

Chapter 29, Article VIII., Division 5 of the Town Code is hereby amended to remove the following strikeouts (~~strikeouts~~) indicating deleted text and include underlining (underlining) indicating new text:

**~~Sec. 29.80.505. Intent.~~**

~~The affordable housing overlay zone (AHOZ) 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 affordable housing overlay zone encourages the development of housing affordable to all income levels on one (1) property within the Town that is deemed to be most appropriate for such uses. The housing element lists the one (1) property within the Town of Los Gatos as a key housing opportunity site for mixed income affordable housing projects. The designation of this site will assist the Town in meeting its fair share of the region's housing needs required by the State.~~

**~~Sec. 29.80.510. AHOZ and underlying zoning.~~**

~~A property that has the AHOZ designation may be developed either in the manner provided in this division or the manner provided in the underlying zone, but not both; use of the overlay zone and the underlying zone are mutually exclusive alternatives. Once the land has developed in the manner provided in the underlying zoning, the property owner shall relinquish the right to redevelop the land using the AHOZ overlay.~~

**~~Sec. 29.80.515. Applicability of regulations.~~**

~~(a) This division applies to the one (1) property listed on Table 6-1 of Chapter 6 (Housing Sites Inventory) of the 2015-23 Housing Element Technical Appendix and as identified below:~~

~~Affordable housing overlay zone (AHOZ) property:~~

~~1. Southbay Development, Knowles Drive east of Winchester Boulevard, APN 424-32-077~~

~~(b) The provisions of this division shall not apply if an applicant requests to use the General Plan Density Bonus Policy (HOU-1.3). If the applicant submits a development project application utilizing this density bonus program, the base density on which the bonus is calculated shall be the density of the existing zoning of the property.~~

**~~Sec. 29.80.520. Qualification.~~**

~~In order to qualify for the benefits of this overlay zone, residential development projects shall comply with all of the following:~~

~~(a) Include the following minimum percentage of total units in the development with rents or sales prices that are restricted to the area median income household affordability levels noted below. The income limits shall be established based on the current year area median income for Santa Clara County as set by the appropriate State or Federal government housing agencies.~~

*Required unit affordability levels*

Site	Low and/or Very Low and Below	Moderate and/or Above Moderate
Southbay Development (APN 424-32-077)	40%	60%

~~(b) Based on a recommendation by the Planning Commission after its review of a project, the Town Council may approve a modification to the affordability ratios in subsection (a) if the applicant can demonstrate with actual project specific pro forma, financial and local market data, that a specific ratio is not financially feasible. The Town Council may only approve a modification to a ratio if the overall Regional Housing Needs Allocation (RHNA) unit production for an individual income category (e.g. very low, low and moderate income) has been achieved by the Town during the applicable housing element period.~~

~~(c) Ensure that affordable units are deed restricted for a period of not less than fifty five (55) years, or for the longest feasible time. An affordable housing agreement shall be executed prior to recording any final map for the underlying property or prior to the issuance of any building permit for the housing development, whichever comes first, unless the Community Development Director approves an alternative phasing plan, at which time the affordable housing agreement shall be executed no later than the issuance of the certificate for the fifty first percent of the market rate units. The affordable housing agreement shall be binding on all future owners and successors of interest of the housing development.~~

**~~Sec. 29.80.525. Permitted uses in the AHOZ.~~**

~~(a) Multifamily dwellings;~~

~~(b) Two-family dwellings;~~

~~(c) Single-family dwellings.~~

**~~Sec. 29.80.530. Conditional uses permitted.~~**

~~No conditional use permit shall be required for a housing development that meets the intent and regulations contained in this division.~~

**~~Sec. 29.80.535. Application.~~**

~~Residential developments using the AHOZ standards shall be required to submit applications for architecture and site review. The application shall be subject to review by the Planning Commission with a recommendation to Town Council and the review by Town Council shall be final.~~

**Sec. 29.80.540. Affordable housing overlay zones general development standards.**

Proposed development within the affordable housing overlay zones shall be designed and constructed in conformity with the development standards in Table 1A (Overlay Zones Development Standards) and Table 1B (Overlay Zones Development Setbacks).

**Table 1A (Overlay Zones Development Standards)**

Site	Maximum Lot Coverage	Maximum Height Limit (ft) <sup>1</sup>	Density Units Per Acre	Parking Ratio <sup>2</sup>
Southbay Development (APN 424-32-077)	40%	30 feet w/separate garage; 35 feet w/integrated garage	20	0—1 bedroom: 1 space 2—3 bedrooms: 2 spaces 4+ bedrooms: 2.5 spaces

1. Building height is increased to 35 feet for residential products that integrate the garage on the first floor, underground or is constructed on a parking podium. Additional height increase may be granted through the architecture and site review process.

2. Tandem parking is permitted.

**Table 1B (Overlay Zones Development Setbacks)**

Site	Required Setbacks
Southbay Development (APN 424-32-077)	25 ft. from Knowles Avenue property line; 40 ft. from Los Gatos Creek property line; 25 ft. from Southwest Property Line; West and internal setbacks to be determined by architecture and site review process

**Sec. 29.80.545. Affordable housing overlay zones development incentives.**

(a) ~~Concessions and incentives.~~ Applications meeting the intent of the AHOZ will be automatically granted four (4) concessions at the applicant's sole discretion. The concessions are reductions in the development standards specified in this section, and processing fee waivers. The following development incentives are available to qualifying residential developments within an AHOZ:

- (1) ~~Parking standards.~~ Parking standards may be reduced if a parking reduction is requested as one (1) of the four (4) concessions. Parking may be reduced as follows:
  - a. Reduction to one (1) space per unit for units reserved for seniors or persons with disabilities.
  - b. Reduction to one (1) space per unit for developments within one-quarter (¼) mile to the proposed Vasona Light Rail Station.
- (2) ~~Property setbacks.~~ Any two (2) property setbacks may be reduced by up to fifty (50) percent if an applicant selects the setback reduction as one (1) of the four (4) concessions. The two (2) setback reductions are considered one (1) concession.
- (3) ~~Lot coverage.~~ The lot coverage may be increased up to fifty (50) percent if the applicant selects the lot coverage increase as one (1) of the four (4) concessions.

~~(4) *Processing fees.* The Town shall waive or defer planning, engineering, and building processing fees, except those that are paid directly to Town consultants or for technical studies.~~

~~The developer can select one (1) of the following types of fees to be waived as one (1) of the four (4) available concessions:~~

- ~~— a. — Planning and engineering application fees (but not Town consultant fees).~~
- ~~— b. — Building plan check and inspection fees.~~
- ~~— c. — Construction mitigation fee.~~

~~The fees selected shall be waived if the applicant selects a fee waiver as one (1) of the four (4) automatically granted concessions.~~

~~If the developer selects a deferral of all fees noted above rather than a waiver, the fees shall be deferred to the time of issuance of the certificate of occupancy for each unit.~~

~~(5) *Priority processing.* The Town shall give qualifying projects the highest processing priority for planning entitlements, building plan check and building inspection.~~

#### **~~Sec. 29.80.550. Architecture and site review process.~~**

~~(a) *Affordable housing overlay zone design guidelines.* All projects shall comply with the adopted affordable housing overlay zone design guidelines in effect at the time of entitlement approval.~~

~~(b) *Architecture and site approval.* All projects shall require an architecture and site application approval. The Planning Commission shall review each project and make a recommendation to the Town Council. The Town Council is the final decision making authority for AHOZ applications. The Town Council shall adopt a resolution that documents the architecture and site application decision.~~

~~(1) *Architectural design.* Affordable units within a mixed affordable/market rate development may be allowed to vary in interior and exterior design and square footage from market rate units as long as the project remains architecturally harmonious as determined by the approval body. Attached units, smaller (in square footage) units and other design variations from market rate units may be permitted within reason to reduce costs of providing affordable units subject to the required architecture and site approval process.~~

~~(c) *Environmental review.* All projects shall be subject to the requirements of the California Environmental Quality Act.~~

~~(d) *Findings.* In order to qualify for a height increase over the maximum stated in Table 1A, the Planning Commission shall make a recommendation and the Town Council shall find that:~~

~~(1) — The building massing and dimensional ratios of proposed building components create a harmonious visual balance and contribute to the architectural character of the project or its surroundings.~~

~~(2) — The height increase is necessary to achieve excellence in architectural design and cannot be accommodated through alternative means such as reducing overall floor to ceiling heights.~~

~~(e) *Timing of affordable unit construction.* Affordable units must be constructed concurrently with market rate units. The affordable units shall be integrated into the market rate component of the plan to the greatest extent feasible. If complete integration cannot be achieved, the applicant shall provide justification for not meeting the intent of this section and why such integration is not feasible. The applicant shall submit a plan of the affordable and market rate unit distribution in the development to the Town. The Planning Commission shall review and make a recommendation on the affordable and market rate unit distribution plan and the Town Council shall review the final plan for approval.~~

**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 for mixed income affordable housing projects. 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 property that has the HEOZ designation may be developed with a residential or mixed-use project with a residential use occupying more than 50 percent of the total floor area based on the standards provided in this division or, where standards are not specified, then based on the standards provided in the underlying zone. The underlying zoning development standards will remain in effect for all other development without a residential component.

Pursuant to Government Code Section 65583.2(i), by right development will be allowed when 20 percent or more of the units are affordable to lower income households.

**Sec. 29.80.515. HEOZ general development standards.**

A proposed residential project, including a mixed-use project with a residential use occupying more than 50 percent of the total floor area within the HEOZ shall be designed and constructed in conformity with the development standards for the corresponding zoning and General Plan Land Use designation in Table 1A (Overlay Zones Development Standards). Regardless of the underlying zoning designation, no residential project or mixed-use project

with residential may be developed that does not meet the applicable HEOZ development standards.

**Table 1A (HEOZ Development Standards)**

<u>General Plan Land Use Designation</u>	<u>Zoning</u>	<u>Minimum Yards</u>	<u>Maximum Lot Coverage</u>	<u>Maximum Floor Area Ratio (FAR)</u>	<u>Maximum Height Limit (ft)</u>	<u>Density Units Per Acre</u>
<u>Low Density Residential</u>	<u>R-1</u>	<u>As authorized by Section 29.40.405</u>	<u>50%</u>	<u>N/A</u>	<u>30 feet</u>	<u>0-5</u>
<u>Medium Density Residential</u>	<u>R-1D, R-D, and R-M</u>	<u>As authorized by Section 29.40.405, 29.40.530, and 29.40.645</u>	<u>75%</u>	<u>N/A</u>	<u>35 feet</u>	<u>14-22 or 5-12 in Very High Fire Hazard Severity Zones</u>
<u>High Density Residential</u>	<u>R-M</u>	<u>As authorized by Section 29.40.645</u>	<u>75%</u>	<u>N/A</u>	<u>45 feet</u>	<u>30-40</u>
<u>Mixed-Use</u>	<u>CH</u>	<u>As authorized by Section 29.60.435</u>	<u>N/A</u>	<u>3.0</u>	<u>45 feet</u>	<u>30-40</u>
<u>Neighborhood Commercial</u>	<u>C-1</u>	<u>As authorized by Section 29.60.225</u>	<u>N/A</u>	<u>1.0</u>	<u>35 feet</u>	<u>10-20</u>
<u>Central Business District</u>	<u>C-2</u>	<u>As authorized by Section 29.60.335</u>	<u>N/A</u>	<u>2.0</u>	<u>45 feet</u>	<u>20-30</u>
<u>North Forty Specific Plan</u>	<u>NF-SP</u>	<u>As defined in Specific Plan</u>	<u>As defined in Specific Plan</u>	<u>As defined in Specific Plan</u>	<u>As defined in Specific Plan</u>	<u>30-40</u>
<u>Office Professional</u>	<u>O</u>	<u>As authorized by Section 29.60.100</u>	<u>N/A</u>	<u>1.0</u>	<u>35 feet</u>	<u>10-20</u>
<u>Service Commercial</u>	<u>LM</u>	<u>As authorized by Section 29.70.125</u>	<u>N/A</u>	<u>1.0</u>	<u>35 feet</u>	<u>none</u>
<u>Light Industrial</u>	<u>CM</u>	<u>As authorized by Section 29.70.235</u>	<u>N/A</u>	<u>1.0</u>	<u>35 feet</u>	<u>none</u>