



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/18/2024

ITEM NO: 10

DESK ITEM

DATE: March 18, 2024
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Accept the Annual Progress Report for General Plan and Housing Element Implementation.

REMARKS:

Attachment 2 includes public comments received between 11:01 a.m., Monday, March 17, 2025, and 11:00 a.m., Tuesday, March 18, 2025.

Staff offers the following clarification to the points raised in Attachment 2 that pertain to the Town's Annual Progress Report.

Immediately correct Table D

The Annual Progress Report (APR) before the Council is reporting on 2024 housing unit production and program implementation. None of the SB 330/Builder's Remedy projects were considered by Planning Commission or Town Council in 2024. Table D in the APR accurately reflects the Town's efforts on implementation of Program C, No Net Loss, in 2024 and no changes are necessary.

For clarification, one SB 330 project, the Los Gatos Lodge site, was considered by the Planning Commission on February 12, 2025, and approved by the Town Council on March 4, 2025. The 155 housing units approved with this project are not included in the 2024 APR and will not be reported until the 2025 APR, in April of next year. As provided in the analysis in the Planning Commission Staff Report of February 12, 2025, this 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. 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

PREPARED BY: Sean Mullin, AICP
Planning Manager

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

PAGE 2 OF 3

SUBJECT: Annual Progress Report for General Plan and Housing Element Implementation

DATE: March 13, 2024

Housing Element is adequate to meet the Town's remaining RHNA requirements. The No Net Loss findings were made, and the Town is not required to identify additional sites to accommodate the remaining RHNA as a result of this project.

The North Forty Phase II project has not been considered by either the Planning Commission or the Town Council to date. It is tentatively scheduled for consideration by the Planning Commission in April 2025, with Town Council consideration to follow.

In conclusion, since no net loss has not been triggered to date, there is no need to report anything related to initiating no net loss rezoning efforts in Table D for the 2024 reporting year. Staff is closely monitoring the impact each project will have relative to no net loss, and will provide that analysis in the staff reports to the Planning Commission and Town Council.

Initiate rezoning efforts as required

As stated above, no net loss has not been triggered to date and rezoning efforts are not required. Staff anticipates that no net loss will be triggered is the North Forty Phase II is approved and are considering options for rezoning efforts to address no net loss when it is triggered.

Attachment previously received with the March 13, 2025, Staff Report:

1. 2024 General Plan Annual Progress Report, with Exhibit A

Attachment Received with the March 18, 2025, Desk Item Report:

2. Public comments received between 11:01 a.m., Monday, March 17, 2025, and 11:00 a.m., Tuesday, March 18, 2025

From: [REDACTED]
Sent: Monday, March 17, 2025 4:16 PM
To: Clerk <Clerk@losgatosca.gov>
Cc: Town Manager <Manager@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Rob Moore <RMoore@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Katy Nomura <KNomura@losgatosca.gov>; Gabrielle Whelan <GWhelan@losgatosca.gov>
Subject: RE: TC Meeting 3-18-25, Agenda Item 10 – Annual Housing Element Progress Report plus 3 attachments

[EXTERNAL SENDER]

Dear Honorable Mayor and Council Members,

We appreciate the opportunity to provide comments on the Staff report regarding the Annual Housing Element Progress Report.

Adoption of the 2023-2031 Housing Element on January 30, 2023

The Staff report correctly states that the Town Council adopted the 2023-2031 Housing Element on January 30, 2023, meeting the statutory deadline of January 31, 2023. However, it omits a critical detail: the Town Council adopted the Housing Element by resolution, making the explicit finding that *“the draft Housing Element substantially complies with State Housing Element Law.”* This recommendation was provided by Staff in the January 26, 2023, Staff report.

The adopted resolution clearly referenced compliance with **Government Code Section 65585(f)** and affirmed that the Housing Element met the requirements of State Housing Element Law. This distinction is significant because it raises questions about the legal standing of the numerous Builder’s Remedy applications the Town has received. The resolution confirming substantial compliance has never been rescinded.

Furthermore, the January 26, 2023, Staff report explicitly stated:

“It is possible that a developer could invoke the ‘Builder’s Remedy’ in connection with a planning application submitted in February IF the Town Council does not adopt a Housing Element that is in substantial compliance with Housing Element Law by January 31, 2023.”

While we recognize that Housing Element certification by HCD is required, **Government Code Section 65585 does not mandate HCD certification before a jurisdiction can determine its Housing Element is in substantial compliance.** In fact, **Section 65585(e)** only requires the legislative body to *consider* HCD’s findings.

Given these points, we urge the Town to clarify its position:

- Does the Town stand by the accuracy of its January 30, 2023, resolution, confirming substantial compliance with Housing Element Law?
- If the Town no longer believes the resolution was accurate, will the Council formally rescind it?

This issue is of significant legal and procedural importance and should be addressed clearly.

Table D Requires Immediate Correction to Reflect a “Net Loss” in Site Inventory

The current Table D is inaccurate, as it fails to account for a *net loss* in the Town’s site inventory. This issue must be corrected immediately to comply with the State’s “**No Net Loss**” provisions.

For reference, we have attached the August 10, 2023, Staff report, which explicitly states in **Paragraph F – Sites Inventory** the Town’s obligation to maintain sufficient sites to accommodate its RHNA requirements. Under State law, if a jurisdiction loses capacity due to approved projects, it must rezone additional sites within six months to make up the shortfall.

We have also attached an analysis of the impact of recent approvals, specifically:

- **N40 Development (Site D-1)**
- **Los Gatos Lodge (Site B-1)**
- **Actual ADU production for 2023 and 2024**

This analysis indicates that the Town now lacks sufficient sites to meet its RHNA targets for **very low-income and moderate-income units**. Specifically, the data reveals a *net loss* of:

- **107 very low-income units**
- **78 moderate-income units**

This shortfall is urgent. Under State law, if the Town does not rezone sufficient sites within **six months of project approval**, HCD has the authority to **revoke** the Town’s certified Housing Element.

Conclusion

We respectfully urge the Town Council to:

1. **Clarify the status of the January 30, 2023, resolution** regarding substantial compliance.
2. **Immediately correct Table D** to reflect the *net loss* in site inventory.
3. **Initiate rezoning efforts as required** under the State’s “No Net Loss” provisions to maintain compliance with Housing Element Law.

We appreciate your time and attention to these critical matters.

Sincerely,

Los Gatos Community Alliance
Facts Matter; Transparency Matters; Honesty Matters
www.lgca.town



Jurisdiction	Los Gatos	
Reporting Year	2024	(Jan. 1 - Dec. 31)
Planning Period	6th Cycle	01/31/2023 - 01/31/2031

**ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation**

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs.
Please contact HCD if your data is different than the material supplied here

Table B														
Regional Housing Needs Allocation Progress														
Permitted Units Issued by Affordability														
		1	Projection Period	2									3	4
Income Level		RHNA Allocation by Income Level	Projection Period - 06/30/2022-01/30/2023	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	537	-	-	-	-	-	-	-	-	-	-	26	511
	Non-Deed Restricted		4	10	12	-	-	-	-	-	-	-		
Low	Deed Restricted	310	-	1	-	-	-	-	-	-	-	-	18	292
	Non-Deed Restricted		-	10	7	-	-	-	-	-	-	-		
Moderate	Deed Restricted	320	-	-	-	-	-	-	-	-	-	-	41	279
	Non-Deed Restricted		18	14	9	-	-	-	-	-	-	-		
Above Moderate		826	3	25	7	-	-	-	-	-	-	35	791	
Total RHNA		1,993												
Total Units			25	60	35	-	-	-	-	-	-	-	120	1,873
Progress toward extremely low-income housing need, as determined pursuant to Government Code 65583(a)(1).														
		5										6	7	
Extremely low-Income Need			2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Units to Date	Total Units Remaining	
Extremely Low-Income Units*		269	-	-	-	-	-	-	-	-	-	-	269	

*Extremely low-income housing need determined pursuant to Government Code 65583(a)(1). Value in Section 5 is default value, assumed to be half of the very low-income RHNA. May be overwritten.

Please Note: Table B does not currently contain data from Table F or Table F2 for prior years. You may login to the APR system to see Table B that contains this data.

Note: units serving extremely low-income households are included in the very low-income RHNA progress and must be reported as very low-income units in section 7 of Table A2. They must also be reported in the extremely low-income category (section 13) in Table A2 to be counted as progress toward meeting the extremely low-income housing need determined pursuant to Government Code 65583(a)(1).

Please note: For the last year of the 5th cycle, Table B will only include units that were permitted during the portion of the year that was in the 5th cycle. For the first year of the 6th cycle, Table B will only include units that were permitted since the start of the planning period. Projection Period units are in a separate column.

Please note: The APR form can only display data for one planning period. To view progress for a different planning period, you may login to HCD's online APR system, or contact HCD staff at apr@hcd.ca.gov.

- VLI Deed Restricted
- VLI Non Deed Restricted
- LI Deed Restricted
- LI Non Deed Restricted
- MI Deed Restricted
- MI Non Deed Restricted
- Above Mod Income

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

Jurisdiction		Los Gatos	
Reporting Year		2024 (Jan. 1 - Dec. 31)	
Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
A - Developer Forum	Meet once a year to generate a list of opportunities and constraints	Annually provide focus group or Town Hall meeting opportunities	Completed. SV@Home affordable housing developer roundtable held on 02/27/2025.
B - Large Site Program	Facilitate four land divisions and/or lot line adjustments	Annually provide focus group or Town Hall meeting opportunities	New program not yet complete
C - No Net Loss	Maintain RHNA capacity	Ongoing tracking as developments are approved	Maintained and ongoing effort
D - Additional Housing Capacity for the North Forty Specific Plan	Facilitate the construction of 45 new homes for lower-income households	1/1/2025	In progress
E - Affordable Development on Town Owned Property	The Town owns two properties that could be suitable for affordable housing up to 20 units.	Ongoing effort	Ongoing effort
F - Update Permit Software System	Reduce processing time by five percent	Review and update regulations as appropriate at biannual years	Ongoing effort
G - Study Detached Single-Family Condominium Option	Increase the floor area ratio to promote higher density housing development	12/1/2024	Not yet complete
H - Coordination with Water and Sewer Providers	Deliver Housing Element	Upon adoption of the Housing Element	Completed. Housing Element provided to water and sewer providers on 06/13/2023.

Analysis of adequacy of Site Inventory				
	Zipcode	APN	VL	L
N40 Parcels - Site D-1 inventory				
14859 Los Gatos Boulevard	95032	424-07-094	35	17
16392 Los Gatos Boulevard	95032	424-07-095	9	4
16260 Burton Road	95032	424-07-053	5	2
16250 Burton Road	95032	424-07-009	5	2
14917 Los Gatos Boulevard	95032	424-07-081	45	22
14925 Los Gatos Boulevard	95032	424-07-115	73	36
Los Gatos Boulevard	95032	424-07-116	12	6
>>Total			184	89
SB 330 Application received by Town			0	88
(Shortfall)/Excess from Site Inventory D-1			(184)	(1)
Los Gatos Lodge - Site B-1 inventory				
50 Los Gatos-Saratoga Road	95030	529-24-032	76	75
Los Gatos-Saratoga Road	95030	529-24-001	9	9
Los Gatos-Saratoga Road	95030	529-24-003	1	2
>>Total			86	86
SB 330 Application approved by Town			0	26
(Shortfall)/Excess from Site Inventory B-1			(86)	(60)
>>Total Shortfall from Site Inventory for B-1 and D-1			(270)	(61)
Table D-2 RHNA Credits and Sites Strategy				
> Pipeline Projects - June 30,2022 to January 31, 2023			0	4
>Projected ADU's (Jan 1, 2023 to Jan 31, 2031)			60	60
>HEOZ Sites Units			634	357
Total Units			694	421
Less:				
>Net Loss from Sites B-1 and D-1			(270)	(61)
>(shortfall) excess production of ADU's			6	4
Total Adjustment			(264)	(57)
Adjusted Units			430	364
RHNA 6th Cycle			537	310
(Shortfall)/Excess over RHNA - Net Loss			(107)	54

M	A	Total	Acres
17	18	87	2.9
5	5	23	0.78
3	3	13	0.44
3	3	13	0.44
22	23	112	3.74
36	37	182	6.07
6	7	31	1.02
92	96	461	15.39
0	349	437	
(92)	253	(24)	
51	9	211	7.04
9	18	45	1.49
2	3	8	0.28
62	30	264	8.81
0	129	155	
(62)	99	(109)	
(154)	352	(133)	
11	201	216	
60	20	200	
340	624	1,955	
411	845	2,371	
(154)	352	(133)	
(15)	(5)		
(169)	347	(133)	
242	1,192	2,238	
320	826	1,993	
(78)	366	245	



MEETING DATE: 08/15/2023

ITEM NO: 15

**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

DATE: August 10, 2023
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Receive and Discuss a Status Update on the 2023-2031 Housing Element Process

RECOMMENDATION:

Receive and discuss a status update on the 2023-2031 Housing Element process.

BACKGROUND:

The following is a summary of public meetings, formal California Department of Housing and Community Development (HCD) comment letters received, and other actions taken toward the certification of the Housing Element in 2023. Attachment 1 contains a more detailed summary of events and the schedule moving forward.

- January 12, 2023 – Town received a HCD findings/comment letter.
- January 30, 2023 – Town Council adopted the 2023-2031 Housing Element with modifications to the Sites Inventory.
- February 3 to 10, 2023 – Seven-day public review period for the 2023-2031 Housing Element as adopted by the Town Council on January 30, 2023.
- February 13, 2023 – Town submitted the adopted 2023-2031 Housing Element to HCD. A cover letter was included in the submittal describing that the Town was in the process of addressing all the remaining comments found in the HCD findings/comment letter and would be resubmitting a Draft Revised Housing Element after all the revisions were completed. The cover letter and submittal documents are available online at: <https://www.losgatosca.gov/HousingElement>.

PREPARED BY: Jennifer Armer, AICP
Planning Manager

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

BACKGROUND (continued):

- February 16, 2023 – The Housing Element Advisory Board (HEAB) met to review and discuss the HCD findings/comment letter, and how the comments and findings would be addressed.
- March 16, 2023 – The HEAB reviewed the Draft Revised 2023-2031 Housing Element which included modifications to the Town Council adopted 2023-2031 Housing Element in response to the January 12, 2023, HCD comments.
- March 23 to 30, 2023 – Seven-day public review period for the Draft Revised 2023-2031 Housing Element as recommended by the HEAB.
- March 31, 2023 – The Town submitted the Draft Revised 2023-2031 Housing Element to HCD for review. The March 31, 2023, cover letter, and submittal documents are available online at: <https://www.losgatosca.gov/HousingElement>.
- April 4, 2023 – The Town Council reviewed and discussed the Draft Revised 2023-2031 Housing Element as submitted to the HCD on March 31, 2023.
- April 14, 2023 – The Town received a HCD findings/comment letter on the adopted Housing Element that was submitted to HCD on February 13, 2023.
- April 21, 2023 and May 10, 2023 – Staff met with the Town’s HCD reviewer to discuss the March 31, 2023 resubmittal and to receive preliminary feedback.
- May 30, 2023 – The Town received a HCD findings/comment letter on the Draft Revised Housing Element. The findings/comment letter is in reference to the Town’s Draft Revised Housing Element submitted to HCD on March 31, 2023. HCD determined that the Town’s Draft Revised Housing Element addresses many statutory requirements, and identified revisions necessary to comply with State Housing Element law.
- June 15, 2023 – The HEAB met to review and discuss the May 30, 2023 HCD findings/comment letter, and how the comments and findings could be addressed.
- June 20, 2023 – Staff met with the Town’s HCD reviewer to receive clarification on HCD’s most recent findings/comment letter. The HCD reviewer provided examples from the City of Torrance, Rolling Hills, and Rolling Hills Estates on housing programs that address Affirmatively Furthering Fair Housing (AFFH). This information was provided Town’s AFFH consultant, Root Policy Research, to strengthen this portion of the Town’s Housing Element.
- On July 20, 2023 – The HEAB met to review and discuss portions of the Town’s Interim Working Draft Revised Housing Element.

On August 1, 2023, two Council Members requested a Housing Element status update be added as an agenda item on the next possible Town Council meeting. The Mayor scheduled the item for August 15, 2023.

DISCUSSION:

A. Housing Element Advisory Board

On July 20, 2023, the HEAB held a special meeting to review and discuss portions of the Town's Interim Working Draft Revised Housing Element, as well as the Interim Working Draft Response Memorandum breaking HCD's findings/comment letter into individual comments and summarizing the modifications staff has prepared thus far (<https://www.losgatosca.gov/AgendaCenter/ViewFile/Agenda/07202023-2313>). The HEAB provided feedback that significant work had been accomplished toward addressing HCD comments, and that the HEAB looked forward to learning more about the analysis from the Town's consultants.

On August 24, 2023, the HEAB is scheduled to hold a special meeting to review and discuss additional modifications to the Interim Working Draft Revised Housing Element. The content of the new revisions is expected to focus primarily on the topics of AFFH and providing additional information for the properties identified in the Sites Inventory. The staff report packet will be published online on Friday, August 18, 2023.

B. Timelines

In response to comments from the HEAB at the June 15, 2023, meeting, Town staff prepared and posted a timeline online for the Housing Element update process and a separate scheduled for the Zoning and General Plan amendments to help the community understand where the Town is in these processes, and what remains to be completed. The timeline for the Housing Element update process is provided as Attachment 1, and the timeline for the Zoning and General Plan amendments is provided as Attachment 2.

C. Consultants

Throughout the Housing Element update process, the Town had worked with EMC Planning Group Inc. For this final phase of the Housing Element update process the Town's needs are more focused, and for this reason, the Town has contracted with Root Policy Research, who has previously provided AFFH analysis as a subconsultant of EMC Planning Group Inc., and Veronica Tam and Associates, who has a strong history and reputation for assisting agencies in obtaining certification of their Housing Elements. The proposal provided by Veronica Tam and Associates for the services is provided as Attachment 3.

D. Meetings with HCD

The Housing Element update process has included meetings and consultation with the Town's HCD reviewer throughout the process. The most recent meeting occurred on June

DISCUSSION (continued):

20, 2023, in which Town staff received some clarification on the comments received on May 30, 2023. With the assistance of the Town's consultant, a meeting is now being scheduled with the Town's HCD review and with Paul McDougall for the first week of September. The goal for this meeting is to review the Town's proposed methodology for addressing the remaining HCD comments and to confirm the methodology meets their expectations.

E. January 31, 2024 Rezoning Deadline

If a Housing Element is not certified by May 31, 2023, the rezonings of the properties on the Sites Inventory to the minimum density specified in the Inventory must be completed by January 31, 2024. The deadline is specific to the rezoning of sites on the Housing Element Sites Inventory; this is not a deadline to obtain certification of a Housing Element.

While the deadline could affect the process for updating the Town's Housing Element by requiring that rezoning be completed prior to certification of the Housing Element, it does not trigger any additional State requirements or allow the State to take over the Town's land use authority of proposed development applications. If the necessary rezoning is not complete by January 31, 2024, HCD will not be able to certify the Housing Element until the rezoning has been completed. In addition, HCD is authorized to refer to the agency to the State Attorney General. (Gov. Code Section 65585(i), (j)).

It is the intent of the Town to complete the rezoning by the deadline to prevent delay in certification of the Town's Housing Element.

F. Sites Inventory

The Town's adopted Housing Element contains a buffer of 16 percent of units above the Regional Housing Needs Allocation (RHNA) of 1,993 housing units to accommodate instances in which planning applications are approved at a density below the density described in the Town's Housing Element. The most recent Draft Revised Housing Element submitted to HCD in March 2023 contains a buffer of 25 percent.

The Town has received four Senate Bill 330 (SB 330) preliminary applications. The second phase of the North Forty, the Post Office project, and the Los Gatos Lodge project have submitted SB 330 preliminary applications that propose density and affordability distributions below the density and affordability distributions described in the March 2023 Draft Revised Housing Element.

In the event that formal planning applications are approved that create a shortfall of units in the Town's Sites Inventory, the Town will need to comply with the State's "no net loss"

DISCUSSION (continued):

provisions. The State “no net loss” law requires that, if and when a project is approved below the density described in the Town’s Housing Element, the Town must rezone sufficient sites to make up the shortfall within six months of project approval. In other words, the “no net loss” provisions kick in upon project approval. Town staff has discussed the SB 330 preliminary applications with our HCD reviewer at least twice, and HCD knows that the Town intends to comply with the “no net loss” provisions if a project approval results in a shortfall.

While there is no requirement to adjust the Sites Inventory until project approval, there is nothing prohibiting the Town from increasing the buffer now. However, Town staff is not recommending that the Town do so at this time. Town staff is concerned that making the adjustment to the Sites Inventory at this point in time may delay HCD’s certification of the Town’s Housing Element by introducing new information that was not previously reviewed.

That said, HCD’s May 2023 comment letter asks for the Town to provide more documentation that there is a “realistic possibility” that the sites in the sites inventory will be redeveloped. Town staff is currently working with the Town’s consultant to provide an analysis of the “realistic possibility” of redevelopment for HCD’s review. If this analysis demonstrates that there is in fact not a “realistic possibility” of redevelopment, Town staff will recommend that the Sites Inventory be expanded.

PUBLIC COMMENTS AND COUNCIL MEMBER QUESTIONS:

At the time of this report’s preparation, the Town has not received any public comments. Questions from the Vice Mayor, sent to Town staff are included as Attachment 4. Discussion of the issue raised by the Vice Mayor is discussed under the Sites Inventory section of this report.

Public comments are encouraged throughout the Housing Element update process and can be emailed to HEUpdate@losgatosca.gov.

CONCLUSION:

Staff looks forward to the Town Council’s discussion.

COORDINATION:

The Community Development Department coordinated with the offices of the Town Attorney and Town Manager in the preparation of this report.

PAGE 6 OF 6

SUBJECT: Receive and Discuss a Status Update on the 2023-2031 Housing Element Update Process

DATE: August 10, 2023

ENVIRONMENTAL ASSESSMENT:

An Environmental Analysis was prepared for the Housing Element update. Although the Housing Element update could have a significant effect on the environment, it was found that all potentially significant effects have been analyzed adequately in the Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), pursuant to applicable standards including CEQA Guidelines Section 15168(c)2, and the Housing Element update is consistent with the growth projections evaluated in the General Plan EIR. A copy of the Environmental Analysis is available online at: <https://www.losgatosca.gov/1735/General-Plan---Housing-Element>.

Attachments:

1. Housing Element Update Timeline
2. Zoning and General Plan Amendments Timeline
3. Veronica Tam and Associates Proposal
4. Questions from the Vice Mayor
5. Public Comment received before 11:00 a.m. on August, 10, 2023

Housing Element Timeline

- Resolution 2021-032 Adopted by the Town Council to Establish the Housing Element Advisory Board (HEAB) – August 3, 2021
- 17 HEAB Meetings: October 2021 – June 2023 (*Subsequent meetings noted below.*)
- Housing Element Community Meeting – March 31, 2022
- Joint Study Session – Town Council, Planning Commission, and HEAB – April 6, 2022
- Seven-Day Public Review Draft Period: August 29 – September 27, 2022
- Initial Public Review Draft Submitted to HCD (first submittal): October 14, 2022
- Planning Commission and Town Council Hearings on Draft Housing Element: January 2023
- HCD Comment Letter (on first submittal) Received: January 12, 2023
- Housing Element Adopted by the Town Council: January 30, 2023
- Adopted Housing Element Submitted to HCD (second submittal): February 13, 2023
- Draft Revised Housing Element Submitted to HCD (third submittal): March 31, 2023
- Town Council Meeting: April 4, 2023
- HCD Comment Letter (on second submittal) Received: April 14, 2023
- HCD Comment Letter (on third submittal) Received: May 30, 2023
- Housing Element Advisory Board Meeting: July 20, 2023
- **Special Housing Element Advisory Board Meeting: August 24, 2023 (WE ARE HERE)**
- *Tentative* Housing Element Advisory Board Meeting: late September 2023
- *Tentative* Seven-Day Public Review Draft Period: September 22 – 29, 2023
- *Tentative* Draft Revised Housing Element Submitted to HCD (fourth submittal): October 9, 2023
- *Tentative* HCD Comment Letter (on fourth submittal) Expected to be Received: December 8, 2023
- *Tentative* Planning Commission Meeting to Recommend Adoption of the Draft Revised Housing Element (fourth version): December 13, 2023
- *Tentative* Town Council Hearing to Adopt the Draft Revised Housing Element (fourth version): January 16, 2024
- *Tentative* Certification by HCD (fourth version): February 23, 2024

ATTACHMENT 1

From: [ivannada](#)
To: [Maria Ristow](#)
Cc: [Clerk](#); [Town Manager](#); [Katy Nomura](#); [Gabrielle Whelan](#); [Matthew Hudes](#); [Mary Badame](#); [Rob Moore](#); [Rob Rennie](#)
Subject: Re: TC Meeting 3-18-25, Agenda Item 10 – Annual Housing Element Progress Report plus 3 attachments
Date: Tuesday, March 18, 2025 10:40:58 AM
Attachments: [No Net Loss Analysis - March 2025.xlsx](#)

[EXTERNAL SENDER]

Dear Council Member Ristow,

One thing is clear – you never disappoint us. Your terse and ill-informed response is consistent with your response to our letter of March 22, 2022 when we urged the Town Council to focus first on updating the Housing Element because 1) there was a statutory deadline of January 31, 2023 and 2) there were severe consequences for failing to meet this deadline.

You failed to listen to us then and you are repeating your mistake again. This failure resulted in numerous, disastrous Builder’s Remedy development applications being filed during the 16-month period post January 31, 2023 until July 10, 2024 when the Housing Element was finally certified by HCD. This could have been avoided if you had listened.

Unfortunately for Los Gatos, our information to you is correct. We have attached an analysis which adjusts for the known realistic development of the North 40 Phase 2 which was excluded from the Net Loss Evaluation table presented to the Planning Commission on page 12 of their Staff report dated February 7, 2025.

The developer, Grosvenor, in their June 14, 2024 letter of justification states that the Town determined that the SB 330 formal application was complete on April 17, 2024. Additionally, the letter correctly notes that the *“Housing Accountability Act forbids the Town from disapproving a project that proposes housing for very-low, low, or moderate-income households on the basis of zoning, specific plan, or general plan land use inconsistencies if the project is proposed on a site made available in the Housing Element and is consistent with the density specified in the Housing Element”*.

The Town has very little discretion in considering this project and therefore must assume the development by income distribution as planned by the developer is realistic. There is no evidence in the record that remotely suggests the income distribution suggested in the Site Inventory for these parcels remotely reflects a realistic development distribution.

No Net Loss Analysis	VL	L	M	A	Total
Total Units - Table D-2 of the Housing Element	694	421	411	845	2,371
6th Cycle RHNA	537	310	320	826	1,993
Housing Element Sites Inventory Surplus	157	111	91	19	378
Net Site Impact from Proposed Projects					
>Los Gatos Lodge	(86)	(70)	(52)	103	(105)
>North 40	(184)	(1)	(92)	253	(24)
>ADU actual production 2023 and 2024 adjustment	6	4	(15)	(5)	(10)
Remaining Housing Element Site Inventory Surplus	(107)	44	(68)	370	239

Note:

This analysis is conservative with regard to the remaining surplus because there is no evidence the Housing Element assumed unit production of 2,371 will be distributed by income as planned. The Housing Element Site Inventory assumes 47% (694+421/ 2371) of the total units will be very-low and low income units. Actual production has shown that no more than 20% of the units produced will be very-low and low income units. If this analysis was adjusted to reflect "realistic development by income category" the remaining surplus would be less. Or stated another way the net loss numbers would be even greater.

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