



**TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT**

MEETING DATE: 02/12/2025

ITEM NO: 6

DATE: February 7, 2025
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 Emergency Shelters, Small Employee Housing, Transitional Housing, Supportive Housing, Employee Housing, Group Homes, and Findings for Reasonable Accommodation Requests Pursuant to Implementation Program AP of the 2023-2031 Housing Element. Adoption of this Ordinance is Exempt Pursuant to CEQA, Section 15061(b)(3) in that it Can be Seen with Certainty that it Will not Impact the Environment. Town Code Amendment Application A-25-001.
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 emergency shelters, small employee housing, transitional housing, supportive housing, employee housing, group homes, and findings for reasonable accommodation requests, pursuant to Implementation Program AP of the 2023-2031 Housing Element.

CEQA:

The proposed amendments are exempt pursuant to California Environmental Quality Act (CEQA) Guidelines 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 applicable to emergency shelters, small employee housing, transitional housing, supportive housing, employee housing, group homes, and findings for reasonable accommodation requests.

PREPARED BY: Erin M. Walters
Senior Planner

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

FINDINGS:

- The proposed amendments are exempt pursuant to CEQA, Section 15061(b)(3); and
- The proposed amendments to Chapter 29 of the Town Code are consistent with the General Plan.

BACKGROUND:

Implementation Program AP, Special Needs Housing, of the 2023-2031 Housing Element requires amendments to Chapter 29 (Zoning Regulations) of the Town Code to comply with state law (Exhibit 2). The proposed amendments address the following topics:

1. Emergency Shelters
2. Low Barrier Navigation Centers
3. Employee Housing
4. Supportive and Transitional Housing
5. Group Homes
6. Reasonable Accommodations Requests
7. Streamline Process – Special Needs Housing

DISCUSSION:

The following summarizes each task associated with Implementation Program AP, Special Needs Housing, and the proposed actions.

Emergency Shelters

Emergency shelters are housing with minimal supportive services for people experiencing homelessness and is limited to occupancy of six months or less. No individual or household may be denied emergency shelter because of an inability to pay.

1. Amend the Zoning Code to align with all state requirements on the provision of emergency shelters.
 - a. Amend the Zoning Code to expand the definition of emergency shelters to include interim housing options such as low barrier navigation centers, bridge housing, and respite and recuperative care.

Action:

- i. Amend Section 29.10.020, of the Zoning Code by modifying the definition of Emergency shelter to include other interim interventions, including, but not limited to low barrier navigation centers, bridge housing, and respite or recuperative care.*

- b. Amend the Zoning Code to permit emergency shelters by-right without discretionary review in the Commercial Industrial (LM) zone.

Action:

- i. *Amend Section 29.70.100 (a)(9) of the Zoning Code to allow emergency shelters as a permitted by right use in the LM or commercial-industrial zone and include the following objective operational standards:*
 - a. *Beds shall not exceed a total of twenty (20);*
 - b. *Administrative staff members or employees shall not exceed a total of six (6), and shall include on-site management;*
 - c. *Operating hours shall be limited to 5:00 p.m. to 9:00 a.m. daily;*
 - d. *Compliance with all applicable State and local uniform building and housing codes, as determined by the Building Official;*
 - e. *Facilities shall have on-site security during all hours when the shelter is in operation;*
 - f. *Facilities shall provide exterior lighting on pedestrian pathways and parking lot areas on the property, and lighting shall reflect away from residential areas and public streets;*
 - g. *Facilities shall provide secure areas for personal property;*
 - h. *On-site parking shall be provided at a rate of at least one (1) space per employee; and*
 - i. *Emergency shelters shall not be required to be more than 300 feet apart.*
- ii. *Amend Section 29.70.220(a)(4) of the Zoning Code to include objective operational standards for Emergency shelters permitted by right in the CM or controlled-manufacturing zone per State law. The objective operational standards include the following:*
 - a. *Beds shall not exceed a total of twenty (20);*
 - b. *Administrative staff members or employees shall not exceed a total of six (6), and shall include on-site management;*
 - c. *Operating hours shall be limited to 5:00 p.m. to 9:00 a.m. daily;*
 - d. *Compliance with all applicable State and local uniform building and housing codes, as determined by the Building Official;*
 - e. *Facilities shall have on-site security during all hours when the shelter is in operation;*

- f. Facilities shall provide exterior lighting on pedestrian pathways and parking lot areas on the property, and lighting shall reflect away from residential areas and public streets;*
 - g. Facilities shall provide secure areas for personal property;*
 - h. On-site parking shall be provided at a rate of at least one (1) space per employee; and*
 - i. Emergency shelters shall not be required to be more than 300 feet apart.*
- c. Amend the Zoning Code to align parking standards for emergency shelters from a ratio based on the size of the structure to a ratio based on the number of shelter staff, per Assembly Bill 139.

Action:

- i. The Zoning Code amendments addressing the parking requirements have been made as discussed above in Action Item b.i and b.ii above.*
- d. Eliminate current spacing requirements between shelters and residentially zoned properties and schools.

Action:

- i. The Town Code currently does not require spacing requirements between emergency shelters and residentially zoned properties and schools so not amendments are required.*

Low Barrier Navigation Centers

1. Develop and adopt by-right processing procedures for Low Barrier Navigation Centers, per Assembly Bill 101.

Action:

- a. This task has been completed. On December 3, 2024, the Town Council approved amendments for Implementation Program AD, Low Barrier Navigation Centers.*

Employee Housing

1. Amend the Zoning Code to allow employee housing consisting of up to 36 beds or 12 units in zones that allow agricultural uses, per Health and Safety Code Section 17000, et seq.

Actions:

- a. Amend Section 29.10.020 of the Zoning Code to add the following definition of Employee Housing between the definitions "Emergency shelter" and "Erect":*

“Employee housing” means any portion of any housing accommodation, or property upon which a housing accommodation is located, if both of the following factors exist: (1) The accommodations consists of living quarters or other housing accommodations, maintained in one or more buildings or one or more sites, and the premises are provided for employees by the employer; and (2) The accommodations are maintained in connection with any work or place where work is being performed, whether or not rent is involved. The definition of employee housing is as otherwise defined by California Health and Safety Code Section 17008 as it may be amended from time to time.

- b. Amend Section 20.40.160 of the Zoning Code, adding employee housing consisting of up to thirty-six (36) beds or up to twelve (12) units as a permitted use in a RC or resource conservation zone.*
 - c. Amend Section 20.40.235 of the Zoning Code, adding employee housing consisting of up to thirty-six (36) beds or up to twelve (12) units as a permitted use the HR or Hillside Residential zone.*
2. Amend the Zoning Code to allow small employee housing (six or fewer employees) in all zoning districts where single-family residential is permitted.

Actions:

- a. Amend the Town Code to allow small employee housing for six (6) or fewer employees as a permitted use in the following residential zoning districts: RC, HR, R-1, R-D, R-M, and R-1D, and RMH.*
 - i. Amend Town Code Section 29.40.160 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the RC or Resource Conservation zone.*
 - ii. Amend Town Code Section 29.40.235 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the HR or Hillside Residential zone.*
 - iii. Amend Town Code Section 29.40.385 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the R-1 or Single-Family Residential zone.*
 - iv. Amend Town Code Section 29.40.510 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the R-D or Duplex Residential zone.*
 - v. Amend Section 29.40.610 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the R-M or Multi-Family Residential zone.*
 - vi. Amend Section 29.40.725 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the R-1D or Multiple-Family Residential Downtown zone.*

- vii. Amend Section 29.40.835 of the Zoning Code, by adding small employee housing for six (6) or fewer employees as a permitted use in the RMH or Mobile Home Residential zone.*

Supportive and Transitional Housing

Supportive housing means housing with no limit on length of stay, that is occupied by the target population, and that is linked to an onsite or offsite service that assists the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

Transitional housing means buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and the recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

1. Amend the Zoning Code to allow Transitional and Supportive Housing developments by-right in all zoning districts that permit residential uses, per Senate Bill 2.

Action:

- a. Amend Section 29.10.020, of the Zoning Code by modifying the definition of dwelling unit to include, "Transitional housing and supportive housing are considered a residential use of property in any dwelling type as defined by Government Code 65582 (n) and (q) as it may be amended from time to time."*
- b. Amend the Town Code to allow Transitional and Supportive Housing as a permitted use in the following residential zoning districts: RC, HR, R-1, R-D, R-M, R-1D, and RMH.*
 - i. Amend Town Code Section 29.40.160 of the Zoning Code, to allow Transitional and Supportive Housing as a permitted use in the RC or Resource Conservation zone.*
 - ii. Amend Town Code Section 29.40.235 of the Zoning Code to allow Transitional and Supportive Housing as a permitted use in the HR or Hillside Residential zone.*
 - iii. Amend Town Code Section 29.40.385 of the Zoning Code, to allow Transitional and Supportive Housing as a permitted use in the R-1 or Single-Family Residential zone.*
 - iv. Amend Town Code Section 29.40.510 of the Zoning Code, to allow Transitional and Supportive Housing as a permitted use in the R-D or Duplex Residential zone.*
 - v. Amend Section 29.40.610 of the Zoning Code, to allow Transitional and Supportive Housing as a permitted use in the R-M or Multi-Family residential zone.*
 - vi. Amend Section 29.40.725 of the Zoning Code, to allow Transitional and Supportive Housing in the R-1D or multiple-family residential downtown zone.*
 - vii. Amend Section 29.40.835 of the Zoning Code, to allow Transitional and Supportive Housing in in the RMH or Mobile Home Residential zone.*

2. Develop a by-right, streamlined ministerial review of Supportive and Transitional Housing developments, per Assembly Bill 2162.

Action:

- a. *The Town provides streamlined approval process for Supportive Housing projects by providing a ministerial approval process, removing the requirements for CEQA analysis, and removing the requirement for a Conditional Use Permit or other similar discretionary entitlements so no amendments are required.*

3. Amend the Zoning Code to allow Permanent Supportive Housing and Transitional Housing by-right in zoning districts where multi-family and mixed use are permitted, including non-residential zones permitting multi-family uses, per Government Code Section 65651.

After review of Government Code Section 65651, it was determined by staff that only Supportive Housing shall be permitted by-right in zoning districts where multi-family and mixed-use are permitted, including non-residential zones permitting multi-family uses. This requirement does not apply to Transitional Housing as originally described in Implementation Program AP.

Action:

- a. *Amend the Town Code to allow Supportive Housing as a permitted use in the following residential zoning districts: O, C-1, C-2, and CH.*
 - i. *Amend Town Code Section 29.60.085 of the Zoning Code, to allow Supportive Housing as a permitted use in the O or Office zone.*
 - ii. *Amend Town Code Section 29.60.210 of the Zoning Code, to allow Supportive Housing as a permitted use in the C-1 or Neighborhood Commercial zone.*
 - iii. *Amend Town Code Section 29.60.320 of the Zoning Code, to allow Supportive Housing as a permitted use in the C-2 or Central Business District Commercial Zone.*
 - iv. *Amend Town Code Section 29.60.420 of the Zoning Code, to allow Supportive Housing as a permitted use in the CH or Restricted Highway Commercial zone.*

Group Homes

1. Amend the Zoning Code to allow group homes of seven or more by-right in residential zoning districts.

Actions:

- a. *Amend the definition of a group home in Section 29.10.020 of the Zoning Code.*
- b. *Amend the Town Code to allow a group home as a permitted use in the following residential zoning districts: HR, R-1, R-D, R-M, and R-1D.*

- i. Amend Town Code Section 29.40.160 of the Zoning Code, adding group home as a permitted use in the RC or Resource Conservation zone.*
- ii. Amend Town Code Section 29.40.235 of the Zoning Code, adding group home as a permitted use in the HR or Hillside Residential zone.*
- iii. Amend Town Code Section 29.40.385 of the Zoning Code, adding group home as a permitted use in a R-1 or Single-Family Residential zone.*
- iv. Amend Town Code Section 29.40.510 of the Zoning Code, adding group home as a permitted use in a R-D or Duplex Residential zone.*
- v. Amend Section 29.40.610 of the Zoning Code, adding group home as a permitted use in the R-M or Multi-Family Residential zone.*
- vi. Amend Section 29.40.725 of the Zoning Code, adding group home as a permitted use in the R-1D or Multiple-Family Residential Downtown zone.*
- vii. Amend Section 29.20.185 (5)(e) of the Zoning Code, removing the requirement for a Conditional Use Permit in the HR, R1, RD, R-M, and R-1D zones for a group home use from the Table of Conditional Uses.*

Reasonable Accommodations Request

1. Amend Section 29.10.530 (a) of the Zoning Code to remove finding number five of the mandatory criteria for granting a reasonable accommodation requests.

Action:

- a. Amend Section 29.10.530 (a) of the Zoning Code removing finding number five.*

Streamline Process – Special Needs Housing

1. The Town will prioritize special needs housing by allowing for reduced processing times and streamlined procedures for applicable zoning/land use applications. Include preferential handling of special needs populations in management plans and regulatory agreements of funded projects.

Action:

- a. The Town currently prioritizes and streamlines special needs housing by permitting zoning/land use applications through by-right approval so no amendments are required.*

CEQA DETERMINATION:

The proposed amendments are exempt 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 applicable to emergency shelters, small employee housing, transitional housing, supportive housing, employee housing, group homes, and findings for reasonable accommodation requests.

CONCLUSION:

A. Summary

The Draft Ordinance (Exhibit 3) aligns the Town's regulations with state law and responds to the topics in Implementation Program AP, Special Needs Housing, of the 2023-2031 Housing Element.

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 3). 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 to the Town Code are exempt 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 applicable to considerations to the regulations applicable to emergency shelters, small employee housing, transitional housing, supportive housing, employee housing, group homes, and findings for reasonable accommodation requests. (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 amendments to Chapter 29 of the Town Code in the Draft Ordinance (Exhibit 3).

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.

COORDINATION:

This report was coordinated with the Town Attorney's office.

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SUBJECT: Zoning Code Amendments, Implementation Program AP/A-25-001

DATE: February 7, 2025

EXHIBITS:

1. Required Findings
2. Implementation Programs Program AP, Special Needs Housing
3. Draft Ordinance