



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 10/07/2025

ITEM NO: 14

DESK ITEM

DATE: October 7, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Adopt a Resolution to Modify Town Council Policy 1-08: "Transportation Impact Policy"**

RECOMMENDATION: Adopt a Resolution to Modify Town Council Policy 1-08: "Transportation Impact Policy" to Update the Project List, Modify Charges for Affordable Housing, Allow for Charges on Accessory Dwelling Units (ADUs) in Excess of 750 Square Feet, and Adjust How Credits are Calculated.

REMARKS:

Attachment 5 contains public comment received before 11:00 a.m., Tuesday, October 7, 2025.

Attachments Received with the Staff Report:

1. Draft Resolution to Modify Town Council Policy 1-08, "Transportation Impact Policy"
2. Redline of Proposed Changes to Town Council Policy 1-08

Attachments Received with Addendum:

3. Staff Presentation
4. Public comment received before 11:00 a.m., Monday, October 6, 2025.

Attachments Received with Desk Item:

5. Public comment received before 11:00 a.m., Tuesday, October 7, 2025.

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

From: Manuel Salazar

Sent: Tuesday, October 7, 2025 10:51 AM

To: Matthew Hudes <MHudes@losgatosca.gov>; Rob Moore <RMoore@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Maria Ristow <MRistow@losgatosca.gov>; Clerk <Clerk@losgatosca.gov>

Cc: Alison Cingolani; Regina Celestin Williams

Subject: RE: Support for the Adoption of Modifications to Town Council Policy 1-08: Transportation Impact Policy (Item No. 14)

[EXTERNAL SENDER]

Dear Mayor Hudes and Members of the Los Gatos Town Council,

On behalf of SV@Home, we thank Town staff for their thoughtful work in developing this proposed update to the Transportation Impact Policy. In today's challenging development environment, policy changes that improve the financial feasibility of affordable housing are essential. This proposal represents a practical and well-targeted step toward advancing the Town's housing goals.

We strongly support the proposed **50% reduction in Transportation Impact Fees for deed-restricted housing units serving extremely low and very low-income households**. This change demonstrates Los Gatos's commitment to supporting deeply affordable housing while maintaining responsible alignment with state housing mandates. Though the fiscal impact may be modest, the policy meaningfully lowers one of the many cost barriers that often prevent affordable developments from moving forward.

Several neighboring cities have implemented similar approaches to promote affordable housing feasibility. For example:

- **Mountain View** offers a 100% reduction in impact fees for 100% affordable projects and all Below Market Rate (BMR) inclusionary units.
- **Palo Alto** provides a 100% reduction in impact fees for affordable projects and exempts BMR units from public art fees.
- **Sunnyvale** grants a 100% reduction in park fees for 100% affordable projects and BMR units, with additional fee adjustments under consideration.
- **Campbell**, created their "Affordable Housing," overlay districts that offer incentives such as reduced park fees, increased density, and relief from development standards.

These examples show a clear regional trend: cities are using fee reductions and related incentives to help bridge feasibility gaps and ensure affordable homes get built.

This proposed action also fulfills **Program O of Los Gatos's adopted Housing Element**, which commits the Town to "*reduce development impact fees and permit processing fees for affordable housing projects serving extremely low- and very low-income households.*" Adopting this policy will help realize that commitment and reinforce the Town's leadership in supporting inclusive, affordable communities.

We appreciate staff and Council's continued efforts to make Los Gatos a more accessible and equitable place to live. By adopting this policy, the Town will take a meaningful step toward ensuring that deeply affordable housing remains viable within its borders.

Sincerely,



Regina Celestin Williams
Executive Director

Manuel Salazar
Housing Planning and Production Associate
SV@Home
Pronouns: He/Him
manuel@siliconvalleyathome.org



Silicon Valley Is Home. Join our Houser Movement. [*Become a member!*](#)

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Julie Mahowald
Housing Trust Silicon Valley

Wendi Baker
Harmonie Park Development

Staff Regina Celestin Williams
Executive Director

Via Email

October 6th 2025
Los Gatos Town Council
110 E. Main Street
Los Gatos, CA 95030

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October 6th, 2025

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Sincerely,



Regina Celestin Williams
Executive Director

Silicon Valley @ Home is a nonprofit advocacy organization that supports housing and affordable housing development throughout Santa Clara County. SV@Home works with a broad coalition of strategic partners to address the urgent housing needs of the diverse residents across all our communities. We advocate for solutions including increasing production of homes at all income levels, especially affordable housing; preserving existing affordable housing; and protecting our community's most vulnerable residents from displacement.

