



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 03/05/2024

ITEM NO: 9

ADDENDUM

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DATE: March 1, 2024  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Discuss and Provide Direction on the Proposed Revisions to the Draft Revised 2023-2031 Housing Element and Next Steps. Location: Town-Wide. General Plan Amendment Application GP-22-003.

**REMARKS:**

Attachment 22 contains communications from the Vice Mayor that he requested be shared with the Town Council.

**ATTACHMENTS:**

**Previously Received with the January 16, 2024 Staff Report:**

1. Draft Revised Housing Element, Track Changes Copy
2. Draft Response Table
3. December 1, 2023 HCD's Findings Comment Letter
4. Public Comments Received Between 11:01 a.m., Tuesday, December 19, 2023, and 11:00 a.m., Thursday, January 11, 2024

**Previously Received with the January 16, 2024 Desk Item:**

5. Comments from the Vice Mayor
6. Public Comments Received Between 11:01 a.m., Thursday, January 11, 2024, and 11:00 a.m., Tuesday, January 16, 2024

**Previously Received with the February 6, 2024 Staff Report:**

7. Draft Revised Housing Element, Track Changes – January 2024
8. Draft Response Table – January 2024
9. HCD Informal Preliminary Review Matrix with Staff's Responses
10. Goldfarb & Lipman, LLP Feedback Table with Staff's Responses
11. Track Changes and Clean Version of Program AY Housing Mobility

**PREPARED BY:** Erin Walters, Associate Planner and  
Jocelyn Shoopman, Associate Planner

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

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SUBJECT: DRAFT REVISED 2023-2031 HOUSING ELEMENT/GP-22-003

DATE: March 1, 2024

ATTACHMENTS (continued):

12. Public Comments Received Between 11:01 a.m., Tuesday, January 16, 2024, and 11:00 a.m., Thursday, February 1, 2024

Previously Received with the February 5, 2024 Addendum:

13. Pages from the Draft Revised Housing Element Without the Recommendations Made by the Housing Element Advisory Board

14. Correspondence with HCD

Previously Received with the February 20, 2024 Staff Report:

15. Extracted Pages from the Draft Revised Housing Element with Revisions

Previously Received with the February 20, 2024 Desk Item:

16. Correspondence with HCD

17. HCD Second Informal Preliminary Review Matrix

18. Public Comment Received Between 11:01 a.m., Thursday, February 15, 2024, and 11:00 a.m., Tuesday, February 20, 2024

Attachments Received with the February 29, 2024 Staff Report:

19. HCD Second Informal Preliminary Review Matrix with Staff's Responses

20. Extracted Pages from the Draft Revised Housing Element with Revisions

21. Correspondence with HCD

Attachment Received with this Addendum:

22. Communications from the Vice Mayor

**From:** Matthew Hudes <[MHudes@losgatosca.gov](mailto:MHudes@losgatosca.gov)>

**Sent:** Thursday, February 29, 2024 2:03 PM

**To:** Laurel Prevetti <[LPrevetti@losgatosca.gov](mailto:LPrevetti@losgatosca.gov)>; Joel Paulson <[jpaulson@losgatosca.gov](mailto:jpaulson@losgatosca.gov)>;  
[veronica.tam](mailto:veronica.tam) [REDACTED]

**Subject:** HCD discussion

The following information should be covered in the Town's discussion with HCD. It is essential to provide the Council's rationale and foundation for the Town's approach to address mobility through AFFH.

1. The language for Programs J and AY was sent to HCD on January 18 without review by the Council and with minimal public review. Subsequently, **after substantial public input, revised language has now been adopted by the Council** and is now provided for discussion with HCD.
2. This small town, where a single housing site is available to accommodate over 30% of its RHNA allocation, is nevertheless attempting to improve housing mobility and promote more housing choices and affordability throughout Los Gatos, including in lower-density neighborhoods. The Town is employing a **suite of actions to expand housing opportunities:** affordable to extremely low, very low, low, and moderate income households. That includes sites within lower-density neighborhoods (Oka Lane, Lark Avenue Area, Union Avenue, Downtown Area) as well as:
  - SB 9
  - Rezoning
  - Housing on Town Sites
  - Enhanced Inclusionary Housing
  - Accessory Dwelling Units (ADUs)
  - Junior ADUs
  - Religious Institutional Sites
  - Homesharing
3. The current mobility draft is a well thought-out approach that will **actually yield affordable and attainable housing**, carefully considering the specifics of Los Gatos, including transit access, as well as safety and historic preservation constraints to identify the best opportunities.

Some rationale and foundation for the approach:

**Very High Fire Hazard Severity Zones, Hillsides** and **Evacuation Routes** are well-delineated on maps, and intensification in those areas substantially increases risk to people who could become trapped in a fire zone, as the terrain is similar to the Oakland Hills and the fire risk of the Los Gatos VHFHSZ is actually greater than Paradise, CA. The required reduced parking requirements of multi-unit will put more cars on narrow streets and hamper responder access as well as evacuation. Already, a substantial number of residents in the VHFHSZ have

been unable to obtain private insurance and have seen their rates go up by 400%, a constraint to building in those areas.

**Historic Areas** are a unique part of the community, but units exist in relatively small numbers outside of the above hazard areas. The Town adopted historic preservation zones and guidelines and has been diligent in retaining small (more affordable) housing units (cottages) as well as larger homes. Once removed, these units will be replaced with much more expensive multi-units, defeating the objectives of AFFH, and the heritage and neighborhoods will be gone forever.

Proximity to **Transit** is a well-established criterion for in-fill development because it provides the opportunity for reduced parking requirements as well as reducing the environmental impact of air pollution and greenhouse gasses. This will yield the desired result of producing more affordable housing and will balance development with the environmental impact and benefit of having higher density units in close walking proximity to transportation hubs and services.

Vice Mayor Matthew Hudes  
Town of Los Gatos  
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**From:** Matthew Hudes <[MHudes@losgatosca.gov](mailto:MHudes@losgatosca.gov)>

**Date:** Thursday, February 29, 2024 at 2:06 PM

**To:** Laurel Prevetti <[LPrevetti@losgatosca.gov](mailto:LPrevetti@losgatosca.gov)>, Joel Paulson <[jpaulson@losgatosca.gov](mailto:jpaulson@losgatosca.gov)>, "veronica.tam [REDACTED]" <[veronica.tam \[REDACTED\]](mailto:veronica.tam [REDACTED])>

**Subject:** Additional considerations

Although not part of the Council findings, the following should be considered:

Los Gatos should not be subject to more severe measures than other similar municipalities whose Housing Elements have been certified. In reviewing a sizable number of municipalities demographically and geographically similar to Los Gatos, the following can be observed:

1. Although the target of 150 seems out of proportion to similar municipalities (San Ramon, Los Altos, Los Altos Hills, etc.) with similar characteristics, nevertheless, our current draft has revised our objective to 150, by taking a combined approach as suggested by HCD, and **we will attempt to achieve the 150 objective.**
2. **No municipalities that we reviewed contained provisions for immediate and complete up-zoning of SFR or elimination of SFR.** Perhaps that could become a state law that could be considered by the legislature. The previous, unreviewed draft (January 18) allowed for up-zoning in all SFR neighborhoods.
3. The Town is making its best attempts to comply with all state housing laws and exceeding housing allocations but is confused about the concept of **“going beyond the law”** as the concept of “beyond” is defined in the eye of the beholder—developers’ views of “beyond” are not likely to be the same as residents’. Here, as in other areas, it is important that **objective, not subjective, language be followed.**
4. **The finding that 80% of the lower-income RHNA allocation is isolated in two census tracts is incorrect.** Those two census tracts represent approximately 30% of the operative census tracts within the Town’s boundaries. (See attached map which shows the 10 census tracts that are within the Town’s boundaries with 10% or more overlap.) There are a total of 17 tracts that fall within the Town’s boundaries. There are 7 tracts that have 50% or more of the Town in the tract. So, for all practical purposes, 7 tracts make up most of the Town. Based on likelihood for redevelopment, 100% of the parcels in the site inventory reside in 3 census tracts – 5072.03, 5068.01 and 5070.04. The two largest land parcels – the North 40 Phase 1 and the Los Gatos Lodge – are in tracts 5068.01 and 5070.04 respectively. It is a wrong conclusion to point to the 80% metric as “proof” that there is some type of systemic concentration of lower-income RHNA allocation. Los Gatos is a small town, and there are not noticeable areas of poverty that need to be remediated. Furthermore,

this concentration is the result of the likelihood of redevelopment and where the land is located.

In reviewing a number of certified Housing Elements for municipalities very similar to Los Gatos, a number of approaches have been approved by HCD. If our current considered approach is unacceptable to HCD, we seek guidance as to whether one of the following would be acceptable:

#### San Ramon

Study feasible densities, identify sites, corridors, and neighborhoods for intensification. Develop a strategy to increase baseline density with an upper density range of at least 15 du/acre, housing choices and affordability in RS and RM areas with a target of 50 units in the planning period and adopt an ordinance, as needed.

#### Los Altos

Housing mobility strategies consist of removing barriers to housing in areas of opportunity and strategically enhancing access (Los Altos is entirely highest resource in terms of access to opportunity and a concentrated area of affluence). To improve housing mobility and promote more housing choices and affordability throughout Los Altos, including in lower-density neighborhoods, the City will employ a suite of actions to expand housing opportunities affordable to extremely low, very low, low, and moderate income households. Actions and strategies include: (abbreviated)

- SB 9
- Rezoning
- Housing on Town Sites
- Enhanced Inclusionary Housing
- Accessory Dwelling Units (ADUs)
- Junior ADUs
- Religious Institutional Sites
- Homesharing

#### Los Altos Hills

The Town is including several programs to further accommodate lower-income households. Increasing housing mobility and housing opportunities for the lower-income population includes multifamily rental housing and lower cost rental opportunities. The Town is including Programs A-1, A-2, A-5, and A-6 to create a multifamily overlay zone, allow by right approval for 20 percent affordable housing developments, establish minimum densities for low-income development, and conduct an inclusionary zoning feasibility study respectively.

- The Town is also incentivizing the production of ADUs using methods discussed in Programs A-7 and G-2, including tracking and monitoring ADUs and encouraging existing ADUs to remain affordable.
- The Town is also including Program F-3 to create a registry of affordable rental units as the units are built. \*\*A-1 creates a new multifamily zone to allow and expedite affordable housing construction to increase housing choice options and mobility Rezone at least 34 acres via an overlay zone and rezone to ensure that the Town fully meets RHNA capacity within three years of the adoption of the housing element, including a buffer of 15% of the RHNA to ensure adequate capacity.
- Create a high density multifamily infill overlay zone that requires a minimum of 20 du/ac and permits densities of at least 30 du/ac for at least 19 acres on institutional properties.
- Rezone 15 acres from R-A to a new multifamily zone with a minimum density of 20 du/ac. The combined rezone and overlay zone will include capacity for at least \*\*A-2 Tracking Unit Count \*\*A-5 Minimum Density \*\*A-6 Inclusionary \*\*A-12
- To increase housing opportunity and mobility beyond identified RHNA sites, the Town will amend the zoning ordinance to allow existing, conforming single family residences to be converted to up to three units (i.e., into a duplex or triplex), subject to objective development standards to be prepared by the Town. These conversion units would be permitted in residential areas in specific portions of the R-A zone that are in lower fire hazard areas with adequate water and sewer service availabilities, as determined by the City Council through the zoning ordinance amendment process, which goal is to identify areas that increase housing choice and mobility throughout Town and will include areas equal to at least 25% of conforming single family residences in the Town. The Town will conduct a mid-cycle evaluation to examine progress of the conversion units program. NOTE: All of these rezonings are proposed to occur through 2027.

Seven others reviewed.

Vice Mayor Matthew Hudes

Town of Los Gatos

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**From:** Matthew Hudes <[MHudes@losgatosca.gov](mailto:MHudes@losgatosca.gov)>

**Sent:** Thursday, February 29, 2024 2:17 PM

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[veronica.tam](#) [REDACTED]

**Subject:** Re: Additional considerations

Attached map.

*In compliance with the Ralph M. Brown Act, please do not forward my email.*

Vice Mayor Matthew Hudes

Town of Los Gatos

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**Los Gatos Boundary**

**Census Tract % Overlap  
Greater than 10% [10]**

- 0 - 2.6 [0]
- 2.6 - 19.1 [1]
- 19.1 - 61 [3]
- 61 - 82.9 [2]
- 82.9 - 100 [4]

