



June 18, 2023

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

Dear Mr. Paulson:

Veronica Tam and Associates, Inc. (VTA) is pleased to submit this proposal to assist the Town of Los Gatos in the Housing Element update. Our scope of work focuses on addressing specific comments of the State Department of Housing and Community Development (HCD) on the Town's Revised Draft Housing Element, as outlined in the May 30, 2023 HCD letter.

VTA has substantial experience in preparing Housing Elements and we are familiar with new State laws and HCD review standards. For the current 6th cycle Housing Element, as of June 2023, VTA has assisted more than 40 jurisdictions in the SCAG, SANDAG, and ABAG regions in achieving Housing Element compliance.

We look forward to discussing our proposal with you. Please let me know if you have questions or require additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Veronica Tam', is written over a light blue horizontal line.

Veronica Tam, AICP
Principal

Project Understanding

The Town of Los Gatos submitted a revised the Housing Element on March 31, 2023, and received HCD comment letter on May 30, 2023. We understand that the Town is requesting supplemental consulting assistance to address findings in this letter.

We also understand that the Town has already retained a separate consultant to address the Affirmatively Furthering Fair Housing (AFFH) requirements. Therefore, our proposed scope of work includes assistance in responding to two specific HCD comments (#4 and #23) as requested by the Town.

Scope of Work

Task 1: Housing Element Revisions

Sites Inventory: This is by far the most difficult comment to address. Based on responses provided by staff, additional revisions are still needed to meet HCD standards. Specifically:

- Justification of SB 9 trend and lot eligibility analysis. Typically, this analysis involves looking at lot size and lot coverage to identify eligible parcels. Then estimate the number of parcels that may process an SB 9 application based on recent trends.
- Realistic Capacity - Likelihood of mixed use sites being redeveloped without housing. A general discussion is usually not adequate. The Town should provide specific data to substantiate trend.
- Nonvacant Sites – The Town qualified some sites based on property owner interest. However, quite a few parcels have no “substantial evidence” to demonstrate existing uses would not impede redevelopment. VTA has developed a methodology to establish “substantial evidence” as required by State law:
 - Review existing conditions of parcels with pipeline projects or developer/owner interest. These include types of existing uses, age of structures, improvement to land value ratio, existing floor area ratio or lot coverage, among other factors that describe the existing conditions of uses on site.
 - Compare parcel-by-parcel, the existing conditions of parcels in the inventory with the thresholds established based on pipeline projects and parcels with redevelopment interest.
- Small Sites – The Town’s proposed strategy of shifting small sites to Above Moderate Income RNA may be the most efficient approach.

Land Use Controls: We will work with staff to address HCD comments on governmental constraints such as development standards, planning and development impact fees,

local processing procedures, and reasonable accommodation procedures, among others. We will work with staff to compile the responses.

Special Housing Needs: This section will be comprehensively updated to include an estimate of numbers of special needs households, housing needs, and resources available. To the extent data is available, tenure and income information will be included.

Programs and Quantified Objectives: Programs will be comprehensively reviewed and revised to establish specific timelines and objectives. The ADU program will be expanded to include a mid-cycle review. The adequate sites program (Program D – Additional Housing Capacity) will be revised to reflect the Town’s RHNA obligations and specific requirements under State law. We will work with staff to develop quantified objectives that are achievable.

Public Comments: We will summarize public comments received and how the Town responded to these comments.

AFFH Analysis: We will assist in the response to the two specific comments on AFFH:

#4 Identified Sites and AFFH – This analysis requires that we use GIS to compare the distribution of RHNA units by income group with AFFH factors such as concentration of minority and low income populations, concentration of housing cost burden and overcrowding, location of RE/CAP and RCAA neighborhoods, and TCAC resource categories, among other factors. We will also provide a summary of RHNA units by either neighborhood or by census tract. Based on this detailed analysis, the Town may need to include place-based strategies for neighborhood improvements.

#23 AFFH Actions: We recommend reorganizing the Town’s current AFFH actions to a template provided by HCD. Actions will be provided for each of the five themes required by HCD: 1) fair housing outreach and education; 2) housing mobility; 3) new opportunities in high resource areas; 4) place-based strategies for neighborhood improvements; and 5) tenant protection and anti-displacement. Each action is also required to include specific timeline, geographic target, and measurable outcomes. By reorganizing into the HCD format, we can identify the gaps in actions and commitments. New actions may also be needed, depending on the conclusions of the revised AFFH analysis.

Task 2: HCD Communications

We recommend setting up meetings with HCD to discuss our approach to responding to their comments. We will coordinate regular check-in meetings with HCD to discuss our proposed strategies for addressing their comments. As necessary, when appropriate the final round of revisions, we can arrange a live edit session with HCD to make the final edits to confirm certification of the Housing Element.

Task 3: Project Management and Communications

We anticipate having routine meetings and email communications with staff (virtually) to discuss project progress and issues. Based on the scope outlined above, the most time-consuming task is substantiating the adequacy of sites inventory, especially the nonvacant sites. We propose the following tentative schedule for the Housing Element:

Milestone	Timeline (days from contract initiation)
Data Collection	10 days
Revised Housing Element	45 days
Staff Review	55 days
Resubmittal to HCD	65 days
Review and Revise final HCD comments	125 days

This schedule assumes that the Town would resubmit the Revised Draft Housing Element to HCD for a formal review. If the Town prefers an informal review, then the schedule may be condensed.

Budget

We recommend structuring this project as time-and-materials with a not-to-exceed amount.

Task	Tam	Planners	GIS/Tech	Estimated
	\$	\$	\$	Fee
1. Housing Element Revisions	40	240	20	\$ 43,100
2. HCD Communications	20			\$ 4,000
3. Project Management and Communications	20			\$ 4,000
Total	80	240	20	\$ 51,100

Qualifications

Veronica Tam and Associates, Inc. (VTA) is a California corporation located in Pasadena, California. VTA was established in November 2005 and has since been providing housing and community development consulting to local jurisdictions throughout California. We provide assistance in the following areas:

- Housing Element updates
- Zoning revisions for housing-related issues
- Special housing studies
- Consolidated Plan and related reports
- Grants administration and technical assistance
- Analysis of Impediments to Fair Housing Choice
- Environmental clearance for housing-related plans and projects

Housing Element Preparation and REAP Technical Assistance

We are well known for our expertise in State Housing Element law. We have prepared Housing Elements for jurisdictions throughout the State and maintain an excellent track record of receiving State certification. The following are some of our 5th and 6th cycles Housing Element work. Blue jurisdictions are those that have been certified for the 6th cycle, demonstrating our understanding in the new State law and our success in assisting our clients. The remaining 6th cycle works are underway.

We are also taking over several Housing Element works from other consultants who are not able to complete the projects. These include Beverly Hills, Hermosa Beach, La Mirada, Mission Viejo, Norwalk, San Mateo, and Goleta.

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| ▪ Bell Gardens ^{5,6} | ▪ Laguna Beach ⁶ | ▪ Rolling Hills Estates ⁶ |
| ▪ Berkeley ⁶ | ▪ La Mesa ^{5,6} | ▪ Rosemead ⁶ |
| ▪ Beverly Hills ⁶ | ▪ La Mirada ⁶ | ▪ Salinas ^{5,6} |
| ▪ Buena Park ^{5,6} | ▪ La Puente ⁶ | ▪ San Clemente ^{5,6} |
| ▪ Camarillo ^{5,6} | ▪ Long Beach ^{5,6} | ▪ San Diego County ⁶ |
| ▪ Capitola ⁶ | ▪ Los Angeles County ⁶ | ▪ San Fernando ^{5,6} |
| ▪ Claremont ⁶ | ▪ Marin County ⁶ | ▪ San Ramon ⁶ |
| ▪ Corona ^{5,6} | ▪ Marina ^{5,6} | ▪ Santa Barbara County ⁶ |
| ▪ Culver City ⁶ | ▪ Mission Viejo ⁶ | ▪ Santee ^{5,6} |
| ▪ Cypress ⁶ | ▪ Monterey County ⁵ | ▪ Seaside ^{5,6} |
| ▪ El Cajon ^{5,6} | ▪ Ojai ⁶ | ▪ Simi Valley ^{5,6} |
| ▪ El Centro ^{5,6} | ▪ Oceanside ⁶ | ▪ South Gate ^{5,6} |
| ▪ El Segundo ^{5,6} | ▪ Palo Alto ⁶ | ▪ Thousand Oaks ⁶ |
| ▪ Escondido ^{5,6} | ▪ Pacific Grove ⁶ | ▪ Torrance ⁶ |
| ▪ Gardena ⁶ | ▪ Palmdale ⁶ | ▪ Tracy ^{5,6} |
| ▪ Glendora ^{5,6} | ▪ Pasadena ⁶ | ▪ Ventura ⁶ |
| ▪ Hermosa Beach ⁶ | ▪ Petaluma ⁶ | ▪ Vista ^{5,6} |
| ▪ Imperial Beach ^{5,6} | ▪ Rancho Cucamonga ⁶ | ▪ Walnut ^{5,6} |
| ▪ Jurupa Valley ^{5,6} | ▪ Redondo Beach ^{5,6} | ▪ West Hollywood ^{5,6} |
| ▪ La Canada Flintridge ^{5,6} | ▪ Riverside ⁶ | ▪ Westlake Village ⁶ |

In addition to directly assisting our clients with Housing Element preparation, VTA has also been retained by various Council of Governments (COGs) to provide technical assistance. These include:

- ABAG – Marin County Collaborative
- ABAG – Contra Costa County Collaborative
- San Joaquin Valley Collaborative
- GCCOG – Gateway Cities Council of Governments

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