



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/04/2026

ITEM NO: 15

DATE: July 30, 2026
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Consider a Recommendation of Approval by the Planning Commission and Introduce an Ordinance Amending Chapter 29 (Zoning Regulations) of the Town Code Regarding Accessory Dwelling Units and Definitions. The Proposed Amendments are Not Subject to CEQA Review Pursuant to CEQA, Section 15061 (b)(3), Because it can be Seen with Certainty that they will not Significantly Affect the Physical Environment in that they Make Minor Changes to the Regulations Applicable to Accessory Dwelling Units and Definitions. Additionally, the Proposed Amendments are Statutorily Exempt Pursuant to Public Resources Code Section 21080.17. Town Code Amendment Application A-26-001. Project Location: Town Wide. Applicant: Town of Los Gatos. Project Planner: Sean Mullin.**
Ordinance Title: An Ordinance of the Town Council of the Town of Los Gatos Amending Chapter 29, Zoning Regulations, of the Town Code Regarding Accessory Dwelling Units and Definitions.

RECOMMENDATION: Accept the Planning Commission's recommendation and introduce an Ordinance amending Chapter 29 (Zoning Regulations) of the Town Code regarding accessory dwelling units and definitions.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Adopting the draft Ordinance would not in itself result in an impact on the Town's budget.

STRATEGIC PRIORITY:

The amendments to Chapter 29 of the Town Code regarding accessory dwelling units and

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Planning Manager

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Administrative Services Director

definitions supports the Town's core goal of Community Character and the strategic priority to preserve the Town's small-town charm and provide a range of housing opportunities and historic neighborhoods, while diligently maintaining and implementing the Housing Element.

BACKGROUND:

In 2016, the Governor signed several bills intended to help address the State's housing crisis by creating new housing opportunities through accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Since then, the Governor continued to sign additional bills into law that further streamlined the permitting process for ADUs and JADUs. As a result, the Town updated the Town Code regarding ADUs and JADUs in 2017, 2020, and 2023 to comply with updated state laws. Since the current ADUs and JADUs regulations have been in place, additional bills have been signed into law further revising regulations around ADUs and JADUs, requiring additional amendments to the Town Code. The latest bills signed into law impacting the Town's Ordinance include:

- **AB 462** (2025) requires a local agency to issue a Certificate of Occupancy for an ADU, even if the primary dwelling has not yet been issued a Certificate of Occupancy, if constructed in a county that is subject to a proclamation of a state of emergency made by the Governor on or after February 1, 2025.
- **SB 477** (2024) made changes to the numbering of the sections of Government Code for State ADU and JADU Laws.
- **SB 543** (2025) revised the definition of a JADU to clarify and require the size of a JADU to be no more than 500 square feet of interior livable space and prohibits impact fees upon the development of an ADU that has 750 square feet of interior livable space or less or a JADU that has 500 square feet of interior livable space or less. Furthermore, the prohibition on requiring fire sprinkler installation also applies to JADUs.
- **AB 1154** (2025) made changes to the owner-occupancy requirement of JADUs for only those units that have shared sanitation facilities with the existing structure, and allows rental of a JADU for a term longer than 30 days.
- **SB 1211** (2024) defines "livable space" as a space in a dwelling intended for human habitation. Furthermore, it specifies that uncovered, off-street parking spaces demolished in conjunction with the construction of an ADU do not need to be replaced. Additionally, the bill authorizes up to eight detached ADUs on a lot with an existing multi-family dwelling, provided that the number of ADUs does not exceed the number of existing units on the lot, and prohibits a local agency from imposing any objective development standards on 66323 Units that are not authorized by the provisions of Government Code section 66323, subdivision (a).

The draft Ordinance includes amendments to Chapter 29 of the Town Code (Zoning Regulations), Section 29.10.020 (Definitions) and Sections 29.10.305 through 29.10.400 (ADUs) (Attachment 2).

On June 10, 2026, the Planning Commission considered the draft Ordinance (Attachment 2) and staff report (Attachment 4). No written or verbal public comments were received on the draft Ordinance. The Planning Commission reviewed the proposed changes and recommended approval to Town Council as reflected in the verbatim minutes (Attachment 5).

DISCUSSION:

A detailed discussion of the changes to each Town Code section is included in the Planning Commission staff report (Attachment 4). In summary, much of the Town's existing ADU Ordinance has been carried forward into the draft Ordinance (Attachment 2), with some revisions and reorganization to align with state law. The most substantive changes to the ADU Ordinance relate to the creation of two categories of ADUs and the number of accessory units that can be built on a single property. The draft Ordinance provides for Town-standard ADUs and by-right ADUs. As provided in state law, single-family and multi-family properties are allowed multiple ADUs. When combining each unit type, the draft Ordinance allows the following:

Maximum Number of Accessory Units per Property			
Primary Dwelling Type	Single-Family Dwelling	Multi-Family Dwelling (MFD)	
		Existing MFD	Proposed MFD
Number of Accessory Units Allowed per Lot	<u>4 total</u> 1 Town-standard ADU. Can be attached, detached, or conversion. 3 by-right ADUs: 1 detached ADU + 1 conversion ADU + 1 JADU	<u>5 minimum</u> 1 Town-standard ADU. Can be attached, detached, or conversion. 1 by-right conversion, or up to 25 percent of existing units. 8 by-right detached ADUs, provided the number does not exceed the number of existing primary units.	<u>3 Total</u> 1 Town-standard ADU. Can be attached, detached, or conversion. 2 by-right detached new construction ADUs

Following consideration by the Planning Commission, staff made several revisions to the draft Ordinance following additional review of State law to clarify the following:

- ADUs created by way of converting an existing accessory structure or portion of the existing primary residence are not subject to floor area limitations [CA Gov. Code 66314 (d) and 66323 (a)(1)];
- Town-standard attached ADUs and new construction detached ADUs on multi-family properties are limited to a maximum size of 1,200 square feet, rather than 800 square feet [CA Gov. Code 66314 (d)(5)];
- By-right ADUs on multi-family properties are not subject to a maximum size limitation [CA Gov. Code 66323 (a)(4)(i)]; and
- Utility connection fees and capacity charges must be proportionate to the size in square feet of the accessory dwelling unit or its drainage fixture unit values as required by State law [CA Gov. Code Section 66311.5].

These revisions are reflected in Attachment 2 and highlighted in yellow in Attachment 3.

PUBLIC OUTREACH:

Staff conducted outreach through the following media and social media resources, as well as direct communication with stakeholders as summarized below:

- The Town's website home page, What's New;
- The Town's Facebook page;
- The Town's Twitter account;
- The Town's Instagram account;
- The Town's NextDoor page; and
- Direct email communication to local architects and designers.

At the time of this report's preparation, the Town has not received any public comment.

CONCLUSION:

The draft Ordinance aligns the Town's ADU/JADU regulations with state law and provides a clear set of regulations and process framework for residents to follow when pursuing an ADU/JADU project. The draft Ordinance also updates a term included in the Definitions section of the Town Code to align with the Building Code.

COORDINATION:

This report was coordinated with the offices of the Town Manager and Town Attorney.

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SUBJECT: ADU Ordinance Amendments/A-26-001

DATE: July 30, 2026

ENVIRONMENTAL ASSESSMENT:

The proposed amendments are not subject to CEQA review pursuant to CEQA, Section 15061 (b)(3), because it can be seen with certainty that they will not significantly affect the physical environment in that they make minor changes to the regulations applicable to accessory dwelling units and definitions. Additionally, the proposed amendments are Statutorily Exempt pursuant to Public Resources Code Section 21080.17. A Notice of Exemption will not be filed.

ATTACHMENTS:

1. Required Findings
2. Draft Ordinance
3. Redline ADU Municipal Code Sections changes
4. June 10, 2026, Planning Commission Staff Report with Exhibits
5. June 10, 2026, Planning Commission Verbatim Minutes
6. CA Government Code Sections 66310 through 66342