



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 06/08/2022

ITEM NO: 2

DATE: June 3, 2022
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Requesting Approval of a Mixed-Use Project with One Dwelling Unit in an Existing Commercial Building, with Shared Parking on Property Zoned C-1. **Located at 465 N. Santa Cruz Avenue.** APN 410-16-004. Conditional use Permit Application U-22-001. PROPERTY OWNER: Jamie Pfister.
APPLICANT: Marcie MacDonough. PROJECT PLANNER: Erin Walters.

RECOMMENDATION:

Consider approval of a mixed-use project with one dwelling unit in an existing commercial building, with shared parking on property zoned C-1, located at 465 N. Santa Cruz Avenue.

PROJECT DATA:

General Plan Designation: Neighborhood Commercial
Zoning Designation: C-1 (Neighborhood Commercial)
Applicable Plans & Standards: General Plan, Commercial Design Guidelines
Parcel Size: 6,500 square feet
Surrounding Area:

	Existing Land Use	General Plan	Zoning
North	Commercial	Neighborhood Commercial	C-1
South	Commercial	Neighborhood Commercial	C-1
East	Commercial	Neighborhood Commercial	C-1:PD
West	Single-Family Residential	Medium Density Residential	R-1D

PREPARED BY: ERIN WALTERS
Associate Planner

Reviewed by: Planning Manager and Community Development Director

CEQA:

The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities.

FINDINGS:

- The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities.
- As required by Section 29.20.190 (a) of the Town Code for granting a Conditional Use Permit.
- As required by Section 29.10.150 (b) of the Town Code for granting less visitor parking.
- As required by Section 29.10.150(e) of the Town Code for granting a Shared Parking Agreement.

ACTION:

The decision of the Planning Commission is final unless appealed within ten days.

BACKGROUND:

The proposed mixed-use project would occupy an existing commercial building, that was formerly occupied by a retail use, a personal service use, a vacuum repair shop, and a nail salon.

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject property is located on the west side of N. Santa Cruz Avenue, approximately 240 feet south of the intersection with Andrews Street (Exhibit 1). The property is surrounded by commercial uses to the north, east, and south, and single-family residential uses are located to the west directly behind the subject property.

B. Conditional Use Permit

The applicant is requesting approval of a Conditional Use Permit (CUP) for a commercial mixed-use project with one dwelling unit in an existing commercial building. The proposed exterior alterations to the building will be reviewed for conformance with the Commercial Design Guidelines as part of a future building permit. Any signage will be reviewed through a future sign application.

PROJECT DESCRIPTION (continued):

When reviewing a CUP, the deciding body should consider the information in the applicant's business plan; however, the key consideration should be the proposed use since the business plan can change from owner to owner. The CUP runs with the land, and the deciding body should review the application based on the use described in the recommended Conditions of Approval (Exhibit 3) as opposed to the applicant's business plan.

C. Zoning Compliance

The zoning designation allows a mixed-use project with residential subject to the approval of a CUP. The proposed project is on a site with existing non-conforming parking, and requests: a Shared Parking Agreement between the two proposed uses; a request for the reduction of one residential guest parking space; and proposes to pay parking in-lieu fees per Town Code to remedy the existing non-conforming parking situation.

DISCUSSION:

A. Project Summary

The proposed mixed-use project would occupy an existing 2,430-square foot commercial building. The project proposes to reconfigure the existing commercial building into a 1,941-square foot office and a 489-square foot residential studio apartment located at the rear of the building. The project proposes removal of an existing carport and storage area located to the rear of the existing building.

The proposed hours of operation for the office use are 9:00 a.m. to 5:00 p.m., Monday through Friday.

The applicant provided a written description and letter of justification (Exhibit 4), materials and colors board (Exhibit 6), and development plans (Exhibit 7). Hours of operation are included in the recommended Conditions of Approval (Exhibit 3).

B. Parking

Existing Parking

The existing site provides a total of six parking spaces and per Town Code the existing commercial use requires a total of nine on-site parking spaces. The site is therefore non-conforming for parking. The parking analysis on the following page summarizes the total number of required parking spaces per Town Code based on existing uses.

DISCUSSION (continued):

Existing On-Site Parking			
Use	Square Feet	Downtown Parking Ratio	Required Spaces
Commercial	2,430	1/300	8.1 = 9
		Total required:	9 spaces
		Provided:	6 spaces
		Deficit:	-3 spaces

Proposed Parking

The proposed mixed-use project requires a total of eight on-site parking spaces pursuant to Town Code if less guest parking is allowed and a Shared Parking Agreement is approved. The proposed project provides a total of five on-site parking spaces as a result of complying with the requirement to convert one of the existing parking spaces to an accessible ADA space. Pursuant to Town Code the applicant is given credit for a total of six on-site spaces because of this requirement. The existing site is constrained and unable to accommodate additional on-site parking spaces.

The parking analysis below summarizes the total number of required on-site parking spaces per Town Code based on proposed uses if less guest parking is allowed and a Shared Parking Agreement is approved.

Proposed On-Site Parking			
Use	Square Feet	Downtown Parking Ratio	Required Spaces
Office	1,941	1/250	7.8
Multi-Family (1 - Apt Studio)			1.5
Guest Multi-Family			1
Zero guest parking request			-1
Shared Parking Agreement			-1.5
		Total required:	7.8 = 8 spaces
		Provided:	5 = 6 (ADA credit)
		Deficit:	-2 spaces

In order to meet the required parking requirements per Town Code, the project proposes the use of three different sections of Town Code to address the on-site parking deficiencies for the proposed uses and site constraints:

1. A request for the reduction of one residential guest parking space;
2. A Shared Parking Agreement between the office and residential use; and

DISCUSSION (continued):

3. Payment of a parking in-lieu fee for the two deficient parking spaces.

Residential Guest Space

The applicant requests a reduction in the guest parking requirement (-1 space) for the residential studio apartment from Planning Commission. Pursuant to Town Code Section 29.10.150. Number of off-street spaces required:

- (b) Parking requirements for downtown. In addition to other parking requirements, one visitor parking space for each residential unit other than detached single-family or two-family dwelling shall be required 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).

The applicant has provided justification requesting that the Planning Commission allow a reduction in guest parking as the site currently has non-conforming parking, the site is constrained, and parking has been provided to the maximum extent possible. The applicant states that the proposed mixed-use project will not make the parking burden worse as they are proposing to utilize a Shared Parking Agreement between the residential and office uses on site. In addition, the applicant states the project's location provides a walkable neighborhood and access to public transportation (Exhibit 4).

Shared Parking Agreement

Pursuant to Town Code Section 29.10.150. Number of off-street spaces required:

- (e) Shared Parking. Where uses are required by this division to be served by off-street parking spaces, and where some of the uses generate parking demands primarily during hours when the remaining uses are closed, shared parking is allowed, but only if specifically authorized by the Community Development Director. Issuance of a shared parking permit must be supported by findings that the shared parking spaces will not result in the effective provisions of fewer off-street parking spaces than required by this division. The permit may contain such conditions as are necessary to assure the facts found will continue to exist, including:

- (1) Submission of satisfactory statements by the party or parties providing the proposed shared parking, describing the users and their times of operation where applicable, and showing the absence of conflict between them;
- (2) Written agreements between the parties setting forth the terms and conditions under which the shared parking spaces will be operated including: location, number of spaces, and times of operation where applicable;

DISCUSSION (continued):

- (3) Documents showing maintenance provisions; and
- (4) Other documents or commitments deemed necessary.

Whenever shared parking spaces are authorized to serve multiple uses, the number of spaces required shall be based upon the use which generates the largest number required.

The applicant has proposed the following shared parking hours:

Proposed Shared Parking Agreement Hours	
Office	9:00 a.m. to 5:00 p.m. - Monday through Friday
Residential Dwelling Unit	5:00 p.m. to 9:00 a.m. - Monday through Friday 24 hours – Saturday and Sunday

A Shared Parking Agreement will allow the office use to utilize the existing parking spaces during office hours and the residential use to utilize the parking spaces during non-office hour. (Condition of Approval #6, Exhibit 3).

Parking In-Lieu Fee

Pursuant to Town Code Section. 29.10.207. Effect of nonconforming use as to parking on commercial uses:

(c) Notwithstanding subsection (b) above or section 29.10.215 below, a commercial use located between Los Gatos-Saratoga Road and Ashler Avenue with lot frontage on North Santa Cruz Avenue or the northside of Los Gatos-Saratoga Road and west of State Highway 17 that is nonconforming as to parking may improve and remodel the interior or the exterior of an existing building that is occupied by the nonconforming commercial use if:

- (1) There is no increase in the floor area of the building;
- (2) There is no reduction in the number of parking spaces provided for the use; and
- (3) The parking in lieu fee established by Council resolution is paid to the Town.

However, the payment of the in-lieu fee under this subsection shall make the use conforming as to parking only for those improvements allowed under this subsection.

The analysis on the following page summarizes the number of deficient parking spaces and required parking in-lieu fee per the total number of required parking spaces per Town Code based on the proposed uses.

DISCUSSION (continued):

Parking In-Lieu Fee – Office Use	
Office Use Required Spaces	7.8 = 8 spaces
Provided Spaces	5 = 6 (ADA credit)
Deficit	-2 spaces
Parking In-Lieu Fee	2 spaces x \$2,000 = \$4,000

The proposed project does not propose an increase in existing floor area. The proposed project does not reduce the number of parking spaces provided for the use with the exception of the loss of one parking space due to ADA requirements. The applicant shall pay an in-lieu fee of \$2,000 per deficient parking space for a total in-lieu fee of \$4,000 (Condition #7, Exhibit 3).

C. Conditional Use Permit Findings

Pursuant to Town Code Section 29.20.190(a), in order to grant approval of a CUP, the deciding body must make the following findings:

- (1) The proposed use of the property is essential or desirable to the public convenience or welfare; and
- (2) The proposed use would not impair the integrity and character of the zone; and
- (3) The proposed use would not be determinantal to public health, safety, or general welfare; and
- (4) The proposed use of the property is in harmony with the various elements or objectives of the General Plan and the purposes of the Town Code.

In regards to finding one, the use is essential or desirable to the public convenience because it would provide a housing opportunity within an existing building that is within walking distance to Downtown and other amenities. In regards to the second finding, the proposed use would not impair the integrity of the zone, in that the proposed mixed-use project would be developed within an existing commercial building. In regards to the third finding, the proposed use would not be detrimental to public health, safety, or general welfare, as the conditions placed on the permit would maintain the welfare of the community. In regards to the final finding, the proposed use would be in conformance with the Town Code and General Plan as the mixed-use project would provide a new housing unit, the proposed use would reduce vehicle miles traveled as the site is located within walking distance to the Downtown and neighboring amenities, and the proposed office use would provide employment opportunities in the C-1 zone.

DISCUSSION (continued):

D. Environmental Review

The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities. No significant effect on the environment will occur since the project uses an existing structure with no increase in floor area.

PUBLIC COMMENTS:

Written notice of the Planning Commission hearing was sent to property owners and tenants within 300 feet of the subject property. The applicant has reached out to the neighboring tenants and property owners and provided a summary (Exhibit 5). At the time of this report's preparation, the Town has not received any public comment.

CONCLUSION:

A. Summary

The project would allow a mixed-use project with one dwelling unit in an existing commercial building. The project meets all zoning regulations, if approved through a CUP, with the exception of parking. The project proposes the use of three different sections of Town Code to address the on-site parking deficiencies for the proposed uses and site constraints to meet the parking requirements:

- A request for the reduction of one residential guest parking space;
- A Shared Parking Agreement between the office and residential use; and
- Payment of a parking in-lieu fee for the two deficient parking spaces.

The proposed project meets the objectives of the 2020 General Plan and will provide a mixed-use development with a new housing unit located within walking distance to the Downtown and neighboring amenities.

B. Recommendation

Based on the analysis above, staff recommends approval of the Conditional Use Permit subject to the recommended Conditions of Approval (Exhibit 3). If the Planning Commission finds merit with the proposed project, it should:

1. Make the finding that the proposed project is categorically exempt, pursuant to Section 15301 of the California Environmental Quality Act (Exhibit 2);

CONCLUSION (continued):

2. Make the required findings as required by Section 29.20.190 (a) of the Town Code for granting approval of a CUP (Exhibit 2);
3. Make the required findings as required by Section 29.10.150 (b) of the Town Code for granting less visitor parking (Exhibit 2);
4. Make the required findings as required by Section 29.10.150 (e) of the Town Code for granting a Shared Parking Agreement (Exhibit 2);
5. Approve CUP Application U-22-001 with the conditions contained in Exhibit 3, and the plans in Exhibit 7.

C. Alternatives

Alternatively, the Commission can:

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

EXHIBITS:

1. Location Map
2. Required Findings
3. Recommended Conditions of Approval
4. Written Description and Letter of Justification
5. Applicant's Neighborhood Outreach
6. Materials and Colors Board
7. Development Plans

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