1 APPEARANCES: 2 Los Gatos Planning Steve Raspe, Chair 3 Commissioners: Emily Thomas, Vice Chair Susan Burnett 4 Melanie Hanssen Kathryn Janoff 5 Adam Mayer 6 7 Town Manager: Laurel Prevetti 8 Community Development Joel Paulson Director: 10 Gabrielle Whelan Town Attorney: 11 Vicki L. Blandin Transcribed by: 12 (619) 541-3405 13 14 15 16 17 18 19 20 21 22 23 24 25

PROCEEDINGS:

CHAIR RASPE: We now move to the public portion of the hearing tonight, and tonight we have a single item on the agenda, a request to further amend Chapter 29 of the Town Code to define "By Right Approvals," and amend the Housing Element Overlay Zone as Division 5 of Article VIII, "Overlay Zones and Historic Preservation." An Environmental Impact Report was prepared and certified for the 2040 General Plan Update on June 30, 2022. As a result, no further environmental analysis is required.

Tonight I believe our Staff Report is from Ms. Walters. Ms. Walters, would you like to proceed?

ERIN WALTERS: Yes, good evening, Chair and Planning Commissioners.

Before you tonight is an amendment to the Housing Element Overlay Zone Ordinance, also known as the HEOZ Ordinance. On November 21st of last year the Town Council adopted the original HEOZ Ordinance as recommended by Planning Commission, and this can be found in Exhibit 1.

Tonight's amendment is in response to HCD's comments received by the Town on December 1st. The amended ordinance does not change the density minimum or maximum,

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it does not propose to modify sites with the HEOZ Overlay, but rather the proposed amendment provides more clear and explicit language. The Town's outside legal counsel, housing consultant, and HCD have reviewed this language.

The proposed amended ordinance in Exhibit 2 includes a definition of "by right approval" by the State government code. It also provides clarification on regulations that apply to by right and non-by right residential development, which is an HEOZ overlay.

Planning Commission recommendation tonight will be forwarded to Town Council. Tentatively the Council will hear this item on February $20^{\rm th}$, and the second reading is tentative for March $5^{\rm th}$.

This concludes Staff's presentation. Staff is available for questions.

CHAIR RASPE: Thank you, Ms. Walters.

Commissioners, any questions for Staff on this item?

Commissioner Hanssen.

COMMISSIONER HANSSEN: Since we have gone through plenty of reviews with HCD, you did mention that this proposed change in language has been reviewed by outside legal, our consultants, and HCD, so you know what my next question is going to be. We shouldn't have any issue with getting this through HCD this time. They did flag that we LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3, Amendments to Town Code re: By Right Approvals, Amendment to Housing Element Overlay Zone

had not met the requirements for the rezoning, and so this will take us there and we don't have anything left?

ERIN WALTERS: That would be our hope per their review and our guidance from outside counsel.

COMMISSIONER HANSSEN: But they actually reviewed this section of what changes and they said it looks okay?

ATTORNEY WHELAN: They have. Yes, they did. This is Gabrielle Whelen, Town Attorney. They reviewed the ordinance over the past several weeks. They did have some questions for Staff on Monday and we responded to those questions, and I believe it meets their requirements.

COMMISSIONER HANSSEN: Okay, thank you.

CHAIR RASPE: Thank you. Any other questions from Commissioners? Commissioner Janoff.

COMMISSIONER JANOFF: Thank you. Since you met with HCD on Monday, or had feedback on Monday, and we received our packages on Friday, did the feedback from HCD offer any substantial changes to what you had offered?

ATTORNEY WHELAN: No, they wanted to see explicitly where it is stated that any residential development must comply with the minimum densities that are set forth in the ordinance, and so we provided that. I can't remember their other questions. They had like two

other questions. It was mostly they wanted to know where specifically in the ordinance requirements were located.

JENNIFER ARMER: I can jump in through the Chair to provide additional clarification. We shared this draft of the ordinance with HCD and with our reviewer on Friday at the same time that we provide you with the Staff Report, and we heard from them on Monday with a few clarifying questions.

It seemed clear that they were just confirming that certain things were in there, for example, the fact that you can't use the underlying zone, which might have a lower density, but that you would need to meet the minimum density in the Housing Element Overlay Zone, and so it was just confirming that those were located within, and we received acknowledgement of our responses.

CHAIR RASPE: Thank you so much. Any further questions, Commissioners? I have just one, and correct me if I'm wrong. This appears to me to be a largely technical correction for some language to be included. Is it correct that this does not impact our RHNA allocation numbers?

ERIN WALTERS: That's correct, that does not change.

CHAIR RASPE: I appreciate the confirmation.

Thank you. Commissioners, anything else? Let's then go to
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members of our public for their comments. I have two cards tonight. Lee Fagot, if you'd please come to the podium and state your name for the record. You have three minutes.

LEE FAGOT: Good evening, thank you. Appreciate the opportunity to speak tonight. Lee Fagot, a resident of Los Gatos. I'm not representing any group; I'm speaking as an individual long-term resident of the Town.

I appreciate the clarification tonight from the feedback that occurred Monday that was discussed as well earlier this week by Council.

My concern is that we must preserve the historic parts of our town, because that is the history of this town, that is the legacy, and that is what our next generations want to be able to relate to; that link is critical. If there is a way to go forward and continue to preserve and still meet the RHNA allocation requirements of numbers of sites, please find a way to do that.

The other question I had was going to be did you consider input from HCD from this week, but I just heard you do that.

Again, thanks for all the work that you've been doing. It's been a lot of effort, a lot of work, and the citizens appreciate it. You are representing us, the citizens in town going forward, and preserving the LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3, Amendments to Town Code re: By Right Approvals,

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character of our town. The heritage that we inherited needs to be passed on, so please do what you can to preserve the Historic District and those sites with the design elements, the height, and densities that are appropriate.

Seeing Victorian homes with five-story monoliths next to them, as we've seen in some other municipalities, is not Los Gatos, and we can't let the clowns in Sacramento begin telling us how we're supposed to live our lives here. Let's be folks who take control of our lives here locally and manage it as best we can through this process and their edicts that are coming down. Thank you.

CHAIR RASPE: Thank you, Mr. Fagot. Before you sit down, do any Commissioners have any questions? No.

Thank you, again, for your comments. Lee Quintana, please, if you would approach.

LEE QUINTANA: I was going to ask the question also whether this had been reviewed by HCD, and I guess that's been answered, but I do have some questions.

The first question I have is I'm somewhat confused by the 1-A, which is, "Developments must be developed within the densities of Table 1-A below." Is it "within" the densities, or "at" the densities?

It says in one place as long as there is no subdivision, I believe, and then in another place it LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3, Amendments to Town Code re: By Right Approvals, Amendment to Housing Element Overlay Zone

indicates that subdivisions may be applicable. "Subdivision remains subject to all the applicable state and local laws, including but not including the Subdivision Act," so I was a little confused about that.

If you could refresh my memory, are there any medium-density sites within the AHOZ zone? My concern there is most medium-density sites in the downtown area are either on very small lots so they can't be developed into larger homes, or they are pre-1941, or they are within an historic district, so I just wanted clarity on that.

The other thing I wanted clarity on is whether or not all of the AHOZ zones currently have a General Plan designation and a zoning designation that are consistent with one another, because along the Boulevard I'm not sure they are. Those are my major questions.

CHAIR RASPE: Thank you, Ms. Quintana. Before you sit down, any Commissioners have questions of Ms. Quintana? Seeing none, thank you again for your comments. I think that's all the public comments we have here in the chambers. Mr. Paulson, anybody on Zoom wishing to speak on this matter?

JOEL PAULSON: No, there are no speakers on Zoom.

CHAIR RASPE: Thank you. I'll then close the public portion of this matter and I'll open up the LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3, Amendments to Town Code re: By Right Approvals, Amendment to Housing Element Overlay Zone

Commission to discussion, questions of Staff, anything further. Commissioner Burnett.

COMMISSIONER BURNETT: Thank you to the two Lees for your questions. My question would be for Staff. Would you be able to addresses Ms. Quintana's two questions?

ATTORNEY WHELAN: I can address the first two questions.

COMMISSIONER BURNETT: Thank you.

CHAIR RASPE: Please proceed.

ATTORNEY WHELAN: As written, the ordinance said that developments must be developed at the density specified in Table 1-A, but those densities are ranges.

I think it's clear as it is, but if the Planning Commission feels that it would be clearer to say "within the density ranges specified in Table 1-A below," I'd be open to making that change pending input from CDD.

The second question was about subdivisions. The first part of the ordinance where subdivisions are referenced is intended to say that, "Projects requiring subdivisions will not be by right projects," and then the second reference to subdivisions in the ordinance is intended to say that, "Subdivisions will remain subject to all other applicable laws," which is another way of saying

that subdivisions won't be by right development, and so that was our intent with the drafting.

CHAIR RASPE: Commissioner Burnett, does that answer your question?

COMMISSIONER BURNETT: Yes, thank you.

CHAIR RASPE: Thank you. Commissioner Hanssen.

COMMISSIONER HANSSEN: I thought it would be worth asking the question about the timing of this since we had a lot of Builder's Remedy applications. When this actually takes effect, we do have some sites that are contained within the site inventory where we've already had a proposal from someone to develop then, and so I'm pretty sure that this won't apply to them because of the timing of their application, but I thought it was worth asking that question, and then I have a follow up question.

JENNIFER ARMER: Thank you for that question.

Yes, for those that have already had their preliminary application deemed submitted, those vest the regulations at that time, and so any that were deemed submitted prior to December 21, 2023 but then had the overlay zone applied would be developed under the previous zoning.

If though, through the development process or decisions by the Applicant, that vesting is lapsed so they don't meet the State regulations or they choose to change LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3, Amendments to Town Code re: By Right Approvals, Amendment to Housing Element Overlay Zone

the project by more than 20% for floor area or number of units, then they would need to restart and it would be newly vested, and therefore they would then be subject to the Housing Element Overlay Zone regulations.

This really is being more explicit about what we already were referencing and had in place with the Housing Element Overlay Zone, so it's stronger, more defensible, and follows the direction from the State, but does not substantially change anything, because the numbers in the table are still the same.

COMMISSIONER HANSSEN: Thank you; that was very helpful. Related to that, would it also be true that since they filed it and they are vesting with the zoning that was there at the time that they are not eligible for by right unless they came in under some other provision like it was provided for in SB 330?

JENNIFER ARMER: If I understand the question correctly, if we're talking about a site that then has been rezoned in order to provide affordable units in our sites inventory, but that rezoning occurred after the vesting of the regulations, your question is are those by right as described in here? I will defer to the Town Attorney to see if she has thoughts on that question.

ATTORNEY WHELAN: I probably don't have an answer for the Planning Commission tonight. What I can do is follow up with a memo.

COMMISSIONER HANSSEN: Okay. I think that would be really helpful to understand, especially since we have a number of applications out there.

One last question, if the Chair doesn't mind, and this is for the benefit of people watching or trying to understand this. When it's by right, if they meet the 20% affordable, what by right means is that they do have to live within our objective standards within our zoning, but there is no discretionary review if it doesn't seem compatible with the neighborhood as long as it meets the objective standards in our Zoning Code. Is that how you see by right?

ATTORNEY WHELAN: Yes, the two big impacts are they're subject only to objective design review, and there is no analysis under CEQA.

COMMISSIONER HANSSEN: So if people don't like the architecture or something else, that's not something that we have purview over once it becomes by right?

ATTORNEY WHELAN: So long as it meets the Town's objective design standards, that's correct, and then there

1 would be no opportunity to evaluate the aesthetics under 2 CEOA. 3 COMMISSIONER HANSSEN: Okay, thank you. 4 CHAIR RASPE: Thank you for those answers. 5 Commissioners, any further questions for Staff? Vice Chair 6 Thomas. 7 VICE CHAIR THOMAS: Thank you. I did just want to 8 follow up with a question regarding the densities versus at the density ranges. When I read this I assumed that was 10 within the... I understand why it's not within, because that 11 would intend lower ranges also, but I guess I'm asking the 12 Community Development Director, do you feel like what 13 language is most helpful for Staff? 14 JOEL PAULSON: I would say that Staff doesn't 15 16 have a preference. The Town Attorney has offered that if 17 you want to make that change she's comfortable with that, 18 so we would be comfortable with it as well. 19 VICE CHAIR THOMAS: Okay. I don't have a huge 20 opinion either way, but I'm also not a developer person 21 that's going to be reading this. 22 CHAIR RASPE: Commissioner Janoff. 23 COMMISSIONER JANOFF: I would only say that 24 because it's a range I would suggest that we use the word 25 "within." LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3,

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1 CHAIR RASPE: Very good. Commissioners, any 2 further questions or comments? If not, I'm willing to 3 entertain a motion at this time. Further comment from the 4 Vice Chair. 5 VICE CHAIR THOMAS: This is a question for the 6 Town Attorney. What language would you be comfortable 7 changing to? 8 ATTORNEY WHELAN: I think another alternative would be, and this is pending acceptance by CDD, "The 10 developments must be developed within the density ranges 11 specified in Table 1-A below." 12 VICE CHAIR THOMAS: Okay. 13 JENNIFER ARMER: That's acceptable to us. 14 Thank you. Commissioner Hanssen. CHAIR RASPE: 15 16 COMMISSIONER HANSSEN: I just wanted to weigh in 17 and say that it feels clearer to me to use the word 18 "within" than "at," but that could just be me. 19 CHAIR RASPE: Thank you, and with that 20 clarification, is the Commission ready to proceed with this 21 matter? I can give a crack at the motion, seeing no other 22 takers. 23 I move to recommend to Town Council to further 24 amend Chapter 29 of the Town Code to define "By Right 25 Approvals," and amend the Housing Element Overlay Zone as LOS GATOS PLANNING COMMISSION 1/24/2024, Item #3, Amendments to Town Code re: By Right Approvals,

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1	Division 5, Article VIII, "Overlay Zones and Historic
2	Preservations," containing the language as provided to the
3	Planning Commission in the Staff Report with the singular
4	change suggested by Town Counsel, substituting the "within"
5	language as opposed to the "at" language. Making all
6	necessary findings. Commissioner Hanssen.
7	COMMISSIONER HANSSEN: I second the motion.
8	CHAIR RASPE: Vice Chair Thomas.
9	VICE CHAIR THOMAS: I just wanted to say
10	
11	explicitly amend the motion to contain Exhibit 2.
12	CHAIR RASPE: So amended. And the seconder?
13	COMMISSIONER HANSSEN: Yes.
14	CHAIR RASPE: Roll call or show of hands on this?
15	JENNIFER ARMER: Show of hands is fine.
16	CHAIR RASPE: So Commissioners, can I see a show
17	of hands of all those in favor of the motion? Being all in
18	favor, none against, the motion passes unanimously. Thank
19	you, Commissioners.
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