



MEETING DATE: 01/18/2024

ITEM NO: 2

TOWN OF LOS GATOS

HOUSING ELEMENT ADVISORY BOARD REPORT

DATE: January 12, 2024

TO: Housing Element Advisory Board

FROM: Joel Paulson, Community Development Director

SUBJECT: Review and Discuss the California Department of Housing and Community Development's (HCD) Comment Letter Received by the Town on December 1, 2023, and the Proposed Revisions to the Draft Revised Housing Element.

BACKGROUND:

On September 28, 2023, at a special meeting, a motion was passed by the Housing Element Advisory Board (HEAB) with a 6-1 vote, with Vice Mayor Hudes voting no, to direct staff to submit the Draft Revised Housing Element to HCD for review following the conclusion of the seven-day review period.

The Draft Revised Housing Element (October 2023) was submitted to HCD for review on October 2, 2023. The October 2, 2023, submittal documents are available online at: <https://www.losgatosca.gov/HousingElement>.

On November 7, 2023, midway through the 60-day HCD review period, staff met with the Town's HCD reviewer and was provided with a preliminary review matrix based on the October 2, 2023, submission. Revisions to the Draft Revised Housing Element were made by staff and the Housing Element consultant, and the Draft Revised Housing Element (November 2023) was made available to the public for a seven-day review period from November 16, 2023, to November 27, 2023.

A mid-cycle review by HCD is not uncommon and has been utilized by other agencies within Santa Clara County; however, the mid-cycle review is dependent on the individual HCD reviewer's workload and availability, and is most helpful if it can be completed, including the required seven-day public review, prior to the end of the 60-day review period by HCD.

On November 15, 2023, the Planning Commission reviewed HCD's Draft Preliminary Review Matrix along with staff's draft responses, asked questions of staff and the Housing Element

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

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consultant, received verbal public comment, and continued the item to a date certain of November 29, 2023, for a special meeting to continue the public hearing for any additional public comment, deliberation, and a recommendation. The Planning Commission agenda packet can be viewed on the Town's website at: <https://losgatos-ca.PlanningCommission>.

On November 16, 2023, staff notified the Town's HCD reviewer of the proposed revisions to the Draft Revised Housing Element based on HCD's preliminary review matrix and the timeline of when the seven-day review period would take place. On November 28, 2023, following the seven-day review period, the Draft Revised Housing Element (November 2023) was submitted to HCD. The November 28, 2023, submittal documents are available online at: <https://www.losgatosca.gov/HousingElement>.

On November 29, 2023, the Planning Commission made a recommendation to the Town Council to adopt the Draft Revised Housing Element (November 2023 version). The Planning Commission agenda packet can be viewed on the Town's website at: <https://losgatos-ca.PlanningCommission>.

On December 1, 2023, the Town received HCD's findings/comment letter (Attachment 3) on the Town's Draft Revised Housing Element as submitted to HCD on October 2, 2023, with the modifications submitted on November 28, 2023.

On December 13, 2023, Town staff and the Housing Element consultant met with the Town's HCD reviewer and the HCD Senior Program Manager, Paul McDougall; and received feedback on the following topics:

- Additional discussion of income and race at a local level as part of the Affirmatively Furthering Fair Housing analysis;
- Additional actions specific to promoting housing mobility;
- Additional discussion and a potential modification to the maximum building height within the Housing Element Overlay Zone (HEOZ) for General Plan land use designations with a density range of 30 to 40 dwelling units per acre;
- Refinement of the definition of a mixed-use project within the HEOZ Ordinance;
- Refinement of the language of Implementation Program AA to include a defined action; and
- Additional evaluation of the Town's guest parking requirements for multi-family and mixed-use projects.

Additionally, staff discussed the actions taken by the Town Council at the meeting of December 5, 2023, and received feedback that modifications to the Story Pole Policy does seem to address

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the intent of HCD's December 1, 2023, comment to modify the Story Pole Policy with cost effective measures.

On December 19, 2023, the Town Council unanimously voted to follow a five-step process regarding the 2023-2031 Housing Element update, which includes the following actions:

1. Prioritizing the comments from the December 1, 2023, HCD comment letter;
2. Addressing the most challenging comments first and presenting the draft text of the Draft Revised Housing Element to the Town Council for review, including examples from two to three certified Housing Elements. Additionally, the Town Council hearing will provide the public with an opportunity to comment on the draft text with staff addressing the public comments in subsequent meetings, as needed;
3. Scheduling Town Council meetings with staff and the Housing Element consultant on a regular basis to complete the edits;
4. Reviewing the proposed edits with HCD, as frequently as HCD is able to meet with Town staff, and the Housing Element consultant and providing written feedback to the Council about HCD's responses; and
5. Conducting public engagement with the HEAB after the Town Council completes its review of the draft text to the Draft Revised Housing Element.

The Town Council also unanimously voted to review the Draft Revised Housing Element prior to a resubmittal to HCD. The Town Council agenda packet can be viewed on the Town's website at: <https://losgatos-ca.TownCouncil>.

On January 16, 2024, the Town Council will meet to review and discuss the proposed revisions to the Draft Revised Housing Element, in response to the December 1, 2023, HCD comment letter. If additional revisions or other direction are received from the Town Council, an Addendum or Desk Item will be prepared for the HEAB prior to the meeting.

DISCUSSION:

The purpose of this meeting is to review and discuss the December 1, 2023, HCD comment letter (Attachment 3) and potential revisions to the Draft Revised Housing Element. Town staff and the Housing Element consultant have provided revisions to the Draft Revised Housing Element in track changes with a blue highlight (Attachment 1). The edits shown are all those that have been made since the last submittal to HCD on November 28, 2023. A Draft Response Table has been provided in Attachment 2. In response to the December 19, 2023, Town Council motion, this table describes each HCD comment, a priority rating for the comment, a summary of the proposed revisions and their location within the Draft Revised Housing Element, and

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examples of similar text and/or language from other certified Housing Elements (Attachment 2).

NEXT STEPS:

Based on the review and a recommendation from the HEAB and Town Council, and following a seven-day public review period, the Town will resubmit to HCD for review. Subsequent review by HCD will take up to 60 days.

Should the Town Council be satisfied with the proposed revisions to the Draft Revised Housing Element at the January 16, 2024, meeting, the seven-day review period could be started on Monday, January 22, 2024, ending on Monday, January 29, 2024, with a formal resubmittal to HCD in early February 2024.

Once HCD determines and communicates that the Town's Draft Revised Housing Element is ready for certification, the public hearing process for adoption will occur again with the Planning Commission making a recommendation and the Town Council making the final decision on adoption of the Housing Element.

PUBLIC COMMENTS:

As of the drafting of this report, no comments from the public have been received.

Public comments are encouraged throughout the Housing Element update process and can be emailed to HEUpdate@losgatosca.gov.

ATTACHMENTS:

1. Draft Revised Housing Element, Track Changes Copy
2. Draft Response Table
3. December 1, 2023, HCD Comment Letter
4. Public Comments Received by HCD