



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 08/12/2026

ITEM NO: 4

DATE: August 7, 2026
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Forward a Recommendation to the Town Council on an Ordinance Amending Chapter 29 (Zoning Regulations) of the Town Code Regarding Objective Design Standards for Single-Family and Two-Family Residential Dwelling Units and Second-Story Additions. The Proposed Amendments to the Town Code are Not Subject to CEQA 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 and Design Review Process Applicable to New Single-Family and Two-Family Residential Dwelling Units and Second-Story Additions. Town Code Amendment Application A-26-003. **Project Location: Town Wide.** Applicant: Town of Los Gatos.

RECOMMENDATION:

Forward a recommendation to the Town Council on an ordinance amending Chapter 29 (Zoning Regulations) of the Town Code regarding objective design standards for single-family and two-family residential dwelling units and second-story additions.

CEQA:

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 and design review process applicable to new single-family and two-family residential dwelling units and new second-story additions.

PREPARED BY: Ryan Safty
Associate Planner

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

SUBJECT: Objective Design Standards for Single-Family and Two-Family Residential Projects and Second-Story Additions/A-26-003

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FINDINGS:

- The proposed amendments are not subject to CEQA review pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3); and
- The amendments to Chapter 29 of the Town Code are consistent with the General Plan.

BACKGROUND:

In September 2021, Governor Newsom signed new state law, Senate Bill 9 (SB 9), which went into effect on January 1, 2022. SB 9 requires ministerial approval of certain housing development projects and lot splits on a single-family zoned parcel, with the intent to increase residential densities within single-family neighborhoods across the State.

The law allows for two new types of development activities that must be reviewed ministerially without any discretionary action or public input:

- **Two-unit housing development** – Two homes on an eligible single-family residential parcel.
- **Urban lot split** – A one-time subdivision of an existing single-family residential parcel into two parcels.

On December 21, 2021, the Town Council adopted an Urgency Ordinance to implement local objective design standards for SB 9 applications. On November 15, 2022, the Town Council approved Ordinance 2334, which established the permanent SB 9 Ordinance within Chapter 29 (Zoning Regulations) of the Town Code. On May 21, 2024, the Town Council approved Ordinance 2359 (Exhibit 2), which included modifications to the previous ordinance to modify design review standards and make clarifying revisions. Ordinance 2359 is the Town's current SB 9 Ordinance.

Previous SB 9 law allowed jurisdictions to adopt objective zoning, subdivision, and design standards specific to two-unit housing development and urban lot split applications so long as they would not preclude the construction of two, 800-square foot units with four-foot side and rear setbacks. As a reminder, objective design standards are development regulations that involve no personal or subjective judgment by a public official. They must be uniformly verifiable using an external, measurable benchmark known to both the applicant and the public official before application submittal. The Town's current SB 9 Ordinance includes a Design Review Standards Section applicable to two-unit development applications [Exhibit 2, Town Code Section 29.10.630 (2)] and a Subdivision Standards Section applicable to urban lot split applications [Exhibit 2, Town Code Section 29.10.650 (1)]. Since SB 9 applications allow reduced side and rear setbacks and require ministerial review, and since design guidelines aren't enforceable on these projects, the objective design standards for SB 9 projects were created to

protect neighbor privacy and enforce some of the Town's residential and hillside design guidelines to encourage orderly development and neighborhood compatibility.

In September of 2024, Governor Newsom signed new state law, Senate Bill 450 (SB 450), which went into effect on January 1, 2025 (Exhibit 3). SB 450 updates and expands the required provisions of SB 9. The most significant change from SB 450 is that it now prohibits the Town from adopting specific zoning, subdivision, or design standards for SB 9 projects that do not already apply uniformly to development in the underlying zoning district. Instead, the Town can only apply objective zoning, subdivision, and design standards to SB 9 projects if those standards are applicable to or are more permissive than standards within the underlying zone. As a result, many of the Town's existing objective SB 9 standards are no longer enforceable. Exhibit 4 includes a strike-through version of the Town's current SB 9 Ordinance, showing which provisions are no longer enforceable based on SB 450.

Several neighboring jurisdictions have recently updated their SB 9 process following the adoption of SB 450, which highlights the array of options available to the Town. On one end of the spectrum is the City of Campbell, who reduced their objective standards across the majority of their jurisdiction to line up with the increased allowances of SB 9, essentially removing their standard discretionary process and reducing setbacks for all new single-family units down to four feet side and rear. The City of Berkeley took a different approach, essentially eliminating single-family zoning altogether, and therefore removed the ability to use SB 9 since it is only applicable in single-family zones. Lastly, the cities of Cupertino, Sunnyvale, and Palo Alto have created new objective design standards to be applicable to all new single- and two-family dwelling units and second-story additions; therefore, allowing them to apply to SB 9 projects as well as those units created through their discretionary processes. Palo Alto and Cupertino took their previous SB 9 design standards and made them applicable across all residential zones. Therefore, the cities can continue to apply the previous standards to SB 9 projects while providing an exception process for standard discretionary applications that do not meet these new standards. Sunnyvale took their existing, subjective residential design guidelines and, with the support of a consultant, completed an extensive update to turn them into modernized, objective design standards within City Code and applicable across all residential zones. The following hyperlink includes the council reports for the various approaches for each of the neighboring jurisdictions listed above:

<https://www.losgatosca.gov/DocumentCenter/Index/2977>

In March of this year, staff met with the local architect and design community to discuss the new changes to State law and the need to create objective design standards. The group of roughly ten architects and designers discussed what they have seen work well in other jurisdictions and, in summary, concluded that "less is more" when it comes to these objective design standards. They noted that jurisdictions that tried to overly control architectural styles and detailing tended to result in poor design, and that if new standards are necessary, they prefer options rather than one set standard.

In addition to the architect and design community input, staff has received input from the public since SB 9 was first adopted in 2021. The primary concerns, both before and after SB 450 was adopted, have largely been centered around privacy as SB 9 allows reduced four-foot side and rear setbacks. Now that SB 450 has removed some of the previous attempts to protect neighborhood privacy, there is a need to modify Town Code to introduce protections applicable to all new single- and two-family residential dwelling units and second-story additions, including those created through SB 9. Specifically, as detailed below, staff recommends new objective design standards related to porches, patios, decks, platforms, balconies, and other open, unenclosed areas; and window restrictions when over a certain height and within a certain distance of a shared property line.

In developing the draft Ordinance, staff considered the feedback from the architects and design community and Town residents; conducted research on the approach used by neighboring jurisdictions; and drafted a new Town Code section as discussed below. Staff recommends an approach similar to Palo Alto and Cupertino, where many of the existing SB 9 standards, and some commonly used design guidelines, are added into Town Code to apply across all residential zones and be applicable to all single-family and two-family projects.

DISCUSSION:

To address changes made to SB 9 processing by SB 450, staff drafted amendments to portions of Chapter 29 (Zoning Regulations). The proposed amendments would take many of the existing SB 9 standards, as well as the more common design guidelines from the Town's Single and Two Family Residential Design Guidelines (RDG) and Hillside Development Standards and Guidelines (HDS&G) documents, and make them uniformly applicable to the underlying residential zones. Specifically, the standards are drafted to be applicable to all new single-family units; two-family units; and second-story additions, whether new or an addition to an existing second-story. Additionally, there are clean-up and consistency items proposed. Details on the proposed amendments and new standards are provided below.

A. New Objective Design Standards Process Overview

The draft Ordinance introduces a new Town Code Section, titled "Objective Design Standards for New Single-Family and Two-Family Residential Dwelling Units and Second Story Additions," which would be within Article VI – Residential Zones; Division 1 – Generally (Exhibits 5). This new Town Code section is divided into four parts: purpose and applicability; design standards for site planning and architectural details; design standards for massing and privacy; and an exception process. These standards are in addition to other objective Town Code standards, such as setbacks, height, floor area ratio, lot coverage, etc., and are applicable to all new single- and two-family residential dwelling units and second-story additions. This includes both ministerial applications, such as SB 9 two-unit housing

developments, and discretionary applications, such as architecture and site and minor residential project applications.

Projects proceeding under a ministerial process would not have an option for exceptions to any of these standards. Projects proposed under a discretionary process could request an exception through the standard architecture and site application process. As noted in Town Code Section 29.40.100 (Exceptions), the findings to be considered include compliance with the Town's RDG (and corresponding report by the Town's Consulting Architect), HDS&G (when applicable), neighborhood compatibility, and neighboring privacy protections.

B. Previous SB 9 Standards

Many of the new standards in Town Code Sections 29.40.090 and 29.40.095 were derived from the Town's previous SB 9 regulations in Ordinances 2359 (2024) and 2334 (2022). The following standards that were previously applicable only to SB 9 two-unit housing developments are now proposed to apply to all new single- and two-family dwelling units and second-story additions. A brief staff explanation is provided in *italics* below each new standard.

- Sec. 29.40.090 (1) - Building sites. The footprint of the proposed residential unit(s) and garage(s) shall not be located on lands with slopes exceeding thirty (30) percent.
 - *Staff explanation: This standard was derived from the Town's HDS&G and has been in the Town's SB 9 Ordinance since 2022.*
- Sec. 29.40.090 (4) - Exterior materials. For properties in the Hillside Area, exterior material colors for dwelling units and garages shall comply with the requirements in Chapter V, Section I, Standard 2 of the Town's Hillside Development Standards and Guidelines for maximum light reflectivity value (LRV).
 - *Staff explanation: This standard was derived from the Town's HDS&G and has been in the Town's SB 9 Ordinance since 2022.*
- Sec. 29.40.090 (5) - Mechanical equipment screening. Heating, ventilation, and air conditioning (HVAC) units, generators, energy storage systems (ESS) and other similar ground mounted mechanical equipment shall be screened from view from any adjacent street if not already located out of view behind a building or solid fence.
 - *Staff explanation: This standard has been in the Town's SB 9 Ordinance since 2024.*
- Sec. 29.40.095 (3) - Second story location. A new second story, whether a new second-floor added above an existing single-story structure, addition to an existing second-floor, or a new two-story structure, shall meet the underlining setbacks of the zone, and in no case be less than eight (8) feet from a property line.
 - *Staff explanation: This standard is similar to the standard that has been in place since 2022, which first required a five-foot second-story step-back from the first floor below and then was amended in 2024 to instead require a nine-foot setback*

of the second-floor from the property line. It has been slightly revised down to eight feet to match R-1:8 side setback standards. This standard helps limit massing, while the window and patio, porch, deck, platforms, balconies, and other open, unenclosed areas standards listed below help control neighboring privacy.

- Sec. 29.40.095 (4) - Plate height. For two-story homes, the maximum plate height of the first floor shall be limited to ten (10) feet, and the maximum plate height of the second floor shall be limited to eight (8) feet.
 - *Staff explanation: This standard has been in the Town's SB 9 Ordinance since 2022.*

C. Design Guidelines Added

The following standards in Town Code Sections 29.40.090 and 29.40.095 were derived from the Town's existing design guideline documents, including the RDG and HDS&G. Since design guidelines cannot be enforced with ministerial applications, they must be made objective to be applicable. A brief staff explanation is provided in *italics* below each new standard.

- Sec. 29.40.090 (2) – Site grading. In the Hillside Area, site grading shall not be larger than the area of the footprint of the house, driveway, parking, and vehicular turnaround areas.
 - *Staff explanation: This standard was derived from HDS&G Chapter III-Section A-Standard 5 and ensures that grading in the hillsides is limited to the minimum amount necessary to develop the residential unit and required access.*
- Sec. 29.40.090 (3) – Material changes. Exterior material and siding changes shall occur at the inside corner of two walls and not the outside corner. See Section 3.8.4 of the Town's Single and Two Family Residential Design Guidelines for an example diagram.
 - *Staff explanation: This standard was derived from RDG Section 3.8.4.*
- Sec. 29.40.095 (1) – Patios, porches, decks, platforms, balconies, and other open, unenclosed areas.
 - a. See Town Code Section 29.40.070 for projection allowances for areas under four (4) feet in height above grade.
 - b. If four (4) feet above grade or greater, including rooftops, the underlining setbacks of the zone shall be met, and in no case shall they be located less than twenty (20) feet from a rear property line and ten (10) feet from any other property line. Additionally, each area shall also include a minimum of one of the following screening techniques along the entire portion of the open area that faces existing residential use(s) or zone(s). The additional screening techniques are not required when these areas are proposed facing a public right-of-way.
 - i. Solid or opaque privacy wall of at least six (6) feet in height, blocking direct visibility along the edges of the deck or open area; or

- ii. Property line fence of at least six (6) feet solid material with one (1) foot lattice above (seven (7) feet high in total) and privacy landscape screening consisting of native, evergreen species. Trees are to be a minimum of twenty-four (24) inch box size, shall be a minimum of six (6) feet tall at the time of planting, with a typical mature height of at least twenty-five (25) feet and mature canopy width of fifteen (15) feet, and planted at a rate of one (1) tree for every twenty-five (25) linear feet between. Three closely spaced tall screening shrubs of at least fifteen (15) gallon in size with a mature height of at least fifteen (15) feet and a mature width of at least three (3) feet may be substituted for one screening tree. Both fencing and landscaping shall be placed at the shared property line, with a cone-of-vision defined by a thirty (30) degree angle from the furthest edges of the deck or open unenclosed area.
 - *Staff explanation: This standard is derived from RDG 3.11.2. As noted above, privacy was the primary concern received from the public over the past few years, which is why additional standards are proposed. Screening standards “i” and “ii” are derived from RDG 3.11.2. The size and height requirements of the landscape screen are derived from Palo Alto’s standards. As requested by the architect community, this “new” standard has compliance options.*
- Sec. 29.40.095 (2) – Windows. All second-story windows less than twenty (20) feet from a rear property line or ten (10) feet from any other property line, and all first-story windows less than six (6) feet from a property line where the finished floor is three (3) feet or more above grade, shall comply with at least one of the following. This standard does not apply to windows facing a public right-of-way.
 - a. Clerestory, with the bottom of the glass at least six (6) feet above the finished floor;
 - b. Opaque glazing, blocking direct visibility; or
 - c. Property line fence of at least six (6) feet solid material with one (1) foot lattice above (seven (7) feet high in total) and privacy landscape screening consisting of native, evergreen species. Trees are to be a minimum of twenty-four (24) inch box size, shall be a minimum of six (6) feet tall at the time of planting, with a typical mature height of at least twenty-five (25) feet and mature canopy width of fifteen (15) feet, and planted at a rate of one (1) tree for every twenty-five (25) linear feet between. Three closely spaced tall screening shrubs of at least fifteen (15) gallon in size with a mature height of at least fifteen (15) feet and a mature width of at least three (3) feet may be substituted for one screening tree. Both fencing and landscaping shall be placed at the shared property line, with a cone-of-vision defined by a thirty (30) degree angle from the furthest edges of the deck or open unenclosed area.
 - *Staff explanation: The intent of this standard has been in the Town’s SB 9 Ordinance since 2022. The previous standard stated that windows must be*

clerestory if within 10 feet of a side or rear property line. However, staff found that the majority of neighboring jurisdictions increase the rear setback standard, similar to how rear setbacks of the zone are generally greater than the sides. RDG 3.11.8 lists option “b” as a recommended mitigation technique for two-story windows, and lists option “c” as a recommended mitigation technique for decks, which can also be applied to windows. Staff found all three techniques used within neighboring jurisdictions. Additionally, as requested by the architect community, this revised standard has compliance options.

- Sec. 29.40.095 (5) – Two-story articulation. A new second-story that is not stepped-back from the single-story wall below and creates a two-story wall shall include at least one of the following to provide visual relief along that two-story wall:
 - a. Bellyband extending the full width of the two-story elevation;
 - b. Projections or bay windows;
 - c. Material and color changes;
 - d. Chimneys;
 - e. Overhangs with projecting brackets;
 - f. Juliet balconies;
 - g. Window boxes; or
 - h. Landscaped trellis or lattice.
 - *Staff explanation: This standard is derived from RDG 3.3.3, and as requested by the architect community, this “new” standard has compliance options.*

D. Clean-Up Items

In addition to the items listed above, staff recommends additional revisions to Town Code to further support the proposed objective design standards. This includes new definitions, clarifying and modifying some existing standards and processes, and clarifying the building height allowances in Town Code for consistency with the HDS&G. A brief staff explanation is provided in *italics* below each clean-up item.

- Sec. 29.10.020 – Definitions.
 - Hillside Area* means all properties zoned Hillside Residential or properties located within the Hillside Area Map of the Town’s Hillside Development Standards and Guidelines.
 - *Staff explanation: This definition is added to Chapter 29 (Zoning Regulations) to enforce certain hillside-related requirements on R-1 and RC zoned properties within the HDS&G defined “Hillside Area,” as not all properties subject to the HDS&G are zoned HR.*
 - Landscaping* means an area devoted to plantings, lawn, ground cover, gardens, trees, shrubs, and other plant materials.

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- *Staff explanation: This definition is added to Chapter 29 (Zoning Regulations) as new standards related to landscaping are being proposed, and landscaping is not defined in Town Code. The definition was taken from the Town's Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development document.*
- Sec. 29.40.070 (c - e) – Projections allowed into yards. (see Exhibit 5 for proposed modifications)
 - *Staff explanation: In summary, subsections (c)-(e) of Town Code Section 29.40.070 are proposed to be amended to clarify existing Town Code and to ensure that new SB 9 applications are not allowed projection into the required reduced setback areas that would create privacy concerns. Edits are proposed to this Town Code Section to ensure consistency with new Town Code Section 29.40.095 (1) and to clean-up existing portions that were not clear: i.e. current Town Code Section 29.40.070 allows a four-foot tall, uncovered porch to project six feet into the required front setback, while a one-foot tall deck could not project.*
- Sections 29.40.095(5), 29.40.170, 29.40.275, 29.40.410, and 29.40.745 – Height limitations. (see Exhibit 5 for proposed modifications)
 - *Staff explanation: In summary, modifications to the height limitations in the RC, HR, R-1, and R-1D zones are proposed for consistency with HDS&G. Although the Town's HDS&G provides a maximum height for residences within the Hillside Area to 25 feet, or 18 feet if determined to be visible from one of the established viewing platforms, Town Code provides for 30 feet in the zones that are included within the HDS&G. This change would make the height limitations consistent between the HDS&G and zoning code for properties in the HDS&G Hillside Area.*

PUBLIC COMMENTS:

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;
- In-person meeting with local architects and designers to obtain feedback in March 2026; and
- Direct email communication to local architects and designers.

At the time this report was published, no public comments were received.

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 and design review process applicable to new single-family and two-family residential dwelling units and new second-story additions.

CONCLUSION:

A. Summary

In response to recent changes to State law, the Town must rely on objective design standards in the review of certain types of application, including SB 9 applications. The draft Ordinance in Exhibit 5 takes current SB 9 standards that were removed through SB 450, as well as some existing design guidelines, and makes them objective and applicable to all single- and two-family residential dwelling units and second-story additions.

B. Recommendation

Staff recommends that the Planning Commission review the information included in the staff report and forward a recommendation to the Town Council for approval of the amendments to Chapter 29 of the Town Code in the draft Ordinance (Exhibit 5). The Planning Commission should also include any comments or recommended changes to the draft Ordinance in taking the following actions:

1. Make the finding that the proposed amendments are not subject to CEQA 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 and design review process applicable to new single-family and two-family residential dwelling units and second-story additions (Exhibit 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 (Exhibit 1); and
3. Forward a recommendation to the Town Council for approval of the proposed amendments to Chapter 29 of the Town Code in the draft Ordinance (Exhibit 5).

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C. Alternatives

Alternatively, the Commission can:

1. Forward a recommendation to the Town Council for approval of the draft Ordinance with modifications; or
2. Continue the matter to a date certain with specific direction.

EXHIBITS:

1. Required Findings
2. Current Senate Bill 9 Ordinance 2359
3. Senate Bill 450 State Law
4. Current Senate Bill 9 Ordinance 2359 with Senate Bill 450 Deletions
5. Draft Town Code Amendments

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