



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/30/2022

ITEM NO: 1

DATE: June 28, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Conduct a Public Hearing, Review the Planning Commission Recommendations, Determine Any Additional Modifications, Adopt the Draft 2040 General Plan, and Certify the Final Environmental Impact Report.

REMARKS:

On June 20, 2022, the Town Council received public comments on the Draft 2040 General Plan and Environmental Impact Report (EIR); and began the review of the Draft 2040 General Plan. The review included discussion and progress motions on all of the recommendations from the Planning Commission as well as additional changes recommended by Council Members.

The review and discussion included the following progress motions or consensus:

1. In the Introduction, modify the General Plan Advisory Committee (GPAC) recommendations for the Vision and Guiding Principles to retain language about the mix of businesses.
 - *Staff prepared the following modified language for consideration with a new sentence shown underlined:*
The Town of Los Gatos is a welcoming, family-oriented, and safe community nestled in the beautiful foothills of the Santa Cruz Mountains. The Town takes pride in its small-town character, historic neighborhoods, local culture and arts, excellent schools, and a lively and accessible downtown. The Town is pedestrian friendly and offers a choice of mobility options, housing opportunities, and superior public facilities and services, governed by an open and responsive local government that is fiscally sound. The Town includes a mix of businesses throughout Town that serve all residents, workers, and visitors. A dynamic and thriving community, Los Gatos is committed to racial, social, and environmental justice and underscores its commitment to long-term well-being by embracing sustainability.

PREPARED BY: Jennifer Armer, AICP
Planning Manager

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

REMARKS (continued):

2. In the Introduction, accept recommendations 1 through 8, except on Page 1-3, in the description of the role of the Town Council replace the word “political” with “elected”;
3. In the Racial, Social, and Environmental Justice Element, accept recommendation 9 for a new Implementation Program;
4. Request review of recommendations 10 through 14, and 42, as well as the whole of the Racial, Social, and Environmental Justice Element and relevant definitions in the Appendix by American Leadership Forum Insights:
 - *Staff recommends revised definitions be used, based on recommendations from American Leadership Forum Insights:*
 - *Equity. Ensures that outcomes in the conditions of well-being are improved for marginalized groups, lifting outcomes for all. Equity is a measure of justice.*
 - *Equality. Is sameness; everyone gets the same thing. Equality focuses on everyone getting the same opportunity, but often ignores the realities of historic exclusion and power differentials among whites and other racialized groups.*
 - *Implicit Bias. Attitudes or stereotypes that affect our understanding, decisions, and actions in an unconscious manner.*
 - *Environmental Justice. The fair treatment of people of all races, cultures, incomes, political and religious affiliation, and national origins with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies including climate adaptation strategies.*
 - *Staff recommends the following definitions be added, based on recommendations from American Leadership Forum Insights:*
 - *Explicit Bias. Conscious attitudes and beliefs about a person or group, also known as overt and intentional bias.*
 - *Social Capital. A concept in social science that involves the potential of individuals to secure benefits and invent solutions to problems through membership in social networks. Social capital revolves around three dimensions: interconnected networks of relationships between individuals and groups (social ties or social participation), levels of trust that characterize these ties, and resources or benefits that are both gained and transferred by virtue of social ties and social participation.*
 - *Staff recommends the following wording modification be made to Planning Commission recommendation 11 to include “economically”, based on recommendations from American Leadership Forum Insights:*
 - *In the Racial, Social, and Environmental Justice Element, modify Policy RSEJ-6.2 to state, “Support leadership development programs for historically marginalized, economically, and socially disadvantaged individuals and groups to enhance effective engagement in Town processes.”*
5. In the Mobility Element, accept recommendations 15 through 17;
6. In the Mobility Element, correct reference to bike lanes on Shannon Road;

REMARKS (continued):

- *Town Council approved Class II Bike Lanes with a buffer on Shannon Road. Council did state that if there is an opportunity to install barriers in the future for Class IV bike lanes, staff should consider working with the residents.*
7. In the Mobility Element, request modified language for Policy MOB-11.3 to leave room for improvements to efficiency and safety;
 - *After further consultation with the Parks and Public Works Department, staff recommends that Policy MOB-11.3 be retained as showing in the Draft 2040 General Plan without further modifications. The Town may implement or support improvements intended for efficiency or safety on this segment of SR 17 that are consistent with this policy.*
 8. In the Public Facilities, Services, and Infrastructure Element, accept recommendations 18 through 22;
 9. In the Open Space, Parks, and Recreation Element, accept recommendations 23 through 25.
 10. In the Environment and Sustainability Element, accept recommendations 26 through 38, with additional staff review of recommendation 39 for improved wording;
 - *Staff prepared the following modified language for consideration with deletions shown in ~~striketrough~~ and additions shown underlined. Staff further recommends that additional modifications be considered for more specific language once the current work on land acknowledgement has been completed.*
 - Policy ENV-13.8, "Support a community sense of stewardship for historic and cultural resources through supporting talks, tours, and other programs that increase awareness and promote Los Gatos as a destination with historic cultural resources and through including Indigenous Ohlone ~~Ohlone~~ People in the conversation and planning."
 - Section 8.8, "Los Gatos is in an area once occupied by Indigenous Ohlone ~~(or Costanoan)~~ ~~People~~, which extends from the point where the San Joaquin and Sacramento rivers flow into the San Francisco Bay to Point Sur, with the interior Coastal Ranges most likely constituting the inland boundary. Before colonization, Indigenous People Ohlone ~~Ohlone~~ lived in base camps of tule reed houses and seasonal specialized camps. Indigenous People Ohlone ate food gained by hunting, gathering, and fishing. Mussels were particularly important to their diet, as well as sea mammals and acorns.

Seven Franciscan missions were built in Indigenous People's Ohlone territory in the late 1700s, and all Indigenous People ~~members of the Ohlone group~~ were eventually forced into the mission system. After the establishment of the missions, the ~~Ohlone~~ population of Indigenous People of this area was decimated from roughly 10,000 people in 1770 to 1,300 in 1814. In 1973, the population of Indigenous People of

REMARKS (continued):

- ~~this area people with Ohlone descent~~ was estimated at fewer than 300 after what is widely cited as a genocide. The descendants of the Indigenous People of this area ~~Ohlone~~ united in 1971 and have since arranged political and cultural organizations to revitalize, maintain, and pass on their culture.”
- *Staff recommends an additional Implementation Program in the Racial, Social, and Environmental Justice Element to review and update language used in the Environment and Sustainability Element in regards to Indigenous People to be consistent with the Town’s work on a land acknowledgement.*
11. In the Environment and Sustainability Element, modify Policy 10.1 to include a bullet point to encourage a reduction in packaging and microplastics getting into the environment;
 - *Staff prepared the following language for consideration: “Promote and implement programs that reduce packaging and microplastics that get into the environment;”*
 12. In the Environment and Sustainability Element, modify Implementation Program NN to include “storage”;
 - *Staff recommends the following modified language, “Incentivize installation of roof-top solar and onsite energy storage on all new construction, including parking facilities, using the latest in green building technology.”*
 13. In the Hazards and Safety Element, accept recommendations 40 and 41;
 14. In the Land Use Element, accept recommendations 43 through 46;
 15. Replace the term “missing middle housing” with “small multi-unit housing”;
 16. Study the implications of reverting Low Density Residential to 0-5 dwelling units per acre, with the exception of those properties within the Community Place Districts;
 - *Additional discussion below.*
 17. Replace the term “Community Place Districts” with “Community Growth Districts”;
 18. In the Land Use Element, delete Policy LU-1.3;
 19. In the Land Use Element, study alternative language for Goal LU-5 to incorporate the concepts and/or language from Goal LU-1 of the 2020 General Plan;
 - *Staff prepared the following modified language for consideration with deletions shown in ~~striketrough~~ and additions shown underlined: “Goal LU-5: Maintain, cherish, and enhance the Town’s a sense of place and small-town character in residential neighborhoods to meet the required housing needs, while expanding housing opportunities for a diverse population.”*
 20. In the Land Use Element, in Goal LU-2, replace the word “urban” with the word “community”;
 21. Replace “urban services” with “municipal services”;
 - *Staff recommends that this change exclude the use of the term of art: “Urban Service Area” as this is an area established by Santa Clara County LAFCO.*
 22. In the Community Design Element, accept recommendations 47 through 52, with modified wording to recommendation 49 to replace “and” with “or”;

REMARKS (continued):

The meeting included an initial discussion of housing density limits and the development table, and the Town Council continued that discussion, along with discussion of the Final Environmental Impact Report (EIR) to June 30, 2022. Additional information on these topics is included in the sections below.

HOUSING BUILDOUT DISCUSSION:

A. Reduction in Densities in the Low Density Residential Designation

One motion by the Council was a request that staff and the consultant study the possibility of reverting Low Density Residential to 0 to 5 dwelling units per acre (du/ac), with the exception of those Low Density Residential properties within the Community Place Districts (now called Community Growth Districts) which could have a “Low-Medium” Density Residential designation of 0 to 10 du/ac.

Los Gatos currently has approximately 1,800 acres of land designated for Low Density Residential, of which just over 150 acres (or eight percent) are located in the Community Growth Districts. If the maximum allowed density in all Low Density Residential was reduced outside of the Community Growth Districts, the Town could expect an estimated 90 percent reduction in potential units within the Low Density Residential designation from the Draft 2040 General Plan. Because of the small portion of the Town’s Low Density Residential parcels that are located within the Community Growth Districts, it is estimated that this change would reduce the projected housing production from the Planning Commission recommendation by approximately 181 units. If the Council chooses to apply the 0 to 5 du/ac density to all Low Density Residential properties Town-wide, the development capacity would be reduced by 198 total units, which is only a 17-unit difference from the progress motion.

While it is feasible to implement a new Low-Medium Density Residential (0 to 10 du/ac) land use designation, or an overlay zone for those Low Density Residential properties within the Community Growth Districts, this technique was considered, and not selected because of concerns expressed by the General Plan Update Advisory Committee in regards to the complexity and potential confusion that would result.

In addition, the Council discussed and did not make a progress motion on a potential quarter-mile buffer around each Community Growth District which could change existing Low Density Residential parcels to the Low-Medium Density Residential (0 to 10 du/ac) designation. While it is appreciated that the Council is considering appropriate places for increases in density, the unique neighborhood circumstances surrounding each Community Growth District would require extensive analysis to determine logical boundaries associated

HOUSING BUILDOUT DISCUSSION (continued):

with a quarter-mile criterion, identify specific properties to be included, and then run a full calculation of redevelopment potential of those parcels. The work involved in this analysis is not feasible at this time. Staff recommends that the Council not pursue this option.

If Council decides to proceed with a reduction in the Low Density Residential designation to the levels in the 2020 General Plan (0 to 5 du/ac) Town-wide in combination with the Planning Commission recommended modifications to the other residential designations and their densities in the Land Use Element, the General Plan Residential Buildout table (Table 3-1 on page 3-4 of the Draft 2040 General Plan, available: www.losgatos2040.com) would be modified as follows:

Land Use Designation		Density Range (du/ac)	Typical Density (du/ac)	Assumed Redevelopment	New Housing (Vacant Land)	New Housing (Redevelopment)
LDR	Low Density Residential	0 to 5	4	5%	75	13
MDR	Medium Density Residential	14 to 22	18	10%	201	302
HDR	High Density Residential	30 to 40	36	15%	110	268
NC	Neighborhood Commercial	10 to 20	18	10%	26	91
CC	Community Commercial	20 to 30	26	15%	0	156
MU	Mixed-Use	30 to 40	36	20%	126	605
CBD	Central Business District	20 to 30	26	15%	21	113
Subtotal					559	1,548
Housing Units, New and Redeveloped						2,107
Housing Units, ADUs						500
Housing Units, Existing Projects						475
TOTAL NEW THROUGH 2040						3,082
TOTAL NEW THROUGH HOUSING ELEMENT CYCLE (2031), excluding 300 ADUs and 400 Pipeline Project Units						2,382

An additional line was added to the table above to exclude the 300 ADUs that would be projected to be built after the eight-year Housing Element cycle (25 units per year) and the 400 units from Pipeline Projects that are expected to receive building permits before the Housing Element update is approved, and therefore would not be counted toward the 6th cycle Regional Housing Needs Allocation (RHNA) allocation.

HOUSING BUILDOUT DISCUSSION (continued):

B. Additional Options for Residential Densities Reductions

A request from a Town Council Member during the discussion was for additional information on what additional modifications could be made to bring the total number at the bottom of the Residential Building Table 3-1 of the Draft 2040 General Plan to 1,993 units (Regional Housing Need Allocation) plus a 15 percent buffer (2,292 total units). The following list of potential reductions was provided to Planning Commission for its consideration.

- Revert Low Density Housing designation housing density back to the existing 2020 General Plan level: 279 units from the Draft 2040 General Plan and 198 units from the Planning Commission recommendation as discussed above;
- Revert Medium Density Housing designation housing density back to the existing 2020 General Plan level: 327 units from the Draft 2040 General Plan and 263 units from the Planning Commission recommendation;
- Remove housing from Office and Service Commercial designations: 313 units from the Draft 2040 General Plan and 0 units from the Planning Commission recommendation as this was included in the Planning Commission recommendation;
- Revert properties in the new Community Commercial designation back to Neighborhood Commercial: 58 units from the Draft 2040 General Plan and from the Planning Commission recommendation (not included in Planning Commission recommendation);
- Reduce the allowed density in the Mixed-Use designation from 40 dwelling units per acre to 30 dwelling units per acre: 255 units from the Draft 2040 General Plan and from the Planning Commission recommendation (not included in Planning Commission recommendation);
- Reduce the allowed density in the High Density Residential designation from 40 dwelling units per acre to 30 dwelling units per acre: 111 units from the Draft 2040 General Plan and from the Planning Commission recommendation (not included in Planning Commission recommendation); or
- Revert properties in the new Central Business District designation back to housing density allowed in the existing 2020 General Plan: 76 units from the Draft 2040 General Plan and from the Planning Commission recommendation (not included in Planning Commission recommendation).

If Town Council were to proceed with all of the above reductions, then the Total NEW at the bottom of Table 3-1 would be revised to be reduced by 1,419 units, to be 2,319 units. This would be only 27 units over the target 2,292 units through the year 2040 or 1,619 units through 2031.

HOUSING BUILDOUT DISCUSSION (continued):

Housing Units, New and Redeveloped	1,344
Housing Units, ADUs	500
Housing Units, Existing Projects	475
TOTAL NEW THROUGH 2040	2,319
TOTAL NEW THROUGH THE HOUSING ELEMENT CYCLE (2031), excluding 300 ADUs and 400 Pipeline Project Units	1,619

As further discussed below, staff recommends that the Commercial, Mixed-Use, and High Density Residential designations be maintained at the levels included in the Draft 2040 General Plan, to not significantly affect the Housing Element update process.

C. Critical Designations for Housing Element

The Tier 1 sites included in the Housing Element Draft Site Inventory approved by Town Council on June 7, 2022, included sites in the Central Business District, Neighborhood Commercial, Community Commercial, Mixed-Use Commercial, North Forty Specific Plan, Low Density Residential, Medium Density Residential, and High Density Residential designations. In addition, there are sites in the Community Commercial and Office Professional designations that are currently listed as Tier 2, and may be added to the Site Inventory if needed. Based on the Site Inventory, the Commercial, Mixed-Use, and High Density Residential designations are the most critical to planning the housing required for the Regional Housing Need Allocation (RHNA).

D. Redevelopment Assumptions

The General Plan Residential Buildout Table includes an assumed redevelopment for those properties that are not vacant. This assumed redevelopment is not 100 percent for every developed property as it is highly unlikely that every property owner would be interested in demolishing existing buildings and constructing new. Instead, a reasonably foreseeable assumption is between 5 and 20 percent. The assumed redevelopment was lower where the planned density was low, and higher where planned density was higher because a greater density and greater height is more likely to incentivize redevelopment. These calculations were guided by an economist who was part of the General Plan consultant team. The economist provided the information regarding redevelopment potential as contained in the Alternatives Analysis Report, based on their expertise and familiarity with redevelopment and growth throughout the Bay Area, including Santa Clara County.

E. Properties in the Wildland Urban Interface

Attachment 27 is a map showing the parcels and associated land use designations that are included in the Wildland Urban Interface (WUI) beyond the Hillside land use destinations.

HOUSING BUILDOUT DISCUSSION (continued):

The Council's progress motion to reduce Low Density Residential to the 2020 levels would address a substantial portion of the area of concern raised in public testimony.

F. Senate Bill (SB) 330 and Downzoning

At the June 20, 2022 Town Council meeting, Councilmember Hudes asked whether Senate Bill 330, which amended a number of Government Code sections, precludes the Town from reducing allowable density on property in the future if the Town finds that the densities proposed in the General Plan need adjustment in the future. Government Code Section 66300(b) precludes a local agency from "changing the general plan land use designation, or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing general plan designation, specific plan land use designation, or zoning district in effect at the time of the proposed change, below what was allowed under the land use designation or zoning ordinances . . . in effect on January 1, 2018, except as otherwise provided. . . ." In other words, the Town Council could elect to reduce densities in the future so long as allowed densities remained at or above January 1, 2018, levels.

ENVIRONMENTAL ASSESSMENT:

Attachment 26 itemizes additional information, clarification, and correction of typos in response to two private letters in the Final Environmental Impact Report (EIR). Some of these clarifications resulted in revisions to the Draft EIR as noted in the Attachment. Under the California Environmental Quality Act, modifications to responses to non-agency comment letters do not require recirculation of the Final EIR (CEQA Guidelines Section 15088.) The Final EIR has been updated online to include all revisions at: www.logatos2040.com

Because the modified housing densities currently under consideration by the Town Council are within the development projections considered in the EIR for the Draft 2040 General Plan and alternatives, no additional modifications or analysis would be required for certification of the EIR and adoption of the 2040 General Plan. In other words, reducing the development capacity in the 2040 General Plan is covered by the Final EIR.

PUBLIC COMMENT:

Attachment 28 includes additional public comments received between 11:01 a.m., Monday, June 20, 2022, and 11:00 a.m., Tuesday, June 28, 2022.

ATTACHMENTS:

Attachments previously received under separate cover:

(available online here: <http://losgatos2040.com/documents.html>)

1. Draft 2040 General Plan
2. Draft EIR
3. Revised NOA and Transportation Section
4. Final EIR

Attachments previously received with June 20, 2022 Staff Report:

5. Draft Resolution Certifying the EIR for the 2040 General Plan, with Exhibit A Draft Findings of Fact and Statement of Overriding Considerations
6. Draft Resolution Approving the 2040 General Plan
7. Planning Commission Recommendation
8. April 13, 2022 Planning Commission Staff Report, with Exhibits 5-10
9. April 13, 2022 Planning Commission Addendum Report, with Exhibit 11
10. April 13, 2022 Planning Commission Desk Item Report, with Exhibits 12-13
11. April 13, 2022 Planning Commission Verbatim Minutes
12. April 25, 2022 Planning Commission Staff Report, with Exhibits 14-15
13. April 25, 2022 Planning Commission Desk Item Report, with Exhibits 16
14. April 25, 2022 Planning Commission Verbatim Minutes
15. April 27, 2022 Planning Commission Desk Item Report, with Exhibits 17
16. April 27, 2022 Planning Commission Verbatim Minutes
17. May 2, 2022 Planning Commission Staff Report
18. May 2, 2022 Planning Commission Desk Item Report, with Exhibits 18
19. May 2, 2022 Planning Commission Verbatim Minutes
20. Planning Commission Recommendation Informational Memo
21. Study Session Questions and Responses
22. Breaking it Down Series
23. Public Comment received between 11:01 a.m., Monday, May 2, 2022, and 11:00 a.m., Wednesday, June 15, 2022

Attachments previously received with June 20, 2022 Desk Item:

24. Council Member Comments
25. Public Comment received between 11:01 a.m., Wednesday, June 15, 2022, and 11:00 a.m., Monday, June 20, 2022

Attachments with this Staff Report:

26. Summary of Final EIR Edits
27. Map of non-hillside properties in the WUI
28. Public Comment received between 11:01 a.m., Monday, June 20, 2022, and 11:00 a.m., Tuesday, June 28, 2022