



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 02/04/2020

ITEM NO: 9

DATE: January 28, 2020
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Town Code Amendment Application A-19-010. Project Location: **Town Wide.**
Applicant: Town of Los Gatos.
Consider amendments to Chapter 29 (Zoning Regulations) of the Town Code regarding land use and economic vitality streamlining related to formula retail businesses in the downtown C-2 zone, restaurants, minor exterior modifications to commercial buildings, and group classes.

RECOMMENDATION:

Consider the proposed amendments and introduce the draft Ordinance by title only to amend Chapter 29 (Zoning Regulations) of the Town Code regarding land use and economic vitality streamlining related to formula retail businesses in the downtown C-2 zone, restaurants, minor exterior modifications to commercial buildings, and group classes (Attachment 3).

EXECUTIVE SUMMARY:

Five resolutions were adopted by the Town Council temporarily suspending certain sections of the Town Code in an effort to promote community vitality and encourage land use streamlining (Attachment 4, Exhibit 2). Set to sunset in December of 2019, the Town Council extended the temporary resolutions on November 5, 2019 until such time that Town Code amendments may be adopted memorializing the streamlining efforts (Attachment 4, Exhibits 3 and 4). On January 8, 2020, the Planning Commission forwarded a recommendation to the Town Council of approval with modifications of the amendments necessary to memorialize the temporary streamlining efforts with revisions (Attachment 6).

PREPARED BY: Sean Mullin, AICP
Associate Planner

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Community Development Department Director, and Economic Vitality Manager

BACKGROUND:

The Town Council has an adopted strategic priority that promotes community vitality and encourages land use streamlining efforts. Since the adoption of this priority, staff has been working with the Town Council and Council Policy Committee to identify and streamline many of the business-related processes to reduce the associated time and cost. As part of the adopted streamlining efforts, five temporary resolutions were adopted by the Town Council and were set to sunset in December of 2019. These streamlining efforts temporarily reduced processing time and cost for applications related to new formula retail businesses in the downtown C-2 zone, modifying existing or establishing new Conditional Use Permits (CUP) for restaurants, minor exterior modifications to commercial buildings, and CUPs for group classes in the downtown C-2 zone.

With these temporary Resolutions set to sunset in December of 2019, the Town Council voted on October 1, 2019 to memorialize them through Town Code amendments (Attachment 4, Exhibit 2). On November 5, 2019, the Town Council adopted Resolution 2019-051 extending the temporary streamlining efforts until such time that the Town Code amendments may be adopted (Attachment 4, Exhibits 3 and 4).

On January 8, 2020, the Planning Commission considered the Town Code amendments necessary to making the streamlining efforts permanent and forwarded a recommendation to the Town Council of approval with modifications, clarifying that the definition of *group classes* should not include schools as defined in the Town Code. Attachment 3 includes the draft Ordinance, incorporating the one change recommended by the Planning Commission. Attachment 6 includes the verbatim minutes for the January 8, 2020 Planning Commission meeting.

DISCUSSION:

A. Summary of the Draft Ordinance

Following is a high-level summary of how the streamlining efforts have been utilized and a summary of the necessary amendments to the Town Code. A thorough discussion of these topics is included in the report to the Planning Commission included as Attachment 4.

- **Formula Retail Businesses in the Downtown C-2 Zone** (resolution adopted June 5, 2018): The Town Council adopted a temporary 18-month resolution allowing up to five new formula retail businesses in the downtown C-2 zone that do not have a current CUP.

DISCUSSION (continued):

The draft Ordinance would allow formula retail businesses up to 6,000 square feet in the downtown C-2 zone by right. Unlike the temporary resolution, the draft Ordinance would not limit the number of formula retail businesses in the downtown C-2 zone or impose a limited timeframe.

- **Restaurants**

- **Restaurant CUP modifications at the Development Review Committee (DRC)** (adopted June 19, 2018): The Town Council adopted a temporary 18-month resolution allowing current restaurants to modify their existing CUP at the DRC. Many of these businesses chose to modify their CUP to allow them to participate in the pilot parklet program as the former language in their CUP prohibited outdoor dining.
- **New restaurant CUPs to be heard at the DRC and suspension of Ordinance 2021** (adopted March 5, 2019): The Town Council adopted a temporary resolution, valid through December 31, 2019, allowing a new CUP for a restaurant, Town-wide, to be heard by the DRC. To make this possible, Ordinance 2021 was also suspended for the same period.

The draft Ordinance would rescind Ordinance 2021 and allow modifications to an existing CUP or establishment of a new CUP for a restaurant to be heard by the DRC.

- **Minor Exterior Modifications to Commercial Buildings** (adopted March 5, 2019): The Town Council adopted a temporary resolution, valid through December 31, 2019, allowing minor exterior modifications to commercial buildings to be processed as building permits, rather than as Architecture and Site applications at the DRC.

The draft Resolution in Attachment 2 would rescind Resolution 2005-038. The draft Ordinance would allow exterior modifications to commercial buildings to be processed as building permits.

- **Group Classes** (adopted March 19, 2019): The Town Council adopted a temporary resolution, valid through December 31, 2019, allowing a CUP for group classes within the downtown C-2 zone to be heard by the DRC, and group classes in other commercial zones to be allowed by right with a Certificate of Use and Occupancy and a Business License.

DISCUSSION (continued):

The draft Ordinance would allow a CUP for group classes in the downtown C-2 zone to be heard by the DRC and allow group classes in other commercial zones to be allowed by right with a Certificate of Use and Occupancy and a Business license.

B. Public Outreach

In addition to the required legal noticing, staff requested public input through the following media and social media resources:

- A poster at the Planning counter at Town Hall;
- The Town's website home page, What's New;
- The Town's Facebook page;
- The Town's Twitter account;
- The Town's Instagram account; and
- The Town's Next Door page.

CONCLUSION:

Staff recommends that the Town Council:

1. Make the finding that there is no possibility that the amendments to Chapter 29 of the Town Code in the draft Ordinance will have a significant impact on the environment; therefore, the project is not subject to the California Environmental Quality Act [Section 15061 (b) (3)] (Attachment 1);
2. Make the required finding that the amendments to Chapter 29 of the Town Code in the draft Ordinance are consistent with the General Plan (Attachment 1);
3. Adopt the draft Resolution rescinding Resolution 2005-038 (Attachment 2); and
4. Introduce the draft Ordinance effecting the amendments to Chapter 29 of the Town Code regarding land use and economic vitality streamlining related to formula retail businesses in the downtown C-2 zone, restaurants, minor exterior modifications to commercial buildings, and group classes (Attachment 3), by title only, with any specific changes identified and agreed upon by the majority of the Town Council.

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SUBJECT: Land Use and Economic Vitality Streamlining

DATE: January 28, 2020

ALTERNATIVES:

Alternatively, the Town Council may:

1. Continue this item to a date certain with specific direction to staff;
2. Refer this item back to the Planning Commission with specific direction; or
3. Take no action, leaving the Town Code unchanged.

ENVIRONMENTAL ASSESSMENT:

There is no possibility that the project would have a significant impact on the environment; therefore, the project is not subject to the California Environmental Quality Act [Section 15061(b)(3)].

PUBLIC COMMENTS:

Attachment 7 includes public comments received between 11:01 a.m., January 8, 2020 and 11:00 a.m., January 30, 2020.

ATTACHMENTS:

1. Findings
2. Draft Resolution
3. Draft Ordinance
4. January 8, 2020 Planning Commission Staff Report (with Exhibits 1-10)
5. January 8, 2020 Planning Commission Desk Item (with Exhibit 11)
6. January 8, 2020 Planning Commission Verbatim Minutes
7. Public comments received between 11:01 a.m., January 8, 2020, and 11:00 a.m., January 30, 2020