



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 23

DESK ITEM

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DATE: June 7, 2022  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Consider the Draft Site Inventory as Recommended by the Housing Element Advisory Board.

**REMARKS:**

The following information is provided in response to Council Member questions:

- *Provide information on the decision-making process, criteria, and principles for the Draft Site Inventory.*

Town staff identified sites for potential inclusion in the Initial Draft Site Inventory and provided this information to the Housing Element Advisory Board (HEAB) at their meetings on April 21, 2022, May 5, 2022, and May 19, 2022. This initial work involved identifying sites that may have the potential for new residential development within the eight-year timeframe of the Housing Element planning period. Factors used for site consideration include, but are not limited to, the Department of Housing and Community Development (HCD) Housing Element Site Inventory Guidebook, property size, whether the site was recently developed, environmental constraints to the site, public feedback, and submittal of a Property Owner Interest Form. Based on the guidance of the HCD Housing Element Site Inventory Guidebook, the types of sites evaluated for inclusion in the Draft Site Inventory include:

1. Vacant and non-vacant sites zoned for residential use;
2. Vacant and non-vacant sites zoned for nonresidential use that allow residential development (mixed-use);
3. Nonresidential sites in the 2040 Draft General Plan Community Place Districts;
4. Projects that have residential planning entitlements and have not received building permits; and

**PREPARED BY:** Erin Walters and Jocelyn Shoopman  
Associate Planner and Associate Planner

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Community Development Director, and Finance Director

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REMARKS (continued):

5. Sites on which the property owner has expressed or previously expressed interest in residential or mixed-use redevelopment.

Following HCD review and discussion of policy and program development, the Draft Site Inventory will be combined with updated policies and programs to create an initial draft Housing Element for public feedback and HCD review.

- *What were the HEAB's recommendations on the Draft Site Inventory.*

On May 19, 2022, the HEAB recommended the sites included in the Tier 1 site list, with the following three modifications to be included in the Draft Site Inventory:

1. Reduce the number of housing units in the North Forty;
2. Add the site located at 206 Knowles Drive; and
3. Add the California Department of Transportation Right of Way land off of Oka Road.

An update of the Tier 1 site list with these modifications was included as Attachment 1 for the Town Council's consideration.

- *Clarify the criteria for the sites selected for Tiers 1, 2, and 3.*

Based on the HEAB's recommendations, staff selected sites for Tier 1 based on the following criteria:

1. Gross lot area in excess of half an acre;
2. Zoning;
3. Draft General Plan land use designation;
4. Property Owner Interest Form;
5. Previous interest in residential development by the property owner; and
6. Sites included in the current Housing Element.

Staff further distributed the sites recommended by the HEAB into two additional categories, Tier 2 and Tier 3.

Tier 2 sites have been identified as possible sites to consider adding to Tier 1, if necessary, and generally fall into one or more of the following categories:

1. Gross lot area in excess of half an acre (majority);
2. Shopping Centers with long term tenants;
3. Churches;

REMARKS (continued):

4. Town Parking Lots;
5. Banks; and
6. Sites less likely to develop housing.

Tier 3 sites have been identified as the least likely for new housing development based on the following criteria:

1. Gross lot area less than half an acre;
2. Gross lot area greater than 10-acres;
3. Not zoned for residential use; and
4. Sites with active Planning applications for commercial development.

Refinement of the Draft Site Inventory will continue throughout the Housing Element Update process, in response to additional Property Owner Interest Forms, and feedback from HCD.

- *Why was the density for the North Forty reduced?*

On May 19, 2022, the HEAB recommended that the number of units in the North Forty Area be reduced. A letter was submitted by Eric S. Phillips with Burke, Williams & Sorensen, LLP, representing Grosvenor USA, requesting the number of units for the North Forty parcels under Grosvenor ownership be reduced. This letter was included in the Desk Item Report as Attachment 6 for the HEAB's May 19, 2022, meeting.

<https://www.losgatosca.gov/DocumentCenter/View/30711/Item1Desk-Item-with-Attachment-6>

- *Does the Town have projections for the number of units generated by Senate Bill 9?*

The Town does not have a projection for the number of units that could be generated by Senate Bill 9 (SB 9) projects at this time as there is not yet sufficient history to base projections on, and the Town has not received direction from HCD on alternative acceptable methods for inclusion in the Housing Element. To date, the Town has received five SB 9 Urban Lot Split Applications and one SB 9 Two-Unit Housing Development Application.

- *Why does the Draft Site Inventory exceed the Town's Regional Housing Needs Allocation (RHNA) plus the 15 percent buffer?*

The table on the following page summarizes the total number of potential housing units (2,046 units) based on the Draft Site Inventory as recommended by the HEAB. Since the May 19, 2022, HEAB meeting, the Town received one additional Property Owner Interest

REMARKS (continued):

Form for the property located at 15795 Los Gatos Boulevard. The site had previously been included in the Tier 2 site list; however, based on the property owner's interest in a residential development, the Tier 1 site list and recommended Draft Site Inventory has been modified to include this site (Attachment 1).

| Draft Tier 1      |                    |
|-------------------|--------------------|
|                   | Number of Units    |
| Tier 1 Sites      | 2,046 units        |
| ADUs              | 200 units          |
| Pipeline Projects | 202 units          |
| <b>Total</b>      | <b>2,448 units</b> |

The table above also includes the Town's average production of Accessory Dwelling Units (ADUs) over the eight-year planning period for an estimated total of 200 housing units as well as approximately 202 housing units associated with approved or pending Planning entitlements. Combined, this results in 2,448 units, exceeding the RHNA (1,993 units) and the recommended 15 percent buffer (299 units) by 156 units. The Council may choose to reduce the number of sites included in the Draft Site Inventory to closer align with the Town's RHNA allocation and 15 percent buffer.

- *Provide an overview of the Housing Element Update process.*

The next steps in the Housing Element Update process include the next HEAB meeting on June 16, 2022, when the HEAB will begin review and discussion of policy and program development for the initial draft Housing Element. Pending completion of this work, the Draft Housing Element will be provided for public and initial HCD review. As part of the Housing Element Update process, HCD now requires that prior to submittal of a first draft of the Housing Element to HCD for their review and a comment, a jurisdiction must make the draft available for public comment for 30 days. Staff anticipates providing HCD the initial draft Housing Element in late August or mid-September.

- *Will zoning changes be required for the sites selected in the Draft Site Inventory?*

The site located at 206 Knowles Drive, included in the Winchester Boulevard Area is zoned Controlled Manufacturing (CM) with a General Plan Land Use designation of High Density Residential. The Zoning Ordinance does not permit a residential use in the CM zone; therefore, the Zoning designation would need to be amended to align with the General Plan Land Use designation. In addition, the North Forty Specific Plan would also need to be amended to permit additional units in excess of the maximum of 270 units. No other sites included in the Draft Site Inventory will require amendments to the Zoning designation.

REMARKS (continued):

- *What is the role of the property owners' intent in site inclusion?*

Pursuant to the HCD Housing Element Site Inventory Guidebook, if the Draft Site Inventory identifies nonvacant sites to address a portion of the RHNA, the Housing Element must describe the realistic development potential of each site within the planning period. One method the Town will utilize to fulfill the requirement of providing substantial evidence of a site's likelihood to redevelop, is the Property Owner Interest Form.

- *Will the Town's Housing Element consultant be available for questions?*

The Town's Housing Element Consultant will not be in attendance.

Attachment 6 includes public comment received between 11:01 a.m., Thursday, June 2, 2022, and 11:00 a.m., Tuesday, June 7, 2022.

ATTACHMENTS:

Previously Received with the June 7, 2022, Staff Report:

1. HEAB Recommended Draft Site Inventory
2. Revised Draft Tier 2 Sites
3. Draft Tier 3 Sites
4. May 19, 2022, Housing Element Advisory Board Staff Report (with Attachments 1-5)
5. May 19, 2022, Housing Element Advisory Board Desk Item Report (with Attachment 6)

Received with this Desk Item Report:

6. Public Comment received between 11:01 a.m., Thursday, June 2, 2022, and 11:00 a.m., Tuesday, June 7, 2022