



June 7, 2022

Mayor Rob Rennie and
Los Gatos Town Council Members
Town of Los Gatos
110 E. Main St.
Los Gatos, CA 95030

Via Email: publiccomment@losgatosca.gov

SUBJECT: Public Comment Item #23 - Housing Element Site Inventory

Dear Mayor Rennie and Honorable Town Council Members:

I am writing representing the interests of Grosvenor Americas. As expressed in our counsel's May 18, 2022, letter to the Housing Element Advisory Board, Grosvenor is very interested in developing as much housing as is feasible on the property it controls within the "North Forty Area," which is designated as "Site E-1 N40 Phase II" on the Recommended Draft Site Inventory that you will consider at your June 7, 2022 council meeting.

We thank you for including Site E-1 in your "Tier 1 Sites" category for inclusion in the upcoming Housing Element update. We also appreciate that the Housing Element Advisory Board considered our request to reduce the allocation in the Housing Element update to Site E-1 from 390, and we support the current recommended allocation of 200 units for the area. As we have discussed with Staff, we wish to further clarify what maximum density the Town will assign to Site E-1 in the General Plan Land Use Element and the Housing Element. Although the current Recommended Draft Site Inventory shows a density of 13 du/ac, we do not believe it was the intent of Staff to reduce the proposed General Plan 2040 density for Site E-1 to 13 du/ac. Instead, the 13 du/ac figure is simply a mathematical exercise representing the average density across the entire site if 200 units were to develop. We request that the density remain at 20 du/ac or more as originally recommended, which we believe is consistent with Staff's intended recommendation.

Although we do not think that buildout of more than 200 units is feasible under current market conditions, we remain interested in providing additional housing should conditions change in the future. Designating Site E-1 for at least 20 du/ac will preserve the flexibility to deliver more than 200 units in the future, which would help take development pressure off of other sites in the Town's Housing Element site inventory. Moreover, to maintain the ability to create 200 units as part of a mixed-use development, it may be necessary to build at or above 20 du/ac on parts of the site, while devoting other parts of the site to commercial uses.

We also note that the Housing Element Advisory Board has recommended that 110 of the 200 units be planned as affordable for very low-, low-, and moderate-income households. The proposed 13 du/ac density would not support an assumption of affordability for lower income households. Under the Government Code's and HCD's current default densities appropriate to accommodate lower-income households, a density of 30 du/ac would be necessary to support the Town's affordability assumptions.

Finally, when the property develops, we fully expect to meet the Town's generally applicable affordability requirements, and we are open to possibly exceeding them to the extent feasible. Accordingly, we are agreeable to the Town continuing to assume 110 of the units will be affordable to very low-, low-, and

moderate-income households provided that the overall density level is at least 20 du/ac; however, we do not anticipate developing a project that includes the exact affordability mix shown. Therefore, if the Town elects to keep the affordability mix as shown to help with its current planning obligations, it likely will need to make "no net loss" findings when it takes action to approve residential development on Site E-1.

Thank you for your consideration and your efforts to ensure that the Town has a legally compliant and realistic Housing Element, and we look forward to continuing to work with the Town to deliver much needed housing in the coming years.

Thank you for your consideration.

Sincerely,



Don Capobres

cc: Steve Buster, Grosvenor Americas
Whitney Christopolous, Grosvenor Americas
Eric Phillips, BWS Law
Jennifer Renk, Sheppard Mullin