



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 03/05/2024

ITEM NO: 9  
ADDENDUM B

**DATE:** March 4, 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:**

On March 1, 2024, Town staff and the Town’s Housing Element consultant met with the Town’s Department of Housing and Community Development (HCD) reviewer for a live editing meeting where staff was able to share the Town’s draft approach in addressing the HCD preliminary review matrix comments received on February 20, 2024. The HCD reviewer’s supervisor (HCD Senior Program Manager Paul McDougall) had tentatively accepted the meeting date, but was unable to attend the meeting. During this meeting staff went through the February 20, 2024, HCD preliminary review matrix, discussing each row where HCD had comments remaining, as noted in the column titled “HCD Feedback Summary,” and included as Attachment 19 to the March 5, 2024 staff report.

Staff received feedback from the HCD reviewer that the modifications seemed to address the remaining comments, with the exception of Programs J and AY. Town staff provided justification for the proposed language in Programs J and AY, including:

- The number of parcels still available for small multi-unit housing;
- Background on the Town’s Historic Resources;
- The Town’s challenges related to its geographic hillside setting, Very High Fire Hazard Severity Zone, and evacuation routes for fire and flood hazards;
- The transit proximity criteria; and
- Comparisons with similar Bay Area municipalities with certified Housing Elements.

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

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

REMARKS (continued):

When specifically discussing the Very High Fire Hazard Severity Zone, the HCD reviewer provided feedback that excluding this portion of the Town is inconsistent with California Building Code standards that are in place for fire mitigation measures pertaining to residential development.

The HCD reviewer requested that staff provide the additional map analysis on the proposed language for Programs J and AY. Following the meeting, in the afternoon of March 1, 2024, staff provided the Town's HCD reviewer with a map which showed the analysis that has been completed to reflect the proposed language in Programs J and AY (Attachment 23).

Based on the analysis, there are approximately 3,000 parcels available in the low and medium density designations to support the quantified objectives of Programs J and AY for small multi-unit housing. The Town's HCD reviewer indicated that this analysis would be shared with HCD Senior Program Manager Paul McDougall for discussion and that feedback would be tentatively provided to the Town on March 4, 2024, to be shared with the Town Council via a Desk Item report on March 5, 2024.

In response to a request, Attachment 23 contains correspondence from the Town's Housing Element consultant to HCD on February 1, 2024, requesting informal feedback from HCD on the proposed edits to the Draft Revised Housing Element, specifically regarding the proposed language for Programs J and AY. Additional notations have been added to this document to clarify the timing and source of the different levels of edits to the program language.

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

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

DATE: March 4, 2024

ATTACHMENTS (continued):

10. Goldfarb & Lipman, LLP Feedback Table with Staff's Responses
11. Track Changes and Clean Version of Program AY Housing Mobility
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 Revision

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

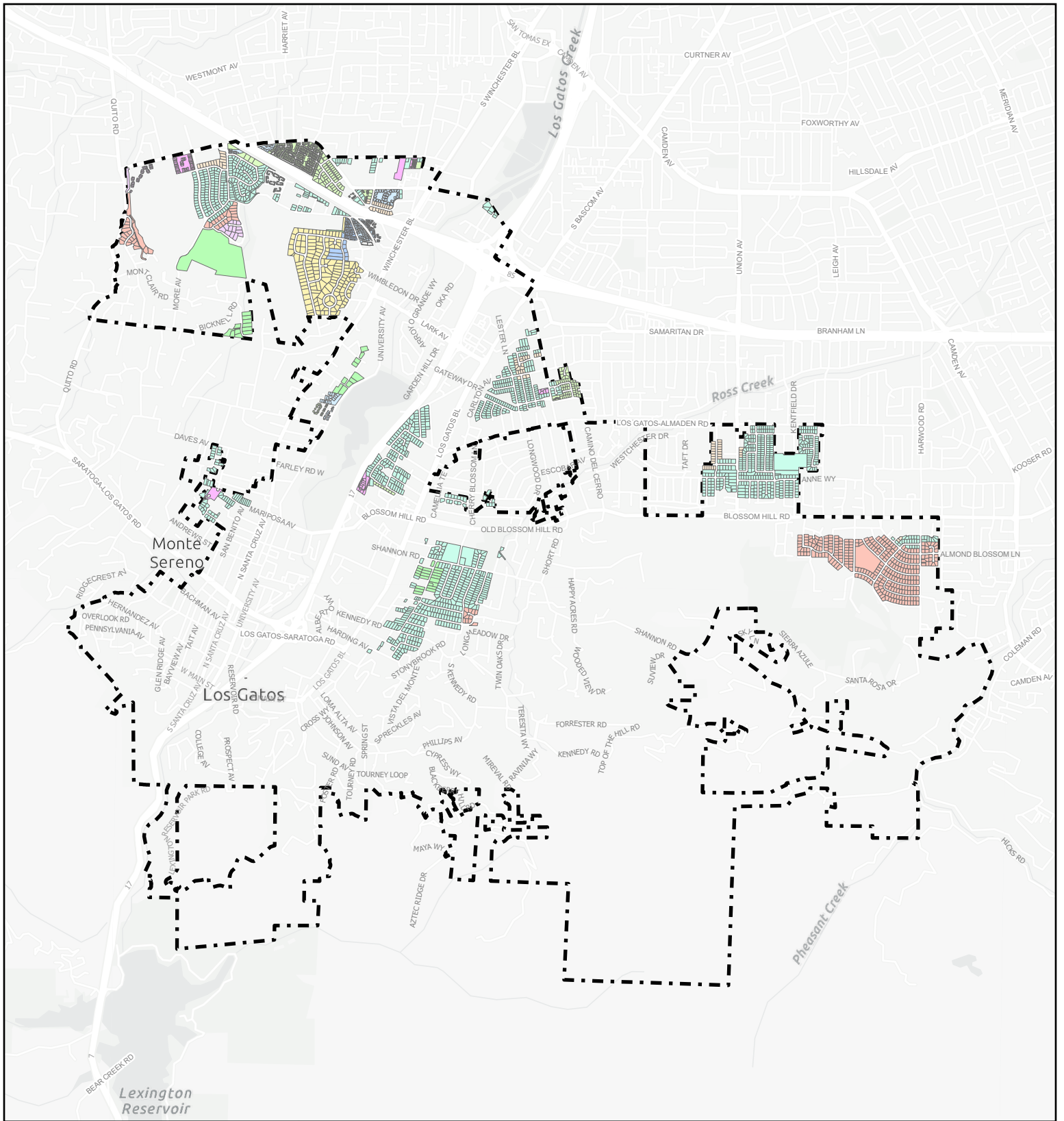
Attachment Received with the March 1, 2024 Addendum:

22. Communications from the Vice Mayor

Attachments Received with this Addendum B:

23. Map Analysis of Programs J and AY
24. Annotated Housing Element Consultant Communications Regarding Programs J and AY Shared with HCD on February 1, 2024

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**Parcels Selection**

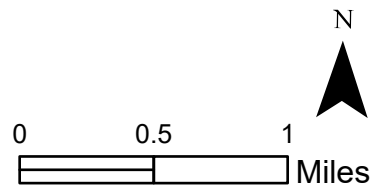
**Zoning District**

- R-1:10
- R-1:12
- R-1:12:PD
- R-1:20
- R-1:20:PD

- R-1:8
- R-1:8:PD
- R-M:12-20:PD
- R-M:5-12
- R-M:5-12:PD
- RD

Town of Los Gatos

# Town of Los Gatos Parcel Criteria



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**From:** Veronica Tam [REDACTED]  
**Sent:** Thursday, February 1, 2024 10:49 AM  
**To:** Jauregui, Jose @HCD <Jose.Jauregui@hcd.ca.gov>; Gabrielle Whelan <GWhelan@losgatosca.gov>; McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>  
**Cc:** Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]  
**Subject:** RE: Los Gatos - Revised HE

[EXTERNAL SENDER]

Hi Paul and Jose –

Just a correction that we are not going for readoption yet. We would like to get the HE to a certifiable status first.

Thanks,  
Veronica

Veronica Tam, AICP  
Principal  
**Veronica Tam and Associates, Inc.**

[REDACTED]  
[REDACTED]  
[REDACTED]

**From:** Veronica Tam  
**Sent:** Thursday, February 1, 2024 10:30 AM  
**To:** 'Jauregui, Jose @HCD' <Jose.Jauregui@hcd.ca.gov>; Gabrielle Whelan <GWhelan@losgatosca.gov>; McDougall, Paul@HCD <Paul.McDougall@hcd.ca.gov>  
**Cc:** Joel Paulson <jpaulson@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>; Jamie Power [REDACTED]; Erin Walters <EWalters@losgatosca.gov>; Jocelyn Shoopman <jshoopman@losgatosca.gov>; Nazanin Salehi [REDACTED]  
**Subject:** Los Gatos - Revised HE

Hi Joe and Paul –

Attached (and below) are the revised pages for Los Gatos Housing Element based on our most recent discussions. The Town is going to Planning Commission and Town Council for readoption. We are hoping that you can take a look at these changes before we move to readopt.

Please note the GREEN highlights are new changes.

Revised Pages Only

<https://www.dropbox.com/scl/fi/1s5nf8il7zmxk7nd4bhwt/Draft-Revised-Housing-Element-Revised-Pages-Only.pdf?rlkey=aiiu0b9s09qfjaxry77ijdulj&dl=0>

Full HE with Tracked Changes

<https://www.dropbox.com/scl/fi/m1a675bsloxifr09bxolk/Draft-Revised-Housing-Element-Track-Changes.pdf?rlkey=okew0qyjququhbi94f7a81d2v&dl=0>

Veronica Tam, AICP

Principal

**Veronica Tam and Associates, Inc.**

[REDACTED]

[REDACTED]

[REDACTED]



Programs		
	Performance Metric(s) Delivery of Housing Element	
<p><b>JJ</b> <u>Helping Senior Housing Programs Resources</u></p> <p>Provide financial assistance for health, safety, emergency and accessibility home repairs to low-income seniors and low-income mobile homeowners through the Below Market Price Program funds, subject to availability of Program funds.</p> <p><u>Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.</u></p> <div style="border: 2px dashed red; border-radius: 15px; padding: 10px; margin: 10px 0;"> <ul style="list-style-type: none"> <li>• <b>Blue</b> highlighting denotes revisions reviewed by Town Council at the January 16, 2024 Town Council meeting.</li> <li>• <b>Green</b> highlighting denotes revisions reviewed by the Town Council at the February 6, 2024 Town Council meeting.</li> </ul> </div>	Implementation Policies HE-1.6 Universal Design HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs <u>HE-6.1 Fair Housing</u> <u>HE-6.2 Financial Assistance</u> <u>HE-6.3 Housing for Persons with Special Needs</u> <u>HE-6.4 Affordable Housing Awareness</u> <u>Responsible Department/Review Authority</u>	
	Responsible Department/Review Authority	Community Development Department and the Town Council
	Timeframe	Ongoing and annual effort <u>Update materials annually</u>
	Funding Source	Town Affordable Housing Funds
	Quantified Objective	Maintain the existing housing stock by funding three home repairs to lower income seniors <u>annually</u>
	Performance Metric(s)	Measure the number of units assisted versus the need
		Implementation Policies HE-1.5 Variety of Housing Choices HE-2.4 Rental Housing HE-3.3 Efficient Development Processing
	Responsible Department	Community Development
	Timeframe	December 2024
	Funding Source	None required
	Quantified Objective	Increase the number of <u>small multi-unit housing</u> <u>low-rise multi-family</u> developments <u>by five to 15 units</u> from the previous year over eight years with the <u>goal of achieving 100% of the units in low to medium density designations and high median income areas</u>

Edit made in a green highlight as a recommendation from the HEAB at the January 18, 2024 meeting in response to a comment from HCD in the preliminary informal matrix received by the Town on January 18, 2024.

Edit made in a green highlight in response to Town Council direction provided on January 16, 2024.

Edit made by staff in a green highlight in response to a comment from HCD in the preliminary informal matrix received by the Town on January 18, 2024.

# 10. Housing Element

Programs	
<p><i>Edit made by staff in a green highlight in response to a suggested edit provided by the Town's outside legal counsel, Goldfarb &amp; Lipman, LLP, provided as Attachment 10 to the February 6, 2024, Town Council meeting.</i></p> <p>Town will also promote small multi-unit housing that increases density while remaining consistent with the building scale and character present in existing neighborhoods. This includes multi-family units or clustered residential buildings that provide relatively smaller, less expensive units within existing neighborhoods.</p> <p>Update the Zoning Code to facilitate low rise multi-family structures, small multi-unit housing in the low to medium Residential Density designations.</p> <p>The General Plan defines small multi-unit housing is defined as multiple units on a single parcel (whether attached or detached) that are compatible in scale and form with detached single-family homes. Common housing types include duplexes; triplexes; fourplexes; courtyard apartments; cottage courts; townhomes; triplex stacked (vertical); and live-work spaces.</p> <p>Promote this program through publication, to include the following information: Low rise multi-family dwelling units ranging from two to 10 units can help meet the needs of families, seniors and students. Permit processing times tend to be shorter than larger multi-family buildings due to the low-rise nature of the structures.</p> <p>Specifically, update the Zoning to allow for all housing types considered for the provision of Small Multi-Unit Housing types as part of Low Density High Density Residential designations.</p> <p>Research existing regulatory impediments to the creation of new housing types that have the potential to fulfill unmet housing needs (e.g., tiny homes, co-housing developments) and if necessary, amend applicable ordinances and development standards to facilitate and to allow for their development at the maximum density.</p> <p>Pursue establishment of a maximum average unit size as a tool to moderate unit sizes for developments over a certain size but to allow flexibility for a range of unit sizes.</p>	<p>Performance Metric(s)</p> <p>Complete Zoning Code amendment by December 2024 and track the number of entitled Planning applications received per year</p> <p><i>Edit made by staff in a green highlight in response to a suggested edit provided by the Town's outside legal counsel, Goldfarb &amp; Lipman, LLP, provided as Attachment 10 to the February 6, 2024, Town Council meeting.</i></p>

Programs		
<p><b><u>BMAW</u></b> <b>Story Poles and Netting Policy</b></p> <p><u>Update the Review</u> Story Pole and Netting Policy and <u>explore create alternative</u> options for residential or mixed-use projects with affordable housing to reduce the associated costs of installing story poles, <u>by providing an option to provide visuals, video rendering, or other visual methods</u> in place of story poles for all multi-family and mixed-use projects, <u>and all projects over 55 feet in height</u> to reduce constrains/cost and increase approval certainty. <u>Modifications already approved by Town Council on August 1, 2023, include: use of flag rope instead of netting; reduce story pole requirements for multi-building projects to just represent perimeter of site and tallest buildings; and removal of story pole requirement for projects with 30 percent Below Market Price housing or 20 percent Low Income or Very Low Income housing. Additional modifications to further reduce impacts of story pole policy are scheduled for review by Town Council on December 5, 2023, currently under consideration include, but are not limited to: use of one or two rows of flag rope in place of netting; use of renderings and digit simulations; use of signage; and reduction in the number of story poles</u></p>	<p>Implementation</p> <p>Policy HE-3.1 Regulatory Incentives for Affordable Housing</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Implement by <u>December-March 2024</u>, and <u>evaluate effectiveness of reduced requirements every year beginning in 2025; and identify additional incentives and/or site capacity, if needed, within six months of need identification.</u></p> <p>Funding Source</p> <p>General fund (staff time)</p> <p>Quantified Objective</p> <p>Reduce cost of development by modifying the story pole requirements for affordable housing projects.</p> <p>Performance Metric(s)</p> <p>Measure impact of modifying the story pole policy on the number of affordable housing units entitled</p>	
	<p><b><u>AX</u></b> <b>Local Labor Program List</b></p> <p><u>Establish and post a list of local labor unions and apprenticeship programs on the website to encourage the developers and contractors to hire local labor.</u></p> <div data-bbox="456 1518 808 1711" style="border: 1px solid red; padding: 5px; margin-top: 20px;"> <p>Edits made in a green highlight in response to Town Council direction provided on January 16, 2024.</p> </div>	<p>Implementation</p> <p>Policy HE-1.4 Housing Design</p> <p>Responsible Department/Review Authority _____</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Establish a list by December 31, 2024, to post online.</p> <p>Funding Source</p> <p>General fund (staff time)</p> <p>Quantified Objective</p> <p>Annually update the list or upon request from a local union.</p> <p>Performance Metric(s)</p> <p>N/A</p>
		<p><b><u>AY</u></b> <b>Housing Mobility</b></p> <p>Implementation</p>

# 10. Housing Element

Programs		
<p>Housing mobility strategies consist of removing barriers to housing in areas of opportunity and strategically enhancing access (Los Gatos 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 townwide, including in lower density neighborhoods, the Town 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:</p> <ul style="list-style-type: none"> <li>SB 9 – Monitor the Town’s SB 9 standards and amend standards to facilitate SB 9 applications (e.g., duplexes in single-family zones) if the Town is not on track to meet its SB 9 application goals during the planning period. See Program AV.</li> <li>Rezoning for Small Multi-Unit Housing, “Missing Middle” – Modify the Zoning Code to facilitate small multi-unit housing in the low to medium density designations. This includes creating mixed residential neighborhoods through new and innovative housing types that meet the changing needs of Los Gatos households and expand housing choices in a variety of neighborhoods. Housing types include, but are not limited to single dwelling units, multifamily dwelling units, accessory dwelling units, small and micro units, use of prefabricated homes, and clustered/cottage housing. See Program J.</li> <li>Housing on Town Sites – Enter into a public-private partnership to develop housing, targeting low-income households, on Town owned properties. See Program E.</li> <li>Enhanced Inclusionary Housing – Assess and amend the Town’s inclusionary housing requirements to better produce low-income units and units for special needs groups townwide. See Program L.</li> <li>Accessory Dwelling Units (ADUs) – Encourage and streamline ADUs in</li> </ul>	<p>Policy HE-1.5 Variety of Housing Choices</p> <p>Policy HE-1.7 Infill Opportunities in Single-Family Neighborhoods</p>	
	Responsible Department/Review Authority	Community Development Department
	Timeframe	Annually review overall progress and effectiveness in April and include information in annual report to HCD. If the Town is not on track to meet its 160 affordable housing unit goal for the 8-year RHNA cycle by 2027 (i.e., 80 affordable units built or in process by 2027), the Town will consider alternative land use strategies and make necessary amendments to zoning or other land use documents to facilitate a variety of housing choices, including but not limited to, strategies that encourage missing middle zoning (small-scale multi-unit projects), adaptive reuse, and allowing additional ADUs and/or JADUs, within six months, if sufficient progress toward this quantified objective is not being met.
	Funding Source	General fund (staff time)
	Quantified Objective	Provide 160 housing opportunities affordable to lower income households by January 2031.
	Performance Metric(s)	Townwide, but especially lower-density neighborhoods.

Edits made in a green highlight in response to Town Council direction provided on January 16, 2024.



Programs

Edits made in a green highlight in response to Town Council direction provided on January 16, 2024.

single-family neighborhoods by preparing standardized ADU plans with a variety of unit sizes and by affirmatively marketing and outreach to increase awareness and the diversity of individuals residing in Los Gatos. See Program Q.

- Junior ADUs – Develop and adopt objective standards to allow more than one (at minimum two) Junior ADU per structure by July 2025. The objective is to achieve at least 10 JADUs in lower-density neighborhoods by January 2031. See Program Q.

- Religious Institutional Sites – Expand housing opportunities on all religious institutional sites within the Town. See Program S. Conduct outreach to owners and operators of religious institutions to raise awareness and encourage housing proposals. Increase affordable housing on religious institution/faith-based site(s) during the 2023-2031 planning period by 25 units. If no application for housing on a religious institution/faith-based site is received by December 2025, the Town will expand outreach efforts to be conducted annually. This may include direct mailings to faith-based sites highlighting successful affordable housing units on other faith-based sites, as well as available Town resources and programs to support such projects (e.g., Programs N, P, T, AI, AJ – Assist in securing funding for affordable housing projects).

- Homesharing – Research and pursue a homesharing program, including coordination with non-profits and other to assist with matching tenants with existing homeowners. The Town will publicize and take other actions as necessary (e.g., facilitate presentations at the Los Gatos Adult Recreation Center, etc.) at least annually with the goal of five opportunities per year. See Program T.