceedings have been conducted in compliance with the provisions of Government Code Section 65850 et seq.

SECTION IV. EFFECTIVE DATE.

This Ordinance was introduced at a regular meeting of the Town Council of the Town of Los Gatos on the _____ day of _____, 2024, and adopted by the following vote as an ordinance of the Town of Los Gatos at a regular meeting of the Town Council of the Town of Los Gatos on the ____ day of _____, 2024. This ordinance shall take effect 30 days after the date it is adopted. The Town Clerk shall cause this ordinance or a summary thereof to be published in accordance with Section 36933 of the California Government Code.

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

DRAFT

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From: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Sent: Friday, January 19, 2024 9:26 AM

To: Veronica Tam [REDACTED]

Subject: Town of Los Gatos Informal Clarifications

Hi Veronica,

As discussed in our TA call, I have included in this email some clarifications on the following items identified in the informal review matrix.

1. RCAA: The town must expand the analysis of what has contributed to being a RCAA including zoning, land use, past investment or lack of investment, local opposition to housing types. For example, you can include the North 40 lawsuit on a project that had higher density with affordability. Additionally, include the TCAC scores within this analysis. Following the complete analysis of the RCAA the town should re-evaluate contributing factors to see if there are other contributing factors needed to be identified or need to be reprioritized.
2. Program D: Should be revised to remove unit cap or clarify that the unit cap will not be **implemented to allow maximum build out of each parcel** or circumstances warranting allowable densities.
3. Program AW: Program should be revised to include a list of visual methods the city will allow. For example, video, visuals or other methods. In addition, its important to note that the program should not be limited to going over 55 ft. This language should be removed/revised.

Warm regards,



Jose A. Jauregui *he / him*

Housing Policy Analyst

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Town of Los Gatos Informal Preliminary Review

Received 12/24/2023

Prior Review: 12/01/2023

Prior HCD Finding	Page #	Prelim Review	Notes
Affirmatively Furthering Fair Housing			
<u>Income and Racial Concentration Area of Affluence (RCAA):</u> The element now includes actions to promote an inclusive community; however, the element must provide specific analysis of income and RCAA at a regional level (town compared to the broader region) to better formulate appropriate policies and programs. The analysis should at least address trends, conditions, coincidence with other fair housing factors (e.g., race, highest resource, overpayment), effectiveness or absence of past strategies (e.g., lack of publicly assisted housing and lack of multifamily zoning), local data and knowledge and other relevant factors.	A-69	~/No	Minimal analysis added; should address trends, coincidence with other factors (e.g., income, TCAC), past strategies and effectiveness such as result of North 40 in the prior planning period, zoning, land use and other factors. These analyses should be incorporated into contributing factors
<u>Contributing Factors to Fair Housing Issues:</u> Based on a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues. For example, the Town is wholly a RCAA, highest resource and highest median incomes in contrast to the rest of the region. As a result, fair housing issues such as the lack of affordable housing and segregation from the rest of the region should be a high priority.	A-18	~	Re-assess based on a complete analysis
<u>Goals and Actions:</u> As noted above, the element must include a complete analysis of affirmatively furthering fair housing (AFFH). The element must be revised to add goals and actions based on the outcomes of a complete analysis. In addition, while the element includes some actions toward AFFH and enhancing housing mobility (e.g., choices and	10-43- 10-50- 10-65 10-66	~/No	See Programs J, L, O, Q, T, AV Program J should clarify that capacity will be increased (not just zoning text), development standards will be adjusted to facilitate maximum densities and

<p>affordability), actions should be added, numeric targets should be increased, and geographic targeting should be fine-tuned to better promote inclusive neighborhoods throughout the Town. This is particularly important since over 80 percent of the lower-income regional housing need allocation (RHNA) is isolated in two census tracts. As noted in HCD's prior review and the assessment of fair housing, the Town is wholly a racially concentrated area of affluence, highest resource and highest median incomes in contrast to the rest of the region.</p> <p>These conditions and circumstances warrant significant and robust actions (not limited to the RHNA) to promote housing mobility and increasing housing choices and affordability throughout the Town, including lower-density neighborhoods. Actions should be added and revised with aggressive numeric targets and geographic targets throughout the Town, including lower-density neighborhoods. Examples include creating more housing choices and affordability in single-family neighborhoods beyond complying with law (e.g., SB 9, ADUs) such as missing middle housing types, targeting affordable housing funding, homesharing, more than one unit of converted space within a single-family structure, increased multifamily capacity, enhanced efforts on religious institutional sites and other alternative land use and financing strategies.</p>			<p>increase the objective (~150 units) or add strategies (religious institutional, JADU plus, SB 10)</p> <p>Consider adding JADU plus to ADU HCV homesharing program and increasing objective</p> <p>Program AV should go beyond complying with SB 9 (marketing, modification to development standards)</p> <p>For all housing mobility actions (Programs J, L, O, Q, T, AV), geographic targeting should be revised to clarify town-wide including highest median income areas and numeric targets should be reflected with geographic targeting (e.g., 100 units townwide and 50% in highest median income areas)</p>
Sites Inventory, Analysis and Adequate Sites			
<p><u>Small Sites:</u> The element identifies several sites with parcels less than a half-acre (p. D-13) that have common ownership and, in some cases, expressed interest to redevelop the site. For small sites with expressed interest in redevelopment, the element should clarify that the expressed interest is also in consolidating the sites. For the remaining sites (Sites D-2 and D-5), the element should explain the circumstances leading to the potential for consolidation such as necessity to consolidate due to access, feasibility, shape, or site planning flexibility. Based on the outcomes of this analysis, the element should add or modify Program K (Lot Consolidation) to further promote lot consolidation, if appropriate.</p>	D-2	Yes	
<p><u>Electronic Sites Inventory:</u> For your information, while the Town has submitted an electronic sites inventory as part of</p>	N/A	FYI	

<p>this submittal, pursuant to Government Code section 65583.3, the Town must submit an electronic sites inventory with its adopted housing element. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-andcommunity-development/housing-elements for a copy of the form and instructions. The Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance</p>			
<p><u>Adequate Sites Programs</u>: As noted in the prior review, if necessary to make appropriate zoning available to accommodate the lower-income RHNA, programs must be revised to meet all requirements pursuant to Government Code section 65583.2, subdivisions (c), (h) and (i). The element includes Programs D (Program By Right Zoning Text Amendment to Accommodate RHNA), AR (General Plan Amendment) and AS (Adequate Sites for Housing) to address these requirements. With respect to sites identified in prior planning periods, the element meets statutory requirements, but these actions must be completed by January 31, 2024. With respect to a shortfall of adequate sites to accommodate the lower-income RHNA, the element includes Programs AR and AS. However, the Programs commit to the appropriate zoning given the rezoning occurs after the statutory deadline of January 31, 2023. HCD understands the Town completed the rezoning after the statutory deadline and, therefore, the rezoning must meet all by right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). Based on a cursory review, the rezoning does not appear to meet these requirements. As a result, these programs must clearly commit to meet all by-right requirements by January 31, 2024.</p> <p>In addition, please be aware, the recent California appellate decision in <i>Martinez v. City of Clovis</i> found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). The Town may need to adjust its rezoning strategy if the underlying zoning for sites that will be rezoned allows minimum densities</p>	<p>Not Found</p>	<p>No/?</p>	<p>Revisions?</p>

less than 20 dwelling units per acre. Martinez v. City of Clovis (2023) 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64.			
Governmental Constraints			
<u>Land Use Controls:</u> HCD's prior review found that the Town must list and evaluate development standards in the North Forty Specific Plan and High Density Residential and Commercial designation. In response, the Town has now listed development standards by each zoning district but should also analyze those development standards for impacts on housing supply and cost and most importantly, the ability to encourage maximum densities without exceptions. For example, lot coverages, heights, and setbacks in the Multifamily Residential (RM) zone; and lot coverage heights and guest parking requirements in the North Forty Specific Plan could be constraints. Based on the outcomes of a complete analysis, the element should add or modify programs to include specific commitment to review and revise these development standards as necessary.	C-1 C-5 10-62	?	RM parking program? Guest parking reduced? Guest parking and lot coverage in the North Forty Specific Plan analyzed?
<u>Local Processing and Permit Procedures:</u> The element now discusses decision-making bodies and lists approval findings for the Architecture and Site Application. However, the element should also analyze these processes to better inform programs to address identified constraint. For example, the element mentions the decision-making body depends on the scope of the application. The element should explain the scope, resulting decision-making body and impacts on approval timing and certainty. In addition, the element lists approval findings and concludes some findings may be constraints then modifies Program AQ (Zoning Code Amendments) to amend approval findings (considerations). But the element should discuss which approval findings may be constraints to better inform implementation of Program AQ.	10-62	No/?	See Program AQ Program should remove or modify Findings 4 and 6 of the architectural and site process Scope trigger for approval body analyzed? Addressed?
<u>Programs:</u> As noted above, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints. In addition, programs should be revised, as follows:		TBD	Depends on complete analysis

<u><i>Program D (Additional Capacity for the North Forty Specific Plan)</i></u> : The Program should also commit to establish or modify development standards to facilitate achieving maximum densities, regardless of the level of affordability and should specify to either remove the unit cap or increase the unit cap to allow maximum build out of each parcel , including State Density Bonus Law or other circumstances that might warrant increasing allowable densities .	10-41	~/No/?	No action included to modify development standards? No action to remove cap. Commitments should also not implement the cap to allow maximum build out of each parcel or other circumstances warranting increasing allowable densities
<u><i>Program V (Housing opportunities for Persons living with Disabilities)</i></u> : Given the importance of promoting housing access for persons with disabilities, the Program could be modified with a date earlier in the planning period (e.g., by December 2024).	?	No/?	Revisions?
<u><i>Program AA (Reduce Parking Standards)</i></u> : The Program currently commits to “Initiate a study to determine specific updates...” While initiating a study and making a determination are important steps by themselves, these actions do not result in outcomes. The Program should clearly commit to amending the municipal code. For example, the Program could commit to: “Initiate a study and outreach, including with developers, and amend the Municipal Code, as follows:...”	10-53	Yes	
<u><i>Program AQ (Zoning Code Amendments)</i></u> : The Program commits to apply the Housing Element Overlay Zone (HEOZ) to identified sites and modify development standards. HCD understands this action has been completed. Based on a cursory review of the Town’s Ordinance 2347, some development standards such as heights may be a constraint on achieving maximum densities. As a result, this Program should commit to monitor and evaluate these development standards, including outreach with the development community, and making adjustments, as appropriate, by a specified date.	10-61	~/No	Include a timeline when amendments will be completed, if necessary (e.g., 6 months)
<u><i>Program AW (Story Poles and Netting Policy)</i></u> : While the Program now commits to revise Story Poles and Netting Policy Requirements; these requirements are constraints and impact housing costs; supply (number of units) and approval certainty and should be removed or replaced with cost effective measures to promote certainty for the developers	10-65-	No	Program AW Video rendering should be expanded to other visual methods

and the community. Further, the element should evaluate the effectiveness of any future requirements or measures, and making adjustments, as necessary, by a specified date (e.g., by 2028).			Scope of alternative should be expanded to all multifamily and mixed use
Housing Programs: ADU			
<u>Program Q Accessory Dwelling Units (ADU)</u> : While the Program now commits to amend the ADU Ordinance, it must also commit to establish incentives such as modifying development standards (e.g., heights), pursuing funding; waiving fees beyond ADU law; proactive marketing and establishing points of contact to ease permitting processes. In addition, the Program commits to monitor production and affordability of ADUs annually but should also commit to making adjustments by a specified date (e.g., within six months) if production and affordability are not meeting assumptions. Further, the Program should clearly commit to options beyond incentives such as rezoning if production and affordability far differs from assumptions.	10-48-	Yes	
Public Participation:			
Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the Town should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD. HCD particularly encourages the Town to continue engaging commenters on this review. These comments contained valuable insights that can result in a more effective housing elements, especially related to programs and specific commitment. HCD's future reviews will continue to consider the extent to which the revised element documents how the Town solicited, considered, and addressed public comments in the element.		?	Revisions?

The Town's consideration of public comments must not be limited by HCD's findings in this review letter.			
Other (HCD use only)			
Public comments		TBD	Must address new public comments
Document availability		FYI	
Rezone timing		FYI	Cant be found in full compliance until all rezones are complete
50% nonvacant resolution		FYI	
Electronic sites inventory		FYI	
Overlay		No	Program AQ HE Overlay zone
Modification Authority		N/A	Informal submittal

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From: Veronica Tam [REDACTED]
Sent: Wednesday, January 17, 2024 8:39 AM
To: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>
Cc: McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>; Erin Walters <EWalters@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>
Subject: Re: Los Gatos

Okay. Will do!!
Sent from my iPhone

On Jan 17, 2024, at 8:30 AM, Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov> wrote:

That also works with my schedule. Veronica can you please send over a teams invite please?

Warm regards,

<Image.png> | **Jose A. Jauregui** *he / him*
Housing Policy Analyst
Housing Policy Development
Housing & Community Development
2020 W. El Camino Avenue, Suite 500 | Sacramento, CA 95833
Cell: (916) 820-1516

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[\[landlordtenant.dre.ca.gov\]](https://landlordtenant.dre.ca.gov)

From: Veronica Tam [REDACTED]
Sent: Wednesday, January 17, 2024 8:23:38 AM
To: McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>
Cc: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>; Erin Walters <EWalters@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>
Subject: Re: Los Gatos

That works for me.

Sent from my iPhone

On Jan 17, 2024, at 8:20 AM, McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov> wrote:

1030a tomorrow works; we could maybe squeeze something in today but it's a bit crammed

From: Veronica Tam [REDACTED]
Sent: Tuesday, January 16, 2024 9:42 AM
To: McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>; Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>
Cc: Erin Walters <EWalters@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>
Subject: Los Gatos

Any chance with a quick meeting before the Town's meeting on Thursday night?

Veronica Tam, AICP
Principal
[Veronica Tam and Associates, Inc.](#)

[REDACTED]
[REDACTED]
[REDACTED]

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From: Veronica Tam [REDACTED]
Sent: Sunday, December 24, 2023 6:24 PM
To: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>; Joel Paulson <jpaulson@losgatosca.gov>
Cc: Jennifer Armer <JArmer@losgatosca.gov>; McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>
Subject: RE: Los Gatos Housing Element

[EXTERNAL SENDER]

Hi Jose –

Attached please find the revised pages with revisions to address comments from the December 1 letter, based on our meeting recently. We are hoping that you and Paul can take a look at these changes to keep us moving forward. Specifically, revisions have been made to:

- Add regional data for RCAA analysis and revise the priority for mobility issues
- Address the small sites/lot consolidation potential
- Include additional discussions on development standards – height, parking, and open space requirements
- Include additional actions to address development standards, program actions to promote mobility (SB 9, additional ADU actions, small multi-family housing in low density neighborhoods, homesharing)

All new changes are highlighted in blue. Please let me know if you have any questions.

Thanks,

Veronica Tam, AICP
Principal
Veronica Tam and Associates, Inc.

[REDACTED]
[REDACTED]
[REDACTED]

- The Town will participate in housing outreach outside of the Town boundaries to the greatest extent possible. Outreach activities are further detailed in Section 10.6, Implementation Programs of this Housing Element.

Fair Housing Issue

Los Gatos' households are segregated by income, and income segregation is higher in the Town than in other Bay Area jurisdictions. Further, most of the Town is considered an RCAA, with non-Hispanic White and higher income household majority populations. While the Town has median incomes comparable to neighboring jurisdictions, the proportion of non-Hispanic White residents in Los Gatos is higher than the countywide trend. The Town may lack sufficient housing opportunities suitable for lower income households and outreach about such opportunities for protected groups including communities of color.

Priority Level: High

Contributing factors:

- Lack of affordable housing overall is due to the high percentage of above moderate rate single-family housing stock in Town.
 - The Town will address this issue by allocating a percentage of the Town Affordable Housing (Below Market Price) Fund to subsidize housing for extremely low-income households as identified in Implementation Program N.
- Segregation of the limited affordable housing in Town is predominately located in the central portion of Town due to a limited area of where multi-family dwelling units are permitted.
 - The Town will use "Affirmative Marketing" strategies, as described in Implementation Program AT, to work with affordable and market rate housing developers to ensure that affordable housing is affirmatively marketed to households with disproportionate housing needs, including Hispanic and Black households who work in and live outside of Los Gatos (e.g., materials in Spanish and English, distributed through employers). The Town will also amend its Zoning Ordinance in order to increase the development of affordable housing.
- Opportunities, including employment, environmental, economic, and housing may not be accessible to all residents, especially those in vulnerable populations.
 - In addition to Program AT described above, Los Gatos will implement programs to facilitate the development of affordable housing, including special needs housing, to increase housing opportunities in the Town (Programs D, E, L, N, O, W). The Town will also serve vulnerable populations through Senior Housing Resources (Program I), Housing Opportunities for the Homeless (Program U), Assistance for Persons with Developmental Challenges (Program V), and Supportive Services for the Homeless (Program Y). The Town also aims to increase transportation opportunities for new households through Program AF, Transit Oriented Development.

Fair Housing Issue

Appendix A. AFFH Report

RCAAs. An RCAA is a census tract (1) with a percentage of its total White population that is 1.25 times higher than the average percentage of the COG region's White population; and (2) has a median income that is 2 times higher than the COG Area Median Income (AMI). Generally, these are understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates. As shown in Figure A-19, when comparing Los Gatos to the surrounding county and region, it is safe to speculate that the Town has more RCAAs than other communities, the county, and the region. The majority of the Town is located within an RCAA with the exception of census tract 5067.03 located in the northern portion of the Town, north of Interstate Highway 85 and west of California State Route 17.

Figures A-41 and A-42 show RCAAs in Los Gatos and the region. Los Gatos a racially concentrated area of affluence (RCAA). Saratoga only has few census tracts identified as RCAAs similar to Southern San Jose and parts of Campbell. Cupertino, Santa Clara, and Sunnyvale have no areas with a high enough concentration of racial affluence to be identified as an RCAA. These trends are similar to the region overall which shows several census tracts as an RCAA.

As discussed above, Los Gatos has a median income comparable to many neighboring cities. The median household income in the Town is lower than Cupertino, Monte Sereno, and Saratoga. Despite having a lower median household income, Los Gatos has a higher concentration of RCAA tracts compared to Cupertino and Saratoga. This is likely due to the racial/ethnic minority populations in these cities. Also discussed above, Saratoga and Cupertino have non-White populations of 61 percent and 77.5 percent, respectively, compared to only 29.9 percent in Los Gatos. While the proportion of White residents has decreased in the Town and County over the last decade, Los Gatos still has a significantly higher population of White residents (72 percent) compared to the County (32 percent) and the Bay Area (39 percent). As discussed above, 65 percent of Los Gatos households earn more than 100 percent of the AMI, compared to 55 percent for the county and 52 percent for the Bay Area.

As shown in Figure A-22 above, most Los Gatos and Campbell tracts have non-Hispanic White majority populations while Saratoga, Cupertino, and Sunnyvale have Asian majority populations. Despite being comprised of tracts with median incomes similar to these jurisdictions (Figure A-38), Los Gatos has more RCAAs. As mentioned above, this is likely due to the larger White populations in Los Gatos. However, concentrations of RCAAs in Los Gatos are similar to other jurisdictions west of the 101 Freeway, stretching from the west side of Gilroy to Pacifica. Jurisdictions along the 85 and 280 Highways, from Los Gatos to Burlingame (San Mateo County) are also comprised of mostly TCAC highest resource tract (Figure A-45).

All tracts in Los Gatos, except tract 5067.03 in the northeast corner of the Town, also encompassing part of the City of Campbell, are considered RCAAs. Tract 5067.03 is a high resource area. The remaining RCAA tracts in Los Gatos are described in detail in Table A-4. All RCAAs are also highest resource areas with majority non-Hispanic White populations. All the RCAAs in the City also have median household incomes exceeding \$150,000.

According to the HCD AFFH Data Viewer 2.0, there are three subsidized housing projects in Los Gatos. One has 49 affordable units and is located in tract 5068.01, which is considered an RCAA. The other affordable projects, Villa Vasona (105 affordable units for seniors/persons with disabilities) and Open Doors (64 affordable units), are in tract 5067.03, the only tract in Los Gatos that is not considered an RCAA. This tract, and the areas along State Route 17, have higher concentrations of areas zoned for multi-family housing. Nearly all of the areas in the central and eastern areas of the Town are zoned for single-family residential uses. The Town's Zoning Map is presented in Figure A-43.

RCAAs are prevalent in Los Gatos due to the small racial/ethnic minority population and to limited affordable housing projects and multi-family zoned areas. However, programs outlined in this Housing Element promote fair housing through increased housing opportunities in these high resource RCAAs. Specifically, as described in Section 10.5, *Goals, Policies, and Implementation Programs*, the Town will facilitate the buildout of the North Forty Specific Plan and increase allowed density (Program D), subsidize housing for extremely low income households (Program N), and provide incentives for affordable housing development (Program O). The Town will also implement affirmative marketing strategies for affordable housing opportunities in the Town.

and surrounding properties is multiple residential. The R-M zone is the major multiple residential zoning district in the Town and is designed to allow various density ranges. The applicable General Plan land use category for the R-M zone is High Density Residential.

- Minimum lot area: 8,000 square feet.
- Minimum lot width: 60 feet.
- Maximum lot coverage: The maximum lot coverage is 40 percent for a residential project.
- Maximum building height: The maximum building height is 30 feet for a residential project, except when the building has below grade parking the maximum is 35 feet.
- Setback requirements for a mixed-use project:

Front	25 feet
Rear	20 feet
Side, single-family and two-family dwellings	8 feet
Side, multiple-family dwellings. Provided that if the wall facing the side yard contains:	10 feet
a. Bedroom windows	12 feet
b. Living room windows	20 feet
Side abutting street	20 feet

- Parking requirements for a multi-family residential development: One and one-half times the number of living units in such dwellings, as well as one visitor parking space for each residential unit, unless the Planning Commission makes a finding that more or less visitor parking is necessary due to the size or type of housing unit(s).
- Location of buildings and courts:
 - 24 feet between buildings, provided that there is 40 feet between any wall of a building;
 - 20 feet between opposing walls for a court, provided that the opposing walls contain:
 - Living room windows, the minimum distance is 40 feet.
 - Bedroom windows, the minimum distance is 24 feet.
- Recreational open space for multiple-family dwellings:
 - For multi-family residential development: 200 square feet per unit.
 - For condominiums: 200 square feet per unit for a ground floor unit. 120 square feet per unit for a dwelling unit above the ground floor.

~~One of the greater constraints on development in the R-M zone is the parking requirements for multi-family residential development. The Housing Element includes a program to initiate amendments to the Town Code to reduce parking requirements for projects near transit, to remove guest parking requirements, and allow parking to be unbundled from residential units.~~

Cumulative Impacts of Development Standards

~~The Town generally requires two parking spaces per single-family unit (attached or detached) but 2.5 parking spaces (inclusive of guest parking) per multi-family unit. One of the greater constraints on development in the R-M zone is the parking requirements for multi-family residential development. The Housing Element includes a~~

Appendix C. Governmental and Non-Governmental Constraints

program to initiate amendments to the Town Code to reduce parking requirements for projects near transit, to remove guest parking requirements, and allow parking to be unbundled from residential units.

As for height, the Town permits 30 to 35 feet for housing up to 20 units per acre. This height limit is more than adequate to accommodate the allowable density. Within the new Housing Element Overlay Zone, the Very High Density Residential, Mixed Use Commercial, and North Forty Specific Plan have increased height to 45 feet to accommodate the 30 to 40 dwelling units per acre. Furthermore, the Town Code does not limit height by the number of stories. This approach allows the developers the flexibility to accommodate the allowable density and creative design (such as split-levels). The Town Code's definition of height excludes towers, spires, elevator and mechanical penthouses, cupolas, wireless telecommunication antennas, similar structures and necessary mechanical appurtenances that are not used for human activity or storage. Therefore, the height limit of 45 feet does not impede development of four-story buildings or the achievement of 40 units per acre.

Currently, open space requirements are different for multi-family housing from condominium units. This Housing Element includes a program action to align the open space for these housing types as part of the objective design standards.

Overall, developments in the Town rarely reach the high end of the density range, primarily due to market reasons. For multi-family housing, lower density townhome developments with larger units typically command higher prices and profits. To facilitate a range of housing unit sizes and prices, this Housing Element includes a program action to establish a maximum average unit size for multi-family development over a certain size. This performance standard will moderate unit sizes but still allow developers the flexibility to include some large units.

Housing Types Permitted

The Town regulates the type, permitting requirements, and standards for development, which implements the General Plan and its land use designations, through the Town's Zoning Ordinance, Chapter 29 of the Municipal Code. This code section identifies residential zoning districts and allowable housing types as summarized in Table C-2 below.

Table C-2 Housing Types Allowed by Zoning District

Zoning District	Residential Permitted Uses	Residential Uses Allowed with a Conditional Use Permit
Resource Conservation Zone (RC)	<ul style="list-style-type: none"> • Single-family dwelling, provided that there is not more than one (1) principal residential structure on a lot • Accessory dwelling units • Junior accessory dwelling units • Residential care facility, small family home 	<ul style="list-style-type: none"> • Residential care facility-large family home • Residential care facility-group home • Caretaker residence
Hillside Residential (HR)	<ul style="list-style-type: none"> • Single-family dwelling, provided that there is not more than one (1) principal residential structure on a lot • Accessory dwelling units • Junior accessory dwelling units • Residential care facility, small family home 	<ul style="list-style-type: none"> • Residential care facility-large family home • Residential care facility-group home • Caretaker residence
Single-Family Residential Zone (R-1)	<ul style="list-style-type: none"> • Single-family dwelling, provided that there is not more than one (1) principal residential structure on a lot • Accessory dwelling units • Junior accessory dwelling units • Residential care facility, small family home 	<ul style="list-style-type: none"> • Residential care facility-large family home • Residential care facility-group home

10. Housing Element

Programs	
	Performance Metric(s) Number of units and affordability level applied for; number of units and affordability level entitled; number of units and affordability level permitted; number of units and affordability level completed
D Additional Housing Capacity <u>for the North Forty Specific Plan</u> Amend the North Forty Specific Plan to <u>allow for a density from 30</u> dwelling units per acre to 40 dwelling units per acre and increase the total number of dwelling units allowed in the Specific Plan. <u>Sites identified in the North Forty Specific Plan Area are reuse sites and must permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. See Implementation Program AR and AS.</u> <u>Amend the North Forty Specific Plan to include a policy specifying that additional units as a result of the State density bonus law, SB 330, and other applicable state laws will not count toward the unit cap and the unit cap will not impede the achievement of the RHNA.</u>	Implementation Policies HE-1.1 Adequate Sites HE-3.3 Efficient Development Processing
	Responsible Department/Review Authority Community Development Department
	Timeframe January 2024
	Funding Source None required
	Quantified Objective Facilitate the construction of 45 new homes for lower-income households.
	Performance Metric(s) Number of affordable homeownership units entitled and the number of units entitled for lower-income Households
	Implementation Policies HE-1.1 Adequate Sites HE-2.9 Public/Private Partnerships
	Responsible Department/Review Authority Town Manager
	Timeframe Ongoing effort
	Funding Source None required
	Quantified Objective The Town owns two properties that could be suitable for affordable housing up to 20 units.
F Update Permit Software System	Implementation Policies HE-3.3 Efficient Development Processing

10. Housing Element

Programs	
	The number of Planning applications submitted for new multi-family development utilizing the new floor area ratio standard
H Coordination with Water and Sewer Providers Deliver the adopted Housing Element to the San Jose Water Company and the West Valley Sanitation District so that they can prioritize current and future resources or services for housing development that helps meet Los Gatos' RHNA for lower income households.	Implementation Policies
	HE-1.3 Infrastructure
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Upon adoption of the Housing Element
	Funding Source
	None required
	Quantified Objective
	Deliver Housing Element
	Performance Metric(s)
	Delivery of Housing Element
I Senior Housing Resources 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. Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.	Implementation Policies
	HE-1.6 Universal Design
	HE-2.7 Senior Housing
	HE-2.8 Equal Housing and Special Needs
	HE-6.1 Fair Housing
	HE-6.2 Financial Assistance
	HE-6.3 Housing for Persons with Special Needs
	HE-6.4 Affordable Housing Awareness
	Responsible Department/Review Authority
	Responsible Department/Review Authority
	Community Development Department and the Town Council
	Timeframe
	Ongoing and annual effort Update materials annually
	Funding Source
	Town Affordable Housing Funds
	Quantified Objective
	Maintain the existing housing stock by funding three home repairs to lower income seniors annually
	Performance Metric(s)
	Measure the number of units assisted versus the need
J Small Multi-Unit Housing, "Missing Middle"	Implementation Policies
	HE-1.5 Variety of Housing Choices
	HE-2.4 Rental Housing
	HE-3.3 Efficient Development Processing

Programs	
<p>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 choices in all 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 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 small multi-unit housing in the low to medium designations.</p> <p>Small 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>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</p>	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	December 2024
	Funding Source
	None required
	Quantified Objective
	Increase the number of small multi-unit housing developments by 50 units over eight years.
	Performance Metric(s)
	Complete Zoning Code amendment by December 2024 and track the number of entitled Planning applications received per year

January 2024

Programs	
<p>affordable housing or “buy-down” existing affordability covenants to have deeper affordable units in existing rental properties. This program is analogous to purchasing covenants in new developments in conjunction with the BMP program, but for existing apartments.</p> <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>	Timeframe
	January 2026
	Funding Source
	Below Market Price Housing In-lieu Fees
	Quantified Objective
	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>Q Accessory Dwelling Units</p> <p>Facilitate ADU/JADU production with the following efforts:</p> <ul style="list-style-type: none"> Waive building fees when an ADU is deed restricted for very low- and low-income households 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. Promote the use of Housing Choice Vouchers (HCVs) and homesharing (once established) to make the units available to lower income households. 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. Promote California Housing Finance Agency (CHFA) ADU grants of \$40,000 available to 	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) and other resources and services (December 2025) Select at least three plans and conduct media campaign to promote (December 2024) Annually monitor the production and affordability of ADUs Amend the ADU Ordinance (January 2024) 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
	Funding Source
	Below Market Price Housing In-lieu Fees for Waiving Building Fees and General Fund

10. Housing Element

Programs	
<p>qualified homeowners for pre-development costs.</p> <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, develop strategies (additional incentives, flexible development standards, and/or identify additional sites for housing development) to accommodate a potential shortfall by the end of 2027.</p> <p>Amend the ADU Ordinance to comply with State law.</p>	Quantified Objective
	<ul style="list-style-type: none"> Facilitate construction of at least 200 ADUs or JADUs with a goal to facilitate construction of up to 350 ADUs or JADUs throughout the Planning period 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
	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
<p>R Density Bonus</p> <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> <p>Amend the Density Bonus Ordinance to comply with State law.</p>	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
	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
	Quantified Objective
	Increase affordable housing units generated by an amended Density Bonus Ordinance
<p>S Congregational Land Overlay Zone</p> <p>Expand site opportunities by allowing affordable housing on religious sites. Study new Congregational Land Overlay to build upon what is available through AB 1851 and AB 2244 and help congregations by connecting them with affordable housing development partners.</p>	Performance Metric(s)
	Measure the number of affordable units that received entitlements
	Implementation Policies
	HE-3.1 Regulatory Incentives for Affordable Housing HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-2.11 Smart Growth
	Responsible Department/Review Authority
	Community Development Department

Programs	
	Timeframe
	Complete by December 2025
	Funding Source
	None required
	Quantified Objective
	Increase affordable housing on one religious sites by 25 units.
	Performance Metric(s)
	Complete study and measure the number of congregational units that receive entitlements
I Nonprofit Affordable Housing Providers Support the efforts of nonprofit affordable housing organizations that provide housing services in Los Gatos. Encourage the participation of these providers in developing housing and meeting the affordable housing needs of Los Gatos households particularly extremely low-income households. Staff will meet with nonprofit groups on at least on an annual basis to discuss constraints to development and develop strategies and actions for affordable housing development, including incentives for the development of affordable housing as provided under the Affordable Housing Overlay Zone.) Research and pursue a homesharing program, including research and coordination with non-profit and other organizations to assist with matching tenants with existing homeowners.	Implementation Policies
	HE-2.3 Mixed-Use Development HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Ongoing and annual effort to support nonprofit affordable housing organizations
	Pursue a homesharing program by December 2025 and market program annually with the goal of 5 matches a year
	Funding Source
	None required
	Quantified Objective
	Meet with nonprofit affordable housing providers to identify constraints and barriers
U Increased Range of Housing Opportunities for the Homeless Continue to support the County of Santa Clara's Continuum of Care plan, as well as the "Housing 1000" campaign by "Destination: Home" to provide housing opportunities for homeless households, including emergency shelter, transitional housing, and permanent affordable housing opportunities.	Performance Metric(s)
	Develop incentives for affordable housing and measure number of units using incentives
	Implementation Policies
	HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Ongoing and annual effort
	Funding Source
	County CDBG

10. Housing Element

Programs		
Y	Supportive Services for the Homeless Continue to support community and nonprofit organizations that provide supportive services for homeless persons in Los Gatos in part by continuing to fund the Town's annual grant and disseminating opportunities for other agency funding to West Valley Community Services (WVCS), in order to support its Comprehensive Emergency Assistance Program (CEAP). Continue to work with and fund local nonprofits, and to collaborate with local homeless service providers to provide information on homeless needs in the Town.	Implementation
		HE-2.3 Mixed-Use Development HE-2.8 Equal Housing and Special Needs
		Responsible Department/Review Authority
		Town Manager
		Timeframe
		Ongoing and annual effort
		Funding Source
		Town of Los Gatos
		Quantified Objective
		Continue the Town's support to provide funds to WVCS for homeless persons services
		Performance Metric(s)
		The number of Town residents assisted through WVCS
Z	Stabilize Rents Study and implement recommendations with regard to the Town's Rental Dispute Mediation and Arbitration Ordinance 2128 to help further stabilize rents for long-term residents.	Implementation
		HE-2.3 Mixed-Use Development HE-2.4 Rental Housing HE-6.6 Rental Dispute Mediation and Arbitration Ordinance
		Responsible Department/Review Authority
		Community Development Department
		Timeframe
		Complete study by January 2025 and implement Municipal Code changes by June 2025
		Funding Source
		Below Market Price Housing In-lieu Fees
		Quantified Objective
		Implement improvement opportunities for the Rental Dispute Mediation and Arbitration Ordinance
		Performance Metric(s)
		Measure the number of disputes resolved versus unresolved
AA	Reduce Parking Standards Initiate a study and outreach, including developers and make specific updates that would result amendments to the Municipal Code as follows : <ul style="list-style-type: none">Align parking requirements with the preparation of Objective Design Standards.	Implementation
		HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-3.1 Regulatory Incentives for Affordable Housing
		Responsible Department/Review Authority
		Community Development Department
		Timeframe

10. Housing Element

Programs	
	<p>Safety Code Section 17000, et seq.).</p> <ul style="list-style-type: none"> Allow for group homes of seven and more by right in residential districts, and to conform with HCD's Group Home Technical Advisory (Dec 2022) Modify <u>the</u> language of Municipal Code Section 29.10.530(a) to <u>remove finding number 5</u> of the mandatory criteria for granting a reasonable accommodation request. <p><u>In addition, the Town will prioritize special needs housing by allowing for reduced processing times and streamlined procedures for applicable zoning/land use applications. Include preferential handling of special needs populations in management plans and regulatory agreements of funded projects.</u></p>
AQ	<p>Zoning Code Amendments</p> <p>Amend the Zoning Code to comply with State law and ensure adequate sites are available to accommodate the identified sites in the Sites Inventory. These Code revisions include:</p> <ul style="list-style-type: none"> Amend the Zoning Code to include a Housing Element Overlay Zone (HEOZ) to apply to the sites included in the Site Inventory to modify the development standards (i.e., density, lot coverage, FAR, height) on those sites. <u>The Town will commit to monitoring and evaluating the HEOZ development standards, including outreach with the development community, and making adjustments as necessary.</u> Clarify the text of the non-residential zones regarding housing. Rezone the Caltrans Right-of-Way – Site E3 from R:1:8 to R-M. Amend the Accessory Dwelling Unit Ordinance. Amend the Density Bonus Ordinance. <u>Amend the Architecture and Site considerations for a multi-family and mixed-use project to make</u>
	<p>Implementation</p> <p>HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-2.11 Smart Growth</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Complete rezonings by January 31, 2024, <u>and monitoring and evaluation of the HEOZ developments standards by December 2026.</u></p> <p>Funding Source</p> <p>General Plan Update Fund</p> <p>Quantified Objective</p> <p>Amend the Zoning Code consistent with the Housing Element timing</p> <p>Performance Metric(s)</p> <p>Number of affordable homeownership units entitled and numbers of units entitled for moderate, low, and very-low households and adopt the Zoning Code amendments</p>

Programs		
	<p><u>them objective and provide certainty in outcomes.</u></p> <ul style="list-style-type: none"> Amend the Conditional Use Permit findings for a multi-family and mixed-use project to make them objective and provide certainty in outcomes. <u>Specifically, address Finding (1) relating to use desirable to the public convenience and Finding (2) relating to the integrity and character of the zone. These findings be considered subjective and open to interpretation.</u> Amend the Zoning Code to clarify that the Town will comply with Section 65852.3 of the Government Code to allow the installation of manufactured homes. Amend the Zoning Code to align the private open space and the community recreation space requirements for a multi-family and condominium project with the Objective Design Standards. Amend the Zoning Code to align parking requirements for a multi-family and condominium project with the preparation of the Objective Design Standards. 	
AR	<p>General Plan Amendment</p> <p>Amend the General Plan to modify the designation of 16492 Los Gatos Boulevard and Parcel 532-07-086 from Low Density Residential to Neighborhood Commercial, modify the designation of the Cal Trans Right-of-Way from Low Density Residential to Medium Density Residential, and establish new maximum densities for the High Residential, Medium Density Residential, Low Density Residential, Mixed-Use, Neighborhood Commercial, and Central Business District land use designations to provide for the development of housing for the sites in the Site Inventory. See Program AQ.</p> <p><u>As individual elements of the General Plan are amended, the Town will review</u></p>	Implementation
		HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-2.11 Smart Growth
		Responsible Department/Review Authority
		Community Development Department
		Timeframe
		Complete General Plan amendments by January 31, 2024
		Funding Source
		General Plan Update Fund
		Quantified Objective
		Adopt General Plan amendments consistent with the Housing Element timing.
		Performance Metric(s)
		Adopt General Plan amendments.

10. Housing Element

Programs		
AU	Replacement Unit Program Adopt a policy requiring replacement housing units subject to the requirements of Government Code section 65915 (c)(3) when new development occurs on a housing inventory site which currently has or within the past five years had residential uses (existing, vacated or demolished), and was legally restricted to low-income households, or subject to price control, or occupied by low-income households.	Implementation
		HE-1.1 Adequate Sites
		Responsible Department/Review Authority
		Community Development Department
		Timeframe
		Adopt a policy by January 2024 and apply the policy as applications on sites within the Sites Inventory are received and processed
		Funding Source
		General fund (staff time)
		Quantified Objective
		New policy adopted
		Performance Metric(s)
		Measure the number of replacement housing units entitled that are restricted to low-income households
AV	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 and consider additional efforts to incentivize SB 9 applications.	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
		Funding Source
		General fund (staff time)
		Quantified Objective
		Prepare Annual Progress Report and issue 96 SB 9 entitlements over the eight-year period
		Performance Metric(s)
		Number of issued SB 9 Building Permits.
AW	Story Poles and Netting Policy Update the Story Pole and Netting Policy and create 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 video rendering in place of story poles for all multi-family and mixed-use projects, and all projects over	Implementation
		Policy HE-3.1 Regulatory Incentives for Affordable Housing
		Responsible Department/Review Authority
		Community Development Department
		Timeframe
		Implement by March 2024, and evaluate effectiveness of reduced requirements every year

Programs	
<p><u>55 feet in height to reduce constrains/cost and increase approval certainty.</u></p>	<p><u>beginning in 2025; and identify additional incentives and/or site capacity, if needed, within six months of need identification.</u></p>
	Funding Source
	General fund (staff time)
	Quantified Objective
	Reduce cost of development by modifying the story pole requirements for affordable housing projects.
	Performance Metric(s)
	Measure impact of modifying the story pole policy on the number of affordable housing units entitled
AX	Local Labor Program List
<p><u>Establish and post a list of local labor unions and apprenticeship programs on the website to encourage the developers and contractors to hire local labor.</u></p>	<u>Implementation</u>
	<u>Policy HE-1.4 Housing Design</u>
	<u>Responsible Department/Review Authority</u>
	<u>Community Development Department</u>
	<u>Timeframe</u>
	<u>Establish a list by December 31, 2024, to post online.</u>
	<u>Funding Source</u>
	<u>General fund (staff time)</u>
	<u>Quantified Objective</u>
	<u>Annually update the list or upon request from a local union.</u>
	<u>Performance Metric(s)</u>
	<u>N/A</u>

The following action matrix includes the Town's goals and actions to affirmatively further fair housing.

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Fair Housing Outreach and Enforcement				
Program A: Developer Forum	Meet with housing developers to discuss constraints and housing opportunities.	Annually	Townwide	Meet with housing developers annually.
Program O: Affordable Housing Development	Outreach to attract and support affordable housing developers in the Town and identify housing opportunities.	Annually	Townwide	Facilitate the construction of 460 new homes for moderate to lower-income households.
Program W: Rental Dispute Resolution Program	Administer the Rental Dispute Resolution Program.	Annually	Townwide	Provide counseling to all members of the public who contact the Town.

10. Housing Element

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Program AE. Fair Housing Law Education	Increase dissemination of fair housing information.	By end of August 2023.	Townwide	Add 50 new subscribers to the Notify me subscriber list.
Program AM. Santa Clara County Fair Housing Consortium	Continue to support the efforts of the Santa Clara County Fair Housing Consortium.	Annually	Townwide	Counsel 10 tenants annually on tenant/landlord concerns to prevent displacement.
Program I. Senior Housing Resources	Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.	Annually	Townwide	Assist three senior households annually through senior housing resources.
Program X. Assistance for Persons with Developmental Challenges	Continue to work with the California Department of Developmental Services Regional Center to inform families about housing and services available for persons with developmental challenges.	Annually	Townwide	Assist three families annually.
Program AN. Community Education Using a Variety of Communication Methods	Provide information about available housing resources through a variety of communication methods.	Quarterly	Townwide	Assist three low-income families annually.
Program AO. Educate Single-Family Property Owners Regarding In-Fill Housing Options	Provide education on SB 9 and ADU's. Consider adding fair housing information to SB 9 and ADU applications/materials; new landlords.	Quarterly	Townwide	Increase the number of ADU building permit applications from 2022 baseline of 25. Increase the number of SB 9 applications from 2022 baseline of 9.
Program AN. Community Education on Housing Needs	Provide education on the problems and needs of affordable housing as a means of changing negative attitudes.	Annually	Townwide	Celebrate Affordable Housing Month annually in May by posting on social media accounts with education on affordable housing.
Program AT. Affirmative Marketing	Disseminate information on available development including providing notice of new housing opportunities in the flyer for local school districts in the Town.	Annually	Townwide	Affirmatively market all affordable housing Opportunities.
New Housing Opportunities in High Resource Areas				
Program D. Additional Housing Capacity for North Forty Specific Plan	Increase allowed density in North Forty Specific Plan and facilitate buildout of the Plan. Amend the SP to include a policy specifying that additional units as a result of the State density bonus law, SB 330, and other applicable state laws will not count toward the unit cap and the unit cap will not impede the achievement of the RHNA.	By January 2024	North Forty Specific Plan area (highest resource area)	Facilitate the construction of 45 new homes for lower-income households.
Program N. Funds for Development	Use Town Affordable Housing (Below Market Price) Fund to	Annually	Townwide	Subsidize five developments

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
for Extremely Low Income (ELI) Households	subsidize housing for extremely low-income households.			which include extremely low-income households.
Program O. Affordable Housing Development	Provide incentives for affordable housing development and	Annually	Townwide (all high resource areas)	Facilitate the construction of 460 new homes for moderate to lower-income households (100 for moderate, 190 for low, and 170 for very-low).
Program Q. ADUs	Initiate marketing plan, coordinate pre-approved ADU plans, and monitor production and affordability of ADUs. Monitor affordability of ADUs through communication with applicants (form with intent to rent).	Monitor ADU projection by July 2027 and develop strategies to address potential shortfall by the end of 2027	Townwide (all high resource areas)	Facilitate construction of at least 200 ADUs with a goal to facilitate construction of up to 350 ADUs or JADUs, with a goal of 5% of these units being affordable to low income households.
Program AB. Allow for 100 Percent Affordable Residential Development in Mixed-Use General Plan Designations	Amend the General Plan and the Municipal Code to allow for 100 percent affordable residential development without the requirement of commercial uses.	By June 2024	Townwide	Facilitate the construction of affordable units in mixed use GP designations.
Housing Mobility				
Program J. Small Multi-Unit "Missing Middle" Housing	Update zoning code and promote small multi-unit housing program, with goal of providing housing for families, seniors, and students. Facilitate small multi-unit housing in the low to medium density designations.	By January 2024	Townwide	Facilitate the development of 50 units of small multi-unit housing over eight years.
Program L. Below Market Price Program	Conduct a study to evaluate the existing BMP Program and recommend changes to the program to increase the number of units constructed.	By June 2025	Townwide	Increase number of BMP units annually by five units (from 257 baseline).
Program V. Housing Opportunities for Persons Living with Disabilities	Review and update regulations and encourage implementation of Universal Design. Amend Zoning Code to increase housing for persons with disabilities.	2023-2031 By December 2025.	Townwide	Increase housing for persons with disabilities by 90 units.
Program AP. Special Needs Housing	Establish streamlined procedures for special needs housing. Amend the Zoning Code to remove barriers to building special needs housing	By January 2028 By January 2024	Townwide	Adopt Zoning Code amendments to facilitate the construction of units for special needs populations.
Program X. Assistance for Persons with Developmental Challenges	Work with local and/or regional partners to provide rental assistance for persons with developmental challenges.	Annually	Townwide	Provide rental assistance for persons with disabilities.

10. Housing Element

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Program Q: ADUs	Promote the use of Housing Choice Vouchers (HCVs) and homesharing (once established) to make the units available to lower income households.	By December 2025	Townwide	Initiate a marketing plan and coordinate efforts for HCVs and homesharing programs.
Program T: Nonprofit Affordable Housing Providers	Pursue a homesharing program and market program annually.	By December 2025	Townwide	Facilitate 5 matches per year.
Program AV: SB 9 Monitoring	Monitor SB 9 applications	Monitor annually and consider additional efforts if needed by 2025	Townwide	Facilitate development of 96 SB 9 entitlements
Place-based Strategies for Neighborhood Improvement				
Program AI: Countywide Home Repair Programs	Support home repair programs including Habitat for Humanity East Bay/Silicon Valley, Rebuilding Together, Housing Trust of Santa Clara County, and contribute funding from the Town's Below Market Price monies to support these programs.	2023-2031	Townwide with emphasis on central and western tracts where substandard housing conditions and aging units are more prevalent.	Complete three minor home repairs or accessibility improvements for lower income households annually.
Program AJ: Residential Rehabilitation Program	Create a new program to assist lower income homeowners, including senior and disabled households, with funding for home repairs and improvements.	By December 2026	Townwide	Provide rehabilitation to five low-income homeowner units annually.
AFFH: CIP Projects	Complete projects related to public facilities and transportation infrastructure outlined in the Capital Improvement Program, including the Los Gatos Adult Recreation Center Restroom Remodel for ADA Compliance and Shannon Road Pedestrian and Bikeway Improvements.	By 2030	Townwide with emphasis on north and western areas of the Town.	Complete at least three CIP projects during the planning period.
Tenant Protection and Anti-Displacement				
Program Z: Stabilize Rents	Study and implement recommendations with regard to the Town's Rental Dispute Mediation and Arbitration Ordinance 2128 to help further stabilize rents for long-term residents.	By June 2025	Townwide	Implement improvement opportunities for the Rental Dispute Mediation and Arbitration Ordinance
Program AG: Preserve "At-Risk" Affordable Housing Units	Monitor affordable, multi-family housing units in the Town to ensure that they retain their affordability status.	Annually	Townwide	Preserve affordability of all affordable units.
Program AU: Replacement Unit Program	Adopt a policy and apply the policy as applications on sites within the Sites Inventory are received and processed	By January 2024	Townwide	Require replacement housing for 100% of displaced low-income households.

HCD Draft Revised 2023-2031 Housing Element

Site Capacity

On sites with Property Owner Interest and/or conceptual development plans submitted, 1,331 units are projected: 480 very low income; 283 low income; 264 moderate income; and 304 above moderate income units. Additional vacant and underutilized sites add another 624 potential units: 154 very low income; 74 low income; 76 moderate income; and 320 above moderate income.

Small Parcels

While the Sites Inventory in this Housing Element includes a few small “parcels”, no small “sites” less than 0.5 acre are used to accommodate lower income RHNA units. A site is typically comprised of a few parcels. In this Sites Inventory, only parcels that are already consolidated or under common ownership, totaling more than 0.5 acre, are used to meet the lower income RHNA. The majority of property owners who have expressed interest in redevelopment have either communicated their interest through submittal of a Property Owner Interest Form and/or a SB 330 preliminary and/or formal application, in which a future development would comprise of merging multiple parcels into a single parcel. Sites that include small parcels are:

- B-1: 3 parcels (7.04 acres; 1.49 acres; and 0.28 acre) under common ownership (Los Gatos Lodge), with expressed interest from property owner to redevelop the site, including the merging of three parcels into a single parcel. Access to the site is provided through a single entrance fronting along Los Gatos-Saratoga Road which serves all three parcels and that all parcels are under common ownership;
- C-2: 3 parcels (0.34 acres; 1.20 acres; and 1.34 acres) under common ownership with expressed interest from property owner to redevelop the site, including the merging of three parcels into a single parcel. Analysis of the parcels has shown that there is potential for shared access given the parcels location with frontage along Los Gatos Boulevard, partial frontage along Garden Lane, and that all parcels are under common ownership;
- D-1: 7 parcels (2.90 acres; 0.78 acres; 0.44 acres; 0.44 acres; 3.74 acres; 6.07 acres; and 1.02 acres), with expressed interest from property owner to redevelop the site, including the merging of seven parcels into a single parcel. Analysis of the parcels has shown that there is potential for shared access given the parcels location with frontage along Los Gatos Boulevard, the previous development pattern of the North Forty Phase I, and that all parcels are under common ownership;
- D-2: 2 parcels (1.17 acres and 0.11 acre) under common ownership, including the merging of two parcels into a single parcel. Analysis of the parcels has shown that there is potential for shared access given the parcels location along Burton Road, the smaller parcel (0.11 acre) is located at a dead-end road and would be dependent on a lot merger to provide for sufficient development area, and that all parcels are under common ownership;
- D-5: 2 parcels (0.56 acre and 0.26 acre) under common ownership. Analysis of the parcels has shown that there is potential for shared access given the parcels location along Burton Road, partial frontage along Los Gatos Boulevard, and that all parcels are under common ownership;

No other small parcels are used to meet the Town's lower income RHNA.

The Town's efforts to facilitate lot consolidation will be completed through Implementation Program K and will include the following actions:

- Opportunity sites outreach: The Town will conduct outreach to property owners in these areas to identify meaningful incentives to facilitate lot consolidation, lot assemblage and redevelopment in mixed-use and commercial areas.
- Development Incentives: The Town will consider the development of a Lot Consolidation Ordinance to include specific incentives such as: flexible development standards such as reduced setbacks, increased lot coverage, increased heights, reduced parking, and reduced fees.
- Technical assistance: The Town will work with property owners that are receptive to lot consolidation/lot assemblage to assist them in facilitating the parcel merge process in a streamlined and timely manner.

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From: Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>

Sent: Saturday, December 2, 2023 6:57 AM

To: Joel Paulson <jpaulson@losgatosca.gov>

Cc: Jennifer Armer <JArmer@losgatosca.gov>; Veronica Tam

McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>; Jocelyn Shoopman

<jshoopman@losgatosca.gov>

Subject: Los Gatos Housing Element

Hello Joel,

Please see the attached HCD finding letter for the Town of Los Gatos HE review. Let me know if you have any questions or concerns.

Warm regards,



Jose A. Jauregui *he / him*

Housing Policy Analyst

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**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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December 1, 2023

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

Dear Joel Paulson:

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

Thank you for submitting the Town of Los Gatos' (Town) revised draft housing element received for review on October 2, 2023, along with revisions received on November 28, 2023. These revisions were made available to the public for at least seven days prior to submitting to HCD pursuant to AB 215 (Chapter 342, Statutes of 2021). Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. Our review was facilitated by a conversation on November 7, 2023 with yourself, Jennifer Armer, Planning Manager, Jocelyn Shoopman and Erin Walter, associate planners, and Veronica Tram, the Town's consultant. In addition, HCD considered comments from Los Gatos Community Alliance, Rutan and Tucker, Phil Koen, Eric S. Phillips, and Anne Paulson pursuant to Government Code section 65585, subdivision (c).

The revised draft element, including revisions, addresses many statutory requirements; however, revisions will be necessary to substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq) as follows:

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2...shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)

Income and Racial Concentration Area of Affluence (RCAA): The element now includes actions to promote an inclusive community; however, the element must

provide specific analysis of income and RCAA at a regional level (town compared to the broader region) to better formulate appropriate policies and programs. The analysis should at least address trends, conditions, coincidence with other fair housing factors (e.g., race, highest resource, overpayment), effectiveness or absence of past strategies (e.g., lack of publicly assisted housing and lack of multifamily zoning), local data and knowledge and other relevant factors.

Contributing Factors to Fair Housing Issues: Based on a complete analysis, the element should re-assess and prioritize contributing factors to fair housing issues. For example, the Town is wholly a RCAA, highest resource and highest median incomes in contrast to the rest of the region. As a result, fair housing issues such as the lack of affordable housing and segregation from the rest of the region should be a high priority.

Goals and Actions: As noted above, the element must include a complete analysis of affirmatively furthering fair housing (AFFH). The element must be revised to add goals and actions based on the outcomes of a complete analysis.

In addition, while the element includes some actions toward AFFH and enhancing housing mobility (e.g., choices and affordability), actions should be added, numeric targets should be increased, and geographic targeting should be fine-tuned to better promote inclusive neighborhoods throughout the Town. This is particularly important since over 80 percent of the lower-income regional housing need allocation (RHNA) is isolated in two census tracts. As noted in HCD's prior review and the assessment of fair housing, the Town is wholly a racially concentrated area of affluence, highest resource and highest median incomes in contrast to the rest of the region.

These conditions and circumstances warrant significant and robust actions (not limited to the RHNA) to promote housing mobility and increasing housing choices and affordability throughout the Town, including lower-density neighborhoods. Actions should be added and revised with aggressive numeric targets and geographic targets throughout the Town, including lower-density neighborhoods. Examples include creating more housing choices and affordability in single-family neighborhoods beyond complying with law (e.g., SB 9, ADUs) such as missing middle housing types, targeting affordable housing funding, homesharing, more than one unit of converted space within a single-family structure, increased multifamily capacity, enhanced efforts on religious institutional sites and other alternative land use and financing strategies.

2. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for*

a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)

Small Sites: The element identifies several sites with parcels less than a half-acre (p. D-13) that have common ownership and, in some cases, expressed interest to redevelop the site. For small sites with expressed interest in redevelopment, the element should clarify that the expressed interest is also in consolidating the sites. For the remaining sites (Sites D-2 and D-5), the element should explain the circumstances leading to the potential for consolidation such as necessity to consolidate due to access, feasibility, shape, or site planning flexibility. Based on the outcomes of this analysis, the element should add or modify Program K (Lot Consolidation) to further promote lot consolidation, if appropriate.

Electronic Sites Inventory: For your information, while the Town has submitted an electronic sites inventory as part of this submittal, pursuant to Government Code section 65583.3, the Town must submit an electronic sites inventory with its adopted housing element. Please see HCD's housing element webpage at <https://www.hcd.ca.gov/planning-andcommunity-development/housing-elements> for a copy of the form and instructions. The Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

Adequate Sites Programs: As noted in the prior review, if necessary to make appropriate zoning available to accommodate the lower-income RHNA, programs must be revised to meet all requirements pursuant to Government Code section 65583.2, subdivisions (c), (h) and (i). The element includes Programs D (Program By Right Zoning Text Amendment to Accommodate RHNA), AR (General Plan Amendment) and AS (Adequate Sites for Housing) to address these requirements. With respect to sites identified in prior planning periods, the element meets statutory requirements, but these actions must be completed by January 31, 2024. With respect to a shortfall of adequate sites to accommodate the lower-income RHNA, the element includes Programs AR and AS. However, the Programs commit to the appropriate zoning given the rezoning occurs after the statutory deadline of January 31, 2023. HCD understands the Town completed the rezoning after the statutory deadline and, therefore, the rezoning must meet all by right requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). Based on a cursory review, the rezoning does not appear to meet these requirements. As a result, these programs must clearly commit to meet all by-right requirements by January 31, 2024.

In addition, please be aware, the recent California appellate decision in *Martinez v. City of Clovis* found that while overlays can be used in a rezone, when the base zone allows residential development, both the base zone and the overlay zone must comply with the minimum density requirements of Government Code section 65583.2, subdivision (h). The Town may need to adjust its rezoning strategy if the underlying zoning for sites that will be rezoned allows minimum densities less than 20 dwelling units per acre. *Martinez v. City of Clovis* (2023) 90 Cal.App.5th 193, 307 Cal.Rptr.3d 64.

3. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities...(Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: HCD's prior review found that the Town must list and evaluate development standards in the North Forty Specific Plan and High Density Residential and Commercial designation. In response, the Town has now listed development standards by each zoning district but should also analyze those development standards for impacts on housing supply and cost and most importantly, the ability to encourage maximum densities without exceptions. For example, lot coverages, heights, and setbacks in the Multifamily Residential (RM) zone; and lot coverage heights and guest parking requirements in the North Forty Specific Plan could be constraints. Based on the outcomes of a complete analysis, the element should add or modify programs to include specific commitment to review and revise these development standards as necessary.

Local Processing and Permit Procedures: The element now discusses decision-making bodies and lists approval findings for the Architecture and Site Application. However, the element should also analyze these processes to better inform programs to address identified constraint. For example, the element mentions the decision-making body depends on the scope of the application. The element should explain the scope, resulting decision-making body and impacts on approval timing and certainty. In addition, the element lists approval findings and concludes some findings may be constraints then modifies Program AQ (Zoning Code Amendments) to amend approval findings (considerations). But the

element should discuss which approval findings may be constraints to better inform implementation of Program AQ.

Programs: As noted above, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints. In addition, programs should be revised, as follows:

- *Program D (Additional Capacity for the North Forty Specific Plan):* The Program should also commit to establish or modify development standards to facilitate achieving maximum densities, regardless of the level of affordability and should specify to either remove the unit cap or increase the unit cap to allow maximum build out of each parcel, including State Density Bonus Law or other circumstances that might warrant increasing allowable densities.
- *Program V (Housing opportunities for Persons living with Disabilities):* Given the importance of promoting housing access for persons with disabilities, the Program could be modified with a date earlier in the planning period (e.g., by December 2024).
- *Program AA (Reduce Parking Standards):* The Program currently commits to “Initiate a study to determine specific updates...” While initiating a study and making a determination are important steps by themselves, these actions do not result in outcomes. The Program should clearly commit to amending the municipal code. For example, the Program could commit to: “Initiate a study and outreach, including with developers, and amend the Municipal Code, as follows:...”
- *Program AQ (Zoning Code Amendments):* The Program commits to apply the Housing Element Overlay Zone (HEOZ) to identified sites and modify development standards. HCD understands this action has been completed. Based on a cursory review of the Town’s Ordinance 2347, some development standards such as heights may be a constraint on achieving maximum densities. As a result, this Program should commit to monitor and evaluate these development standards, including outreach with the development community, and making adjustments, as appropriate, by a specified date.
- *Program AW (Story Poles and Netting Policy):* While the Program now commits to revise Story Poles and Netting Policy Requirements; these requirements are constraints and impact housing costs; supply (number of units) and approval certainty and should be removed or replaced with cost effective measures to promote certainty for the developers and the community. Further, the element should evaluate the effectiveness of any future requirements or measures, and making adjustments, as necessary, by a specified date (e.g., by 2028).

4. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

Program Q Accessory Dwelling Units (ADU): While the Program now commits to amend the ADU Ordinance, it must also commit to establish incentives such as modifying development standards (e.g., heights), pursuing funding; waiving fees beyond ADU law; proactive marketing and establishing points of contact to ease permitting processes. In addition, the Program commits to monitor production and affordability of ADUs annually but should also commit to making adjustments by a specified date (e.g., within six months) if production and affordability are not meeting assumptions. Further, the Program should clearly commit to options beyond incentives such as rezoning if production and affordability far differs from assumptions.

5. *Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd. (c)(9).)*

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the Town should continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD. HCD particularly encourages the Town to continue engaging commenters on this review. These comments contained valuable insights that can result in a more effective housing elements, especially related to programs and specific commitment. HCD's future reviews will continue to consider the extent to which the revised element documents how the Town solicited, considered, and addressed public comments in the element. The Town's consideration of public comments must not be limited by HCD's findings in this review letter.

The element will meet the statutory requirements of State Housing Element Law once it has been revised and adopted to comply with the above requirements pursuant to Government Code section 65585.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the Town failed to adopt a compliant housing element within 120 days of the

statutory deadline (January 31, 2023); programs to rezone and make prior identified sites available or address a shortfall of capacity to accommodate the RHNA (e.g., Program D: Program By Right Zoning Text Amendment to Accommodate RHNA, Program AR: General Plan Amendment, Program AS: Sites Previously Identified) must be completed no later than one year from the statutory deadline. Otherwise, the local government's housing element will no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

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

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the Town to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

HCD appreciates the commitment and cooperation the housing element update team provided during the update and review. HCD is committed to assisting the Town in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Armando Jauregui, of our staff, at jose.jauregui@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager