



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 02/12/2025

ITEM NO: 3

DATE: February 7, 2025
TO: Planning Commission
FROM: Joel Paulson, Community Development Director
SUBJECT: Consider a Request for Approval to Demolish Existing Hotel Structures (Los Gatos Lodge), Construct a Multi-Family Residential Development (155 Units), a Conditional Use Permit, a Condominium Vesting Tentative Map, Site Improvements Requiring a Grading Permit, and Remove Large Protected Trees Under Senate Bill 330 (SB 330) on Property Zoned CH:PD:HEOZ. **Located at 50 Los Gatos-Saratoga Road.** APNs 529-24-032, 529-24-001, and 529-24-003. Architecture and Site Application S-23-042, Conditional Use Permit Application U-23-017, and Subdivision Application M-23-009. No Additional Environmental Review is Necessary Pursuant to CEQA Guidelines Section 15183: Streamlining Process, Since the Proposed Project's Environmental Impacts were Adequately Addressed in the 2020 General Plan EIR and/or 2040 General Plan EIR, as Applicable. Property Owner: Keet S. Nerhan. Applicant: SummerHill Homes, LLC. Project Planner: Sean Mullin.

RECOMMENDATION:

Consider a request for approval to demolish existing hotel structures (Los Gatos Lodge), construct a multi-family residential development (155 units), a conditional use permit, a condominium vesting tentative map, site improvements requiring a grading permit, and remove large protected trees under Senate Bill 330 (SB 330) on property zoned CH:PD:HEOZ, Located at 50 Los Gatos-Saratoga Road.

PROJECT DATA:

General Plan Designation: Mixed Use Commercial
Zoning Designation: CH:PD:HEOZ, Restricted Highway Commercial, Planned Development Overlay, Housing Element Overlay Zone
Applicable Plans & Standards: General Plan; Objective Design Standards For Qualifying Multi-Family and Mixed-Use Residential Development
Parcel Size: 384,221 square feet (8.82 acres)
PREPARED BY: Sean Mullin, AICP
Planning Manager

Reviewed by: Community Development Director

Surrounding Area:

	Existing Land Use	General Plan	Zoning
North	Vacant and Commercial	Mixed Use Commercial	CH:PD:HEOZ and CH:PD
South	Los Gatos High School	Public	R-1:20:PS
East	Single-Family Residential	Medium Density Residential	R-1:10
West	Caltrans ROW	N/A	N/A

CEQA:

An Initial Study (Exhibit 1) was prepared for the project concluding that additional environmental review is not necessary pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15183: Streamlining Process, since the proposed project’s environmental impacts were adequately addressed in the Environmental Impact Reports (EIR) prepared for the 2020 General Plan and/or 2040 General Plan, as applicable.

FINDINGS:

- As required, additional environmental review is not necessary pursuant to CEQA Guidelines Section 15183: Streamlining Process, since the proposed project’s environmental impacts were adequately addressed in the Environmental Impact Reports (EIR) prepared for the 2020 General Plan and/or 2040 General Plan, as applicable;
- As required that the project is consistent with the General Plan;
- As required by Section 66474 of the Subdivision Map Act;
- As required by Section 29.20.190 of the Town Code for granting a Conditional Use Permit.
- The project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) except for the concession and waivers requested pursuant to State Density Bonus Law;
- The project meets the Town of Los Gatos Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development except for the waivers requested pursuant to State Density Bonus Law;
- As required by State Density Bonus Law for granting a concession pursuant to California Government Code Section 65915 (d) and for granting waivers pursuant to California Government Code Section 65915 (a)(2); and
- As required by California Government Code Section 65863 regarding state RHNA requirements, the Town’s Housing Element Sites Inventory, and No Net Loss Law.

CONSIDERATIONS:

- As required by Section 29.20.150 of the Town Code for granting approval of an Architecture and Site application.

ACTION:

The Planning Commission will provide a recommendation to the Town Council who will render the final decision on the proposal.

BACKGROUND:

Senate Bill 330

The Housing Crisis Act of 2019, or SB 330, became effective on January 1, 2020, and will remain in effect until it sunsets on January 1, 2030. SB 330 provides an expedited review process for housing development projects and offers greater certainty by allowing an optional vesting opportunity through the Preliminary Application process. Submittal of a Preliminary Application allows a developer to provide a specific subset of information on the proposed housing development ahead of providing the full amount of information required by the Town for a housing development application. Once the preliminary application is “deemed submitted” and payment of the permit processing fee is made, a vesting date is established, freezing the applicable fees and development standards that apply to the project while the applicant assembles the rest of the materials necessary for a full application submittal. Eligible projects are exempt from discretionary review and must be consistent with objective zoning and design standards. The statute requires that a final decision be made in no more than five public hearings, including appeals. The SB 330 preliminary application for this project achieved a vesting date of June 30, 2023

State Density Bonus Law

State Density Bonus Law (SDBL) created a mechanism to obtain more favorable development requirements for projects with affordable or senior units. To meet the affordable housing goals, developers are entitled to a density bonus that corresponds to specified percentages of units set aside for very-low, low, or moderate-income households. In addition to the density bonus, SDBL provide three provisions that must be granted to qualifying projects:

1. One or more concession that provide cost reductions for the development. Under the law, a concession includes a reduction in site development standards and/or regulations when such regulations potentially make the project economically infeasible for the developer to build. These can include a reduction in site development standards or modification of zoning or architectural design requirements that exceed minimum building standards. The number of allowed concessions is determined on a sliding scale based on the percentage of units that will be set aside as affordable units and the household income category of those affordable units.
2. Waivers are reductions or modifications of any development standards and other regulations that would physically preclude the development of a project at the density permitted. Development standards include, but are not limited to, height limitations,

setback requirements, FAR, open space requirements, or parking requirement that apply to a residential development pursuant to any ordinance, general plan element, policy, resolution, or regulation. There is no limit in the number of waivers an applicant can request through SDBL.

3. Reductions in parking requirements provided based on the number of bedrooms in each unit.

The proposed project qualifies for a density bonus and all associated provisions under the SDBL.

Housing Accountability Act - Builder's Remedy

The California Legislature adopted the Housing Accountability Act (HAA) to "significantly increase the approval and construction of new housing for all economic segments of California's communities by meaningfully and effectively curbing the capability of local governments to deny, reduce the density for, or render infeasible housing development projects" [Gov. Code § 65589.5(a)(2)(K)]. It is the policy of the state that the HAA "be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing." [Gov. Code § 65589.5(a)(2)(L)]. The "Builder's Remedy" provision of the HAA specifically prohibits a local agency from relying on inconsistency with zoning and general plan standards as a basis for denial of a qualifying housing development project unless the agency has adopted a sixth cycle housing element in substantial compliance with State law by January 31, 2023. The Town's sixth cycle housing element was certified by HCD on July 10, 2024. The preliminary application for this project achieved a vesting date of June 30, 2023, prior to certification of the Town's Housing Element. Therefore, the project qualifies as a Builder's Remedy project. In the project documents, the applicant has invoked their right to Builder's Remedy, but it has not been implemented. The deviations from the Town's standards included in the project are requested exclusively through SDBL.

Project Site

The subject property consists of three lots totaling 8.82 acres located on the south side of Los Gatos-Saratoga Road at the intersection with Alberto Way (Exhibit 4). The majority of the property is relatively flat. A steep, densely wooded hillside rises approximately 55 feet to Bella Vista Avenue along the east edge. The property is developed with the Los Gatos Lodge, a hotel that began operation in 1958 and is currently operating and a two-family residence located on the east side of the property accessed off Bella Vista Avenue. The property has a General Plan designation of Mixed Use Commercial and is zoned CH:PD:HCOZ, or Restricted Commercial Highway with a Planned Development (PD) overlay and a Housing Element Overlay Zone (HCOZ). The PD overlay was approved for the construction and operation of the Los Gatos Lodge. The HCOZ overlay is applied to sites included in the Sites Inventory of the Housing Element and modifies development standards such as density, lot coverage, FAR, and height. The HCOZ became effective on December 21, 2023. The preliminary application under SB 330 was deemed submitted on June 30, 2023, establishing the vesting date for the application.

Therefore, the application is not subject to the provisions of the HEOZ, including minimum density.

On December 20, 2023, the applicant submitted a formal application, within 180-days of the established vesting date as required by state law.

Through the Town's technical review process, the application was deemed complete on May 7, 2024, within the timelines prescribed by state law. On January 14, 2024, the application was deemed consistent with applicable Town standards and ready for consideration through the Town's public hearing process.

The application includes a Vesting Tentative Map, requiring approval by the Town Council pursuant to Town Code Section 29.10.020. The applicant seeks a recommendation on the development proposal from the Planning Commission to the Town Council, who will render the final decision on the project.

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject property consists of three lots totaling 8.82 acres located on the south side of Los Gatos-Saratoga Road at the intersection with Alberto Way (Exhibit 4). The majority of the property is flat. A steep, densely wooded hillside rises approximately 55 feet to Bella Vista Avenue along the eastern edge. The property is developed with the Los Gatos Lodge, a hotel that began operation in 1958 and is currently operating and a two-family residence located on the east side of the property accessed off Bella Vista Avenue. An undeveloped property and commercial property are located to the north, across Los Gatos-Saratoga Road. Los Gatos High School is located to the south. Single-family residences are located to the east along Bella Vista Avenue and the Highway 17 Caltrans right-of-way borders the property to the west.

B. Project Summary

The applicant proposes demolition of the Los Gatos Lodge and construction of a multi-family residential development consisting of 155 attached units distributed among 28 separate buildings (Exhibit 17). The applicant submitted a Project Description Letter (Exhibit 5) and Letter of justification (Exhibit 6) discussing the project. New private roadways and alleys would provide circulation throughout the site, taking access from the existing location on Los Gatos-Saratoga Road. The proposed project also includes a pedestrian pathway from Los Gatos-Saratoga Road to the High School, an emergency vehicle access easement connecting to the High School property, and frontage improvements along Los Gatos-Saratoga Road. A Condition of Approval provides the applicant opportunity to request in-lieu payment rather than constructing the frontage improvements subject to approval of

the Town Engineer (Exhibit 3). Of the 155 proposed units, 26 units would be designated as Below Market Price units.

C. Zoning Compliance

The property is zoned CH:PD:HEOZ, or Restricted Highway Commercial with a PD overlay and a HEOZ overlay. The CH zone is intended for development of vehicular-oriented activities and sales along highway frontages, intermingled with compatible retail, service and administrative activities. Residential uses are only allowed in the CH zone within a mixed-use or live/work development with approval of a Conditional Use Permit (CUP). The applicant requests approval of a concession through SDBL to allow for a standalone multi-family residential use without a commercial or office component. The requested concession is discussed further below.

The PD overlay was approved for the construction and operation of the Los Gatos Lodge.

The HEOZ overlay modifies development standards such as density, lot coverage, FAR, and height. The preliminary application under SB 330 established vesting prior to the implementation of the HEOZ; therefore, the application is not subject to the provisions of the HEOZ, including minimum density.

In addition to the concession requested through SDBL, the applicant requests a number of waivers to Town standards through SDBL. The requested concession and waivers are discussed below.

DISCUSSION:

A. Architecture and Site Analysis

The project includes 155 units distributed amongst 28 buildings (Exhibit 17). The unit types include two, three, and four bedrooms with multiple floor plans. The buildings would range from four to seven attached dwelling units in a townhouse configuration, each served by private roadways and alleys. A summary of the unit types and buildings is provided on sheet A0.82 of Exhibit 17. A Project Description Letter and Letter of justification discussing the project are included as Exhibits 5 and 6.

B. Building Design

The project includes Mediterranean influenced architecture in three color schemes applied to the buildings (Exhibit 17, Sheet A40). The building types have varying forms, the majority of which have hipped roofs with some gable-end accents. The buildings are three stories tall with a maximum building height of 37 feet, four and one-half inches, where 35 feet is the maximum allowed in the CH zone. Exterior materials include concrete tile roof; stucco

siding; painted foam trim, corbels, and cornices; vinyl windows and sliding glass doors; fiberglass front doors; sectional roll-up garage doors; wood trellises; ceramic tile accents; clay tile gable accent vents; and metal railings and pot shelves.

Review by the Town's Consulting Architect is typically required for Architecture and Site applications. For this application, it should be noted that the feedback provided by the Consulting Architect is subjective in nature and should not be used as the basis for a decision since the Town's review is limited to objective standards only, pursuant to SB 330.

The Town's Consulting Architect reviewed the proposed project and provided feedback and recommendations (Exhibit 7). The Consulting Architect noted that the individual buildings are well designed with an identifiable architectural style and consistent detailing. The Consulting Architect identified issues and concerns related to building coverage, limited usable open space, guest parking, dominance of garages on street frontages, architectural repetition, and edge landscaping. The Consulting Architect made recommendations on following topics:

1. Reduce the amount of building coverage;
2. Refine the uses and design of the open spaces and pathways;
3. Provide additional guest parking;
4. Improve the street auto court frontages;
5. Add architectural variety and improve end elevations; and
6. Enhance edge landscaping.

The applicant submitted a letter responding to these recommendations and summarizing design changes that were made (Exhibit 8).

C. Height

The buildings are three stories tall with a maximum building height of 37 feet, four and one-half inches, where 35 feet is the maximum allowed in the CH zone without the HEOZ overlay. As discussed in more detail below, the applicant has requested a waiver to the height limit of the zone pursuant to SDBL.

D. Subdivision and Site Design

The project includes a vesting tentative map for condominium purposes (Exhibit 17, Sheet TM-1). The subdivision design creates 28 parcels to accommodate the buildings, six parcels for the private roadways and alley, and three parcels for the open space areas. One designated remainder parcel is included on the east side of the property and would include the existing two-family dwelling. The map also includes numerous easements for emergency access, public access, and various utility infrastructure.

The proposed development would take access via the existing access point at Los Gatos-Saratoga Road (Exhibit 17, Sheet A05.1). Vehicular circulation would be provided through several private roadways and alleys. Six buildings would be located along the north edge of the property, fronting Los Gatos-Saratoga Road and the northbound Highway 17 off ramp. The remaining 22 buildings would be dispersed throughout the remainder of the site, arranged in blocks separated by alleys. Pedestrian pathways would provide circulation throughout the interior of the site (Exhibit 17, Sheet A06). A multi-use pedestrian pathway along the northwest property line would provide separated access between Los Gatos-Saratoga Road and a gate to the High School, which would be controlled by the High School (Exhibit 17, Sheet C.2). This pathway offers a one-way return into the development and is also aligned to provide access to a future trail eventually connecting to Forbes Mill.

An emergency vehicle access easement (EVAE) is proposed at the southern terminus of B Alley (Exhibit 17, Sheet C.2). This EVAE would provide an emergency connection through the High School to New York Avenue. In coordination with the Los Gatos-Saratoga Joint Union High School District, the applicant has agreed to the EVAE and the construction of off-site improvements on the High School property to connect the EVAE through the High School to New York Avenue. As a condition of approval imposed by the Santa Clara County Fire Department, the EVAE and off-site improvements must be completed prior to issuance of a certificate of occupancy for the 101st unit (Exhibit 3).

Open space areas are provided throughout the site connected via the pedestrian pathways circulating between the buildings and several community recreation spaces (Exhibit 17, Sheet L1.2). The space provided through the community recreation spaces exceeds the Town Code and ODS requirements for such spaces. The conceptual landscape plan shows that trees, shrubs, and other plantings would be distributed throughout the site.

E. Grading and Retaining Walls

The Preliminary Grading Plan included as Sheet C.3 of Exhibit 17 provides information regarding earth movement and the location and height of retaining walls. The grading activities would adjust the elevations of the site to accommodate the 28 buildings, alleyways, parking areas, and other site amenities. The maximum proposed grading depths include up to 12.9 feet of cut and 5.1 feet of fill. Preliminary cumulative grading quantities total 32,100 cubic yards, well above the 50 cubic yard threshold for requirement of a Grading Permit. The Town's Parks and Public Works Engineering staff have included a condition of approval requiring submittal and evaluation of a Grading Permit in parallel with the required Building Permits (Exhibit 3).

Retaining walls are proposed along the east and west portions of the development area. Multiple-terraced retaining walls are proposed on the east edge of the development progressing up the hillside. The maximum height of these walls is five feet. The retaining walls on the west side of the development include a maximum five-foot tall wall running

adjacent to the pedestrian path between the entrance to the site and the high school, and a one-foot, six-inch tall wall along the property line adjacent to the highway 17 offramp. All retaining walls comply with the objective design standards for retaining walls, with the exception of the retaining wall adjacent to the Highway 17 offramp which does not meet the standard that retaining walls no run in a continuous direction for more than 50 feet without a break, offset, or landscape pocket.

F. Parking

The Town Code requirements for parking in a multi-family residential project are one and one-half spaces for each unit, plus one space per unit for guest parking. This equates to 233 parking spaces and 155 guest parking spaces. Since the project qualifies under SDBL, the applicant has selected to utilize the reduced parking requirements from the statute, which supersede the Town's. Through SDBL, the parking requirement is 303 total spaces with no guest parking requirement. The proposed project includes 310 spaces accommodated in the private garages and 20 guest parking spaces.

G. Tree Impacts

There are approximately 330 existing trees in the vicinity of the development. The development plans show that 264 trees would be removed, 202 of which are protected trees under the Town Code. Based on the canopy size of the protected trees proposed for removal, approximately 779 trees would need to be planted onsite to offset the removal. The applicant has the option to request in-lieu payment for any required replacement trees that cannot be accommodated on site. The preliminary landscape plan shows that 220 trees are proposed on site (Exhibit 17, sheet L1.0.)

The applicant submitted an arborist report for peer review by the Town's Consulting Arborist. Following several rounds of review, the revised arborist report from the applicant was confirmed to meet the Town's requirements by the Consulting Arborist. The arborist report for the project is included as Exhibit 9 and tree protection details are provided on Sheet T-5 of Exhibit 17. If the project is approved, tree protection measures would be implemented prior to construction and maintained for the duration of construction activity. Arborist recommendations for tree protection have been included in the Conditions of Approval to mitigate impacts to protected trees (Exhibit 3).

H. State Density Bonus Law Concession and waivers

As discussed above, through SDBL, qualifying projects are entitled to a density bonus, as well as concessions, waivers, and parking reductions. The proposed project is entitled to one concession, unlimited waiver requests, and reduced parking requirements.

The property is zoned CH:PD:HEOZ. Residential uses are only allowed in the CH zone within a mixed-use or live/work development with approval of a CUP. The applicant requests approval of a concession to allow for a standalone multi-family residential use without a commercial or office component. The applicant provided a Letter of Justification that details the requested concession, noting that a commercial or office component would not be able to generate revenue sufficient to cover the cost of land and construction, resulting in a loss for the project (Exhibit 6). Additionally, the applicant notes that inclusion of commercial or office space would result in a reduction in the number of residential units.

The Letter of Justification also discusses the waivers to development standards requested by the applicant and why they are needed to construct the project (Exhibit 6). Exhibit 10 includes a table summarizing the concession and waivers requested by the applicant along with their justification. The findings for granting concessions and waivers pursuant to SDBL are included in Exhibit 2.

I. Below Market Price (BMP) Units

The proposed project includes a total of 155 units, 26 of which would be designated as affordable units. The Town’s BMP ordinance and policy requires that multi-family residential developments with more than 100 units provide a number of BMP units equal to 20 percent of the market rate units. The project includes 129 market rate units, requiring a minimum of 26 BMP units. The proposed 26 BMP units meets the Town’s BMP requirements.

Sheet A05 of Exhibit 17 shows the distribution of the 26 BMP units within the development. The table below provides a summary of the BMP units by income level and number of bedrooms. As required by the BMP Guidelines, the moderate-income units will be restricted to those whose income is above 80 percent, but no greater than 120 percent of the median area income, and the low-income units will be restricted to those whose income is above 50 percent, but no greater than 80 percent of the median area income. Conditions of approval are included in Exhibit 3 pertaining to the provision and sale of the BMP units.

BMP Units		
Unit Type	Moderate Income	Low Income
Two Bedroom	1	2
Three Bedroom	4	7
Four Bedroom	5	7
TOTAL	10	17

J. No Net Loss Law

Pursuant to Government Code Section 65863 (No Net Loss Law), the Town must maintain adequate capacity in the Housing Element to accommodate its remaining unmet Regional

Housing Needs Assessment (RHNA) by each income category at all times throughout the entire planning period. To comply with the No Net Loss Law, as the Town makes decisions regarding zoning and land use, or development occurs, the Town must assess its ability to accommodate new housing within the remaining capacity of the Housing Element. If the Town approves a development of a parcel identified in the Housing Element with fewer units than anticipated, the Town must either make findings that the remaining capacity of the Housing Element is sufficient to accommodate the remaining unmet RHNA by each income level, or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category. The Town may not disapprove a housing project on the basis that approval of the development would trigger the identification or zoning of additional adequate sites to accommodate the remaining RHNA.

As described in the table below, the project provides fewer Very Low, Low, and Moderate Income units than anticipated in the Sites Inventory of the Housing Element, but more Above Moderate Income units, producing a net cumulative deficit of 105 units for the site.

No Net Loss Evaluation					
Evaluation of the Proposed Project's Impact on the Anticipated Development Potential Assumed in the Housing Element Site Inventory for the Subject Property					
	Units by Income Category				
	Very Low	Low	Moderate	Above Moderate	Net Total
Anticipated Development Potential Included in the Sites Inventory of the Housing Element	86	86	62	28*	262
Proposed Project	0	16	10	131*	157
Net Site-Level Impact from the Proposed Project to Housing Element Assumed Development Potential	-86	-70	-52	+103	-105
* The Sites Inventory of the Housing Element anticipated full redevelopment of included sites, resulting in demolition of any existing units. The subject property includes a two-family residence categorized at an Above Moderate Income level, which was assumed for demolition in the Sites Inventory of the Housing Element. The proposed project would retain the two existing units, which is reflected in the Above Moderate Income column of this table.					

The following table shows that the cumulative impact of the project on the capacity of the Housing Element allows the Town to maintain a positive surplus in each income category. The remaining capacity of the Housing Element is adequate to meet the Town's remaining RHNA requirements. The No Net Loss findings can be made, and the Town is not required to identify additional sites to accommodate the remaining RHNA as a result of this project.

No Net Loss Evaluation					
Evaluation of the Proposed Project's Impact on the Cumulative Housing Element Sites Inventory Surplus					
	Units by Income Category				
	Very Low	Low	Moderate	Above Moderate	Net Total
Housing Element Sites Inventory Surplus	157	111	91	19	378
Net Site-Level Impact from the Proposed Project to Housing Element Assumed Development Potential	-86	-70	-52	103	-105
Remaining Housing Element Sites Inventory Surplus with Project Approval	71	41	39	122	173

K. Neighbor Outreach

As summarized in Exhibit 11, the applicant has independently conducted three neighborhood meetings and several other meetings with outreach groups.

L. CEQA Determination

CEQA Guidelines Section 15183 allows a streamlined environmental review process for projects that are consistent with the densities established by existing zoning, community plan, or general plan policies for which an Environmental Impact Report (EIR) was certified. The Town Council adopted the 2040 General Plan and certified the 2040 General Plan EIR on June 30, 2022. On April 2, 2024, the Town Council voted to rescind the Land Use Element and Community Design Element of the 2040 General Plan. Therefore, the Town's current General Plan consists of the Land Use Element and Community Design Element of the 2020 General Plan, and the remaining elements of the 2040 General Plan. The 2020 General Plan EIR is the effective EIR for the Land Use Element and The Community Design Element. Projects that are consistent with the densities and use characteristics considered by the General Plan EIRs may qualify for the 15183 exemption process.

The 15183 exemption process requires a more detailed environmental analysis than other CEQA statutory and categorical exemptions. Unlike other exemptions, mitigation may also be required under the 15183 process. A project-specific environmental analysis must be completed as part of the 15183 process. Technical studies, such as a biological technical report or a traffic impact analysis, may be required if a project would result in a potential environmental impact.

An Initial Study was prepared for the project, which included a number of project-level technical studies, including: an Air Quality, Greenhouse Gas, Health Risk, and Energy Analysis; Biological Resources Evaluation; Arborist Report; Historic Resources Evaluation;

Geotechnical Report; Noise Assessment; and Transportation Analysis (Exhibit 1). All technical reports were peer reviewed by the Town or the Town's consultants. The Initial Study concluded that additional environmental review is not necessary pursuant to CEQA Guidelines Section 15183: Streamlining Process, since the proposed project's environmental impacts were adequately addressed in the EIRs prepared for the 2020 General Plan and/or 2040 General Plan, as applicable, and through implementation of applicable General Plan polices identified in the Initial Study for inclusion in the conditions of approval.

PUBLIC COMMENTS:

Project identification signage was installed on the Los Gatos-Saratoga Road and Bella vista Avenue street frontages by June 26, 2024, consistent with Town policy. Visual simulations were completed by the Town's consultant and posted to the Town's website by January 28, 2025 (Exhibit 12). Written notice was sent to property owners and tenants within 1,000 feet of the subject property and notice of public hearing signage was installed on the street frontages by January 30, 2025, in anticipation of the February 12, 2025, Planning Commission meeting.

Staff conducted outreach through the following media and social media resources, for both the availability of the visual simulations and notice of the public hearing:

- 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 NextDoor page.

Public comments received by 11:00 a.m., Friday, February 7, 2025, are included as Exhibit 16.

CONCLUSION:

A. Summary

The applicant is requesting approval of Architecture and Site, Conditional Use Permit, and Subdivision applications to demolish existing hotel structures (Los Gatos Lodge), construct a multi-family residential development (155 units), a conditional use permit, a condominium vesting tentative map, site improvements requiring a grading permit, and remove large protected trees under SB 330 on property zoned CH:PD:HEOZ, located at 50 Los Gatos-Saratoga Road. As detailed above, the application was submitted and is being processed under SB 330. The project qualifies for a concession and unlimited waivers under SDBL. The applicant has invoked the Builder's Remedy, but it has not yet been implemented. The deviations from the Town's standards included in the project are requested exclusively through SDBL for which the applicant provided justification addressing the required findings for each.

B. Recommendation

Staff recommends that the Planning Commission consider the request and, if merit is found with the proposed project, forward a recommendation that the Town Council approve the Architecture and Site, Conditional Use Permit, and Subdivision applications by taking the following actions:

1. Make the finding that additional environmental review is not necessary pursuant to CEQA Guidelines Section 15183: Streamlining Process, since the proposed project's environmental impacts were adequately addressed in the Environmental Impact Reports (EIR) prepared for the 2020 General Plan and/or 2040 General Plan, as applicable (Exhibit 2);
2. Make the finding that the project is consistent with the General Plan (Exhibit 2);
3. Make the finding that the proposed project complies with Section 66474 of the State Subdivision Map Act and make affirmative findings to approve the subdivision (Exhibit 2);
4. Make the findings as required by Section 29.20.190 of the Town Code for granting a CUP (Exhibit 2);
5. Make the finding that the project meets the objective standards of Chapter 29 of the Town Code (Zoning Regulations) except for the concession and waivers requested pursuant to State Density Bonus Law (Exhibit 2);
6. Make the finding that the project meets the Town of Los Gatos Objective Design Standards for Qualifying Multi-Family and Mixed-Use Residential Development except for the waivers requested pursuant to State Density Bonus Law (Exhibit 2);
7. Make the affirmative findings as required by State Density Bonus Law for granting a concession pursuant to California Government Code Section 65915 (d) and for granting waivers pursuant to California Government Code Section 65915 (a)(2) (Exhibit 2);
8. Make the considerations as required by Section 29.20.150 of the Town Code for granting approval of an Architecture and Site application (Exhibit 2);
9. Make the findings that the proposed project complies with California Government Code Section 65863 regarding state RHNA requirements, the Town's Housing Element Sites Inventory, and No Net Loss Law (Exhibit 2); and
10. Approve Architecture and Site Application S-23-042, Conditional Use Permit Application U-23-017, and Subdivision Application M-23-009 with the recommended conditions contained in Exhibit 3 and the development plans in Exhibit 17.

C. Alternatives

Alternatively, the Planning Commission can:

1. Continue the matter to a date certain with specific direction; or
2. Approve the application with additional and/or modified conditions; or
3. Deny the application.

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SUBJECT: 50 Los Gatos-Saratoga Road/ S-23-042, U-23-017, and M-23-009

DATE: February 7, 2025

EXHIBITS:

1. Final Initial Study – December 24, 2024
(available online at <https://www.losgatosca.gov/50LGS>)
2. Required Findings and Considerations
3. Recommended Conditions of Approval
4. Location Map
5. Project Description Letter
6. Letter of Justification
7. Consulting Architect's Report
8. Applicant's Response to Consulting Architect's Report
9. Final Arborist's Report
10. Table of Requested Waivers Through State Density Bonus Law
11. Neighbor Outreach Summary
12. Visual Renderings
13. Construction Phasing Exhibit
14. Objective Design Standards Checklist
15. Letter from SummerHill Regarding Commissioner Stump
16. Public comments received by 11:00 a.m., Friday, February 7, 2025
17. Development Plans

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