TOWN OF LOS GATOS

COUNCIL AGENDA REPORT

MEETING DATE: 01/30/2023

ITEM NO: 1

DATE: January 26, 2023

TO: Mayor and Town Council

FROM: Laurel Prevetti, Town Manager

SUBJECT: Consider the Adoption of the Los Gatos 2023-2031 Housing Element. An Environmental Analysis Based on the Previously Certified 2040 General Plan Final Environmental Impact Report has been Prepared for the Los Gatos 2023-2031 Housing Element. Location: Town-wide. Applicant: Town of Los Gatos. General Plan Amendment Application GP-22-003.

RECOMMENDATION:

Consider adoption of a resolution to adopt the Los Gatos 2023-2031 Housing Element.

BACKGROUND:

The Town of Los Gatos has prepared a draft update to the Housing Element of the General Plan to affirmatively further fair housing and accommodate the 1,993-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element cycle. The content of the Draft 2023-2031 Housing Element is structured for consistency with the requirements set forth in State law. In addition to responding to requirements of State law, the Housing Element also demonstrates the Town of Los Gatos' strategy to meet the Town's locally determined housing needs, and that these needs are addressed through policies and programs outlined within the Housing Element. Public review and input have been a critical component of this 6th cycle Housing Element Update. A copy of the Draft 2023-2031 Housing Element is available on the Town's Housing Element website: https://engagelosgatoshousing.com.

California Government Code Section 65580 and following regulates the use and requirements of Housing Elements in California. State law requires that the Town update its General Plan Housing Element every eight years. State law further requires adoption of an updated Housing Element that is substantially compliant with Government Code Sections 65580 and following by January 31, 2023.

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

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

BACKGROUND (continued):

Starting in early 2021, the Town has worked diligently through the required steps to comply with State law with the goal of adopting a Housing Element prior to the January 31, 2023, deadline. Exhibit 3 of Attachment 6, presents a timeline outlining the ongoing efforts that have been completed toward achieving this goal. Guidance was also provided by the California Housing and Community Development Department (HCD) throughout the process.

On October 14, 2022, the Town submitted the Draft Housing Element and a response to public comments received during the 30-day public comment period to HCD for preliminary review, which consists of a 90-day review.

On December 13, 2022, Town staff met with the HCD reviewer and received verbal, preliminary input on the Draft Housing Element.

On December 20, 2022, the Town Council recommended that the current version of the Draft 2023-2031 Housing Element, as submitted to HCD on October 14, 2022, be considered for adoption prior to the statutory deadline of January 31, 2023. In addition, the Town Council recommended that the Sites Inventory of the Housing Element utilize the minimum density, requiring additional sites to be added in order to comply with the Town's RHNA as determined by the Association of Bay Area Governments (ABAG) and required buffer (Attachment 5). The sites added are detailed in the Discussion Section of this report.

On January 11, 2023, the Planning Commission made a recommendation to the Town Council to adopt the Draft 2023-2031 Housing Element with the revised Sites Inventory Analysis and revised Sites Inventory Form (Attachments 6 through 8). See discussion below.

The primary purpose of this agenda item is for Town Council to consider adoption of the Draft 2023-2031 Housing Element (previously provided and referenced here as Attachment 1) with the Environmental Analysis (Attachment 2), revised Sites Inventory Analysis (Attachment 3) and revised Sites Inventory Form (Attachment 4) prior to the January 31, 2023, statutory deadline.

DISCUSSION:

The following section summarizes the required components of Housing Element updates per State law, new requirements included since the 5th cycle Housing Element adoption (2015-2023), and penalties for non-compliance with Housing Element law. The section also includes a summary of public engagement conducted to date related to the 6th cycle Housing Element Update.

DISCUSSION (continued):

Required Components of a Housing Element

Pursuant to Government Code Section 65583, local governments are required to include the items below within their Housing Elements, and subsequent updates thereto. A new required component introduced as part of the 6th cycle is included in italics below and discussed in further detail within the "New Requirements for the 6th Cycle Housing Element Update" Section on the following page.

1. Housing Needs Assessment: Examine demographic, employment, housing trends and conditions, and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities). This Section includes a community's RHNA as determined by a community's regional planning body in partnership with HCD.
2. Evaluation of Past Performance: Review the prior Housing Element to measure progress in implementing policies and programs.
3. Housing Sites Inventory: Identify locations of available sites for housing development or redevelopment to demonstrate there is enough land zoned for housing to meet future need at all income levels.
4. Community Engagement: Implement a robust community engagement program that includes reaching out to individuals and families at all economic levels of the community, plus historically underrepresented groups.
5. Constraints Analysis: Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
6. Policies and Programs: Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.
7. *Affirmatively Furthering Fair Housing (AFFH):* Analyze and address significant disparities in housing needs and access to opportunity by proposing housing goals, objectives, and policies that aid in replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

New Requirements for the 6th Cycle Housing Element Update

Pursuant to recent State legislation, the following items are now required as part of the Housing Element update process:

- *Affirmatively Furthering Fair Housing (AFFH).* Assembly Bill (AB) 686, passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, affirmatively furthering fair housing means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of

DISCUSSION (continued):

segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics" and is Federally mandated by the 1968 Fair Housing Act. The four main goals are to:

- Address significant disparities in housing needs and in access to opportunity;
- Replace segregated living patterns with truly integrated and balanced living patterns;
- Transform racially and ethnically concentrated areas of poverty into areas of opportunity; and
- Foster and maintain compliance with civil rights and fair housing laws.

- *Public Comment on Draft Revisions.* AB 215 (2021), requires local governments to make the first draft revision of their Housing Element update available for public comment for at least 30 days. Further, if any comments are received, a local government must take at least ten additional business days to consider and incorporate public comments into the draft revision before submitting to HCD. HCD must review the draft and report its written findings to the planning agency within 90 days of receiving the first draft submittal for each Housing Element revision or within 60 days of its receipt for a subsequent draft amendment or adoption.

Penalties for Non-Compliance

In the current 6th cycle, jurisdictions face a number of new consequences for not adopting a Housing Element that is substantially compliant with state Housing Element law by the statutory deadline of January 31, 2023. Under legislation enacted in recent years, if a jurisdiction does not comply with State housing law, HCD may refer the jurisdiction to the Attorney General and significant fines may be imposed. A court finding a Housing Element inadequate may limit local land use decision-making authority until the jurisdiction brings its Housing Element into compliance, or local governments may lose the right to deny certain projects.

Conversely, an HCD-certified Housing Element makes jurisdictions eligible for, or with higher priority for, numerous sources of funding.

Builder's Remedy

Under the Housing Accountability Act, jurisdictions who do not have an adopted Housing Element that is in substantial compliance with State law by the statutory deadline (January 31, 2023, for the Bay Area) could be required to approve a residential development even if it does not meet local General Plan and zoning regulations. The "builder's remedy" has been in the Housing Accountability Act since 1990 and pertains to residential developments that

DISCUSSION (continued):

have at least 20 percent low-income units or 100 percent moderate income units. HCD has confirmed that no such 120-day grace period will apply this cycle and any jurisdiction that adopts a Housing Element later than January 31, 2023, will be subject to the "builder's remedy." This provision in the Housing Accountability Act has been available for quite some time and in Los Gatos no applications have come forward during previous Housing Element cycles when the Town missed the statutory deadline for adoption of a Housing Element.

Staff fully recognizes that the current Housing Element cycle is unlike any past cycle. 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.

Housing Element Requirements

The following section summarizes the major topics covered by the Town's Housing Element.

A. Housing Needs Assessment

As part of the housing element update process the Town is required to analyze the existing and projected housing needs of the Town, including its fair share of RHNA requirements. The Town's analysis of housing needs is required to include an assessment of detailed demographic data, including: population age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. Utilizing the Housing Needs Data Report provided by ABAG, the 6th cycle Housing Element Update outlines the Town's housing needs. See Appendix B of the Draft 2023-2031 Housing Element.

B. Regional Housing Needs Allocation (RHNA)

In January of 2022, HCD approved ABAG's adopted *Final RHNA Plan for the San Francisco Bay Area: 2023-2031 (Plan)* which establishes a total RHNA for the San Francisco Bay Area of 441,176 residential units for the 6th cycle housing element update 2023-2031 planning period. ABAG's *Plan* further distributes this RHNA across the Bay Area's nine counties, and 101 cities based on demographic and population data received from the California Department of Finance (DOF). Local jurisdictions must then utilize their ascribed RHNA to update the housing elements of their general plans for the 6th cycle planning period, inclusive of identifying eligible land resources to accommodate their RHNA.

DISCUSSION (continued):

RHNA requirements are organized into four affordability categories, established according to the Area Median Income (AMI) of a geography. These categories include very low-income residential units, which are affordable to households earning less than 50 percent of AMI; low-income residential units, which are affordable to households earning between 50 percent and 80 percent of AMI; moderate income residential units, which are affordable to households earning between 80 percent and 120 percent of AMI; and above moderate-income residential units which are affordable to households earning over 120 percent of AMI. The Town's RHNA is summarized below:

Town of Los Gatos RHNA		
Income Category	5th Cycle RHNA (2015-2023)	6th Cycle RHNA (2023-2031)
Very Low (less than 50% of AMI)	201	537
Low (50-80% of AMI)	112	310
Moderate (80-120% of AMI)	132	320
Above Moderate (More than 120% of AMI)	174	826
Total	619	1,993

RHNA Buffer

New "no net loss" provisions of Government Code Section 65863 require the Town to ensure an adequate supply of land be made available for housing development throughout the duration of the 2023-2031 planning period. This means that if housing sites identified within the jurisdictions 6th cycle Housing Element are developed with non-residential uses, lower residential densities, or residential uses at affordability levels that are different than anticipated by the Housing Element, the Town's Housing Element could be determined to be out of compliance. Accordingly, the Town's Sites Inventory was compiled with a 16 percent buffer to address future compliance with "no net loss" provisions.

C. Constraints Analysis

In addition to analyzing the existing and projected housing needs of the Town, the Housing Element must also identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels in the community, regardless of protected class. A summary of constraints to the development and improvement of housing in the Town is included in Appendix C of the Draft 2023-2031 Housing Element.

DISCUSSION (continued):

D. Housing Resources and Sites Inventory

As part of the 6th cycle Housing Element Update, the Town is also required to identify resources available to the Town for the preservation, rehabilitation, and production of housing throughout the community. These resources also include land within the Town of Los Gatos that are identified as eligible for accommodation of the Town's RHNA requirements. Pursuant to Government Code Section 65583.2(a), the following resources are eligible for accommodation of the Town's RHNA: vacant sites zoned for residential use; vacant sites zoned for nonresidential use that allows residential development; residentially zoned sites that are capable of being developed at a higher density; or sites zoned for nonresidential use that can be redeveloped for residential use, and for which the Housing Element includes a program to rezone the site. The Town's Housing Sites Inventory is summarized in Appendices D and H of the Draft 2023-2031 Housing Element.

In response to Town Council direction given on December 20, 2022, a revised Sites Inventory Analysis (Attachment 3) and revised Sites Inventory Form (Attachment 4) have been prepared with the calculations based on an assumption of housing development at the minimum density for sites that accommodate affordable units. As a result, two additional sites were added to maintain the RHNA plus buffer discussed above. Those sites include:

- Site C-7 – 15495 Los Gatos Boulevard [Assessor's Parcel Number (APN): 424-22-030]; and
- Site C-8 – 15445 Los Gatos Boulevard (APN: 424-19-068).

As a result, the revised Sites Inventory Analysis (Attachment 3) and revised Sites Inventory Form (Attachment 4) include sufficient sites to meet the RHNA requirement in each income category, plus a buffer of 319 housing units (16 percent).

E. Goals, Policies, and Implementation Programs

The Housing Element includes a set of goals, policies, and implementation programs intended to promote the preservation, rehabilitation, and production of housing throughout the Town. Goals are long-range, broad, and comprehensive targets that describe future outcomes the Town desires. A policy is a specific instructional guideline that seeks to promote a goal. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the Town will undertake during the 6th cycle planning period. The Town's Draft Goals, Policies, and

DISCUSSION (continued):

Implementation Programs are summarized in Section 10.6 of the Draft 2023-2031 Housing Element.

F. Affirmatively Furthering Fair Housing (AFFH)

Assembly Bill (AB) 686, passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing as part of the Housing Element update process. These requirements, found in Government Code Section 8899.50, are intended to address racial inequalities seen today throughout California which developed through historical policies and practices enacted at Federal, State, regional, and local levels and across the public and private sectors. Though many of these explicit forms of historical discrimination have been outlawed, the subsequent results of these systems have displaced many low income people and people of color to the peripheries of the region or out of the Bay Area all together.

Accordingly, the Town must incorporate fair housing considerations into its 6th Cycle Housing Element to increase housing opportunities in high resource neighborhoods. The following summarizes the components of the required AFFH component of the Town's Housing Element and can be found in Appendix A of the Draft 2023-2031 Housing Element:

- Targeted Community Outreach;
- Assessment of Fair Housing;
- Fair Housing Outreach Capacity and Enforcement;
- Segregation and Integration Patterns;
- Racially and/or Ethnically Concentrated Areas of Poverty (R/ECAPS) and Racially Concentrated Areas of Affluence (RCAA);
- Disparities In Access to Opportunity;
- Sites Inventory Relative to Affirmatively Further Fair Housing; and
- Goals, Polices, and Implementation Programs that Affirmatively Further Fair Housing.

G. Evaluation of Past Progress

Pursuant to State Law, the Draft Housing Element summarizes the implementation status of Goals, Policies, and Implementation Programs from the Town's 5th cycle Housing Element. See Appendix E of the Draft 2023-2031 Housing Element.

DISCUSSION (continued):

H. Community Engagement

Beginning the summer of 2021, the Town has conducted a comprehensive community engagement and outreach strategy, as required by Government Code, to inform the 6th cycle Housing Element Update process. This strategy has included a series of 13 Housing Element Advisory Board (HEAB) public meetings; two community meetings; a joint study session with the HEAB, Planning Commission, and Town Council; four Town Council meetings; and public engagement at staff hosted informational booths.

The Town has a dedicated Housing Element Update website which has provided the public interactive engagement opportunities including the Balancing Act mapping tool, housing polls, and surveys. Community engagement opportunities have been publicized on the Town's website, through the Town's multiple social media platforms and through targeted email updates to the Town's Notify Me subscriber list for the 2040 General Plan Update and Housing Element Update. Postcards were also sent to all property owners and tenants in the Town for the Housing Element Community meeting. Announcements have been provided in the local newspaper for all HEAB meetings, community meetings, study sessions, public hearings, and for the 30-day public review period of the Initial Public Review Draft Housing Element. Feedback received throughout the ongoing community engagement and outreach process has assisted staff and the consulting team in preparing the Draft Housing Element Update and related items.

Attachment 11 includes an updated chronological timeline detailing the ongoing efforts that have been completed.

Planning Commission

On January 11, 2023, the Planning Commission received and considered public comments on the Draft 2023-2031 Housing Element (Attachment 6) as well as written comments from a Planning Commissioner provided in an Addendum (Attachment 7). The Planning Commission found that the Draft Housing Element was in substantial compliance with State law (see Verbatim Minutes in Attachment 8).

The Planning Commission unanimously recommended the Town Council adopt the Draft 2023-2031 Housing Element (Attachment 1) with the revised Sites Inventory Analysis (Attachment 3) and revised Sites Inventory Form (Attachment 4).

DISCUSSION (continued):

HCD Findings Comment Letter

On January 12, 2023, the Town received HCD's findings/comment letter on the Draft Housing Element (Attachment 9). The findings/comment letter from HCD provides a list of recommended revisions. In addition to the HCD's findings/comment letter received on January 12, 2023, the Town received public comments that were submitted directly to HCD (Attachment 10). The content of the HCD's findings/comment letter was similar to neighboring jurisdictions as reviewed by the HEAB at the December 1, 2022, HEAB meeting.

Next Steps

Town staff and the consultants continue to work on responses to the HCD comment letter and any further modifications to the Draft Housing Element required as part of that response will be provided to the HEAB for their review and consideration prior to any resubmittal. Based on the review and a recommendation from the HEAB, a revised draft will be submitted to HCD. Subsequent reviews by HCD will take up to 60 days.

In addition, the Town must post the revisions on its website and email a link to all individuals and organizations that have previously requested notices relating to the Town's Housing Element for at least seven days prior to submitting a revised draft Housing Element to HCD.

Based on HCD's second review, it is possible that additional revisions may be needed before HCD would certify the Housing Element. This means that Planning Commission and Town Council hearings for adoption of a revised Housing Element would need to be conducted.

PUBLIC COMMENT:

At the time of this report's preparation, the Town has not received any additional written public comment.

ENVIRONMENTAL ASSESSMENT:

An Environmental Analysis was prepared for the Housing Element Update (Attachment 2). 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 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.

CONCLUSION:

Since the Summer of 2021, the HEAB worked with staff and the consultant to create the 2023-2031 Draft Housing Element. The Draft Housing Element is the result of extensive community outreach as described in this report. In conclusion, based on the HEAB and Planning Commission's recommendations, staff recommends that the Town Council:

- Receive and consider public comments;
- Review the Draft 2023-2031 Housing Element (Attachment 1), the Environmental Analysis (Attachment 2), the Revised Sites Inventory Analysis (Attachment 3) and the revised Sites Inventory Form (Attachment 4); and
- Adopt a resolution (Attachment 12) to adopt the Draft 2023-2031 Housing Element (Attachment 1) with the revised Sites Inventory Analysis (Attachment 3) and revised Sites Inventory Form (Attachment 4).

ALTERNATIVES:

Alternatively, the Council may:

1. Continue this item to a date certain with specific direction to staff;
2. Refer the item back to the Planning Commission with specific direction; or
3. Not adopt the Draft 2023-2031 Housing Element; or
4. Recommend adoption with modifications.

COORDINATION:

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

ATTACHMENTS:

Previously received:

1. Draft 2023-2031 Housing Element
2. Environmental Analysis
3. Revised Appendix D, Sites Inventory Analysis
4. Revised Appendix H, Sites Inventory Form

Received with this Staff Report:

5. December 20, 2022, Town Council Minutes
6. January 11, 2023, Planning Commission Staff Report with Exhibits 1-5
7. January 11, 2023, Planning Commission Addendum Report with Exhibit 6
8. January 11, 2023, Planning Commission Verbatim Minutes

ATTACHMENTS (continued):

9. January 12, 2023, HCD's Findings Comment Letter
10. Public Comments Received by HCD
11. Revised Housing Element Update Process Timeline
12. Draft Resolution with Exhibits 1 and 2
13. Public Comment received between 11:01 a.m., Tuesday, December 20, 2022, and 11:00 a.m., Thursday, January 26, 2023

ATTACHMENTS

1-4

Links:

1. Draft 2023-2031 Housing Element: https://www.losgatosca.gov/DocumentCenter/View/31775/Draft-Housing-Element

2. Environmental Analysis: https://www.losgatosca.gov/DocumentCenter/View/32424/Housing-Element-Final-Environmental-Analysis-

3. Revised Appendix D, Sites Inventory Analysis: https://www.losgatosca.gov/DocumentCenter/View/32582/Revised-Appendix-D---Sites-Inventory-Analysis

4. Revised Appendix H, Sites Inventory Form: https://www.losgatosca.gov/DocumentCenter/View/31814/Revised-Appendix-H---Site-Inventory-Form

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Minutes of the Town Council
December 20, 2022

The Town Council of the Town of Los Gatos conducted a regular meeting in-person and utilizing teleconferencing means on Tuesday, December 20, 2022 at 7:00 p.m.

MEETING CALLED TO ORDER AT 7:00 P.M.

ROLL CALL
Present: Mayor Maria Ristow, Vice Mayor Mary Badame, Council Member Matthew Hudes, Council Member Rob Moore, Council Member Rob Rennie.
Absent: None

PLEDGE OF ALLEGIANCE
Dominic Farwell led the Pledge of Allegiance. The audience was invited to participate.

COUNCIL / MANAGER MATTERS
Council Matters
- Council Member Hudes stated he attended the Senior Service Committee Roadmap subcommittee meetings, the Finance Commission meeting, and Senior Service Committee meetings.
- Council Member Rennie stated he attended the Bay Area Air Quality Management District (BAAQMD) Board meeting, the Valley Transportation Authority (VTA) Policy Advisory Committee meeting, Cities Association Holiday Party, the Swearing-In of Assembly Member Pellerin, the Silicon Valley Clean Energy Risk Oversight Committee meeting, the BAAQMD Legislative Committee meeting, the Finance Commission meeting, and the Silicon Valley Clean Energy Board meeting.
- Council Member Moore stated he attended the retirement celebration for Diane Fisher of the Jewish Community Relations Council.
- Vice Mayor Badame stated she attended the West Valley Sanitation District Authority Board meeting and observed the December 20th Finance Commission meeting which was cancelled due to lack of a quorum.
- Mayor Ristow stated she attended the Cities Association Holiday Party, the Silicon Valley Bike Coalition Open House and Members Party, the Safe Routes to School (SR2S) Volunteer Luncheon, the Azerbaijani Solidarity Concert, taught Bike Skills to 5th Graders, took a Horse Drawn Carriage Ride and thanked the Chamber of Commerce, and announced a Hannukah on Main event to be held on December 22nd at 5 p.m. on the Civic Center Lawn.

Manager Matters

- Announced free valet parking service is available through Saturday, December 24.
- Announced Town Administrative Offices will be closed Friday, December 23 and will re-open on Tuesday, January 3, 2023.
- Announced the Library will be closed December 23-26 and December 30, 2022 - January 2, 2023.
- Announced a new online business license module will be implemented soon, and additional information is available on the Town website.

CONSENT ITEMS

1. Approve Minutes of the December 6, 2022 Town Council Meeting.
2. Approve Minutes of the December 13, 2022 Town Council Special Meeting.
3. Approve Minutes of the December 13, 2022 Town Council Special Meeting Regarding Commission Interviews.
4. Adopt a Resolution Reaffirming Resolution 2021-044 and Making Findings Pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, and, Due to Health and Safety Concerns for the Public, Authorizing the Use of Hybrid Meetings for the Town Council and the Continued Use of Virtual Meetings for Boards and Commissions While Town Staff Makes the Necessary Arrangements to Transition to Hybrid Meetings for All Town Boards, Commissions, and Committees. **RESOLUTION 2022-076**
5. Reaffirm the Town Council Code of Conduct Policy.
6. Adopt 2023 Council Committee Appointments.
7. Annual Comprehensive Financial Report (ACFR):
   a. Receive the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2022, and
   b. Adopt a Resolution Confirming June 30, 2022 Fund Balances in Accordance Fiscal Year 2021/22 Final Audit and Town Council General Fund Reserve Policy. **RESOLUTION 2022-077**
8. Approve a First Amendment to the Agreement with Turbo Data Systems, Inc. in the Amount of $110,774 for a Total Amended Agreement Amount Not to Exceed $206,041.54 for a Three-Year Extension of Parking Citation and Permit Parking Processing Services.
9. Authorize the Continuation of the Business License Late Fee Penalty Suspension into the 2023 Calendar Year.
10. Authorize the Town Manager to Execute an Assignment of Agreement with Bartel Associates, LLC to Assign the Agreement to Foster and Foster Consulting Actuaries, Inc.

Council Member Hudes pulled item #7.

Opened public comment.

No one spoke.

Closed public comment.

Consent Items – continued

MOTION: **Motion** by **Council Member Rennie** to approve items 1-10, exclusive of item 7. **Seconded** by **Vice Mayor Badame.**

VOTE: **Motion passes unanimously.**

VERBAL COMMUNICATIONS

Chris Wiley

- Requested Council "bury the hatchet" by ripping up a piece of paper with a picture of a hatchet that was distributed to each Council Member.

LOC

- Commented on hate speech and how to express hurt feelings.

PUBLIC HEARING

11. Consider a Request for a Continuance for an Appeal of a Planning Commission Decision to Deny a Fence Height Exception Request for Construction of a Six-Foot Fence Located Within the Required Front Yard Setback and a Vehicular Gate Set Back Less than 18 Feet from the Edge of the Adjacent Street on Property Zoned R-1:10. APN 523-04-043. PROPERTY OWNER/APPELLANT: David and Ilana Kohanchi. APPLICANT: Nina Guralnic.

Jennifer Armer, Planning Manager, presented the staff report.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Vice Mayor Badame** continue an appeal of a Planning Commission decision to deny a Fence Height Exception request for construction of a Six-Foot Fence located within the required front yard setback and a vehicular gate set back less than 18 feet from the edge of the adjacent street on property zoned R-1:10. APN 523-04-043. PROPERTY OWNER/APPELLANT: David and Ilana Kohanchi. APPLICANT: Nina Guralnic to a date certain of January 17, 2023 per the appellant's request. **Seconded** by **Council Member Moore.**

VOTE: **Motion passed unanimously.**

OTHER BUSINESS

12. Review and Approve the Town's Response to the 2022 Civil Grand Jury of Santa Clara County Report Entitled, "If You Only Read the Ballot, You're Being Duped."

Gabrielle Whelan, Town Attorney, provided the staff report.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Hudes** to revise the proposed response to the Grand Jury to accept recommendations 1b and 1c and leave the rest of the letter as is. AMENDMENT: Revise the response to state the Town is planning to implement recommendation 1c if the County Counsel is open to doing the review, then the ballot question would be provided for a five-day review, and if no comment is received within five days, the Town would proceed with its proposed ballot question. Also, the response to the Grand Jury should include the reasons why the Town feels this recommendation is unnecessary and under these specific circumstances, the Town will submit the response. **Seconded** by **Vice Mayor Badame.**

VOTE: **Motion passes unanimously.**

13. Discuss the Housing Element Update and Provide Direction on Next Steps.

Jocelyn Shoopman, Associate Planner, provided the staff report.

Opened public comment.

No one spoke.

Closed public comment.

Council discussed the item.

Other Business Item #13 – continued

MOTION: **Motion** by **Vice Mayor Badame** to bring the Housing Element to the Council for consideration of adoption before January 31, 2023, and utilize the minimum density for calculating the residential capacity of the Site Inventory with the understanding that additional sites may need to be selected to comply with California Housing and Community Development Department (HCD) requirements. **Seconded** by **Council Member Rennie.**

VOTE: **Motion passed unanimously.**

Pulled Consent Item #7

7. Annual Comprehensive Financial Report (ACFR):
   a. Receive the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2022, and
   b. Adopt a Resolution Confirming June 30, 2022 Fund Balances in Accordance Fiscal Year 2021/22 Final Audit and Town Council General Fund Reserve Policy.

Arn Andrews, Assistant Town Manager, provided the staff report.

Opened public comment.

Ron Dickel
- Commented on the item and stated the Commissioners reviewed the report and were given opportunities to make comments.

Closed public comment.

Council discussed the item.

MOTION: **Motion** by **Council Member Rennie** to receive the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022, as recommended by the Finance Commission and adopt a resolution confirming June 30, 2022 Fund Balances in accordance with Fiscal Year 2021/22 Final Audit and Town Council General Fund Reserve Policy. **Seconded** by **Council Member Moore.**

VOTE: **Motion passed 3-2. Vice Mayor Badame and Council Member Hudes voted no.**

ADJOURNMENT

The meeting adjourned at 9:02 p.m.

Respectfully submitted:

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/s/ Jenna De Long, Deputy Clerk

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TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT

MEETING DATE: 01/11/2023

ITEM NO: 5

DATE:	January 6, 2023
TO:	Planning Commission
FROM:	Joel Paulson, Community Development Director
SUBJECT:	Consider and Make a Recommendation to the Town Council on the Draft 2023-2031 Housing Element. Location: Town-Wide. General Plan Amendment Application GP-22-003.

RECOMMENDATION:

Consider and make a recommendation to the Town Council on the Draft 2023-2031 Housing Element.

EXECUTIVE SUMMARY:

The Town of Los Gatos has prepared a draft update to the Housing Element of the General Plan to affirmatively further fair housing and accommodate the 1,993-unit Regional Housing Needs Allocation (RHNA) for the 2023-2031 Housing Element cycle. The content of the draft 2023-2031 Housing Element is structured for consistency with the requirements set forth in State law. In addition to responding to requirements of State law, the Housing Element also demonstrates the Town of Los Gatos' strategy to meet the Town's locally determined housing needs, and that these needs are addressed through policies and programs outlined within the Housing Element. Public review and input have been a critical component of this 6th cycle Housing Element Update. A copy of the Draft 2023-2031 Housing Element is available on the Town's Housing Element website: https://engagelosgatoshousing.com.

BACKGROUND:

California Government Code Section 65580 and following regulates the use and requirements of housing elements in California. State law requires that the Town update its General Plan Housing Element every eight years. State law further requires adoption of an updated Housing Element that is substantially compliant with Government Code Sections 65580 and following by January 31, 2023.

PREPARED BY: Erin Walters and Jocelyn Shoopman
Associate Planners

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

BACKGROUND (continued):

Starting in early 2021, the Town has worked diligently through the required steps to comply with State law with the goal of adopting a Housing Element prior to the January 31, 2023, deadline. Exhibit 3 presents a timeline outlining the ongoing efforts that have been completed toward achieving this goal. Guidance was also provided by the California Housing and Community Development Department (HCD) throughout the process.

On October 14, 2022, the Town submitted the Draft Housing Element and a response to public comments received during the 30-day public comment period to HCD for preliminary review, which consists of a 90-day review.

On December 13, 2022, Town staff met with the HCD reviewer and received verbal, preliminary input on the Draft Housing Element.

On December 20, 2022, the Town Council recommended that the current version of the Draft 2023-2031 Housing Element, as submitted to HCD on October 14, 2022, be considered for adoption prior to the statutory deadline of January 31, 2023. In addition, the Town Council recommended that the Sites Inventory of the Housing Element utilize the minimum density, requiring additional sites to be added in order to comply with the Town's RHNA as determined by the Association of Bay Area Governments (ABAG) and required buffer. The sites added are detailed in the Discussion Section of this report.

The primary purpose of this agenda item is to provide a recommendation to Town Council on whether to adopt the Draft 2023-2031 Housing Element (Exhibit 1) with the revised Sites Inventory Analysis (Exhibit 4) and revised Sites Inventory Form (Exhibit 5).

DISCUSSION:

The following section summarizes the required components of housing element updates per State law, new requirements included since the 5th cycle Housing Element adoption (2015-2023), and penalties for non-compliance with Housing Element law. The section also includes a summary of public meetings related to the 6th cycle Housing Element Update prior to today's meeting.

Required Components of a Housing Element

Pursuant to Government Code Section 65583, local governments are required to include the items below within their Housing Elements, and subsequent updates thereto. Newly required components introduced as part of the 6th cycle are included in *italics* below and discussed in further detail within the "New Requirements for the 6th cycle Housing Element Update" Section on the following page.

DISCUSSION (continued):

1. Housing Needs Assessment: Examine demographic, employment, housing trends and conditions, and identify existing and projected housing needs of the community, with attention paid to special housing needs (e.g., large families, persons with disabilities). This Section includes a community's RHNA as determined by a community's regional planning body in partnership with HCD.
2. Evaluation of Past Performance: Review the prior Housing Element to measure progress in implementing policies and programs.
3. Housing Sites Inventory: Identify locations of available sites for housing development or redevelopment to demonstrate there is enough land zoned for housing to meet future need at all income levels.
4. Community Engagement: Implement a robust community engagement program that includes reaching out to individuals and families at all economic levels of the community, plus historically underrepresented groups.
5. Constraints Analysis: Analyze and recommend remedies for existing and potential governmental and nongovernmental barriers to housing development.
6. Policies and Programs: Establish policies and programs to be carried out during the 2023-2031 planning period to fulfill the identified housing needs.
7. *Affirmatively Furthering Fair Housing (AFFH): Analyze and address significant disparities in housing needs and access to opportunity by proposing housing goals, objectives, and policies that aid in replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.*

New Requirements for the 6th Cycle Housing Element Update

Pursuant to recent State legislation, the following items are now required as part of the housing element update process:

- *Affirmatively Furthering Fair Housing (AFFH).* Assembly Bill (AB) 686, passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing. According to AB 686, affirmatively furthering fair housing means to take "meaningful actions, in addition to combating discrimination, which overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics" and is Federally mandated by the 1968 Fair Housing Act. The four main goals are to:

    - Address significant disparities in housing needs and in access to opportunity;
    - Replace segregated living patterns with truly integrated and balanced living patterns;
    - Transform racially and ethnically concentrated areas of poverty into areas of opportunity; and

DISCUSSION (continued):

- Foster and maintain compliance with civil rights and fair housing laws.

- *Public Comment on Draft Revisions*. AB 215 (2021), requires local governments to make the first draft revision of their housing element update available for public comment for at least 30 days. Further, if any comments are received, a local government must take at least ten additional business days to consider and incorporate public comments into the draft revision before submitting to HCD. HCD must review the draft and report its written findings to the planning agency within 90 days of receiving the first draft submittal for each housing element revision or within 60 days of its receipt for a subsequent draft amendment or adoption.

Penalties for Non-Compliance

In the current 6th cycle, jurisdictions face a number of new consequences for not adopting a Housing Element that is substantially compliant with state Housing Element law by the statutory deadline of January 31, 2023. Under legislation enacted in recent years, if a jurisdiction does not comply with State housing law, HCD may refer the jurisdiction to the Attorney General and significant fines may be imposed. A court finding a Housing Element inadequate may limit local land use decision-making authority until the jurisdiction brings its Housing Element into compliance, or local governments may lose the right to deny certain projects.

Conversely, an HCD-certified Housing Element makes jurisdictions eligible for, or with higher priority for, numerous sources of funding.

Builder's Remedy

Under the Housing Accountability Act, jurisdictions who do not have an adopted Housing Element that is in substantial compliance with State law by the statutory deadline (January 31, 2023, for the Bay Area) could be required to approve a residential development even if it does not meet local General Plan and zoning regulations. The "builder's remedy" has been in the Housing Accountability Act since 1990 and pertains to residential developments that have at least 20 percent low-income units or 100 percent moderate income units. HCD has confirmed that no such 120-day grace period will apply this cycle and any jurisdiction that adopts a Housing Element later than January 31, 2023, will be subject to the "builder's remedy." This provision in the Housing Accountability Act has been available for quite some time and in Los Gatos no applications have come forward during previous Housing Element cycles when the Town missed the statutory deadline for adoption of a Housing Element.

Staff fully recognizes that the current Housing Element cycle is unlike any past cycle. It is possible that a developer could invoke the "builder's remedy" in connection with a planning

DISCUSSION (continued):

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.

Housing Element Requirements

The following section summarizes the major topics covered by the Town's Housing Element.

A. Housing Needs Assessment

As part of the housing element update process the Town is required to analyze the existing and projected housing needs of the Town, including its fair share of RHNA requirements. The Town's analysis of housing needs is required to include an assessment of detailed demographic data including: population age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. Utilizing the Housing Needs Data Report provided by ABAG, the 6th cycle Housing Element Update outlines the Town's housing needs. See Appendix B of the Draft 2023-2031 Housing Element.

B. Regional Housing Needs Allocation (RHNA)

In January of 2022, HCD approved ABAG's adopted *Final RHNA Plan for the San Francisco Bay Area: 2023-2031 (Plan)* which establishes a total RHNA for the San Francisco Bay Area of 441,176 residential units for the 6th cycle housing element update 2023-2031 planning period. ABAG's *Plan* further distributes this RHNA across the Bay Area's nine counties, and 101 cities based on demographic and population data received from the California Department of Finance (DOF). Local jurisdictions must then utilize their ascribed RHNA to update the housing elements of their general plans for the 6th cycle planning period, inclusive of identifying eligible land resources to accommodate their RHNA.

RHNA requirements are organized into four affordability categories, established according to the Area Median Income (AMI) of a geography. These categories include very low-income residential units, which are affordable to households earning less than 50 percent of AMI; low-income residential units, which are affordable to households earning between 50 percent and 80 percent of AMI; moderate income residential units, which are affordable to households earning between 80 percent and 120 percent of AMI; and above moderate-income residential units which are affordable to households earning over 120 percent of AMI. The Town's RHNA is summarized on the following page:

DISCUSSION (continued):

Town of Los Gatos RHNA		
Income Category	5th Cycle RHNA (2015-2023)	6th Cycle RHNA (2023-2031)
Very Low (less than 50% of AMI)	201	537
Low (50-80% of AMI)	112	310
Moderate (80-120% of AMI)	132	320
Above Moderate (More than 120% of AMI)	174	826
Total	619	1,993

RHNA Buffer

New "no net loss" provisions of Government Code Section 65863 require the Town to ensure an adequate supply of land be made available for housing development throughout the duration of the 2023-2031 planning period. This means that if housing sites identified within the jurisdictions 6th cycle Housing Element are developed with non-residential uses, lower residential densities, or residential uses at affordability levels that are different than anticipated by the Housing Element, the Town's Housing Element could be determined to be out of compliance. Accordingly, the Town's Sites Inventory was compiled with a 16 percent buffer to address future compliance with "no net loss" provisions.

C. Constraints Analysis

In addition to analyzing the existing and projected housing needs of the Town, the Housing Element must also identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels in the community, regardless of protected class. A summary of constraints to the development and improvement of housing in the Town is included in Appendix C of the Draft 2023-2031 Housing Element.

D. Housing Resources and Sites Inventory

As part of the 6th cycle housing element update, the Town is also required to identify resources available to the Town for the preservation, rehabilitation, and production of housing throughout the community. These resources also include land within the Town of Los Gatos that are identified as eligible for accommodation of the Town's RHNA requirements. Pursuant to Government Code Section 65583.2(a), the following resources are eligible for accommodation of the Town's RHNA: vacant sites zoned for residential use; vacant sites zoned for nonresidential use that allows residential development; residentially zoned sites that are capable of being developed at a higher density; or sites zoned for nonresidential use that can be redeveloped for residential use, and for which the Housing

DISCUSSION (continued):

Element includes a program to rezone the site. The Town's Housing Sites Inventory is summarized in Appendices D and H of the Draft 2023-2031 Housing Element.

In response to Town Council direction given on December 20, 2022, a revised Sites Inventory Analysis (Exhibit 4) and revised Sites Inventory Form (Exhibit 5) have been prepared with the calculations based on an assumption of housing development at the minimum density for sites that accommodate affordable units. As a result, two additional sites were added to maintain the RHNA plus buffer discussed above. Those sites include:

- Site C-7 – 15495 Los Gatos Boulevard (APN: 424-22-030); and
- Site C-8 – 15445 Los Gatos Boulevard (APN: 424-19-068).

As a result, the revised Sites Inventory Analysis (Exhibit 4) and revised Sites Inventory Form (Exhibit 5) include sufficient sites to meet the RHNA requirement in each income category, plus a buffer of 319 housing units (16 percent).

E. Goals, Policies, and Implementation Programs

The Housing Element includes a set of goals, policies, and implementation programs intended to promote the preservation, rehabilitation, and production of housing throughout the Town. Goals are long-range, broad, and comprehensive targets that describe future outcomes the Town desires. A policy is a specific instructional guideline that seeks to promote a goal. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the Town will undertake during the 6th cycle planning period. The Town's Draft Goals, Policies, and Implementation Programs are summarized in Section 10.6 of the Draft 2023-2031 Housing Element.

F. Affirmatively Furthering Fair Housing (AFFH)

Assembly Bill (AB) 686, passed in 2018, created new requirements for jurisdictions to affirmatively further fair housing as part of the housing element update process. These requirements, found in Government Code Section 8899.50, are intended to address racial inequalities seen today throughout California which developed through historical policies and practices enacted at Federal, State, regional, and local levels and across the public and private sectors. Though many of these explicit forms of historical discrimination have been outlawed, the results of these systems have left a lasting imprint on both the Bay Area region and the Town. Racially explicit practices (e.g., racial covenants) which excluded persons of color from predominately white neighborhoods have been replaced with race-neutral land use policies that continue to exclude these same groups. Furthermore, rapidly increasing housing costs have deepened racial and economic disparity and segregation,

DISCUSSION (continued):

displacing many low income people and people of color to the peripheries of the region or out of the Bay Area all together.

Accordingly, the Town must incorporate fair housing considerations into its 6th Cycle Housing Element to increase housing opportunities in high resource neighborhoods. The following summarizes the components of the required AFFH component of the Town's Housing Element and can be found in Appendix A of the Draft 2023-2031 Housing Element:

- Targeted Community Outreach;
- Assessment of Fair Housing;
- Fair Housing Outreach Capacity and Enforcement;
- Segregation and Integration Patterns;
- Racially and/or Ethnically Concentrated Areas of Poverty (R/ECAPS) and Racially Concentrated Areas of Affluence (RCAA);
- Disparities In Access to Opportunity;
- Sites Inventory Relative to Affirmatively Further Fair Housing; and
- Goals, Polices, and Implementation Programs that Affirmatively Further Fair Housing.

G. Evaluation of Past Progress

Pursuant to State Law, the Draft Housing Element summarizes the implementation status of Goals, Policies, and Implementation Programs from the Town's 5th cycle Housing Element. See Appendix E of the Draft 2023-2031 Housing Element.

H. Community Engagement

Beginning the summer of 2021, the Town has conducted a comprehensive community engagement and outreach strategy, as required by Government Code, to inform the 6th cycle Housing Element Update process. This strategy has included a series of 13 Housing Element Advisory Board (HEAB) public meetings; two community meetings; a joint study session with the HEAB, Planning Commission, and Town Council; four Town Council meetings; and public engagement at staff hosted informational booths. The Town has a dedicated Housing Element Update website which has provided the public interactive engagement opportunities including the Balancing Act mapping tool, housing polls, and surveys. Community engagement opportunities have been publicized on the Town's website, through the Town's multiple social media platforms and through targeted email updates to the Town's Notify Me subscriber list for the 2040 General Plan Update and Housing Element Update. Postcards were also sent to all property owners and tenants in the Town for the Housing Element Community meeting. Announcements have been provided in the local newspaper for all HEAB meetings, community meetings, study

DISCUSSION (continued):

sessions, public hearings, and for the 30-day public review period of the Initial Public Review Draft Housing Element. Feedback received throughout the ongoing community engagement and outreach process has assisted staff and the consulting team in preparing the Draft Housing Element Update and related items.

Exhibit 3 presents a chronological timeline detailing the ongoing efforts that have been completed.

Next Steps

To complete the goal of adopting a Housing Element that is in substantial compliance with State law by the statutory deadline (January 31, 2023), the Town Council is scheduled to consider Planning Commission's recommendation on the adoption of the Draft Housing Element at a Special Town Council Meeting on January 30, 2023.

In parallel with the process under consideration tonight, Town staff and the consultants will continue to work with HCD to consider and respond to any comments from their review of the Draft Housing Element. The Town expects to receive its comment letter from HCD on the Draft Housing Element by January 12, 2023. Once the HCD comment letter has been received, a draft memorandum in response to the HCD comment letter, illustrating how each comment has been responded to and how it is in substantial compliance with State law will be prepared for review by the HEAB.

Based on review and recommendation from the HEAB, a revised draft will be submitted to HCD in response to the initial comment letter. Subsequent reviews by HCD will take up to 60 days.

The Town must post the revision on its website and email a link to all individuals and organizations that have previously requested notices relating to the Town's Housing Element for at least seven days prior to submitting a revised draft Housing Element to HCD.

Based on HCD's second review, it is possible that additional revisions may be needed before HCD would certify the Housing Element. This means that Planning Commission and Town Council hearings for adoption of a revised Housing Element would need to be conducted.

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 Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), pursuant to applicable standards including

ENVIRONMENTAL ASSESSMENT (continued):

CEQA Guidelines Section 15168(c)2, and the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR.

PUBLIC COMMENTS:

At the time of this report's preparation, the Town has not received any public comment.

CONCLUSION:

A. Recommendation

Staff recommends that the Planning Commission:

1. Receive and consider public comments;
2. Consider the Draft 2023-2031 Housing Element (Exhibit 1), the Environmental Analysis (Exhibit 2), and the Revised Sites Inventory (Exhibit 4); and
3. Forward a recommendation to the Town Council to adopt the Draft 2023-2031 Housing Element (Exhibit 1) with the revised Sites Inventory Analysis (Exhibit 4) and revised Sites Inventory Form (Exhibit 5);

B. Alternatives

Alternatively, the Commission can:

1. Recommend the Town Council not adopt the Draft 2023-2031 Housing Element; or
2. Recommend adoptions with modifications.

EXHIBITS:

Previously received (available online here: https://engagelosgatoshousing.com):
1. Draft 2023-2031 Housing Element
2. Environmental Analysis

Received with this Staff Report:
3. Housing Element Update Process Timeline
4. Revised Appendix D, Sites Inventory Analysis
5. Revised Appendix H, Sites Inventory Form

HOUSING ELEMENT PROCESS TIMELINE

On April 21, 2021, the Town issued a Request for Proposals (RFP) for consultant services for preparation of the 2023-2031 Housing Element. The Town received a proposal from one firm, EMC Planning Group, Inc.

On June 15, 2021, the Town Council authorized the Town Manager to execute an agreement for Consultant Services with EMC Planning Group, Inc. to prepare the 2023-2031 Housing Element and associated public engagement and environmental review documents.

On August 3, 2021, the Town Council adopted Resolution 2021-032 to establish the Housing Element Advisory Board (HEAB) to serve as an advisory board that provides input on specific tasks associated with the Housing Element Update and established the role of the HEAB as follows:

- Provide guidance on the development of the Housing Element Update;
- Provide an additional forum for public involvement;
- Forward milestone products to the Planning Commission and Town Council;
- Review the Draft Housing Element; and
- Make recommendations to the Planning Commission and Town Council.

On August 9, 2021, the Town participated in a Let's Talk Housing Community Meeting for Santa Clara County jurisdictions hosted by the Santa Clara County Planning Collaborative.

On September 21, 2021, the Town Council appointed four at-large members to the HEAB, in addition to the existing nine members of the General Plan Committee (GPC).

On October 15, 2021, the HEAB held their first meeting to elect the Chair and Vice Chair and adopt a meeting schedule.

On December 16, 2021, the HEAB discussed the Housing Element process, milestones, and reviewed the Draft Housing Needs Assessment and Review of Previous Housing Element appendices as contextual background information for future work by the HEAB.

On February 17, 2022, the HEAB reviewed and discussed the Housing Element Site Inventory analysis process.

On March 31, 2022, a Community Meeting was held for the public to review and provide input on potential sites for inclusion in the Site Inventory. At the meeting, the Balancing Act tool and Housing Element Update website site surveys were introduced to the public.

On April 6, 2022, a Joint Study Session of the Town Council, Planning Commission, and HEAB was held to discuss the production of affordable housing.

On April 21, 2022, the HEAB provided feedback on additional sites to include in the Site Inventory, in addition to the sites already identified by staff and the Housing Element Consultant. Results from the Balancing Act tool and Housing Element Update website site surveys were also shared with the HEAB.

On April 21, 2022, Property Owner Interest forms were mailed out to the property owners of the sites selected in the Draft Site Inventory to garner their interest in providing housing on their property. An electronic copy of the Property Owner Interest form was also made available on the Housing Element Update website.

On April 24, 2022, Town staff hosted a booth at the Spring Into Green event at the Town Plaza to provide the public an opportunity to discuss the Housing Element Update.

On May 5, 2022, the HEAB continued the discussion of the Site Inventory and provided feedback on additional sites that should be included.

On May 19, 2022, HEAB recommended the acceptance of the Site Inventory as proposed within Tier 1, with modifications to reduce the number of housing units within the North Forty, to add the site located at 206 Knowles Drive, and to add the site located within the California Department of Transportation right-of-way off of Oka Road. The sites identified by the HEAB at their meetings of April 21, 2022, and May 5, 2022, were divided by staff into three tiers based on the HCD checklist, property size, Zoning, General Plan land use designation, recently developed, environmental constraints, public feedback, and Property Owner Interest forms that were submitted to the Town.

On June 7, 2022, the Town Council considered the Site Inventory as recommended by the HEAB and recommended approval of the Tier 1 sites as presented in the staff report with an amendment to provide a unit projection for Senate Bill 9 projects. Since the recommendation of the HEAB at their May 19, 2022, meeting, an additional Property Owner Interest form was received for 15795 Los Gatos Boulevard and was added to the Tier 1 list. In addition, a letter from the property owner for 15827 Los Gatos Boulevard was received requesting to be removed from the Draft Site Inventory. In response, the Tier 2 site list was modified to remove the site.

On June 16, 2022, the HEAB reviewed and provided initial direction and modifications to the Draft Housing Element Goals, Policies, and Implementation Programs.

On July 7, 2022, the HEAB continued to review and provide additional direction and modifications to the Draft Housing Element Goals, Policies, and Implementation Programs.

On August 4, 2022, the HEAB completed review of the Draft Housing Element Goals, Policies, and Implementation Programs and provided feedback for additional modifications.

On August 16, 2022, signatures were submitted to the Town in support of a referendum on the Land Use and Community Design Elements of the approved 2040 General Plan.

On August 18, 2022, the HEAB reviewed and provided feedback for modifications to the Initial Public Review Draft Housing Element prior to the release of the document for the required 30-day public comment period.

On August 29, 2022, the Town released the Initial Public Review Draft Housing Element for a 30-day public comment period which ran from August 29, 2022, to September 27, 2022.

On September 4, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Initial Public Review Draft Housing Element during the 30-day public comment period.

On September 15, 2022, the HEAB received public comments on the Initial Public Review Draft Housing Element during the 30-day public review period.

On September 27, 2022, the referendum signatures on the Land Use and Community Design Elements of the approved 2040 General Plan were verified by the Santa Clara County Registrar.

On October 9, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide opportunity for the public to discuss the Draft Housing Element.

On October 14, 2022, the Town submitted the Draft Housing Element and a response to public comments received during the 30-day public comment period to HCD for preliminary review. By law, HCD has up to 90 days to complete its first review. The full document can be viewed at EngageLosGatosHousing.com.

On October 20, 2022, the HEAB reviewed the Draft Housing Element that was submitted to HCD for preliminary review, including a summary of all modifications that were made to the Draft Housing Element. Modifications to the Site Inventory as reviewed by the Town Council on June 7, 2022, include:

- The addition of 401-409 Alberto Way as the property owner submitted a Property Owner Interest form to the Town;
- The removal of 404 North Santa Cruz Avenue, 420 North Santa Cruz Avenue, and 430 North Santa Cruz Avenue (Los Gatos Shopping Center) from the Site Inventory per the property owner's request and therefore deleted the North Santa Cruz Avenue Area;
- The removal of 16535 Camellia Terrace and parcel number 523-02-005 (El Gato Village) as no Property Owner Interest form was submitted;
- Increased the housing density within the North Forty Specific Plan from 20 dwelling units per acre to a minimum of 30 dwelling units per acre to align with Implementation Program D and a public comment received from a member representing the interests of the property owner during the 30-day public comment period;
- Revised the housing density used for the calculation of projected housing units in the Site Inventory from the maximum density to the typical density, to be consistent with the 2040 General Plan Residential Buildout;

- Increased the maximum housing density within the Affordable Housing Overlay Zone (AHOZ) from 20 dwelling units per acre to 40 dwelling units per acre to area to align with Implementation Program BF;
- Modified the distribution for each income category to be consistent with the HCD Housing Element Site Inventory Guidebook, which allows jurisdictions to use a higher density (default density of 30 dwelling units per acre) as a proxy for lower income affordability;
- Created a Senate Bill 9 (SB 9) unit projection;
- Modified the number of housing units generated in the Pipeline Projects based on the creation of a new SB 9 projection, Planning applications that have been withdrawn, and projects that have received their Certificate of Use and Occupancy;
- Decreased the overall total number of housing units in the Site Inventory from 2,448 units to 2,371 units, as a result of the changes listed above; and
- Created a separate Appendix H, Site Inventory Form per HCD formatting requirements.

On November 9, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Draft Housing Element that was submitted to HCD for preliminary review.

On November 15, 2022, a Renter's Survey was published on the Housing Element Update website and made available in hard copies at the Community Development Department and Town Library. The survey is available in English, Spanish, and Russian in both the electronic and hard copy versions.

On November 17, 2022, the HEAB meeting was rescheduled by staff to December 1, 2022, due to the meeting being cancelled as a result of the Town's website being down and the agenda being unavailable to members of the public.

On November 18, 2022, Town staff hosted an informational table at the Town Library to provide the public an opportunity to discuss the Draft Housing Element and publicize the availability of the Renter's Survey.

On December 1, 2022, the HEAB discussed anticipated comments on the Draft Housing Element based on comments other jurisdictions have received from HCD on their Draft Housing Element.

On December 11, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Draft Housing Element.

On December 13, 2022, Town staff met with our HCD reviewer and received verbal, preliminary input on the Draft Housing Element.

On December 20, 2022, the Town Council recommended that the current version of the Draft 2023-2031 Housing Element as submitted to HCD on October 14, 2022, be adopted prior to the statutory deadline of January 31, 2023. In addition, the Town Council recommended that the Sites Inventory of the Housing Element utilize the minimum density, requiring additional sites to be added in order to comply with the Town's RHNA and buffer.

Sites Inventory Analysis

D

APPENDIX

EXHIBIT 4

D.1 Vacant and Available Sites

The *Plan Bay Area 2050 Final Blueprint*[1] forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, the Department of Housing and Community Development (HCD) has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing. This calculation, known as the Regional Housing Needs Allocation (RHNA), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from California Department of Finance, in order for the regions to get closer to healthy housing markets. The adjustments focus on the region's vacancy rate, level of overcrowding, and the share of cost burdened households and seek to bring the region more in line with comparable areas. The new laws governing the methodology for how HCD calculates the RHNA resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous cycles.

D.2 Regional Housing Needs Allocation

In December 2021, ABAG adopted a Final Regional Housing Needs Allocation (RHNA) Methodology. For Los Gatos, the RHNA required to be planned for the 6th cycle Housing Element Update is 1,993 units, an increase of 322 percent from the last cycle.

RHNA Summary

Los Gatos' share of the regional housing need for the eight-year period from 2023 to 2031 is 1,993 units, which is a 322 percent increase over the 619 units required by the 2015 to 2023 RHNA. The housing need is divided into the four income categories of housing affordability. Table D-1 shows Los Gatos' RHNA for the planning period 2023 through 2031 in comparison to the RHNA distributions for Santa Clara County and the Bay Area region. With an update required every eight years by the State of California, this Housing Element covers a planning period from January 31, 2023, to January 31, 2031 (also referred to as the "6th cycle").

Table D-1 Los Gatos' Regional Housing Needs Allocation: 2023–2031

Income Group	Los Gatos Units	Percent	Santa Clara County Units	Percent	Bay Area Units	Percent
Very Low Income (<50% of AMI)	537	26.9%	32,316	24.9%	114,442	25.9%
Low Income (50%-80% of AMI)	310	15.6%	18,607	14.4%	65,892	14.9%
Moderate Income (80%-120% of AMI)	320	16.1%	21,926	16.9%	72,712	16.5%
Above Moderate Income (>120% of AMI)	826	41.4%	56,728	43.8%	188,130	42.6%
Total	1,993	100.0%	129,577	100.0%	441,176	100.0%

Source: ABAG 2021

[1] Plan Bay Area 2050 is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. It covers four key issues: the economy, the environment, housing and transportation

D.3 Site Inventory

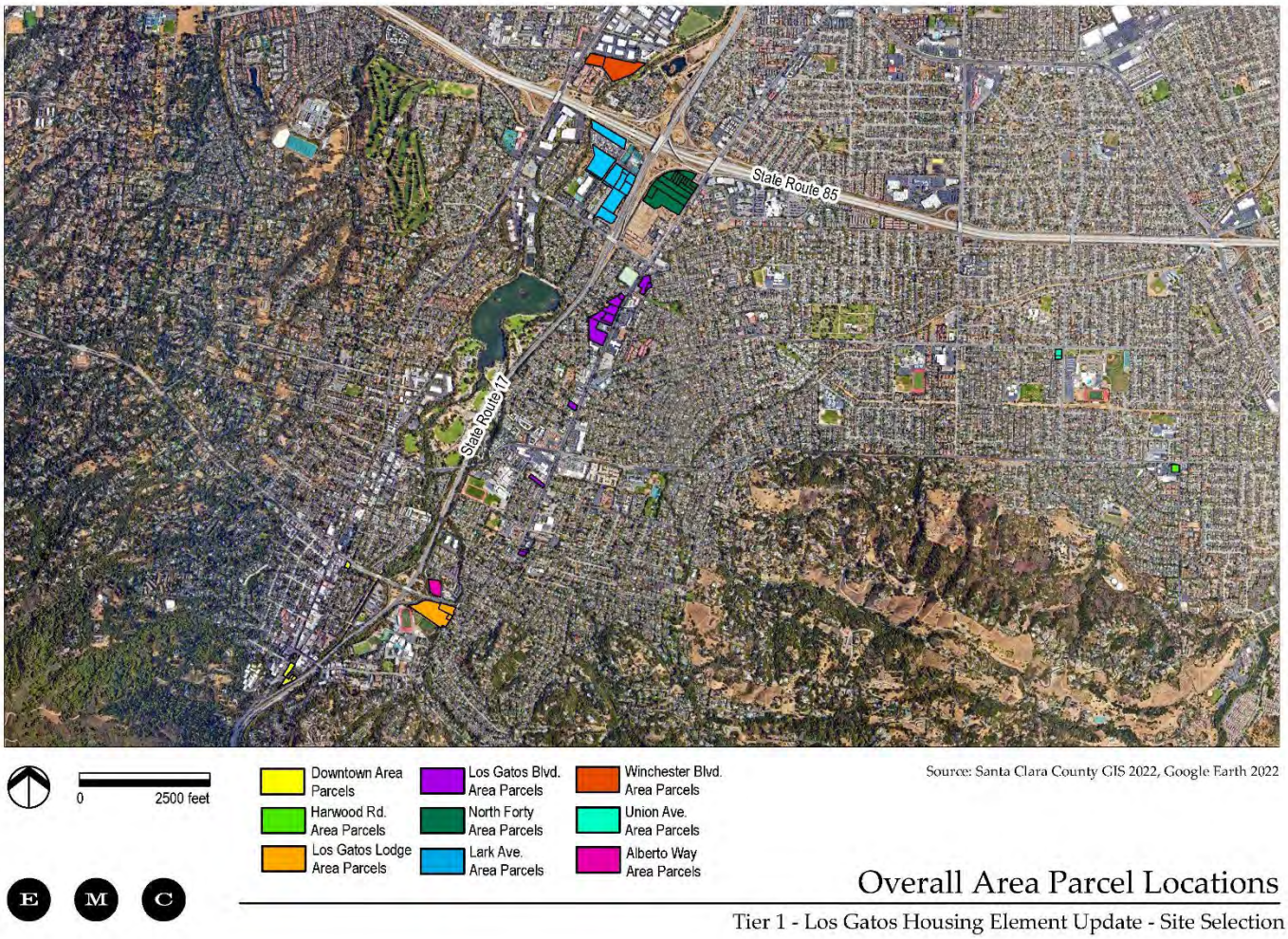
The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development during the planning period between 2023-2031 in order to accommodate Los Gatos' assigned 1,993 housing units. The Town does not build the housing but rather creates the implementation programs and policies to plan for where the housing can be located and how many units could be built on potential sites.

In 2017, Senate Bill (SB) 166 was signed into law and included new "no net loss" provisions that require communities to provide an ongoing, adequate supply of land resources for housing development during the entirety of the housing element update planning period. These provisions mean communities face risks of non-compliance should a housing site be developed with non-residential uses, lower residential densities, or residential uses at affordability levels higher than anticipated by the Housing Element. To avoid noncompliance, HCD advises communities to "buffer" their assigned RHNA numbers. The Site Inventory includes 48 sites in order to have enough capacity for the RHNA and recommended buffer of at least 15 percent. These sites, in addition to Accessory Dwelling Unit (ADU) Projections, Senate Bill (SB) 9 Projections, and Pipeline Projects have a total capacity of 2,312 units (1,993 units plus a 16 percent buffer).

Overview of Selected Sites

This section provides information on the current list of potential sites that show how the Town will accommodate the State's required minimum of 1,993 housing units. Please note that the site numbers listed here are added only as a way to reference the site and label it on a map. The site number is not an indication of preference or priority. Figure D-1 shows an overview of the potential sites inventory map developed for Los Gatos' 6th cycle Housing Element Update. The following sites make up the Site Inventory, which is available as Appendix H.

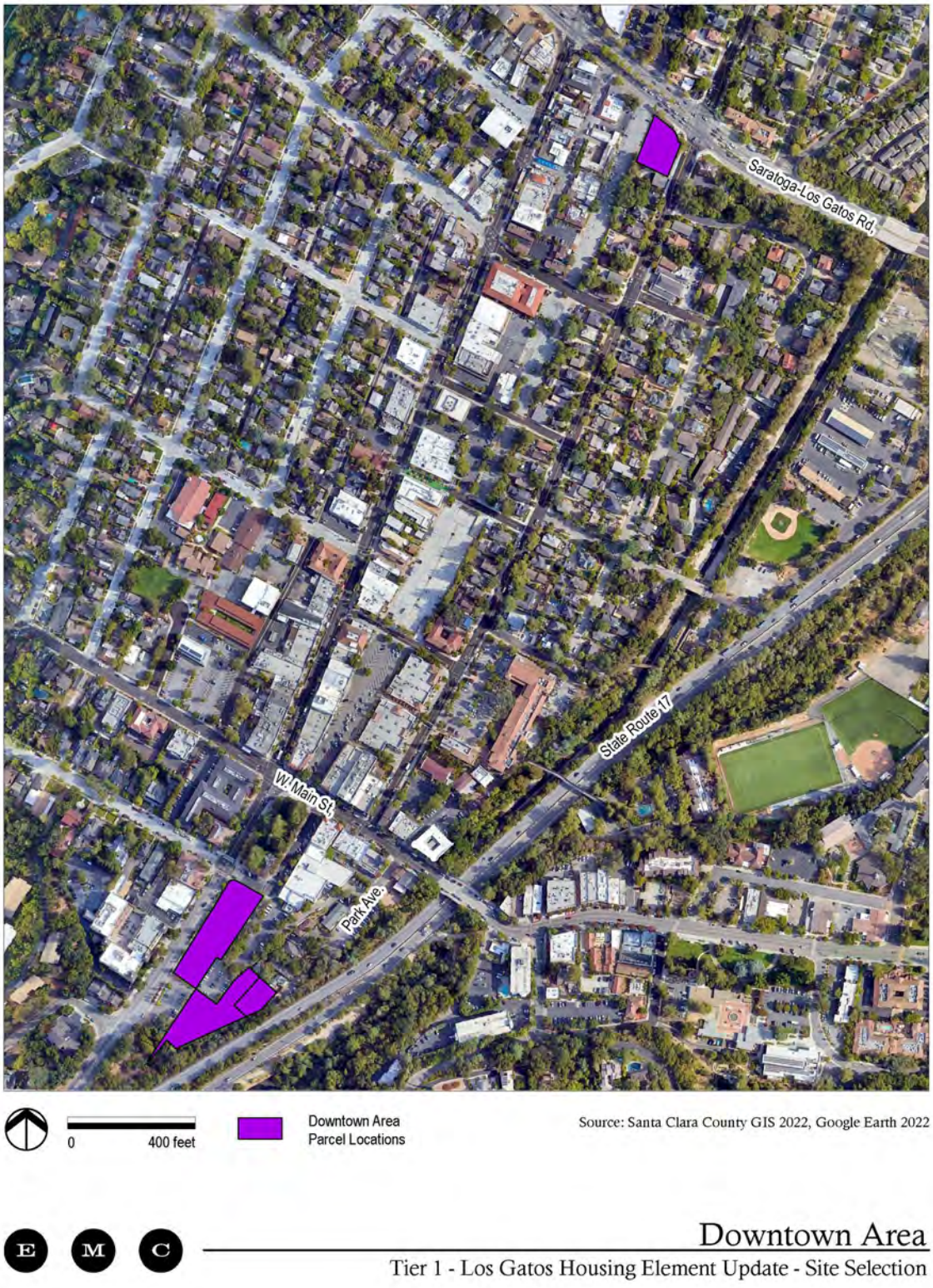
Figure D-1 Overall Area Parcel Locations



Sites Details

This section provides information on each of the sites selected for inclusion in the site inventory of vacant and available sites.

Figure D-2 Downtown Area



Site A-1 Park Avenue

Addresses: 50 Park Avenue and 61 Montebello Way

Number of Housing Units: 5

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Park Avenue Site (A-1) is located in the Downtown Area on the southwest end of Town on a wooded parcel that is currently identified as Very High Fire Risk. The site is triangular in shape with parking lots and South Santa Cruz Avenue on one side, Highway 17 on a second side, and Downtown Los Gatos forming the third side. Proximity to Downtown Los Gatos ensures that this site provides pedestrian access to urban services. This site currently is developed with residential units and is designated Medium Density Residential. The site is zoned R-1D and would allow five housing units developed at a minimum density of five du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Very high fire hazard; existing residential dwelling units would require demolition.

Figure D-3 Park Avenue (Site A-1)



Site A-2 South Santa Cruz Avenue

Address: 101 South Santa Cruz Avenue

Number of Housing Units: 16

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The South Santa Cruz Avenue Site (A-2) is located in the Downtown Area on the southwest end of Town along South Santa Cruz Avenue on an occupied commercial parcel in Downtown Los Gatos. The site is currently identified as Medium Density Residential. Proximity to Downtown Los Gatos ensures that this site provides pedestrian access to urban services. This site is designated as Central Business District and zoned C-2, which would allow 16 housing units developed at a minimum density of 20 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Very high fire hazard; the existing commercial use would require demolition.

Figure D-4 South Santa Cruz Avenue (Site A-2)



Site A-3 University Avenue

Address: 165 Los Gatos-Saratoga Road

Number of Housing Units: 7

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The University Avenue Site (A-3) is located in the Downtown Area at the corner of Los Gatos-Saratoga Road and University Avenue on an occupied commercial site. Proximity to Downtown Los Gatos ensures that this site would provide pedestrian access to urban services. This site is designated as Central Business District and zoned C-2, which would allow seven housing units developed at a minimum density of 20 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-5 University Avenue (Site A-3)

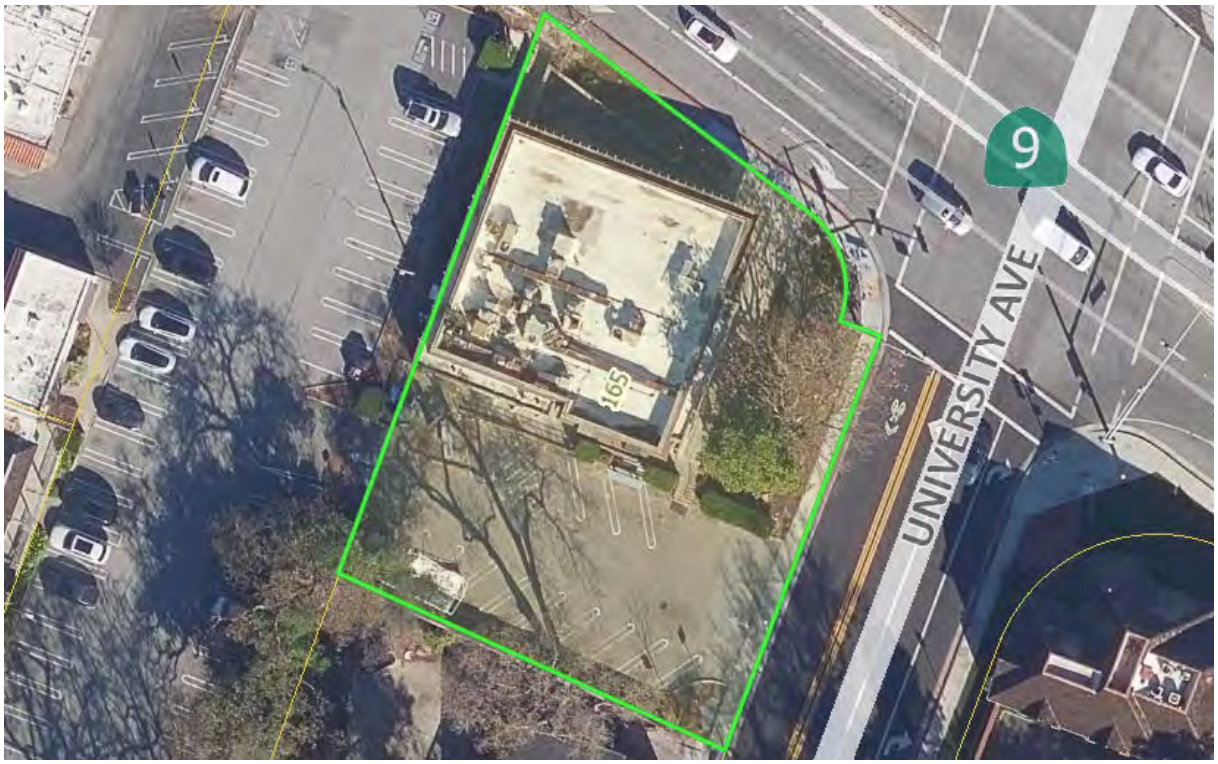


Figure D-6 Los Gatos Lodge Area



Site B-1 Los Gatos Lodge

Address: 50 Los Gatos-Saratoga Road

Number of Housing Units: 264

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Lodge Site (B-1) is located in the Los Gatos Lodge Area immediately adjacent to the interchange of Highway 9 and Highway 17, east of Downtown Los Gatos. The site is the current location of the Los Gatos Lodge, with the Los Gatos High School sports fields to the south, lower-density residential uses across Bella Vista Avenue to the east, and Best Western Inn across Highway 9 on the north. This site is designated as Mixed-Use Commercial and zoned CH:PD, which would allow 264 housing units developed at a minimum density of 30 du/ac.

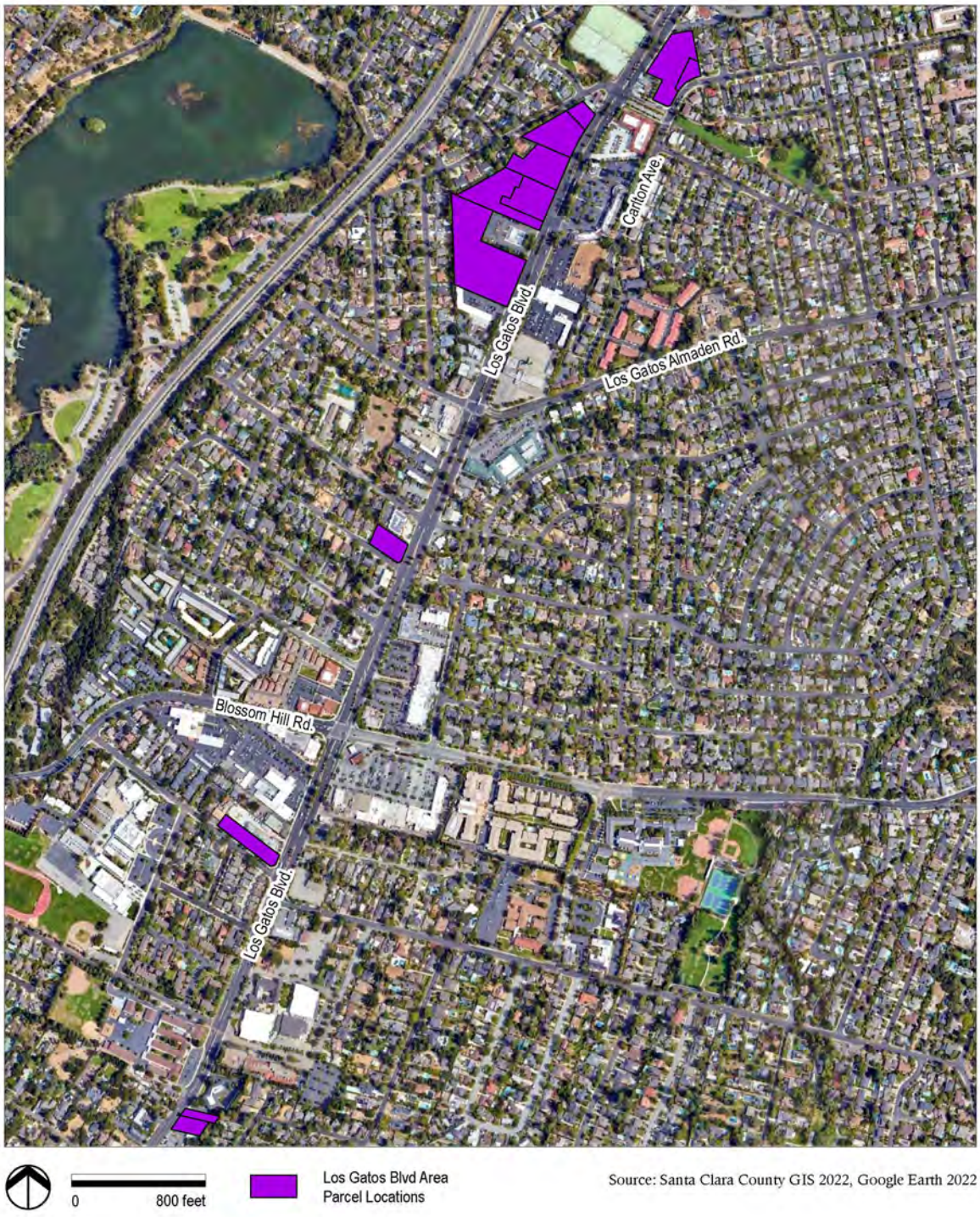
Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial buildings would require demolition and removal or modification of the existing Planned Development Overlay to accommodate residential.

Figure D-7 Los Gatos Lodge (Site B-1)



Figure D-8 Los Gatos Boulevard Area



Site C-1 Ace Hardware

Address: 15300 Los Gatos Boulevard

Number of Housing Units: 48

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Ace Hardware Site (C-1) is located in the Los Gatos Boulevard Area on the east side of Los Gatos Boulevard and north of Gateway Drive. The site is the current location of Ace Hardware, with commercial uses to the north, south, and west, and lower-density residential uses to the east. The site is designated as Mixed-Use Commercial and zoned C-1, which would accommodate 48 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-9 Ace Hardware (Site C-1)



Site C-2 Los Gatos Boulevard

Address: 15349, 15367, and 15405 Los Gatos Boulevard

Number of Housing Units: 86

"By Right" + 20% Affordable: Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-2) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard, and south of Garden Lane. The site is the current location of multiple commercial uses, with commercial uses to the north, south, and east, and lower-density residential uses to the west. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 86 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-10 Los Gatos Boulevard (Site C-2)



Site C-3 Los Gatos Boulevard

Address: 15425 Los Gatos Boulevard

Number of Housing Units: 33

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-3) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard and east of Garden Lane. The site is the current location of office and commerical uses, with commercial uses located on all sides. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 33 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-11 Los Gatos Boulevard (Site C-3)



Site C-4 Affordable Treasures

Address: 15795 Los Gatos Boulevard

Number of Housing Units: 19

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Affordable Treasures Site (C-4) is located in the Los Gatos Boulevard Area at the northwest corner of Los Gatos Boulevard and Farley Lane. The site is the current location of Affordable Treasures Party Store with commercial uses located to the north, south, and east and lower-density residential uses located to the west. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 19 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-12 Affordable Treasures (Site C-4)



Site C-5 Los Gatos Boulevard

Address: 16203 Los Gatos Boulevard

Number of Housing Units: 24

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-5) is located in the Los Gatos Boulevard Area at the northwest corner of Los Gatos Boulevard and Roberts Road. The site is the current location of NC Boardshop skateboard shop and Autobahn Los Gatos, with commercial uses located to the north, east, and west and medium-density residential uses located to the south. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 24 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, a Conceptual Development Advisory Committee application for a mixed-use development was submitted on November 17, 2020 pending an anticipated density increase as part of the General Plan and Housing Element Updates.

Constraints: Existing commercial buildings would require demolition.

Figure D-13 Los Gatos Boulevard (Site C-5)



Site C-6 Los Gatos Boulevard

Address: 16492 Los Gatos Boulevard

Number of Housing Units: 6

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-6) is located in the Los Gatos Boulevard Area on the east side of Los Gatos Boulevard, north of Spencer Avenue. The site is the current location of LG Wines and Liquors and Happy Cleaners, with commercial uses located to the north, south, and west and low-density residential uses located to the east. The site is designated as Low Density Residential but zoned C-1, which would accommodate six housing units developed at a minimum density of 10 du/ac.

Property Owner Interest Form Submitted: Yes, and the owner has submitted written interest in changing the land use designation to Neighborhood Commercial.

Constraints: Existing commercial use would require demolition.

Figure D-14 Los Gatos Boulevard (Site C-6)



Site C-7 Los Gatos Boulevard

Address: 15495 Los Gatos Boulevard

Number of Housing Units: 116

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-7) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard and east of Garden Lane. The site is comprised of three separate commercial buildings, with commercial uses located to the north, south, and east. Low-density residential uses are located to the west. The site is designated as Mixed- Use Commercial but zoned CH, which would accommodate 116 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, a property owner has contacted staff with an inquiry for residential development of the site.

Constraints: Existing commercial buildings would require demolition.

Figure D-15 Los Gatos Boulevard (Site C-7)



Site C-8 Los Gatos Boulevard

Address: 15445 Los Gatos Boulevard

Number of Housing Units: 46

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-8) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard and east of Garden Lane. The site is the current location of Virtus Performance Club, with commercial uses located to the east and south. Low-density residential uses are located to the north and west. The site is designated as Mixed-Use Commercial but zoned CH, which would accommodate 46 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the site is adjacent to other sites within the Site Inventory.

Constraints: Existing commercial building would require demolition.

Figure D-16 Los Gatos Boulevard (Site C-8)

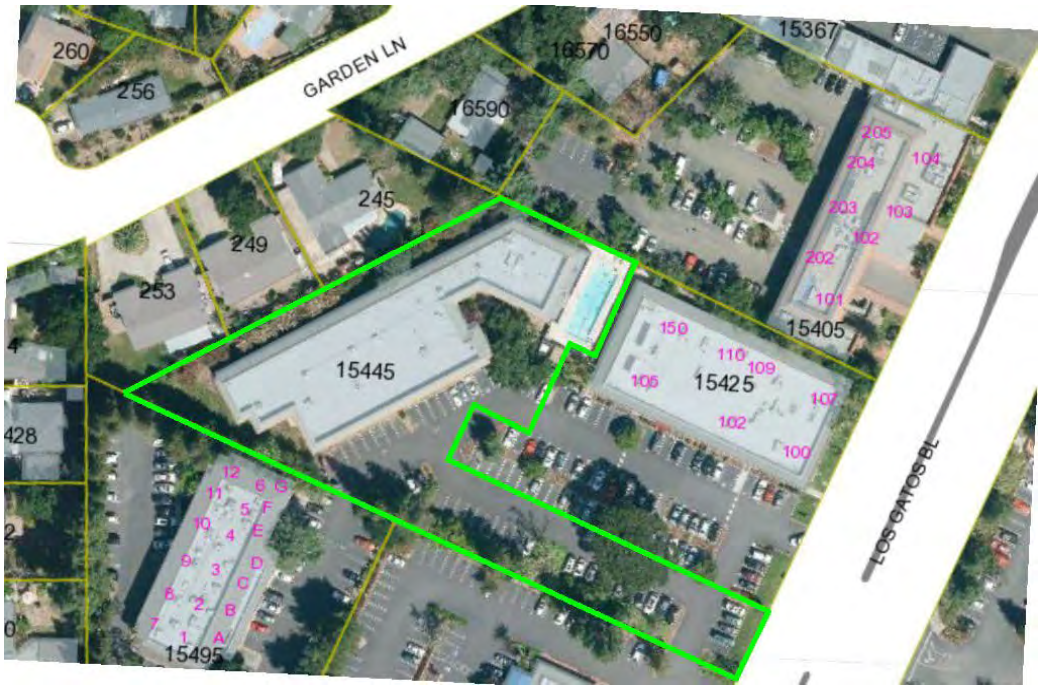


Figure D-17 North Forty Area



Site D-1 North Forty Phase II

Address: 14859 Los Gatos Boulevard, et. al.

Number of Housing Units: 461

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-1) is located in the North Forty Area on the west side of Los Gatos Boulevard, south of Burton Road. The site contains existing single-family residences and agriculture uses. Commercial uses are located to the south and west and arterial highways located to the north and east. The site is designated and zoned as North Forty Specific Plan, which would accommodate 461 units at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the property owner has been involved in attending Housing Element Advisory Board (HEAB) meetings and submitted written public comments regarding intent and interest in residential development on the site.

Constraints: Existing buildings would require demolition.

Figure D-18 North Forty Phase II (Site D-1)



Site D-2 North Forty Phase II

Address: 16245 Burton Road

Number of Housing Units: 38

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-2) is located in the North Forty Area at the terminus of Burton Road, on the west side of Los Gatos Boulevard. The site is underutilized with a single-family residence. Commercial uses are located to the east and arterial highways located to the north and west. The site is designated and zoned as North Forty Specific Plan, which would accommodate 38 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-19 North Forty Phase II (Site D-2)



Site D-3 North Forty (Phase II)

Address: 16240 Burton Road

Number of Housing Units: Eight

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-3) is located in the North Forty Area along Burton Road and adjacent to the Highway 17/Highway 85 interchange. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site. The site is designated and zoned as North Forty Specific Plan, which would accommodate eight housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-20 North Forty Phase II (Site D-3)



Site D-4 North Forty Phase II

Address: 16270 Burton Road

Number of Housing Units: 13

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-4) is located in the North Forty Area at the end of Burton Road and immediately adjacent to the Highway 17/Highway 85 interchange. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site. The site is designated and zoned as North Forty Specific Plan, which would accommodate 13 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-21 North Forty Phase II (Site D-4)



Site D-5 North Forty Phase II

Address: 16210 Burton Road

Number of Housing Units: 25

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-5) is located in the North Forty Area along Burton Road and on the west side of Los Gatos Boulevard. The site contains single-family residences. Other North Forty Specific Plan properties surround the site. The site is designated and zoned as North Forty Specific Plan, which would accommodate 25 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-22 North Forty Phase II (Site D-5)



Site D-6 North Forty Phase II

Address: 14849 Los Gatos Boulevard

Number of Housing Units: 28

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-6) is located in the North Forty Area on the west side of Los Gatos Boulevard, south of Burton Road. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site on the north, south, and west. East of the site, across Los Gatos Boulevard there are commercial uses. The site is designated and zoned as North Forty Specific Plan, which would accommodate 28 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-23 North Forty Phase II (Site D-6)



Site D-7 North Forty Phase II

Address: 14823 Los Gatos Boulevard

Number of Housing Units: 11

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-7) is located in the North Forty Area at the southwest corner of Burton Road and Los Gatos Boulevard. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site on the south and west. North of the site, across Burton Road, and east of the site, across Los Gatos Boulevard, there are commercial uses. The site is designated and zoned as North Forty Specific Plan, which would accommodate 11 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-24 North Forty Phase II (Site D-7)



Figure D-25 Lark Avenue Area



Site E-1 Oka Road

Address: Oka Road

Number of Housing Units: 124

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The Oka Road Site (E-1) is located in the Lark Avenue Area on the east side of Oka Road, north of Lark Avenue. The site contains residential and agricultural uses. Major arterial highways are located north and east of the site, with the Los Gatos Swim and Racquet Club immediately north. Agricultural and commercial uses are located across Oka Road. The site is designated as Low-Density Residential and Medium-Density Residential. Parcels within the site are zoned R-1-8 and R-M:5-12, which would allow 124 housing units developed at a typical density of four du/ac for parcels designated as Low-Density Residential and at a minimum density of 14 du/ac for parcels designated as Medium-Density Residential.

Property Owner Interest Form Submitted: No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.

Constraints: Existing buildings would require demolition.

Figure D-26 Lark Avenue (Site E-1)



Site E-2 Oka Lane

Address: Oka Lane

Number of Housing Units: 26

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The Oka Lane Site (E-2) is located in the Lark Avenue Area on the west side of Oka Road, north of Lark Avenue. The site contains agricultural uses. Major arterial highways are located north and east of the site, with the Bonnie View mobile home park to the north. Agricultural and commercial uses are located across Oka Road. The site is designated as Low-Density Residential. The site is zoned R-1:8, which would allow 26 housing units developed at a typical density of 4 du/ac.

Property Owner Interest Form Submitted: No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.

Constraints: Proximity to adjacent highways.

Figure D-27 Oka Lane (Site E-2)



Site E-3 Caltrans Right of Way

Address: Caltrans Right of Way

Number of Housing Units: 69

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Caltrans Right of Way Site (E-3) is located in the Lark Avenue Area south and west of the Highway 17/Highway 85 interchange. The site is currently vacant. Major arterial highways are located north and east of the site. Commercial uses are located west of the site across Oka Road, and the Bonnie View mobile home park is located immediately south of the site. Should the site be annexed by the Town, it is designated as Medium-Density Residential and zoned as R-M:5-12, which would accommodate 69 housing units developed at a minimum density of 14 du/ac.

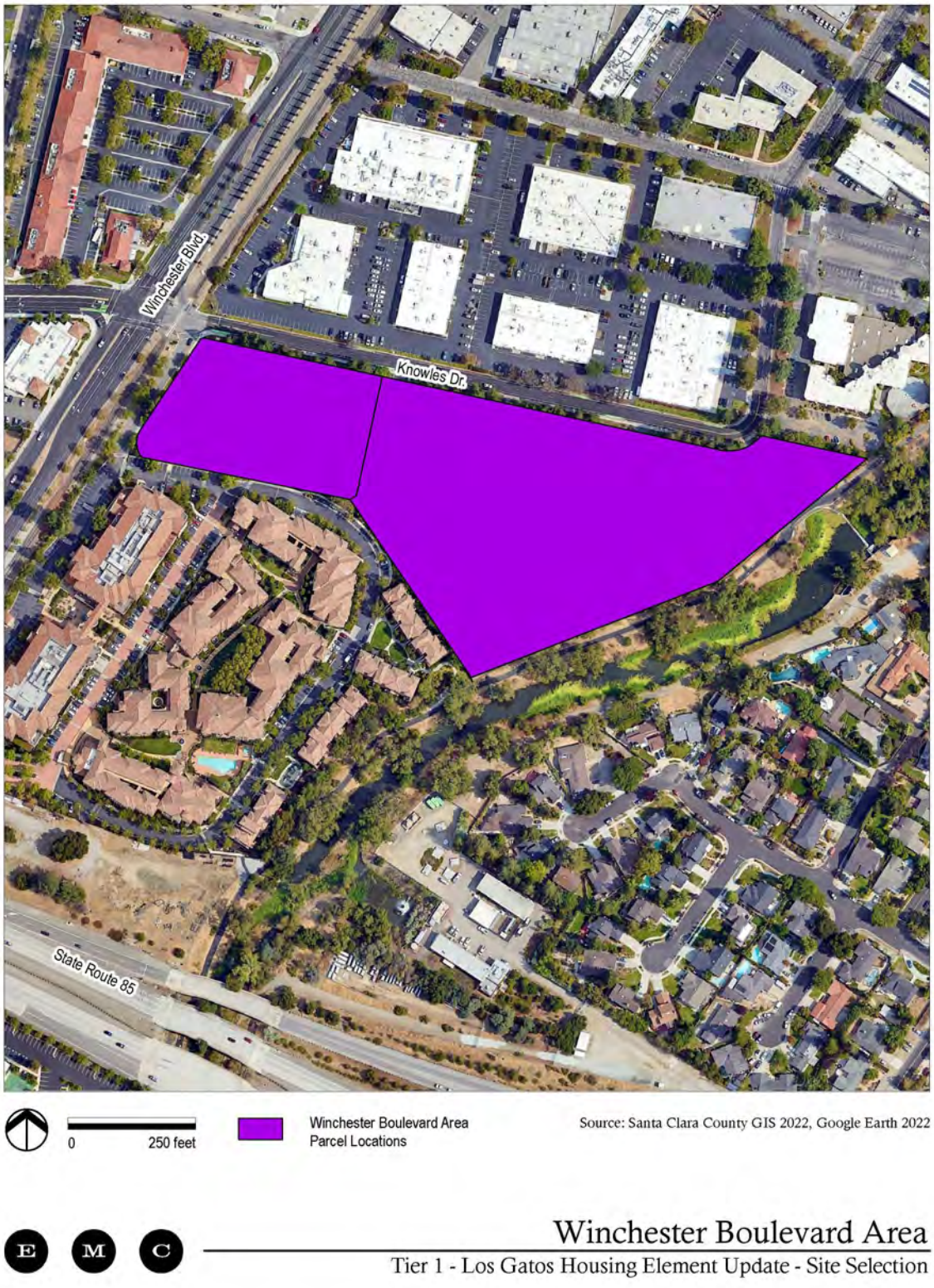
Property Owner Interest Form Submitted: No, the Town has yet to reach out to Caltrans regarding future development of the site.

Constraints: Consultation with Caltrans for future development.

Figure D-28 Caltrans Right of Way (Site E-3)



Figure D-29 Winchester Boulevard Area



Site F-1 Knowles Drive

Address: 110 Knowles Drive

Number of Housing Units: 220

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The Knowles Drive Site (F-1) is located in the Winchester Boulevard Area north and west of the Highway 17/Highway 85 interchange. The site contains industrial uses. Los Gatos Creek is immediately south and east of the site, with low-density residential uses located beyond. High-density residential uses are located south and west of the site. Commercial/industrial uses are located north of the site across Knowles Drive. The site is designated as High-Density Residential and zoned CM:AHOZ, which would accommodate 220 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however the site is located within the Affordable Housing Overlay Zone.

Constraints: Existing buildings would require demolition and adjacency to the Los Gatos Creek Trail.

Figure D-30 Knowles Drive (Site F-1)



Site F-2 Winchester Boulevard

Address: 206 Knowles Drive

Number of Housing Units: 72

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Winchester Boulevard Site (F-2) is located in the Winchester Boulevard Area at the northeast intersection of A Street and Knowles Drive. The site contains office uses. Multi-family residential is located to the south and office uses are located to the north, south, and west of the site. The site is designated as High-Density Residential and zoned CM, which would accommodate 72 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the site is located immediately adjacent to 110 Knowles Drive (Site F-1), which has an Affordable Housing Overlay Zone.

Constraints: Existing buildings would require demolition and adjacency to the Los Gatos Creek Trail.

Figure D-31 Winchester Boulevard (Site F-2)



Figure D-32 Union Avenue Area



Site G-1 Los Gatos-Almaden Road

Address: 440 Los Gatos Almaden Road

Number of Housing Units: 8

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos-Almaden Road Site (G-1) is located in the Union Avenue Area at the northwest corner of Leigh Avenue and Los Gatos-Almaden Road. The site contains a gas station and commercial building. Low-density residential are located north, south, and west of the site. Leigh High School is located east of the site across Leigh Avenue. The site is designated as Neighborhood Commercial and zoned C-1, which would accommodate eight housing units developed at a minimum density of 10 du/ac.

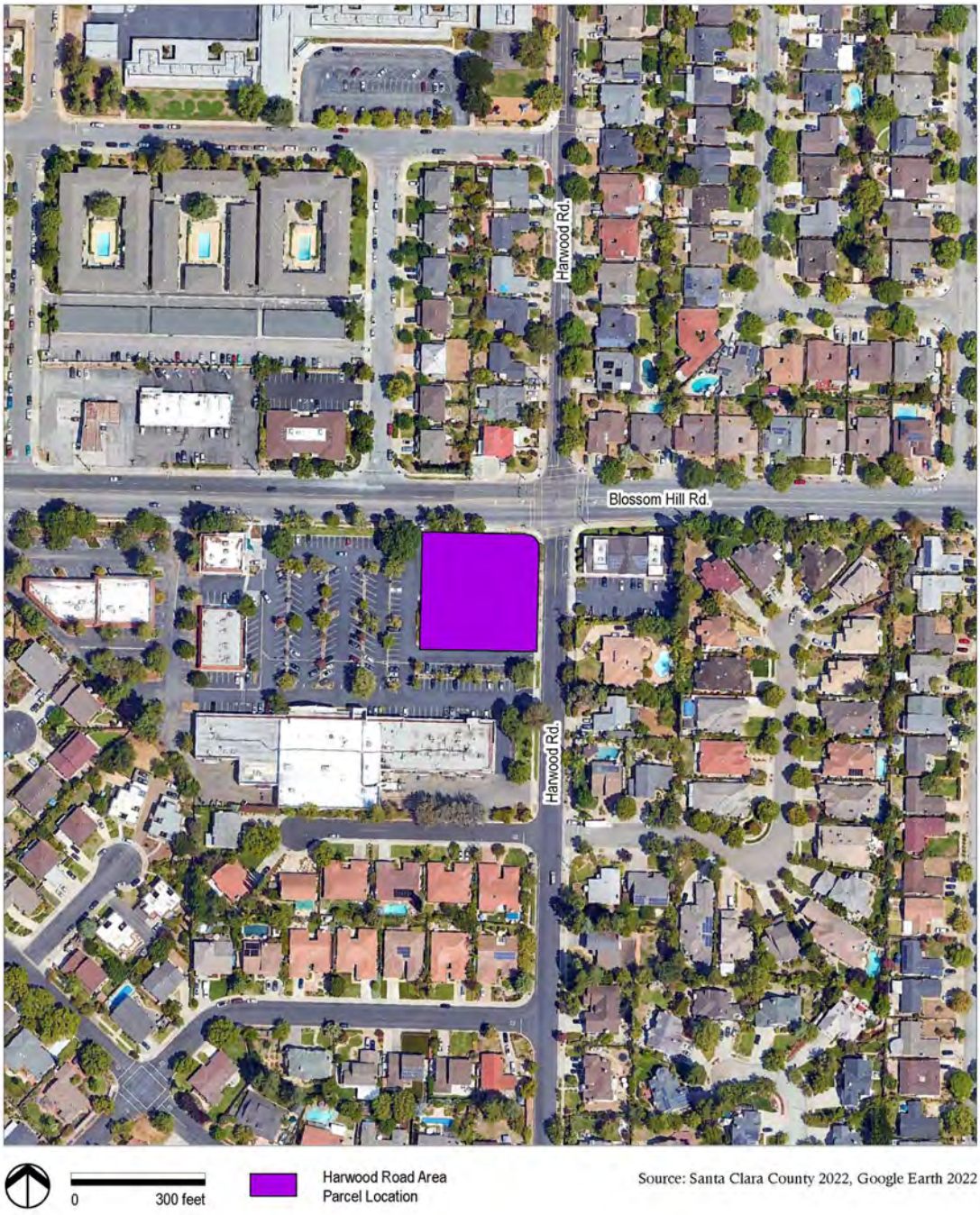
Property Owner Interest Form Submitted: Yes

Constraints: Existing gas station and commercial building would require demolition.

Figure D-33 Los Gatos-Almaden Road (Site G-1)



Figure D-34 Harwood Road Area



Site H-1 Valero

Address: 14000 Blossom Hill Road

Number of Housing Units: 7

"By Right" + 20% Affordable: Not Required – Not used in previous cycle

Property Owner Interest Form Submitted:

Description: The Valero Site (H-1) is located in the Harwood Road Area at the southwest corner of Blossom Hill Road and Harwood Road. The site contains a gas station. Low-density residential are located north, south, and east of the site. Commercial uses are located immediately west of the site. The site is designated as Neighborhood Commercial and zoned C-1, which would accommodate seven housing units developed at a minimum density of 10 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing gas station and commercial building would require demolition.

Figure D-35 Valero (Site H-1)



Figure D-36 Alberto Way Area



Site I-1 Alberto Way

Address: 401-409 Alberto Way

Number of Housing Units: 60

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Alberto Way Site (I-1) is located in the Alberto Way Area, located at the intersection of Alberto Way and Los Gatos-Saratoga Road. The site is currently vacant. Multi-family residential are located north and east of the site. Commercial uses are located immediately south and east of the site with Highway 17 to the west. The site is designated as Mixed Use Commercial and zoned CH, which would accommodate 60 housing units developed at a density of 27 du/ac based on a development application submitted by the properyt owner to the Town on December 6, 2022.

Property Owner Interest Form Submitted: Yes

Constraints: Proximity to adjacent Highway 17 onramp.

Figure D-37 Alberto Way (Site I-1)



Accessory Dwelling Unit (ADUs and Junior ADUs) Projections

Address: Various Locations

Number of Housing Units: 200

"By Right" + 20% Affordable: Not required, instead a formula exists for projecting the next eight-year cycle, along with assumptions of 30 percent very-low income units, 30 percent low income units, 30 percent moderate income units, and 10 percent above moderate categories.

Description: Accessory dwelling units according to ADU Ordinance.

Constraints: To have HCD consider 200 units as a reasonable expectation for construction in this eight-year cycle, the Town is reliant upon the averaging of previous ADU permit submittals.

Senate Bill 9 (SB 9) Projections

Address: Various Locations

Minimum Number of Housing Units: 96

"By Right" + 20% Affordable: Not required – Instead, formula exists for projecting the next eight-year cycle.

Description: New housing units generated from the SB 9 Ordinance.

Constraints: To have HCD consider SB 9 units as a reasonable expectation for construction in this eight-year cycle, the Town is reliant upon the averaging of previous SB 9 permit submittals.

Pipeline Projects

Address: Addresses listed below:

105 Newell Avenue – net four units
20101 Foster Road – net one unit
North Forty Phase I – net 14 units
465 North Santa Cruz Avenue – net one unit
16195 George Street – net three units
144 Wood Road – net one unit
16100 Greenridge Terrace – net seven units
15215 Shannon Road – net four units
17200 Los Robles – net two units
400 Surmont Drive – net two units
14915 Shannon Road – net 10 units
16220 Hardwood – net two units
14926 Los Gatos Boulevard – net five units
15415 National Avenue – net one unit
45 Reservoir Road – net one unit
200 Happy Acres – net one unit
15343 Santella Court – net one units
15415 Santella Court – net one unit
15365 Santella Court – net one unit
15860 Winchester Boulevard – net 113 units
120 Oak Meadow Drive – net one unit

Number of Housing Units: 176

"By Right" + 20% Affordable: Not required

Description: New housing units generated from projects with Planning entitlements and Planning applications currently under Town review.

Constraints: None

Inventory of Vacant and Available Sites

This section provides the formal inventory of sites that the Town of Los Gatos will rely on in the 6th Housing Element planning cycle. Per State law and Housing Policy, the Town is required to maintain "no net loss" of the housing capacity represented by this list of parcels and the sites they comprise. To facilitate this, the inventory presented in Appendix H has been designed with excess capacity. This allows some degree of flexibility in decision making for individual development projects as they come forward for approval.

In short, with some limited flexibility, the Town is committed to permitting housing on each of the parcels listed in the table below, and in so doing ensuring that the number of units listed for each parcel in the table "planned capacity" is achieved. Should the Town approve development that is inconsistent with the parcel's planned capacity, it is then required as part of that approval to:

1. Find, based on quantitative evidence, that the remaining inventory of housing sites is still sufficient to meet the Town's 6th cycle RHNA; or
2. Identify one or more available sites with the realistic development capacity to replace the housing that would have otherwise been developed had consistency with planned capacity been achieved.

Appendix H provides details and capacity estimates for each of the parcels that comprise the Site Inventory as identified in the section above.

D. 4 Summary and Conclusions

The sites identified in this report are sufficient to accommodate Los Gatos' Regional Housing Needs Allocation for the 6th cycle planning period. This number accommodates a buffer of approximately 16 percent above RHNA, which would equal capacity of approximately 319 additional units. These sites, in addition to Accessory Dwelling Units Projections, Senate Bill 9 Projections, and Pipeline Projects have a total capacity of 2,312 units. This "cushion" for capacity above the base RHNA number is highly recommended because of the State's no-net-loss policy, which precludes jurisdictions from approving development that results in an overall housing site deficit. The "cushion" essentially provides a degree of flexibility for policy makers as they make development decisions. Many of the sites identified in this report have existing uses that would need to be demolished before new housing could be constructed.

For communities like Los Gatos that are largely built out and surrounded by other communities and undevelopable hillsides, redevelopment and densification is the only practical solution to providing a fair share of future housing for the San Francisco Bay Area. By its nature, such redevelopment is more costly and more time consuming than building new units on vacant land. To offset these constraints, higher densities are proposed in some areas. These higher densities act as a market incentive to offset the added cost and time required build new housing on redeveloped sites. Property owner interest will be pivotal for facilitating single-family site opportunities to add housing through construction of ADUs and use of SB 9 processes, which allow for up to four units on a property zoned for a single house.

Sites Inventory Form

H

APPENDIX

EXHIBIT 5

Please Start Here, Instructions in Cell A2, Table in A3:B17	Form Fields
Site Inventory Forms must be submitted to HCD for a housing element or amendment adopted on or after January 1, 2021. The following form is to be used for satisfying this requirement. To submit the form, complete the Excel spreadsheet and submit to HCD at sitesinventory@hcd.ca.gov. Please send the Excel workbook, not a scanned or PDF copy of the tables.	
General Information	
Jurisidiction Name	LOS GATOS
Housing Element Cycle	6th
Contact Information	
First Name	Joel
Last Name	Paulson
Title	Community Development Director
Email	Jpaulson@losgatosca.gov
Phone	4083546879
Mailing Address	
Street Address	110 East Main Street
City	Los Gatos
Zip Code	94538
Website	
	https://www.losgatosca.gov/897/Planning

Table A: Housing Element Sites Inventory, Table Starts in Cell A2 For Santa Clara County jurisdictions, please format the APNs as follows: 999-99-999

Jurisdiction Name	Site Address/Intersection	5 Digit ZIP Code	Assessor Parcel Number	Consolidated Sites	General Plan Designation (Current)	Zoning Designation (Current)	Minimum Density Allowed (units/acre)	Maximum Density Allowed (units/acre)	Parcel Size (Acres)	Existing Use/Vacancy	Infrastructure	Publicly-Owned	Site Status	Identified in Last/Last Two Planning Cycle(s)	Lower Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Optional Information1	Optional Information2	Optional Information3
LOS GATOS	50 Park Avenue	95030	529-01-040	A	Medium Density Residential	R-1D	5	12	0.18	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	1	1	Site A-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	61 Montebello Way	95030	529-01-041	A	Medium Density Residential	R-1D	5	12	0.69	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	4	4	Site A-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	101 South Santa Cruz Avenue	95030	529-01-022		Central Business District	C-2	20	30	0.8	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	16	16	Site A-2	Property Owner Interest Form Submitted	
LOS GATOS	165 Los Gatos Saratoga Road	95030	529-04-083		Central Business District	C-2	20	30	0.37	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	7	7	Site A-3	Property Owner Interest Form Submitted	
LOS GATOS	50 Los Gatos Saratoga Road	95030	529-24-032	B	Mixed Use Commercial	CH:PD	30	40	7.04	Hotel/motel	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	151	51	9	211	Site B-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Saratoga Road	95030	529-24-001	B	Mixed Use Commercial	CH:PD	30	40	1.49	Hotel/motel	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	18	9	18	45	Site B-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Saratoga Road	95030	529-24-003	B	Mixed Use Commercial	CH:PD	30	40	0.28	Hotel/motel	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	3	2	3	8	Site B-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	15300 Los Gatos Boulevard	95032	424-17-036		Mixed Use Commercial	C-1	30	40	1.6	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	33	9	6	48	Site C-1	Property Owner Interest Form Submitted	
LOS GATOS	15349 Los Gatos Boulevard	95032	424-19-049	C	Mixed Use Commercial	CH	30	40	0.34	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	7	2	1	10	Site C-2 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Boulevard	95032	424-19-048	C	Mixed Use Commercial	CH	30	40	1.2	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	26	8	2	36	Site C-2 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Boulevard	95032	424-19-069	C	Mixed Use Commercial	CH	30	40	1.34	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	28	8	4	40	Site C-2 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	15425 Los Gatos Boulevard	95032	424-19-067		Mixed Use Commercial	CH	30	40	1.09	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	23	7	3	33	Site C-3	Property Owner Interest Form Submitted	
LOS GATOS	15975 Los Gatos Boulevard	95032	529-15-059		Mixed Use Commercial	CH	30	40	0.64	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	13	4	2	19	Site C-4	Property Owner Interest Form Submitted	
LOS GATOS	16203 Los Gatos Boulevard	95032	529-16-069		Mixed Use Commercial	CH	30	40	0.79	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	17	5	2	24	Site C-5	Conceptual Development Advisory Committee application for a mixed-use development submitted on 11/17/2020 anticipating for increased density per the General Plan update	
LOS GATOS	16492 Los Gatos Boulevard	95032	532-07-086	D	Low Density Residential	C-1	10	20	0.23	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	2	2	Site C-6 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Boulevard	95032	532-07-085	D	Low Density Residential	C-1	10	20	0.38	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	4	4	Site C-6 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	15495 Los Gatos Boulevard	95032	424-22-030		Mixed Use Commercial	CH	30	40	3.85	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	81	23	12	116	Site C-7	Property Owner contacted staff with inquiry on residential development	
LOS GATOS	15445 Los Gatos Boulevard	95032	424-19-068		Mixed Use Commercial	CH	30	40	1.53	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	32	9	5	46	Site C-8	Adjacent to sites within the Site Inventory	
LOS GATOS	14859 Los Gatos Boulevard	95032	424-07-094	E	North Forty Specific Plan	North Forty Specific Plan	30	30	2.9	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	57	13	17	87	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16392 Los Gatos Boulevard	95032	424-07-095	E	North Forty Specific Plan	North Forty Specific Plan	30	30	0.78	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	15	3	5	23	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16260 Burton Road	95032	424-07-053	E	North Forty Specific Plan	North Forty Specific Plan	30	30	0.44	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	8	2	3	13	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16250 Burton Road	95032	424-07-009	E	North Forty Specific Plan	North Forty Specific Plan	30	30	0.44	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	8	2	3	13	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	14917 Los Gatos Boulevard	95032	424-07-081	E	North Forty Specific Plan	North Forty Specific Plan	30	30	3.74	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	73	17	22	112	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	14925 Los Gatos Boulevard	95032	424-07-115	E	North Forty Specific Plan	North Forty Specific Plan	30	30	6.07	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	118	27	37	182	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	Los Gatos Boulevard	95032	424-07-116	E	North Forty Specific Plan	North Forty Specific Plan	30	30	1.02	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	20	5	6	31	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16245 Burton Road	95032	424-06-115		North Forty Specific Plan	North Forty Specific Plan	30	30	1.17	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	23	5	7	35	Site D-2 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	Burton Road	95032	424-06-116		North Forty Specific Plan	North Forty Specific Plan	30	30	0.11	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	2	0	1	3	Site D-2 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	16240 Burton Road	95032	424-07-010		North Forty Specific Plan	North Forty Specific Plan	30	30	0.26	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	5	1	2	8	Site D-3	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	16270 Burton Road	95032	424-07-052		North Forty Specific Plan	North Forty Specific Plan	30	30	0.43	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	8	2	3	13	Site D-4	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	16210 Burton Road	95032	424-07-054		North Forty Specific Plan	North Forty Specific Plan	30	30	0.26	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	5	1	2	8	Site D-5 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14831 Los Gatos Boulevard	95032	424-07-063		North Forty Specific Plan	North Forty Specific Plan	30	30	0.56	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	11	3	3	17	Site D-5 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14849 Los Gatos Boulevard	95032	424-07-064		North Forty Specific Plan	North Forty Specific Plan	30	30	0.93	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	18	4	6	28	Site D-6	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14823 Los Gatos Boulevard	95032	424-07-065		North Forty Specific Plan	North Forty Specific Plan	30	30	0.37	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	6	1	4	11	Site D-7	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14800 Oka Road	95032	424-08-057		Low Density Residential	R-1:8	0	5	2.97	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	0	1	11	12	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-029		Low Density Residential	R-1:8	0	5	0.31	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	1	1	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-059		Low Density Residential	R-1:8	0	5	1.01	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	4	4	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-060		Low Density Residential	R-1:8	0	5	1.29	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	5	5	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	14800 Oka Road	95032	424-08-058		Low Density Residential	R-1:8	0	5	1.41	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	6	6	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	16603 Lark Avenue	95032	424-08-017		Medium Density Residential	R-M:5-12	14	22	2.48	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	3	3	29	35	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	14840 Oka Road	95032	424-08-021		Medium Density Residential	R-M:5-12	14	22	4.32	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	6	6	49	61	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-074		Low Density Residential	R-1:8	0	5	6.41	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	2	1	23	26	Site E-2	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Road (Cal Trans ROW)	95032	000-00-000		Medium Density Residential	R-1:8	14	22	4.9	Vacant	YES - Current	YES - State-Owned	Available	Not Used in Prior Housing Element	7	7	55	69	Site E-3		
LOS GATOS	110 Knowles Drive	95032	424-32-077		High Density Residential	CM:AHOZ	30	40	7.34	Commercial	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	106	79	35	220	Site F-1	No; however the site is located within the Affordable Housing Overlay Zone.	
LOS GATOS	206 Knowles Drive	95032	424-32-076		High Density Residential	CM	30	40	2.41	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	35	26	11	72	Site F-2	No; however, the site is located immediately adjacent to 110 Knowles Drive (Site F-1), which has an Affordable Housing Overlay Zone.	
LOS GATOS	440 Los Gatos Almaden Road	95032	527-49-048		Neighborhood Commercial	C-1	10	20	0.52	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	5	5	Site G-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	445 Leigh Avenue	95032	527-49-049		Neighborhood Commercial	C-1	10	20	0.29	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	3	3	Site G-1 consolidated parcels	Property Owner Interest Form Submitted	

Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need, Table Starts in Cell A2

For Santa Clara County jurisdictions, please format the APNs as follows: 999-99-999

Jurisdiction Name	Site Address/Intersection	5 Digit ZIP Code	Assessor Parcel Number	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	Current General Plan Designation	Current Zoning	Proposed General Plan (GP) Designation	Proposed Zoning	Minimum Density Allowed	Maximum Density Allowed	Total Capacity	Vacant/ Nonvacant	Description of Existing Uses	Infrastructure	Optional Information1	Optional Information2	Optional Information3
LOS GATOS	50 Park Avenue	95030	529-01-040	0	0	0	1	Shortfall of Sites	0.18	Medium Density Resi	R-1D	Medium Density Resi	R-1D	5	12	1	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	61 Montebello Way	95030	529-01-041	0	0	0	4	Shortfall of Sites	0.69	Medium Density Resi	R-1D	Medium Density Resi	R-1D	5	12	4	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	101 S. Santa Cruz Avenue	95030	529-01-022	0	0	0	16	Shortfall of Sites	0.8	Central Business Dist	C-2	Central Business Dist	C-2	20	30	16	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	165 Los Gatos-Saratoga Road	95030	529-04-083	0	0	0	7	Shortfall of Sites	0.37	Central Business Dist	C-2	Central Business Dist	C-2	20	30	17	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	50 Los Gatos-Saratoga Road	95030	529-24-032	76	75	51	9	Shortfall of Sites	7.04	Mixed Use Commerci	CH:PD	Mixed Use Commerci	CH:PD	30	40	211	Non-Vacant	Hotel/motel	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos-Saratoga Road	95030	529-24-001	9	9	9	18	Shortfall of Sites	1.49	Mixed Use Commerci	CH:PD	Mixed Use Commerci	CH:PD	30	40	45	Non-Vacant	Hotel/motel	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos-Saratoga Road	95030	529-24-003	1	2	2	3	Shortfall of Sites	0.28	Mixed Use Commerci	CH:PD	Mixed Use Commerci	CH:PD	30	40	8	Non-Vacant	Hotel/motel	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15300 Los Gatos Boulevard	95032	424-17-036	24	9	9	6	Shortfall of Sites	1.6	Mixed Use Commerci	C-1	Mixed Use Commerci	C-1	30	40	48	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15349 Los Gatos Boulevard	95032	424-19-049	5	2	2	1	Shortfall of Sites	0.34	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	10	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15367 Los Gatos Boulevard	95032	424-19-048	18	8	8	2	Shortfall of Sites	1.2	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	36	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15405 Los Gatos Boulevard	95032	424-19-069	20	8	8	4	Shortfall of Sites	1.34	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	40	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15425 Los Gatos Boulevard	95032	424-19-067	16	7	7	3	Shortfall of Sites	1.09	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	33	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15795 Los Gatos Boulevard	95032	529-15-059	9	4	4	2	Shortfall of Sites	0.64	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	19	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16203 Los Gatos Boulevard	95032	529-16-069	12	5	5	2	Shortfall of Sites	0.79	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	24	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16492 Los Gatos Boulevard	95032	532-07-086	0	0	0	2	Shortfall of Sites	0.23	Low Density Resident	C-1	Low Density Resident	C-1	10	20	2	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos Boulevard	95032	532-07-085	0	0	0	4	Shortfall of Sites	0.38	Neighborhood Comm	C-1	Neighborhood Comm	C-1	10	20	4	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15495 Los Gatos Bouelvard	95032	424-22-030	58	23	23	12	Shortfall of Sites	3.85	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	116	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15445 Los Gatos Bouelvard	95032	424-19-068	23	9	9	5	Shortfall of Sites	1.53	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	46	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14859 Los Gatos Boulevard	95032	424-07-094	44	13	13	17	Shortfall of Sites	2.9	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	87	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16392 Los Gatos Boulevard	95032	424-07-095	12	3	3	5	Shortfall of Sites	0.78	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	23	Non-Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16260 Burton Road	95032	424-07-053	6	2	2	3	Shortfall of Sites	0.44	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	13	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16250 Burton Road	95032	424-07-009	6	2	2	3	Shortfall of Sites	0.44	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	13	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14917 Los Gatos Boulevard	95032	424-07-081	56	17	17	22	Shortfall of Sites	3.74	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	112	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14925 Los Gatos Boulevard	95032	424-07-115	91	27	27	37	Shortfall of Sites	6.07	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	182	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos Boulevard	95032	424-07-116	15	5	5	6	Shortfall of Sites	1.02	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	31	Non-Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16245 Burton Road	95032	424-06-115	18	5	5	7	Shortfall of Sites	1.17	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	35	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Burton Road	95032	424-06-116	2	0	0	1	Shortfall of Sites	0.11	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	3	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16240 Burton Road	95032	424-07-010	4	1	1	2	Shortfall of Sites	0.26	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	8	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16270 Burton Road	95032	424-07-052	6	2	2	3	Shortfall of Sites	0.43	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	13	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16210 Burton Road	95032	424-07-054	4	1	1	2	Shortfall of Sites	0.26	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	8	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14831 Los Gatos Boulevard	95032	424-07-063	8	3	3	3	Shortfall of Sites	0.56	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	17	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14849 Los Gatos Boulevard	95032	424-07-064	14	4	4	6	Shortfall of Sites	0.93	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	28	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14823 Los Gatos Boulevard	95032	424-07-065	5	1	1	4	Shortfall of Sites	0.37	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	11	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14800 Oka Road	95032	424-08-057	0	0	1	11	Shortfall of Sites	2.97	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	12	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-029	0	0	0	1	Shortfall of Sites	0.31	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	1	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-059	0	0	0	4	Shortfall of Sites	1.01	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	4	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-060	0	0	0	5	Shortfall of Sites	1.29	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	5	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14800 Oka Road	95032	424-08-058	0	0	0	6	Shortfall of Sites	1.41	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	6	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16603 Lark Avenue	95032	424-08-017	0	3	3	29	Shortfall of Sites	2.48	Medium Density Resi	R-M:5-12	Medium Density Resi	R-M:5-12	14	22	35	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14840 Oka Road	95032	424-08-021	0	6	6	49	Shortfall of Sites	4.32	Medium Density Resi	R-M:5-12	Medium Density Resi	R-M:5-12	14	22	61	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-074	0	2	1	23	Shortfall of Sites	6.41	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	26	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Road (Cal Trans ROW)	95032	000-00-000	0	7	7	55	Shortfall of Sites	4.9	Medium Density Resi	R-1:8	Medium Density Resi	R-1:8	14	22	69	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	110 Knowles Drive	95032	424-32-077	66	40	79	35	Shortfall of Sites	7.34	High Density Residen	CM:AHOZ	High Density Residen	CM:AHOZ	30	40	220	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	206 Knowles Drive	95032	424-32-076	22	13	26	11	Shortfall of Sites	2.41	High Density Residen	CM	High Density Residen	CM	30	40	72	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	440 Los Gatos Almaden Road	95032	527-49-048	0	0	0	5	Shortfall of Sites	0.52	Neighborhood Comm	C-1	Neighborhood Comm	C-1	10	20	5	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	445 Leigh Avenue	95032	527-49-049	0	0	0	3	Shortfall of Sites	0.29	Neighborhood Comm	C-1	Neighborhood Comm	C-1	10	20	3	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		

Table C: Land Use, Table Starts in A2

Zoning Designation From Table A, Column G and Table B, Columns L and N (e.g., "R-1")	General Land Uses Allowed (e.g., "Low-density residential")
R-1D	Single-family dwelling, provided that there is not more than one principal residential structure on a lot, two-family dwelling, provided that there is not more than one principal residential structure on a lot, family daycare home, and residential care facility, small family home.
C-1	Retailing, including formula retail up to six thousand (6,000) square feet, Personal service businesses and service businesses necessary for the conduct of households, Office activities, Limited manufacturing activities when a majority of sales are made, on site, to the ultimate consumer, Activities permitted in the LM zone which were approved on or before February 1, 1993, provided any change of use must be a conforming use in the C-1 zone, and Group classes, and single-family, two-family, and multi-family in a mixed-use project through a CUP.
C-2	Retailing, including formula retail up to six thousand square feet, Office activities subject to subsection (c), Limited manufacturing activities when a majority of sales are made, on site, to the ultimate consumer, Wholesaling without warehousing on the premises, Single-family and two-family uses, in conjunction with the other uses permitted in this section and multi-family in a mixed-use project through a CUP
CH	Retailing, including formula retail up to six thousand square feet, Personal service businesses and service businesses necessary for the conduct of households, Office activities, Limited manufacturing activities when a majority of sales are made on site to the ultimate consumer, Group classes, and single-family, two-family, and multi-family in a mixed-use project through a CUP
CH:PD	Hotel up to 300 rooms, a conference facility containing approximately 10,000 square feet, and an underground parking facility
North Forty Specific Plan	Retail, Restaurant, Personal Service, Office, Hotel, Townhomes, Rowhouses, Multi-Family, Condominiums, Live/Work Lofts, Park, Public Transpiration and Parking Facilities, Small Family Daycare, Alternating Use/Shared Parking, and Botanical Nursery
R-1:8	Single-family dwelling, provided that there is not more than one principal residential structure on a lot, raising of trees, vegetables and horticultural specialties, but not including commercial greenhouses, retail nurseries, or storage of landscaping equipment, products or supplies for commercial uses, family daycare home, and residential care facility, small family home.
R-M:5-12	Single-family dwelling, two-family dwelling, family daycare home, residential care facility, small family home, multi-family dwelling, and a transitional Housing facility as defined by Health and Safety Code section 50675.2
CM	Activities involving controlled manufacturing, research and development, wholesaling, warehousing, and other light industrial uses, Sales to the ultimate consumer of articles manufactured on the premises to the customer's order, Professional and administrative offices, Emergency shelters as defined by Health and Safety Code section 50801
CM:AHOZ	Multifamily dwellings, Two-family dwellings, and Single-family dwellings.
HEOZ	Housing Element Overlay Zone Implementation Program BF to apply to the sites included in the Site Inventory to modify the development standards (i.e., density, lot coverage, FAR, height) on those sites

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TOWN OF LOS GATOS
PLANNING COMMISSION
REPORT

MEETING DATE: 01/11/2023

ITEM NO: 5

ADDENDUM

DATE: January 10, 2023

TO: Planning Commission

FROM: Joel Paulson, Community Development Director

SUBJECT: Consider and Make a Recommendation to the Town Council on the Draft 2023-2031 Housing Element. Location: Town-Wide. General Plan Amendment Application GP-22-003.

REMARKS:

Exhibit 6 includes Planning Commissioner comments.

EXHIBITS:

Previously received (available online here: https://engagelosgatoshousing.com):
1. Draft 2023-2031 Housing Element
2. Environmental Analysis

Previously received with the January 11, 20223 Staff Report:
3. Housing Element Update Process Timeline
4. Revised Appendix D, Sites Inventory Analysis
5. Revised Appendix H, Sites Inventory Form

Received with this Addendum:
6. Planning Commissioner Comments

PREPARED BY: Erin Walters and Jocelyn Shoopman
Associate Planners

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

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From: Jeffrey Barnett <[redacted]>
Sent: Saturday, January 7, 2023 3:01:21 PM
To: Jocelyn Shoopman <jshoopman@losgatosca.gov>; Jennifer Armer <JArmer@losgatosca.gov>
Subject: Proposed Revisions to the 2023-2031 Housing Element - Policy HE-6.1, Page 10-38

EXTERNAL SENDER

Dear Jocelyn and Jennifer.

Would you kindly include the attachment as a Desk Item for Agenda Item 5 on Wednesday?

Thanks in advance.

Jeffrey

Proposed Changes to the Los Gatos Draft Housing Element 6th Cycle 2023-2031 Policy HE-6.1 Fair Housing Page 10.38.

Current Language:

Support and publicize housing programs that protect individuals' rights and enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling or renting of housing on the basis of race, color, ancestry, religion, national origin, sex, sexual orientation, age, disability/medical condition, familial status, marital status, source of income or other such factors.

Proposed revisions:

1. After "sexual orientation" add "gender identification or expression". It may be covered under the term "sex", but that is not clear. In CC 51(e)(5), sex is expressly defined to include gender identification and expression, but this policy does not completely track Section 51.

2. Add "genetic information".

3. Add "primary language".

4. Add "citizenship".

5. Change disability/medical condition" to "disability, medical condition".

6. Add "immigration status"

7. Consider adding "military or veteran status".

8. Change "other factors" to "other arbitrary factors". *Marina Point , Ltd. V. Wolfson* (1982) 30 Cal3rd 721, 736.

These recommendations are based on the following:

A. California Civil Code Section 51:

(a) This section shall be known, and may be cited, as the Unruh Civil Rights Act.

(b) All persons within the jurisdiction of this state are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status are entitled to the full and

equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever.

(c) This section shall not be construed to confer any right or privilege on a person that is conditioned or limited by law or that is applicable alike to persons of every sex, color, race, religion, ancestry, national origin, disability, medical condition, marital status, sexual orientation, citizenship, primary language, or immigration status, or to persons regardless of their genetic information.

(d) Nothing in this section shall be construed to require any construction, alteration, repair, structural or otherwise, or modification of any sort whatsoever, beyond that construction, alteration, repair, or modification that is otherwise required by other provisions of law, to any new or existing establishment, facility, building, improvement, or any other structure, nor shall anything in this section be construed to augment, restrict, or alter in any way the authority of the State Architect to require construction, alteration, repair, or modifications that the State Architect otherwise possesses pursuant to other laws.

(e) For purposes of this section:

(1) "Disability" means any mental or physical disability as defined in Sections 12926 and 12926.1 of the Government Code.

(2) (A) "Genetic information" means, with respect to any individual, information about any of the following:

(i) The individual's genetic tests.

(ii) The genetic tests of family members of the individual.

(iii) The manifestation of a disease or disorder in family members of the individual.

(B) "Genetic information" includes any request for, or receipt of, genetic services, or participation in clinical research that includes genetic services, by an individual or any family member of the individual.

(C) "Genetic information" does not include information about the sex or age of any individual.

(3) "Medical condition" has the same meaning as defined in subdivision (i) of Section 12926 of the Government Code.

(4) “Religion” includes all aspects of religious belief, observance, and practice.

(5) “Sex” includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth. “Sex” also includes, but is not limited to, a person’s gender. “Gender” means sex and includes a person’s gender identity and gender expression. “Gender expression” means a person’s gender-related appearance and behavior whether or not stereotypically associated with the person’s assigned sex at birth.

(6) “Sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status” includes a perception that the person has any particular characteristic or characteristics within the listed categories or that the person is associated with a person who has, or is perceived to have, any particular characteristic or characteristics within the listed categories.

(7) “Sexual orientation” has the same meaning as defined in subdivision (s) of Section 12926 of the Government Code.

(f) A violation of the right of any individual under the federal Americans with Disabilities Act of 1990 (Public Law 101-336) shall also constitute a violation of this section.

(g) Verification of immigration status and any discrimination based upon verified immigration status, where required by federal law, shall not constitute a violation of this section.

B. **Government Code Section 1139.8(a)(2)**: “California’s robust nondiscrimination laws include protections on the basis of sexual orientation, gender identity and gender expression, among other characteristics”.

C. **Government Code 12920:**

“Further, the practice of discrimination because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, veteran or military status, or genetic information in housing accommodations is declared to be against public policy.

D. AFFH Report, Appendix A at Page 65

A.6 Fair Housing Enforcement and Outreach Capacity

“This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity. Fair housing legal cases and inquiries. California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including Federal housing assistance vouchers).

E. https://calcivilrights.ca.gov/housing/#whoBody:

California law protects individuals from illegal discrimination by housing providers based on the following:

Race, color

Ancestry, national origin

Citizenship, immigration status

Primary language*

Age

Religion

Disability, mental or physical

Sex, gender

Sexual orientation

Gender identity, gender expression

Genetic information

Marital status

Familial status

Source of income

Military or veteran status

F. Protection against discrimination on the basis of gender identification or expression is also present in laws found in the Education Code, Insurance Code, Welfare and Institutions Code and the Health and Safety Code.

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A P P E A R A N C E S:

Los Gatos Planning Commissioners:	Melanie Hanssen, Chair Jeffrey Barnett, Vice Chair Susan Burnett Kylie Clark Kathryn Janoff Steve Raspe Emily Thomas
Town Manager:	Laurel Prevetti
Community Development Director:	Joel Paulson
Town Attorney:	Gabrielle Whelan
Transcribed by:	Vicki L. Blandin (619) 541-3405

LOS GATOS PLANNING COMMISSION 1/11/2023
Item #5, General Plan Amendment
re: Draft 2023-2031 Housing Element

P R O C E E D I N G S:

CHAIR HANSSEN: We will go ahead to Item 5, and Item 5 is to consider and make a recommendation to the Town Council on the Draft 2023-2031 Housing Element. Location: Town-wide. General Plan Amendment Application: GP-22-003.

Who is doing the Staff Report? Oh, Ms. Walters.

ERIN WALTERS: Thank you so much and good evening, Commissioners. The Town of Los Gatos is required to adopt an updated Housing Element for the period covering 2023 to 2031 by January 31st.

Starting in early 2021 the Town worked diligently to comply to State law with the goal of adopting a Housing Element prior to January 31st. The deadline is outlined in Attachment 3 of your report.

Under the Housing Accountability Act, Bay Area jurisdictions that have not adopted a Housing Element that is in substantial compliance with the State law by January 31st could be required to approve a residential development, even if it does not meet local General Plan or zoning regulations. This is known as the Builder's Remedy and has been in the Housing Accountability Act since 1990. For a project to utilize this it must be a residential

development that proposes at least 20% low-income units or 100% moderate-income units. No applications under the Builder's Remedy were submitted during the two previous Housing Element cycles when the Town missed the statutory deadline for adoption.

Staff recognizes that this current element housing cycle is unlike any past cycle and any jurisdiction that adopts a housing element later than January 31st could be subject to the Builder's Remedy.

On January 20th of last year the Town Council recommended that the current version of the Draft Housing Element as submitted to HCD on October 14th be considered for adoption prior to the statutory deadline of January 31st.

In addition, the Town Council recommended that the Sites Inventory of the Housing Element utilize the minimum density requiring additional sites to be added in order to comply with the Town's RHNA and required buffer.

The primary purpose of this item tonight is to provide a recommendation to Town Council on whether or not to adopt the Draft Housing Element, which is found in Attachment 1, with the revised Sites Inventory Analysis, Exhibit 4, and Revised Site Inventory Form, which is found in Exhibit 5.

The next steps to complete the goal of adopting the Housing Element that is in substantial compliance with State law by the statutory deadline is for Town Council to consider Planning Commission's recommendation on the Draft Housing Element at a special Council meeting on January 30th.

The Town expects to receive a comment letter from HCD tomorrow. Once the HCD comment letter has been received, a draft memorandum and Response to HCD Comment Letter illustrating how each comment has been responded to and how it is in substantial compliance with State law will be prepared for future view by the Housing Element Advisory Board, and then based on that review and recommendation by HEAB a revised draft will be submitted to HCD. Subsequent review by HCD will take up to 60 days.

Based on HCD's second review it is possible that additional revisions may be required before HCD will certify the Housing Element, which means Planning Commission and Town Council hearings for adoption of the revised Housing Element would need to be conducted again.

There was an addendum circulated on Tuesday with the Planning Commission's comments.

This concludes Staff's report and we are available for any questions. Thank you.

CHAIR HANSSEN: Thank you for your Staff Report. Since three of us, Commissioner Janoff, Commissioner Thomas, and I are on the Housing Element Advisory Board as well as the General Plan Committee, I think Ms. Walters and the Staff Report went through this but as should have been clear from the report, this is not intended as a detailed review of the Draft Housing Element. This is more of a go/no go thing to prevent us from being subject to the Builder's Remedy, and as noted by Ms. Walters, we fully would anticipate making quite a few revisions based on the HCD comments.

I will ask if any of you have questions for Staff? I do, but I wanted to see if any of the rest of you do. Commissioner Janoff.

COMMISSIONER JANOFF: Thank you. I understand the process; I understand what's happening. Two questions, one for Staff.

I understand that we received verbal comments. Do you have any indication based on the verbal comments that our Draft General Plan is not in insubstantial compliance?

ERIN WALTERS: The verbal comments we received were that there is additional work to be done, but the term "substantial compliance" was never brought up or discussed. It's really to add to what we have.

COMMISSIONER JANOFF: Did you get the sense from that verbal communication that we weren't on the right track?

ERIN WALTERS: (Shakes head no.)

COMMISSIONER JANOFF: All right. I know you didn't get that kind of feedback precisely, but I was curious what the sense of the conversation was from Staff's point of view?

ERIN WALTERS: We had one meeting. We didn't receive any fatal flaw comments, but again, we have not received the final letter, and again, we anticipate that hopefully by tomorrow, so from what we've learned to date, we have not heard.

COMMISSIONER JANOFF: A second question, if I might, for our Town Attorney. Would you please advise the Planning Commission as to your opinion of why it makes sense for us to proceed with a recommendation for adopting the draft in advance of the certified Housing Element?

ATTORNEY WHELAN: It's definitely a policy decision, but the recommendation to do this is based on the fact that the deadline to have an adopted Housing Element is January 31st, and after that date applicants can use the Builders Remedy to submit an application that would not be subject to the Town's planning requirements.

Added to that recommendation is the fact that the Town has the ability to amend the Housing Element after it's been adopted based on feedback that we get from HCD.

COMMISSIONER JANOFF: So this is not a kind of tricky workaround the deadline, this is a reasonable approach to meeting the deadline with adopting a draft, understanding that there will be revisions coming following HCD's comments?

ATTORNEY WHELAN: Yes, the recommendation is based on the fact that the Draft Housing Element is very close. It's possible HCD will recommend some minor changes, and the Town would make those minor changes once we have those recommendations in hand.

COMMISSIONER JANOFF: All right, thank you.

CHAIR HANSSEN: Commissioner Thomas.

COMMISSIONER THOMAS: Thank you, Chair. I have two questions.

My first question for Staff is where will we be able to find the letter when we get it tomorrow?

ERIN WALTERS: That's an excellent question. It will be posted online when we receive it. It will be available to the public and will be on the Town's dedicated Housing Element website, as well as our web page.

JOEL PAULSON: I'll just add that we'll also actually send it directly to Town Council and Planning Commissioners as well.

COMMISSIONER THOMAS: Thank you. Perfect. Very exciting. We've been waiting for this letter, I know.

My other question was related to the procedure for making changes. Obviously, if we forward this approval, it goes to Town Council, you explained that. If we have to make changes, will those changes go back to the Housing Element Advisory Board, then to the Planning Commission, then to Town Council? Is that the order that it happens?

ERIN WALTERS: I would ask either Ms. Armer or Mr. Paulson to answer that.

JENNIFER ARMER: I can start by answering that if the Planning Commission makes a recommendation on this tonight, or early tomorrow morning, and it wants to include some recommended changes, that is something that could be done; but it also is possible that comments will be shared tonight, for example, those that were included in writing in the Addendum, and that those will be taken into consideration when we return to the HEAB for their consideration of additional changes in response to the HCD letter.

So, if you choose as the Planning Commission to include modifications as part of your recommendation in this meeting, that could be part of the recommendation, but it also could just be general comments that we could consider and bring to the HEAB for their consideration and recommendation.

COMMISSIONER THOMAS: Okay, thank you. I don't feel like there are any major, necessary changes, and I understand. I guess what I'm asking is if this gets approved before January 31st, but then we do need to make changes based on our HCD feedback, then it goes back to HEAB, then back to us, then to the Town Council. The changes need to be approved at those three levels?

JENNIFER ARMER: Thank you for that clarification. Yes, the next steps would be to go to HEAB, and then to submit that revised document to HCD to see whether it has addressed their comments and whether they can now certify the Housing Element. If it is certifiable, then it could be forwarded to Planning Commission for consideration and recommendation to Town Council.

COMMISSIONER THOMAS: Okay, just wanted to confirm that that was still happening. Okay, thank you.

CHAIR HANSSEN: If you don't mind, Commissioner Janoff, I did want to ask a question before I go back to you.

As a preface statement, on December 1st the Housing Element Advisory Board—and this is for the benefit of everyone on the Commission and anyone watching—was able to review comment letters that came from HCD to other jurisdictions, for example, Saratoga, but there were probably eight or nine different jurisdictions, to get an idea of what we could expect from HCD.

I bring this up to ask the question of Staff, when we looked at this stuff on December 1st it seemed like one thing that was very consistent is there were definitely modifications that have to happen, but I didn't see in any of the comment letters where HCD said it could never go and certify it, it wanted modifications versus scraping something and having to bring something anew.

Based on the conversation that you guys had in December on the phone, did you hear anything that would lead you to believe that we hadn't followed the process properly, or was it more like we're going to have to put in a lot more detailed information similar to what we saw in those comment letters? So that's my question.

JOCELYN SHOOPMAN: Thank you for the question. I would say our verbal conversation with the HCD reviewer really mirrored many of those comment letters that HEAB reviewed in December, and it really was the information is there, however we may need more narrative to describe it, more local knowledge, and more data to back that information up.

CHAIR HANSSEN: That's where I'm seeing where we are right now, that there are going to be a lot of changes that will happen after the 31st whether this is approved or not, and this is sort of a stopgap thing to buy us some time until we can get this certified.

Commissioner Janoff.

COMMISSIONER JANOFF: I appreciate the comments that Vice Chair Barnett has offered, and I am thinking that rather than forward those changes to Council with our recommendation tonight that they stay with the general comments so that could go back through the process that Commissioner Thomas clarified, so that we can consider those comments with the HEAB and then on to the Planning Commission, to take it through that process of modification, if that's acceptable.

CHAIR HANSSEN: I think that's a good suggestion, but let's see where other comments go.

Commissioner Thomas.

COMMISSIONER THOMAS: I agree with that. I think that's a really good idea if Vice Chair Barnett is comfortable with that and feels we discussed or addressed them enough, because HEAB is going to have to go back and go over and make modifications and recommend adding more detail, as Ms. Shoopman said, so I think that's a good idea. I think that's a way to make things more efficient and streamline the process.

CHAIR HANSSEN: Vice Chair Barnett.

VICE CHAIR BARNETT: Thank you. I first want thank the members of the GPAC and HEAB for the tremendously wonderful job that they've done. I've read through the entire document, and unfortunately haven't been able to monitor the hearings of HEAB as they've progressed, but it is a magnificent document and I'm sure we're going to get final approval down the road.

In terms of my recommendation, I'm certainly comfortable with it being considered at any point that it's easily addressed, and I'm certainly mindful of the January 31st deadline. I did have one other suggested change that I haven't yet submitted, so that would also be in the way of a recommendation for consideration down the line.

CHAIR HANSSEN: So it's not a fatal flaw that would stand in the way of being able to consider it in compliance?

VICE CHAIR BARNETT: Absolutely not.

CHAIR HANSSEN: And we're talking about in compliance with the process that the State has outlined for doing the Housing Element.

Ms. Armer.

JENNIFER ARMER: Thank you, Chair. Before the Planning Commission gets too much into discussion I did want to suggest that we open up for public comment if questions of Staff are complete.

CHAIR HANSSEN: Do other Commissioners have questions of Staff in terms of process or procedure? And by the way, we will not be going through the entire document; it will be more like general questions. Okay, nobody else has any questions; so let's do that.

We will do Verbal Communications, so any member of the public is invited to speak on the Housing Element, and we ask you to limit your comments up to three minutes, and it looks like we have at least one person.

JENNIFER ARMER: Yes, thank you, it looks like Rigo Gallardo, and you should be able to unmute now. You have up to three minutes.

RIGO GALLARDO: Good evening, Chair and Members of the Planning Commission. My name Is Rigo Gallardo, I'm a representative from Carpenter's Local #405 for Santa Clara County and I'm speaking on behalf of approximately 39,000 union carpenters, men and women across Northern California, including 18,000 Santa Clara County residents and members.

Today I'm here to speak on area labor standards, ones that include a livable wage, healthcare, apprenticeships, and local hire.

A livable wage with medical and retirement benefits that allow workers and their families to live in the communities they work in. This also means those wages will be reinvested back into local economic community as they spend their earnings, and their tax dollars will help fund local schools and government.

A commitment to accredited apprenticeship programs to guarantee we will continue to have a trained, skilled, and experienced work force that is able to complete high-quality projects in a safe and timely manner.

Healthcare is vital in these COVID years and having healthcare for families is a big necessity. I believe if you work hard full time you should have access to healthcare from your employer.

Being able to work where you live as a local hire allows you to spend more time with your family and be more involved in your community. My question to you is what are we doing to implement these area labor standards in our upcoming projects? Thank you.

CHAIR HANSSEN: Thank you for your comments. The way our Verbal Communications work is we don't normally answer questions if you have them during the Verbal Communications, but I don't know if Staff wants to add anything to that?

JENNIFER ARMER: No, but we can answer questions during the discussion.

CHAIR HANSSEN: But if any Commissioners have questions for Mr. Gallardo, we can do that.

Commissioner Thomas.

COMMISSIONER THOMAS: Thank you, Chair. Thank you, Mr. Gallardo, for staying up late and coming to speak on stuff that is important to us. I wanted to ask if you had any specific requests or anything to do with the decision that we're going to be making tonight about the Housing Element, or if your comments are more just general about some of our policies that we're dealing with in Town right now?

RIGO GALLARDO: Just the policies.

COMMISSIONER THOMAS: Okay, thank you so much.

CHAIR HANSSEN: Thank you, and just know that your comments are noted and will be circulated to the place that can help. Thank you.

We have another speaker, Ms. Quintana.

LEE QUINTANA: Wow, thank God this is the last item on the agenda.

I find this process rather difficult, because it feels like we're making comments based on a moving target, which makes it very difficult to make comments, so I will focus my comments on the Implementation section, and I do want to make a few comments.

The Implementation section has over 60 implementation programs, and it seems to me that there are at least eight items that are subject to the use of BMP funds. There are also at least five items that have to do with rehabilitation and repair. There are other groups of items that have to do with outreach to the public and outreach to the development community.

It seems to me that as a user-friendly document it would make a lot of sense to revise the organization of the Implementation section to focus on areas of common concern rather than having rehabilitation issues spread out throughout the document stated in slightly different ways

to meet slightly different policies but essentially they're all the same, and I think that's really important.

One other comment I would specifically make is Habitat for Humanity is mentioned in the Implementation programs, and I would ask that you recommend to Council that before they specifically mention HFH they verify with HFH that they are willing to participate in rehabilitation and repair programs in Los Gatos, given the fact of the result of their participation in the Dittos Lane project. It's my understanding that HFH has decided that it won't touch anything in Los Gatos in the future. Those are my comments for now.

CHAIR HANSSEN: That's good information to follow up on, and as with the General Plan we had a lot of implementation programs in the General Plan, and so getting them in a good organization so that people can work from them is a very good suggestion.

LEE QUINTANA: Do I have any time? I have one more thing to say.

CHAIR HANSSEN: Oh, do you have more time? Okay.

LEE QUINTANA: I would like to say that also in the Implementation section I think it needs to be more specific about what we're trying to accomplish; not just rehab this and rehab that from this organization and that

organization, but the actual number of rehabs that we're aiming for.

The same thing with the BMP funds. It seems like we don't have that large a pot of BMP funds that it's enough to stretch over eight different programs. I also think we need to have more specific statements of what the objectives of these programs are and what we intend to accomplish by them specifically.

CHAIR HANSSEN: It looks like Commissioner Thomas has a question for you.

COMMISSIONER THOMAS: Hi, Ms. Quintana. Thank you for staying up late and offering some input. Would you be willing to submit a list of the categories you feel like the implementation program should be clumped into so that HEAB can explore that when this goes through the progress of the modifications?

LEE QUINTANA: I will be very honest with you. I have a terrible problem with putting things in writing, and it is almost to the point of being disabling. I went through the implementation programs and just looked at where the funding was coming from and what the topics were and could easily identify numerous things. I will try, but I don't think it's my responsibility to do that.

COMMISSIONER THOMAS: So your opinion in that it should be organized in a different way. You don't have an ideal structure in mind, just that it needs to be organized in a way that…

LEE QUINTANA: Well, I've given you three examples of specific categories that they could be broken down in. There are probably other categories that would need to be added to that.

COMMISSIONER THOMAS: I think like giving Staff and our consultants a little bit of an idea of the direction that you were thinking about would be helpful, but no, I agree, that's not your responsibility. Thank you.

CHAIR HANSSEN: Any other questions for Ms. Quintana? Thank you again for your comments. Is there anyone else that would like to speak about the Housing Element? I'm not seeing any other hands raised, so we can go back to the Commission.

Our objective is to make a recommendation to Council. We have only three people out of seven that have been on the Housing Element, and this is fairly complicated, so I wanted to see if anyone had any questions about the process or the document that would help you to make a recommendation? What we're looking for is are there any fatal flaws relative to thinking that this thing has

substantial compliance with what is needed for the State. All right, I don't see anyone with any questions.

This is like any other hearing though, so if there are questions for Staff, that's good, or if you have comments you'd like to make on the Housing Element and what we're trying to do with certification, this would be a good time to do that, and I don't think we're quite ready for a motion, but maybe.

Commissioner Janoff.

COMMISSIONER JANOFF: Thank you. Having been involved with the process gives us a little bit of an advantage, because we've read every word and gone through that drafting process.

I would like to say that what I believe we are being asked to do tonight is forward a recommendation for Town Council to approve the draft. I think I could find that our draft is in substantial compliance. There was a great deal of work by Staff, by consultants, we've got public comments, and we've followed the guidelines that the HCD had provided. I think that I can competently say that this draft is in substantial compliance having worked on it, not having received any comments back, but I think that there's a fairly low risk in our making this recommendation to Council. We can anticipate that there might be changes

coming, as Staff has indicated, but I would not expect those changes to substantially alter the draft that we have before us such that our recommendation would be hollow, so I very much would support making the recommendation to Town Council that they approve this draft and the associated documents.

CHAIR HANSSEN: Thank you, Commissioner Janoff. Commissioner Thomas and then Commissioner Burnett.

COMMISSIONER THOMAS: I agree with Commissioner Janoff's comments, and as someone that has been sitting on the Housing Element Advisory Board, I actually wasn't at the meeting where we approved this, but I did look at all the feedback and was keeping up and I do think that this needs to get forwarded. I'm really happy with the process that we would be able to modify anything that we need to, concerns that come up related to HCD and official certification or not, or acceptance by HCD.

What I really am most concerned about though is us missing the deadline. As my time on the Planning Commission, the Housing Element Advisory Board, and the General Plan Update Committee, I feel like it's really important that we meet this deadline.

I attended a couple of online Zoom meetings and information sessions about the Builder's Remedy, and I know

that it hasn't been used that much in the past, but I went to some Zoom sessions on some things and there are contractors, people, and a slew of lawyers that are really, really, really ready to jump on using the Builder's Remedy to get projects pushed through like on February 1st, and everything is very organized and lined up with a lot of different organizations and it's heavy supported by a lot of people at the State level, I think, because of the housing crisis.

So I think that from my experience on the Planning Commission, on the Housing Element Advisory Board, and the General Plan Committee, I know that for the people that live in Los Gatos a really, really high priority is maintaining local control over what gets built where, and if we don't certify this, we're going to lose that control, and so I think that that's something that's really important. I was pretty surprised at how organized some of these groups are with being ready and having the resources to really use the Builder's Remedy to get some projects through.

CHAIR HANSSEN: And without local control.

COMMISSIONER THOMAS: Yes, and I guess that's the most important part; this Builder's Remedy is we would have no say. Planning Commission, Town Council, Town Staff would

have zero say essentially on what would be built, and so we would just lose all local control essentially and that, I know, is really the last thing that a lot of people in Town want.

CHAIR HANSSEN: Thank you for that, Commissioner Thomas.

Commissioner Burnett.

COMMISSIONER BURNETT: Yes, good evening. It's been an interesting evening. Yes, I do agree with Commissioner Janoff and Commissioner Thomas. I believe this is a good document and I would definitely be for it and sending it back to the Town Council. I also like the idea that two new sites were added, which would help maintain the RHNA plus a buffer, so I think it would be the correct decision to send it back to the Town Council as it is. Thank you.

CHAIR HANSSEN: Thank you for the comments. Commissioner Clark.

COMMISSIONER CLARK: I have a question, and then I can make some comments. I was wondering how much money is in the Town Affordable Housing Fund and the BMPP funds? I had thoughts similar to Ms. Quintana's about those being applied to a lot of programs and I was wondering what those funds look like.

JOEL PAULSON: Thank you, Commissioner Clark. I don't have a number off the top of my head, and there has been some shifting with some of the funds relating to the Dittos Lane project, that was about $1.2 million, so I would assume it's probably somewhere in the range of about $2.5 million currently.

COMMISSIONER CLARK: Okay, thank you. I don't know, maybe something for the Town Council to consider is whether that is sufficient for all the things that we have them allocated for.

I don't have any concrete changes that I'm going to recommend tonight, I just have a few things that I'd appreciate being included in comments to the Council when it's reviewed, or reviewed by the Housing Element Advisory Board, in the future.

I think that there's a lot about preservation and repair of apartments and things like that, but a big problem I think we all see on the Planning Commission is the constant loss of starter homes in our town. If there's a home that is relatively affordable and maybe is one or two bedrooms and is one-story and kind of old, it gets bought by someone who has the money to afford it and then it gets turned into a really big home that from then on nobody will be able to afford, and so we're losing places

that people can buy when they want to purchase their first home, and so I'd like to see something about preservation of starter homes included.

One idea that I have floated around is something like if a family buys a property, they aren't allowed to demolish the home within their first five years of owning it or something, so that people with a huge amount of wealth don't buy a tiny home in order to demolish it. Just in general, something along those lines.

And maybe like Policy HE-4.4, which is Naturally Occurring Affordable Units, because that's an example of that.

Also, there is not an implementation program for Policy HE-2.2, Housing Vouchers, and I think Section 8 vouchers are really important and I really liked seeing that policy in there, but without an implementation program nothing really concrete around it will happen, so I think we should have an implementation program related to that policy on Section 8 vouchers.

For Program D, the North Forty Specific Plan, there's an increase in the maximum density and I think that we should include an increase in the maximum height as well, because with the first section of the North Forty that people are pretty upset with, the height restriction

is definitely part of what made them more expensive I know from speaking with the builders of the complex. Also part of the reason why it's not aesthetically pleasing to a lot of people is because they built as high as they could and then couldn't really add any shape at the top or anything.

So those are the comments. I saw you all taking notes, so thank you; I appreciate it.

CHAIR HANSSEN: Those are very good comments. I don't know how much of the Housing Element you got to read, and the devil is certainly in the details, but one of the major goals in the Housing Element is preserving the existing housing stock, so to me that would be a very important detail that we need to have covered as part of that goal. And the policies tend to be fairly high-level too, and sometimes they're specific, but the implementation programs is where we would have a lot more details, so thank you for those very specific suggestions.

COMMISSIONER CLARK: Yes, thank you.

CHAIR HANSSEN: I just wanted to add on to Commissioner Janoff's comments that I feel very comfortable, and even though I've been through this document a million times I felt even more comfortable after I read the Staff Report, because the way I was looking at it was it's not all the way in the details about like what

density do you have on what site, it's the process that we went through.

One of the things that we had to do in this Housing Element is add in affirmative fair housing—it's a new law in California—and so we have a consultant, and the consultants worked on that to make sure that we've incorporated all the appropriate language for that. We have to have the site inventory; that part is done, and we have to have goals and policies that would lead us to being successful in meeting our RHNA.

The way I really think this will end up happening is once we get the comment letter from HCD, and that's why I asked about the comment letters comparing this to the comment letters of the other jurisdictions, because it is very clear in all those comments that what they really want is don't just say I'm going to make affordable housing happen. I'm just using it as an example. It would be like I'm going to take these steps to make this project happen here or this kind of project happen, and so that's all the stuff that we would think would come from HCD.

But I feel really comfortable that we went through this whole process, that we have a good site inventory that could potentially produce the RHNA, and that we have the right kinds of goals and policies and it just

needs to go to the next level in terms of detail, and I'm going to guess that when we see HCD's comments it will be pretty much like that, and there are certainly some modifications that have to happen to make sure we're in compliance with the State law, because they keep changing, but those are all modifications.

Other thoughts from the rest of the Commission? If you don't have any other concerns we could try a motion and see if we're there, and if not, we can keep talking.

Commissioner Raspe.

COMMISSIONER RASPE: Thanks, Chair. I don't have any particular concerns. I've read the document and I think you're right, the devil is in the details and there's a lot in there. I'm relying heavily on Staff and the highly qualified members of this Commission who have spent countless hours on it, and I think you've done a fantastic job, so I'm comfortable that this document represents our best current efforts and is suitable to go forward.

I'm also uncomfortable in the knowledge of the downside if we don't move forward, what the risks are, and so I think it behooves us to recommend to Town Council that we forward the recommendation of approval of this newly revised Housing Element update.

CHAIR HANSSEN: Well said, thanks. Commissioner Janoff.

COMMISSIONER JANOFF: That sounded like a motion.

COMMISSIONER RASPE: It is now.

COMMISSIONER JANOFF: If it was, then I'll second that motion.

CHAIR HANSSEN: Do you want that to be a motion, Commissioner Raspe?

COMMISSIONER RASPE: Sure. Do you want me to make it a little more formally?

CHAIR HANSSEN: Sure, why don't you go ahead?

COMMISSIONER RASPE: I move that we provide to Town Council a recommendation to adopt the Draft 2023-2031 Housing Element as set forth in Exhibit 1 of our Staff Report, with revised Sites Inventory Analysis as provided in Exhibit 4, and a revised Sites Inventory Form as provided in Exhibit 5.

CHAIR HANSSEN: Excellent. Second? Commissioner Janoff.

COMMISSIONER JANOFF: Second.

CHAIR HANSSEN: Any other comments before we vote? I don't see any.

Commissioner Thomas.

COMMISSIONER THOMAS: Yes.

CHAIR HANSSEN: Commissioner Raspe.

COMMISSIONER RASPE: Yes.

CHAIR HANSSEN: Commissioner Janoff.

COMMISSIONER JANOFF: Yes.

CHAIR HANSSEN: Commissioner Clark.

COMMISSIONER CLARK: Yes.

CHAIR HANSSEN: Commissioner Burnett.

COMMISSIONER BURNETT: Yes.

CHAIR HANSSEN: Vice Chair Barnett.

VICE CHAIR BARNETT: Yes.

CHAIR HANSSEN: And I vote yes as well, so that passes unanimously, and since this is a recommendation I'm just going to clarify with Staff that there are no appeal rights.

JENNIFER ARMER: That is correct.

(END)

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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January 12, 2023

Joel Paulson, Director
Community Development Department
Town of Los Gatos
110 E Main Street,
Los Gatos, CA 95030

Dear Joel Paulson:

RE: Town of Los Gatos' 6th Cycle (2023-2031) Draft Housing Element

Thank you for submitting the Town of Los Gatos draft housing element received for review on October 14, 2022. Pursuant to Government Code section 65585, subdivision (b), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from YIMBY Law and Greenbelt Alliance, Kylie Clark, Silicon Valley@Home and Campaign for Fair Housing Elements and YIMBY Law, pursuant to Government Code section 65585, subdivision (c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State Housing Element Law (Article 10.6 of the Gov. Code). The enclosed Appendix describes the revisions needed to comply with State Housing Element Law.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c), shall be completed no later than one year from the statutory deadline. Please be aware, if the Town fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until any necessary rezones are completed.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting

requirements pursuant to Government Code section 65400. With a compliant housing element, the Town will meet housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the Town to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: https://www.opr.ca.gov/planning/general-plan/guidelines.html.

HCD appreciates your hard work provided in the housing element update. We are committed to assisting the Town in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Jose Armando Jauregui, of our staff, at jose.jauregui@hcd.ca.gov .

Sincerely,



Paul McDougall
Senior Program Manager

Enclosure

APPENDIX
TOWN OF LOS GATOS

The following changes are necessary to bring the Town's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on HCD's website at https://www.hcd.ca.gov/planning-and-community-development/hcd-memos. Among other resources, the housing element section contains HCD's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks),* available at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks and includes the Government Code addressing State Housing Element Law and other resources.

A. Review and Revision

Review the previous element to evaluate the appropriateness, effectiveness, and progress in implementation, and reflect the results of this review in the revised element. (Gov. Code, § 65588 (a) and (b).)

The review requirement is one of the most important features of the element update. The review of past programs should describe progress in implementation of previous actions, including results compared to objectives and evaluate the effectiveness of actions to make appropriate adjustments in the current planning period. In the most cases, the element does not describe any progress in implementation and particularly housing related outcomes and then simply concludes to continue or modify programs. For example, the prior element had a program to implement the below market rate program and evaluate the program as a constraint. The element reports the program was implemented. There is no discussion of outcomes or an evaluation of constraints. Then, the element concludes the program will be modified but the new program does not appear to adjust on past efforts. The element must fully describe past commitments, progress in implementation, evaluate effectiveness and then discuss appropriate adjustments in the current planning period.

In addition, the element must provide an evaluation of the cumulative effectiveness of past goals, policies, and related actions in meeting the housing needs of special needs populations (e.g., elderly, persons with disabilities, large households, female-headed households, farmworkers, and persons experiencing homelessness) and revise programs as appropriate.

B. Housing Needs, Resources, and Constraints

1. *Affirmatively further[ing] fair housing in accordance with Chapter 15 (commencing with Section 8899.50) of Division 1 of Title 2…shall include an assessment of fair housing in the jurisdiction. (Gov. Code, § 65583, subd. (c)(10)(A).)*

Regional Level Patterns and Trends: While the element includes several maps and tables and reports data, it generally must evaluate the data and especially at a regional level, comparing the Town to the broader region. This is particularly important since the Town appears far different from the rest of the region. The analysis should address all components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity) and should focus on race, income, and overall access to opportunity). The analysis should address trends and incorporate local data and knowledge and other relevant factors (See below).

Income and Racial Concentration of Affluence (RCAA): The element briefly mentions incomes in the Town compared to the region and notes it is safe to speculate the Town has neighborhoods that are RCAAs; however, the entire Town is a RCAA and the element should incorporate this information. Please see HCD's Affirmatively Furthering Fair Housing (AFFH) Data Viewer at https://affh-data-resources-cahcd.hub.arcgis.com/. The element should include specific analysis of income and RCAA at a regional level (Town compared to the broader region). The analysis should at least address trends, conditions, coincidence with other fair housing factors (e.g., race, highest resource, overpayment), effectiveness or absence of past strategies (e.g., lack of publicly assisted housing and lack of multifamily zoning), local data and knowledge and other relevant factors. The element must add or modify meaningful programs based on the outcomes of this analysis, including actions to improve housing mobility within and beyond Town boundaries.

Disparities in Access to Opportunity: While the element provided a general analysis of opportunity areas, and high-level conclusions about the Town's disparities in access to opportunity, it should analyze trends and patterns related to access to transportation on a local and regional level.

Disproportionate Housing Needs, Including Displacement Risk: The element includes some information on cost burden and overcrowding but should also discuss local patterns of housing conditions. For example, the element should discuss areas of the Town where proportions of housing units needing rehabilitation may be higher than other areas and may utilize local knowledge such as qualitative information from code enforcement staff.

Identified Sites and Affirmatively Furthering Fair Housing (AFFH): The element must include data on the location of regional housing need allocation (RHNA) sites by income group relative to all fair housing components. The analysis should address the number of units by income group and location, any isolation of the RHNA by income group, magnitude of the impact on existing concentrations of socio- economic characteristics and discuss how the sites improve fair housing conditions. The analysis should be supported by local data and knowledge and other relevant factors and programs should be added or modified as appropriate to promote inclusive and equitable communities.

Local Data and Knowledge: The element must include local data, knowledge, and other relevant factors to discuss and analyze any unique attributes about the Town related to

fair housing issues. The element should complement federal, state, and regional data with local data and knowledge where appropriate to capture emerging trends and issues, including utilizing knowledge from local and regional advocates and service providers, Town staff and related local and County planning documents.

Other Relevant Factors: While the element includes some general background on exclusionary practices, it should relate these situations to the Town and complement data and mapping with other relevant factors that contribute to fair housing issues in the Town. For instance, the element can analyze historical land use; zoning and barriers to housing choices such as past denials of affordable housing, local land use initiatives or proposed referendums; investment practices; seeking investment or lack of seeking investment to promote affordability and inclusion; information about redlining/greenlining, restrictive covenants and other discriminatory practices; land use related lawsuits; local land use initiatives; demographic trends, or other information that complements the state and federal data.

Contributing Factors to Fair Housing Issues: Upon a complete AFFH analysis, the element must assess and prioritize contributing factors to fair housing issues and add or modify programs as appropriate.

2. *Include an analysis and documentation of household characteristics, including level of payment compared to ability to pay, housing characteristics, including overcrowding, and housing stock condition. (Gov. Code, § 65583, subd. (a)(2).)*

   Housing Conditions: The element provides some information on age of the housing stock. However, it must estimate the number of units in need of rehabilitation and replacement. For example, the analysis could include estimates from a recent windshield survey or sampling, estimates from the code enforcement agency, or information from knowledgeable organizations. For additional information, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks/housing-stock-characteristics.

3. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

   Pipeline Projects: The element includes a list of 176 units through pipeline projects on page D-38. While the element may utilize pipeline and potential development projects toward the RHNA, it must also demonstrate their affordability and availability in the planning period. Affordability must be demonstrated based on actual sales price, rent level or other mechanisms ensuring affordability (e.g., deed restrictions). Availability should account for the likelihood of project completion in the planning period and should address the status, necessary steps to issue permits, any barriers to development and other relevant factors.

Sites Inventory: The element must clarify what the allowable density is for the North Forty Specific Plan identified in Table A. The inventory indicates sites zoned under the North Forty Specific Plan where the minimum and maximum densities is the same (i.e., 30 units per acre). If the densities are the same, the element should include a specific analysis of the range as a potential constraint.

Realistic Capacity: The element must include a methodology for calculating the realistic residential capacity of identified sites. The methodology must be adjusted as necessary, based on the land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction. For example, the element could clearly list other recent projects, the zone, acreage, built density, allowable density, level of affordability and presence of exceptions such as a density bonus.

In addition, the element must also account for the likelihood of 100 percent nonresidential development. The element lists recent trends for residential development in non-residential zones but should also consider the development activity of 100 percent nonresidential uses. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. This analysis may incorporate any proposed policies such as residential performance standards and prohibition of commercial uses.

Nonvacant Sites: The element must include an analysis demonstrating the potential for additional development on nonvacant sites. The element generally provides a description of the properties like location and whether the property owner submitted an interest form but does not describe the results of the form or why the property might redevelop in the planning period. To address this requirement, the element should address the extent to which existing uses may constitute an impediment to additional residential development, the Town's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.

For your information, if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, § 65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.

Replacement Housing Requirements: The element identifies sites with existing residential uses. Absent a replacement housing program, these sites are not adequate sites to accommodate lower-income households. The replacement housing program

that has the same requirements as set forth in Government Code section 65915, subdivision (c), paragraph (3). The housing element must be revised to include such analysis and a program, if necessary.

Small Sites: The element identifies several sites smaller than a half-acre. Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent size and affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of the sites to accommodate housing for lower-income households, including programs as appropriate.

Zoning for Lower-Income Households: The element must demonstrate zoning appropriate to accommodate housing for lower-income households. The sites inventory includes zones with densities of 14 to 22 units per acre (Medium Density Residential R-M) that allocate units for lower income. However, the element does not include an analysis evaluating the adequacy of the R-M zone to encourage and facilitate the development of units affordable to lower-income households. For communities with densities that meet specific standards (allow at least 30 units per acre for Los Gatos), no analysis is required. Otherwise, the element must include an analysis based on, including but not limited to, factors such as market demand, financial feasibility and development experience within identified zones demonstrating how the adopted densities can accommodate housing for lower-income households.

SB 9 Sites: The element identifies SB 9 as a strategy to accommodate the part of the Town's RHNA. To support these assumptions, the analysis must include experience, trends and market conditions that allow lot splits. The analysis must also include a nonvacant sites analysis demonstrating the affordability, likelihood of redevelopment and the existing use will not constitute as an impediment for additional residential use. The analysis should describe how the Town determined eligible properties, whether the assumed lots will have turnover, if the properties are easy to subdivide, and the condition of the existing structures or other relevant factors indicating additional development potential. The analysis should also describe interest from property owners as well as experience. The analysis should provide support for the assumption of eligible properties being developed within the planning period. Based on the outcomes of this analysis, the element should add or modify programs to establish zoning and development standards early in the planning period and implement incentives to encourage and facilitate development as well as monitor development every two years with and identify additional sites within six months if assumptions are not being met. The element should support this analysis with local information such as local developer or owner interest to utilize zoning and incentives established through SB 9.

Availability of Infrastructure: The element must demonstrate sufficient existing or planned water and sewer capacity to accommodate the Town's RHNA for the planning period.

Zoning for a Variety of Housing Types:

- *Transitional and Supportive Housing:* Transitional housing and supportive housing are permitted as a residential use and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone. The element must demonstrate compliance with this requirement or include a program if necessary.
- *Permanent Supportive Housing*: By right permanent supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses pursuant to Government Code section 65651. The element must demonstrate compliance with this requirement and include programs as appropriate.
- *Employee Housing*: The element should clarify if there are any zones that allow agriculture uses. If there are zones that allow agriculture uses, then the town must comply with California Health and Safety Code Section 17021.6. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone.
- *Manufactured Housing:* The element must demonstrate zoning permits manufactured housing on a permanent foundation in the same manner and in the same zone as a conventional or stick-built structures are permitted (Government Code Section 65852.3) or add or modify programs as appropriate.

Electronic Sites Inventory: For your information, pursuant to Government Code section 65583.3, the Town must submit an electronic sites inventory with its adopted housing element. The Town must utilize standards, forms, and definitions adopted by HCD. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for a copy of the form and instructions. The Town can reach out to HCD at sitesinventory@hcd.ca.gov for technical assistance.

4. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

   Land Use Controls: The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. For example, the element should analyze all development standards by zoning district for impacts on housing costs and ability to achieve maximum densities. The element should also discuss any local initiatives, referendums, moratoriums or other mechanisms (existing or proposed) that impact housing supply, cost, feasibility, timing and ability to achieve maximum densities. In addition, the analysis should specifically address the development standards in the North Forty Specific Plan, Mixed Use Commercial, and the High-Density Residential zone. The analysis must evaluate the cumulative impacts of land use controls on the cost and supply of housing, including the ability to achieve

maximum densities. The Town could engage the development community to assist with this analysis.

Fees and Exaction: While the element lists the total fees per units for single-family and multifamily development, it should also list the fees that comprise that total and particularly impact fees then evaluate those total fees for impacts on development costs.

Local Processing and Permit Procedures: The element must describe and analyze the types of permits, extent of discretionary review including required approval findings, number of public hearings and processing time required for a typical single family and multifamily development that meets zoning requirements.

Housing for Persons with Disabilities: The element indicates the Town adopted a procedure for requesting reasonable accommodation for persons with disabilities (p. C-23) and describes the procedure; however, the element should address criteria related to: "There would be no impact on surrounding uses" and include a program to address the constraint. In addition, residential care facilities for seven or more require a conditional use permit (CUP). The element should evaluate the CUP as a constraint and add a program to allow group homes in all residential zones with an objective and certain process similar to other residential uses.

Density Bonus: The element states the Town adopted a state density bonus program in June 2012. The Town's current density bonus program should be reviewed for compliance with current State Density Bonus Law (SDBL). (Gov. Code, § 65915.). The element should include a program to update density bonus program. Program V is conducting a study to evaluate the existing Density Bonus Ordinance and recommend changes to increase the number of units constructed, however it should specifically commit to update the ordinance in compliance with state law.

Inclusionary Zoning Ordinance: The element mentions the Town's inclusionary zoning ordinance, but it must also analyze the Town's inclusionary housing requirements, including its impacts as potential constraints on the development of housing for all income levels. The analysis must evaluate the inclusionary broader policy's implementation framework, including the percentage of new residential construction that is dedicated to affordable housing, the types of options and incentives offered, relationships with SDBL and any other factors that may impact housing costs.

Zoning and Fees Transparency: The element must clarify its compliance with new transparency requirements for posting all zoning, development standards and fees for each parcel on the jurisdiction's website.

5. *Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter. (Gov. Code, § 65583, subd. (a)(7).)*

Special Housing Needs: While the element quantifies some of the Town's special needs populations, it must also estimate the number of persons experiencing homelessness in the Town. In addition, the element reports data but must also analyze the special housing needs. For a complete analysis of each population group, the element should quantify the needs, evaluate trends and characteristics (e.g., tenure, income) of housing needs, discuss disproportionate challenges faced by the population, the existing resources to meet those needs, assess any gaps in resources or effectiveness of past strategies, describe the magnitude of the remaining need and appropriate propose policies and programs.

For additional information and a sample analysis, see the Building Blocks at https://www.hcd.ca.gov/planning-and-community-development/housing-elements/building-blocks.

C. Housing Programs

1. *Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the Housing Element... (Gov. Code, § 65583, subd. (c).)*

   To have a beneficial impact in the planning period and achieve the goals and objectives of the housing element, programs should have specific commitment toward housing outcomes and discrete and early timing (e.g., at least annually or by Jan 2025). Examples of programs to be revised include:

   - *Program K Small Multi-Unit Housing:* The Program should include a timeline of when zoning code will be updated.
   - *M Lot Consolidation*: The Program should include a quantification of approximately how many lot consolidations the town plans to facilitate.
   - *Program R Development Impact and Permit Fees*: The Program should include a completion timeline.
   - *Program S Affordable Housing Development*: The Program should include quantification of approximately how many units will be incentivized.
   - *Program T Purchase Affordability Covenants in Existing Apartments*: The element should clarify the timeline to establish and implement the program (e.g., by 2024 and at least annually).
   - *Program AC Housing Opportunities for Persons Living with Disabilities:* The Program must include a completion timeframe.
   - *Program AK Housing Conditions Survey*: Program should be revised to include a specific timeline for when the housing condition survey will be conducted. Additionally, the element should describe how often funding will be applied for (e.g., annually).

- *Program AR CDBG and Other Housing Rehabilitation Programs*: The Program should clarify how often the Town will participate in the County of Santa Clara Community Development Block Grant Joint Powers Authority (e.g. annually, biannually).
- *AS Countywide Home Repair Programs*: The Program should include a numerical target (e.g., how many minor home repairs).
- *AU Residential Rehabilitation Program*: The Program should include a timeline commitment.

2. *Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory completed pursuant to paragraph (3) of subdivision (a) without rezoning, and to comply with the requirements of Government Code section 65584.09. Sites shall be identified as needed to facilitate and encourage the development of a variety of types of housing for all income levels, including multifamily rental housing, factory-built housing, mobilehomes, housing for agricultural employees, supportive housing, single-room occupancy units, emergency shelters, and transitional housing. (Gov. Code, § 65583, subd. (c)(1).)*

   As noted in Finding B3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the Town may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

   Program D Additional Housing Capacity: Currently the element identifies a shortfall of adequate sites to accommodate the RHNA within the planning period. Program D appears to be intended to rezone sites to accommodate a shortfall of sites for the lower-income- RHNA. However, the Program must be revised to meet all requirements pursuant to Government Code section 65583.2, subdivisions (h) and (i). For example, the Program must commit to permit owner-occupied and rental multifamily uses by-right (without discretionary action) for developments in which 20 percent or more of the units are affordable to lower-income households.

   Replacement Housing Requirements: The housing element must include a program to provide replacement housing. (Gov. Code, § 65583.2, subd. (g)(3).) The replacement housing program must adhere to the same requirements as set forth in Government Code section 65915, subdivision (c), paragraph (3).

3. *The Housing Element shall contain programs which assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households. (Gov. Code, § 65583, subd. (c)(2).)*

   Program S (Affordable Housing Development): While the program targets extremely low income and other special needs groups, it should also include very low- and low-income

households. The Program should be revised to include outcome-oriented commitments such as annual outreach with developers and identification of development or housing opportunities.

4. *Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities. The program shall remove constraints to, and provide reasonable accommodations for housing designed for, intended for occupancy by, or with supportive services for, persons with disabilities. (Gov. Code, § 65583, subd. (c)(3).)*

   As noted in Finding B4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints.

5. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

   As noted in Finding B1, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the Town may need to revise or add or modify goals and actions. Goals and actions must specifically respond to the analysis and to the identified and prioritized contributing factors to fair housing issues and must be significant and meaningful enough to overcome identified patterns and trends. Actions must have specific commitment, milestones, geographic targeting and metrics or numerical targets and, as appropriate, address housing mobility enhancement, new housing choices and affordability in higher opportunity or higher income areas, place-based strategies for community revitalization and displacement protection. For example, the element must add significant and meaningful housing mobility actions to overcome the existing patterns in the Town related to the broader region.

6. *Develop a plan that incentivizes and promotes the creation of accessory dwelling units that can be offered at affordable rent... (Gov. Code, § 65583, subd. (c)(7).)*

   Program U Accessory Dwelling Units (ADU): While the element includes a program to incentivize ADU development by waiving fees when an ADU is deed restricted for very low-, and low-income households, it should also provide other incentives that incentivize and promote the creation of ADUs that can be offered at affordable rent. The element could consider other ADU incentives such as exploring and pursuing funding, modifying development standards, and reducing fees beyond state law, pre-approved plans, and homeowner/applicant assistance tools. Finally, the program should commit to monitor the production and affordability of ADUs (e.g., every other year) and make adjustments, if necessary, by a date certain (e.g., within six months).

D. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame. (Gov. Code, § 65583, subd. (b)(1 & 2).)

The element did not address this requirement. The element must include quantified objectives to establish an estimate of housing units by income category, including extremely low-income households, that can be constructed, rehabilitated, and conserved over the planning period.

E. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the Housing Element, and the element shall describe this effort. (Gov. Code, § 65583, subd.(c)(9).)

While the element described various efforts to achieve public participation in the preparation of the housing element update, it should also describe how comments were considered and incorporated into the element.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the Town must continue to engage the community, especially organizations that represent lower-income and special needs households, including local neighborhood groups and commenters on this review such as Silicon Valley@Home, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

F. General Plan Consistency

The Housing Element shall describe the means by which consistency will be achieved with other general plan elements and community goals. (Gov. Code, § 65583, subd. (c)(7).)

The Town must discuss how internal consistency will be maintained and achieved with other elements of the general plan throughout the planning period.

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Public Comments received by HCD between April 21, 2022, and November 18, 2022, and reference in HCD finding/comment letter dated January 12, 2023.

YIMBY LAW GREENBELT ALLIANCE

April 21, 2022

Dear Los Gatos City Council:

We are writing on behalf of **YIMBY Law** and **Greenbelt Alliance** regarding Los Gatos's 6th Cycle Housing Element Update. **YIMBY Law** is a legal nonprofit working to make housing in California more accessible and affordable through enforcement of state law. **Greenbelt Alliance** is an environmental nonprofit working to ensure that the Bay Area's lands and communities are resilient to a changing climate.

We are writing to remind you of Los Gatos's obligation to include sufficient sites in your upcoming Housing Element to accommodate your Regional Housing Needs Allocation (RHNA) of **1,993 units**.

In the Annual Progress Reports that Los Gatos submitted to HCD, we observe the following trend of housing units permitted in the last four years:

Year	Housing units permitted
2018	25
2019	31
2020	180
2021	225
Average, 2018–2021	**115**

To meet the 6th cycle RHNA target, the rate of new housing permits in Los Gatos would need to increase from **115 units per year** in 2018–2021 to **249 units per year** in the next 8 years. This is a 116% increase from recent years. **If the current pace were to continue, Los Gatos would meet only 46% of its new housing target**.

Based on these trends, it is unlikely that Los Gatos's existing realistic zoning capacity is sufficient to meet its 6th cycle RHNA target. According to HCD's Housing Element Site Inventory Guidebook, housing elements must analyze the realistic capacity of their sites, which may include considerations of "[l]ocal or regional track records", "past production trends", and "the rate at which similar parcels were developed during the previous planning period". A housing element that does not include a significant rezoning component is therefore unlikely to be compliant with state law.

We urge Los Gatos to include a major rezoning component in its Housing Element—a rezoning large enough to close the gap between recent housing production trends and the RHNA target. The rezoning should be within existing communities and should comply with the city's obligation to Affirmatively Further Fair Housing. We also urge Los Gatos to ease any other constraints, such as discretionary approval processes or impact fees, that may impede the rate of development on your city's housing sites.

Thank you,

Sid Kapur, East Bay YIMBY [redacted]
Rafa Sonnenfeld, YIMBY Law (rafa@yimbylaw.org)
Zoe Siegel, Greenbelt Alliance (zsiegel@greenbelt.org)

August 04, 2022

Dear Los Gatos City Council:

We are writing on behalf of **South Bay YIMBY** regarding Los Gatos's 6th Cycle Housing Element Update. As a regional pro-housing advocacy group, South Bay YIMBY works to ensure cities adopt housing elements that are fair, realistic, and lawful.

Per §8899.50(a)(1) of state code, Los Gatos's housing element must affirmatively further fair housing, which entails 'taking meaningful actions... that overcome patterns of segregation.'

The City of Los Gatos is uniquely positioned to affirmatively further fair housing, as Los Gatos is a wealthy, exclusionary city that researchers with the Othering and Belonging Institute at UC Berkeley identify as highly segregated from the rest of the Bay Area. This socioeconomic segregation is caused by the exclusionary cost of housing in your community, where an average home, as of April 30th, costs $2,926,000, which is only affordable to someone earning a salary of $452,000, meaning **only the richest 2% of households can afford to settle down in your community**. To put a finer point on the level of affluence in your city, the average home in your city costs more than French castles. It is thus no coincidence that your city is 64% whiter than the rest of the Bay, as well as 87% less black than the rest of the Bay Area.

In a 2021 report entitled 'Exclusionary Zoning: Its Effect on Racial Discrimination in the Housing Market,' economic advisors for the White House outline how exclusionary zoning, like yours, causes segregation. Your exclusionary zoning pushes low income children to live in less resourced areas, which begets worse life outcomes from health to income. The research is clear: exclusionary zoning violates your duty to further fair housing.

To take meaningful actions that overcome patterns of segregation, we recommend you:

1. **End apartment bans in high opportunity areas.** This will give middle and working class families the opportunity to share in the resources your rich neighborhoods enjoy. As of 2020, **your city banned apartments in over 93.6% of residential areas**, including in 96.7% of high opportunity residential areas.

2. **Accommodate 3423 low income homes in your site inventory.** While substantially larger than the floor of 847 low income homes required by RHNA, 3423 is the number of homes required to bring the proportion of low income families in your city in line with the rest of the Bay Area. While this number is large enough to be politically challenging, it will always be politically challenging to overcome segregation, as AFFH requires.

Thank you,
Salim Damerdji, South Bay YIMBY
Keith Diggs, YIMBY Law

The Town of Los Gatos

Via email: HEUpdate@losgatosca.gov

Cc: HousingElements@hcd.ca.gov

September 27, 2022

Re: Los Gatos's Draft Housing Element

To the Town of Los Gatos:

YIMBY Law appreciates the Town's recognition that "densification is the only practical solution to providing [its] fair share of future housing." (Los Gatos Draft Housing Element, pp.10-22, D-41.) The Town is correct that it (and the region) will become "less competitive" if it fails to stem the housing crisis (*id.* p.10-2); the South Bay's shrinking population warns us that its decline may have begun. Los Gatos effectively failed to produce any multifamily housing in the 2010s; overall home production peaked six decades ago. (*Id.* pp.B-22 to -23.) The Town must address this humanitarian disaster by throwing out the constraints it created to produce it. (Gov. Code § 65583(c)(3).)

We reject the Californian planning folklore that towns like Los Gatos are "largely built out." (Contra Draft, pp.10-22, D-41.) This just isn't true. Vast swathes of Los Gatos are zoned R-1, with building illegal on half of any lot (see *id.* p.C-1), and the Town enforces wasteful lot sizes far beyond any household's wildest needs (*id.* p.C-4; cf. *id.* p.A-9 [euphemizing lot sizes as "generous"]). The Town also charges thousands of dollars just to redraw the imaginary lines that prevent homes from being built. (*Id.* p.C-13.)

State law requires none of this. It *does* require that affordable housing in Los Gatos be allowed to develop at at least 30 homes per acre (HCD Default Densities, p.18), and we call for the Town's affordable-housing overlay (Draft, p.C-5) to be raised to at least that level. Better still, legalize density across the Town. Similarly, the Town should *exceed*

what SB 9 already requires with respect to lot splits. (See *id.* pp.10-22.) Doing so would show that Policies HE-1.2, -1.7, and -6.5 are serious. (*Id.* pp.10-24, -28.)

Besides density, processing time is a major known contributor to the housing shortage. We thank the Town for publishing that it takes 1–1½ years to permit an approved multifamily development. (*Id.* p.C-20.) While this is on par with other Santa Clara County jurisdictions (*id.* p.C-19), there's no inherent reason the process should take so long: safe, dense, and affordable cities preexist our modern approval processes by millennia. Be bold and dismantle any nonsafety design standards.

Finally, we appreciate the Town's confirmation that the owners of several opportunity sites "ha[ve] expressed interest in residential redevelopment." (See *id.* pp.D-2 to -36.) It appears, however, that the owners of many other sites have not. (See *ibid.*) We question whether it is in fact realistic that those sites will see housing in this cycle.

We look forward to the City's next draft. Please contact me with questions.

Sincerely,



Keith Diggs
Housing Elements Advocacy Manager, YIMBY Law
keith@yimbylaw.org

sv@home

Board of Directors

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The Core Companies

Kelly Snider
Kelly Snider Consulting

Jennifer Van Every
The Van Every Group

STAFF
Regina Celestin Williams
Executive Director

September 30, 2022

Submitted via email

Mayor Rennie and Councilmembers
Town of Los Gatos
110 E. Main St.
Los Gatos, CA 95030

Dear Mayor Rennie, Vice Mayor Ristow, and Councilmembers Badame, Hudes, and Sayoc:

RE: Housing Element

The 6th Cycle Housing Element Update process is a unique opportunity to fully assess housing needs in Los Gatos and to identify new tools to address these needs and constraints on developing housing. This process is also an opportunity to engage deliberately with the full community to share their housing needs, especially those who are represented from populations that have been historically excluded and are at risk of displacement. This unique opportunity is one that is required to adhere to the clear legal guidance as outlined by HCD in multiple documents interpreting state law.

This is not a simple process, and we appreciate the work that the Town of Los Gatos (hereon as the Town) staff, elected and appointed representatives, and members of the community have done over the last 9-12 months. As you know, however the expectations for this process are high, and jurisdictions throughout the state have struggled to generate compliant housing elements for this cycle.

During this comment period on the current draft, there is still time to receive public input and address concerns prior to submission of the Housing Element Update to the state. Towards that end, SV@Home is submitting the following comments.

Outreach, Community Input, and Targeted AFFH Engagement as the Foundation of the Housing Element Update Process

Los Gatos has invested a wealth of energy and effort into the General Plan Task Force and Update process that began before, and overlapped with the Housing Element Update. The new General Plan captures the City's commitment to equitably meeting the needs of all its residents, including taking action to rectify past racial injustice. The General Plan planning process garnered significant public interest, and a successful Task Force led process. This was a significant accomplishment, and foundation for the Housing Element Update process, but the Housing Element requires a different assessment of needs and a qualitatively different process of community engagement.

Although the Draft Housing Element documents that many groups were invited into the process, it is not clear which of these stakeholder groups participated, what insights they shared about the housing needs of their constituents, or the housing solutions they proposed. Additionally, it is notable that no contact is listed for organizations representing people with physical, intellectual, or developmental disability. We also have questions

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about how adequate the targeted outreach was to tenants. Affirmatively Furthering Fair Housing (AFFH) requires jurisdictions to do targeted outreach to groups that generally do not access traditional public venues, or receive notifications through commonly used channels. The responsibility for robust and meaningful two-way engagement with all stakeholders goes beyond simply inviting them into the existing process.

We recommend that the Town take the opportunity to reengage and expand on prior community engagement efforts to facilitate a meaningful two-way engagement with all stakeholders to collect input on the current Draft. This process should include a thorough documentation of prior input on housing needs and proposed solutions and a clear record of input received through this additional engagement. These discussions should more clearly inform the housing needs assessment, the constraints analysis, and the policies and programs proposed in response.

The Draft states that the data packet supplied by ABAG was the basis for decisions about housing goals, policies, and implementation programs. This approach fails to meet the central expectation of the Housing Element Update process to integrate a process of consultation and reengagement with the community to fully understand and respond to their housing needs. HCD's guidance documents clearly require substantive incorporation of local knowledge into jurisdictions' foundational understanding of their residents' housing needs, and policies and programs to be responsive to those needs. This is the purpose of the requirement for robust outreach and engagement. We believe much of this local perspective has been collected.

We recommend that the Town reassess the components of the Housing Element to integrate local knowledge gained through robust outreach and community engagement along with data as the foundation for decisions about housing goals, policies, and implementation programs.

Los Gatos' recently adopted General Plan demonstrates that there is real momentum and community support to address racial injustice, but concrete policies and programs to build on this discussion and respond to the real community interest have not been identified in the Housing Element process. Without an articulation of the connection between policy goals and racial segregation or disproportionate housing need for protected classes, the community's intent cannot translate into change. It would be tragic, and a real missed opportunity, for less to come of that work than it deserves.

We recommend that the Town identify and clearly articulate the connection between policy goals and implementation programs, and racial segregation or disproportionate housing needs for protected classes.

Anti-displacement Policies and Programs to Affirmatively Further Fair Housing

The Town is in a unique position of having an existing landlord/tenant mediation and arbitration ordinance. The rent dispute ordinance applies to rentals on properties of 3 or more units and on rent increases at 70% of CPI or 5%. Increases below 5% are considered valid and cannot be disputed. A landlord seeking an increase above 5% must justify the increase if disputed with "pass-through" and other operational costs, but would be capped at 10%. This is a program that is contracted out to Project Sentinel. We are pleased that the continuation of this program has been included in the current Draft Housing Element document. However, we are unaware of any assessment of the success of this ordinance. We generally have found that mediation and arbitration programs have a limited impact on preventing displacement, but do acknowledge that the ordinance is unique. We believe that the protections extended

under the existing ordinance should be augmented through additional programs or policies, to provide stability to tenants.

Earlier this year, SV@Home sent a letter outlining anti-displacement policies the Town could adopt to affirmatively further fair housing (AFFH). Some of the policies that SV@Home discussed include:

- **Rent Survey Program**: this will enable metrics for the Town to determine the efficacy of the mediation and arbitration ordinance, identify patterns of displacement, and consider effective policies to address the needs identified;
- **Tenant Relocation Assistance**: this program can help bridge the gap of moving expenses if a tenant is evicted for a no-fault cause, such as the redevelopment of an existing rental community. It can also serve as a tool to mitigate the costs of displacement prompted by a rent increase above a fixed percentage; and
- **Tenant Resource Center**: this program would help the Town achieve its stated goals of reaching more displacement-impacted populations to ensure they have access to the services they need (i.e. the existing rental assistance) while creating a safe location for tenants and landlords to access the mediation and arbitration ordinance, and other policies and programs as they are developed.

We recommend that the Town of Los Gatos build upon its existing mediation and arbitration ordinance to add policies such as a rent survey program, tenant relocation assistance, and a tenant resource center. A clear timeline and process for development of these, or other renter protections, should be set to ensure that the impact will be measurable within the 6th Cycle.

The Town is proposing policies to acquire both private market housing and subsidized housing with expiring affordability restrictions. This would require significant financial resources for acquisition and rehabilitation, and we do not find an explicit mechanism to provide these resources in the current Draft. In our earlier correspondence outlining potential anti-displacement policies to fulfill AFFH requirements, we noted the potential to build a robust preservation program around a Community Opportunity to Purchase Act (COPA).

We recommend that the Town of Los Gatos outline a strategy for expanding local affordable housing development resources. This strategy should begin with a clear list of options to consider, a target goal for funds to be generated, and a timeline for implementation as required.

Meeting RHNA Levels and Housing Opportunity Sites Inventory

The Town's updated General Plan was a significant undertaking, and we believe a turning point in the approach that Los Gatos takes towards responding to the housing needs of the Town and its role in the region. Los Gatos is a net importer of employees. The new General Plan outlines significant steps to increase the number of new homes in the Town, including significant changes to land use designations that will allow for increased densities and the construction of multi-family housing. Much of this detailed land use work remains in progress, but we are confident that the plan will be implemented.

Based on our initial analysis we have concerns with the Town's Sites Inventory. These are described below.

Insufficient Density in North 40 Specific Plan Area and Throughout the Sites Inventory

We are pleased to see that the Town will accommodate roughly 12 percent of its lower-income capacity to the North 40 Specific Plan area. Although there have been ongoing community discussions about this important specific plan, we

are aware of the richness of the area and the community's intent to celebrate its agricultural heritage and hillside views. We acknowledge the Town's efforts to balance the area's small town history and character with the local, and regional importance of increased residential density and affordable housing in the decade ahead. We are concerned, however, that the North 40 Specific Plan's N-40 zoning designation only allows for between 13 and 22 dwelling units per acre, which is well below the required Mullin density minimum of 30 dwelling units per acre per HCD's Housing Element Sites Inventory Guidebook.

In fact, approximately 63 percent of lower-income sites in the entire inventory currently do not meet this minimum density requirement. We know that under the recently adopted General Plan update there are significant plans to upzone portions of the Town, nonetheless, we are concerned that there will remain sites zoned at lower densities than required.

We recommend that the Town rezone all lower-income sites zoned with densities under 30 dwelling units per acre to allow for the HCD-required minimum density of 30 dwelling units per acre.

Overstatement of ADU Production Expectations

Appendix D estimates that 200 new ADUs will be built during the RHNA cycle, and that 40 percent of these (80 ADUs) will count towards the Town's lower-income obligations. This amounts to over 9 percent of the total combined very-low and low-income units, and just under 20 percent of the total low-income category alone.

These forecasts are likely based on the ADU calculation methodology provided to Bay Area cities by the Association of Bay Area Governments (ABAG). While we understand why cities are using this guidance in their Housing Element planning process, we believe that this methodology is flawed in two ways: 1) it assumes significantly lower rents than unpublished local studies have shown and we have found in our analysis that the ABAG methodology subsequently credits far more units to affordable goals than is warranted, and 2) it assumes that all ADUs are used as primary residences, rather than home offices, guest rooms, or play spaces for children. Together, these failings lead to a significant overstatement of ADU impact.

Policies HE-1.7, HE-2.6, and HE-6.5, together with program U, are intended to incentivize with minimal public subsidy the production of lower-income ADUs to meet RHNA targets. We acknowledge the Town's plan to waive building permit fees for deed-restricted lower-income ADUs under program U. However, Program U, including all the aforementioned ADU-related policies need to be assessed for their potential effectiveness, analyzed against current and past development trends, and incorporate input from single-family homeowners. Without this, the effectiveness of the proposed policies and programs are uncertain.

We recommend that the Town schedule an analysis to adequately assess the projected lower-income ADU production and that a system for tracking ADU production and rents be incorporated into annual HE reporting. This would allow for adjustments in current assumptions and provide an opportunity to assess the impact of the proposed policies.

We do note the inclusion of the General Plan land use policy 1.2, as an important step towards facilitating increased intensity of existing land use patterns. This is an important commitment given the nature of residential areas in the Town, and would similarly benefit from a scheduled review of its impact.

Methodology and Supporting Analysis of the Sites Inventory Fail to Conform to HCD Standards

The Housing Element Sites Inventory Guidebook produced by HCD, along with supplemental resources provided by the Association of Bay Area Governments have a number of requirements and recommendations for lower-income sites. These requirements are very specific for non-vacant parcels identified as lower-income opportunity sites.

Although we found detailed descriptions of several non-vacant sites, and we acknowledge the important effort undertaken through the General Plan process, we believe the draft does not meet key requirements including:

1. Include an explanation of the methodology used to select sites and their development potential;
2. Provide substantial evidence that indicates existing non-residential use will be discontinued or will not be an impediment to future residential development;
3. Demonstrate that there is clear developer interest in redeveloping each site, including consolidating parcels for housing, within the planning period;
4. Clearly describe how the realistic capacity calculations were used to determine the number of units that can be reasonably developed on a site, and
5. Incorporate potential constraints (e.g. environmental, parking, open space, parcel shape etc.) into the inventory's realistic capacity calculations consistent with the Guidebook.

Given the absence in the draft of alternative approaches to addressing these requirements, these details need to be provided on a site-by-site basis in the Sites Inventory.

We also note that approximately 24 percent of the new sites (totaling 211 units) identified for lower-income capacity are projected to accommodate fewer than 50 units. According to the Housing Element Sites Inventory Guidebook, lower-income sites that do not have 50 to 150 units make them less competitive for State and Federal resources to build affordable housing. The viability of financing affordable housing is of utmost importance. If the reasonable likelihood of adequately funding sites for lower-income units is low, then they should either have their realistic capacity assumptions heavily discounted across the inventory, or be removed from the Sites Inventory and be replaced with sites that could accommodate 50-150 unit developments.

We do acknowledge that the Town has prioritized an effort to expand the number of larger, two- and three-bedroom, affordable apartments to support the needs of families. This is an important commitment, even if it may mean fewer apartments in total.

We recommend the Sites Inventory provide a more comprehensive site-specific analysis as described above. We also suggest either heavily discounting the realistic capacity of sites that would produce less than 50 lower-income units or identifying alternative sites that would produce 50 or more affordable units so that they can be more competitive for external funding.

Governmental and Non-Governmental Constraints

The Constraints Assessment in the current Draft generally describes the Town's development review processes and standards rather than providing the required analysis of their cumulative impact on the supply and affordability of housing. For example, there are of course a full menu of taxes and fees which may vary significantly, making it difficult to assess their impact on the costs to development. There are also significant off-site improvement requirements that are costly. The cumulative impact of these factors, and other administrative processes, should be assessed as a potential governmental constraint on development. Market rate development in Los Gatos benefits from very high

rents and sales prices well above the county average, but as the Town commits to supporting affordable housing, the impact of additional costs will be significant.

We recommend that the Town conduct a more detailed assessment of the cumulative costs of governmental constraints and set a schedule for implementing the proposed fee waivers, or other concessions, for affordable housing developments.

We are encouraged by the proposed designation of an "Affordable Housing Overlay Zone." This tool is very targeted, however, covering a single property. We expect it will facilitate the development of this property as intended. Expanding the overlay zone to other sites in the inventory could greatly enhance other efforts to meet the State's AFFH guidance to support the development of affordable housing throughout the community. Affordable housing developments struggle to compete with market rate development in jurisdictions like Los Gatos, and AHOZs provide a targeted mitigation of this market constraint.

We recommend the expansion of the Affordable Housing Overlay Zone to additional parcels identified in the inventory.

It cannot be understated how important the State Density Bonus law will be for the Town to reach its housing goals. While we acknowledge and support The Town's plan to evaluate its own Density Bonus Program, it may be far more efficient to adopt the State Density Bonus program as a local ordinance to avoid confusion. We are concerned that the proposed time frame to conduct the study and adopt recommendations covers nearly the entire planning period, which greatly limit its impact during this cycle.

We recommend the local adoption of the State Density Bonus program parameters and a consideration of additional incentives within a shorter timeline.

Lastly, we believe the Town missed an opportunity when it did not conduct a full assessment of the development review and approval process. In recent years there has been very little residential development in Los Gatos. The plan is to significantly increase development, and this is a moment of opportunity to assess and review current practices to take steps to be prepared for this change. We have found that the pre-application process has become a more significant barrier given the role of State streamlining laws in shaping the process and timeline for entitlements following a completed application.

We recommend a complete analysis of the development approval process, including the creation of a pre-approval process and timeline.

Overall, SV@Home recognizes the work of the Town of Los Gatos to craft policies and programs focused on housing production that reflect the vision of the General Plan and the RHNA requirements. The concerns and recommendations outlined above will strengthen the efforts The Town of Los Gatos has made and ensure its success.

SV@Home values its partnership with the Town of Los Gatos and it is in that spirit that we provide our feedback on the Draft Housing Element. We welcome the opportunity to engage in an ongoing dialogue as the Draft Housing Element moves through cycles of review and revision, with the shared goal of addressing the Town's urgent housing need by boosting production of homes at all income levels, preserving existing affordable homes, and protecting the families in them.

Sincerely,

Regina Celestin Williams
Executive Director

350 W. Julian Street, Building 5, San José, CA 95110
408.780.8411 • www.svathome.org • info@siliconvalleyathome.org

From: Kylie Clark <[redacted]>
Sent: Friday, November 18, 2022 4:42 PM
To: Housing Elements@HCD <HousingElements@hcd.ca.gov>
Subject: Los Gatos General Plan Referendum

Hello,

I hope this email finds you well! Thank you so much for all of the work you are doing on the Housing Element. As someone who does housing work in a lot of anti-housing cities, I really appreciate the work you are doing to resolve our state's housing crisis. I'm a Los Gatos Planning Commissioner, but I am writing to you just as a concerned citizen.

I am reaching out to make sure you are aware of a referendum [losgatosca.gov] that was recently signed by enough Los Gatos voters to be placed on the ballot. The referendum suspends the town's Land Use and Community Design Elements in our General Plan, which was approved by our Town Council in the last few months. The referendum was fully paid for and passed by a few rich white anti-housing men in our town (they paid the signature gatherers $10 per signature).

The justification for this referendum is their opposition to our planned housing numbers, as we went above the state mandate (which makes sense, as this is our General Plan looking 20 years out, not just planning for this 8-year HE cycle). The anti-housing group is claiming that the town will build 12,000 new units in the next 8 years (haha I wish).

I have a lot of questions about this referendum, including whether it is even lawful, as it places land use on the ballot, meaning if the town wanted to make any future changes to our land use we would have to take it to the voters. It also might cause some serious problems with our Housing Element, as obviously our Land Use Element is closely tied to it.

I wanted to make y'all aware of this and to see if you would be able to support our town in any way. We put a lot of work into our General Plan, and these are very strong elements. I would hate to see them reformed to allow for less housing just because of a few upset rich residents.

Thank you so much!

In community,

Kylie
(Pronouns: she, her, hers)

Yes, We Live on Ohlone Land. But What Does That Mean? [thebolditalic.com]

Kylie Clark
Community organizer, nonprofit professional
[redacted] / [redacted]

From: David Kellogg <[redacted]>
Sent: Friday, November 18, 2022 5:07 PM
To: Housing Elements@HCD <HousingElements@hcd.ca.gov>
Subject: Public Comment on Housing Element

Nov 18, 2022

On behalf of David Kellogg (a Contra Costa County resident), 350 Contra Costa, Greenbelt Alliance, CaRLA, Scott O'Neil (a resident of Palo Alto), Watson Ladd (a resident of Berkeley), Marven Normal (a resident of San Bernadino), Dara Dadachanji (a resident of San Francisco), and George Grohwin (a resident of San Francisco), we provide the following comment on the Housing Element from LOS GATOS.

Issue

- The Housing Element from LOS GATOS fails to adequately analyze compliance with one of the state's fundamental streamlining laws.
- Under PRC 21080.1 & 21080.2, a lead agency must determine if a housing development is exempt from CEQA within 30 days of completeness, or if an EIR or other CEQA document will be required.
- For CEQA-exempt housing, this CEQA determination then triggers a 60-day approval clock (with deemed approved remedies) under the Permit Streamlining Act. Thus, if state housing laws were followed, CEQA-exempt housing projects should generally receive approvals in about 120 days.
    1. 30 days to determine completeness
    2. 30 days for CEQA review
    3. 60 days for approval.
- LOS GATOS does not appear to issue determinations of CEQA-exemption within 30 days of completeness. As a result, **builders and the public are denied the right to the timely approval of housing**. Additionally, the builders are forced into an unreasonable bargaining position, as they lack the "deemed approved" options they should have. This improperly empowers jurisdictions to treat builders arbitrarily in the entitlement process.
- Moreover, LOS GATOS has no apparent good-faith basis for delaying CEQA-exemption determinations beyond the allowance of Public Resources Code 21080.1 & 21080.2. In the vast majority of instances, these exemptions are uncontested and straightforward.

Recommendation

- The Housing Element from LOS GATOS should include an analysis of compliance in its approval process with PRC 21080.1 & 21080.2.
- The Housing Element from LOS GATOS should add a program to specify (i) who is responsible for making the CEQA determination of PRC 21080.1, specify (ii) that their decision will be made within the timeframe permitted by PRC 21080.2, and specify that (iii), when they determine a project is exempt from CEQA, their determination triggers the Permit Streamlining Act (PSA) 60-day deadline (Gov. Code 65950(a)(5)). If existing local practices or regulations are incompatible with these state laws, the program should commit to enacting reforms necessary to achieve compliance within a reasonable and definite timeline.

HCD Technical Assistance Letter

- The CEQA issues mentioned herein are discussed in the June 3, 2022 Technical Assistance letter sent to Berkeley by Shannan West, Housing Accountability Unit Chief (copy included below).
- In the letter, HCD notes that Berkeley had been issuing "recommendations" of CEQA-exemption and that the actual "determinations" were made more than 30 days beyond the completeness date. HCD notes that such practice was in violation of PRC 21080.1 & 21080.2 and "may act as a governmental constraint on housing."

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY GAVIN NEWSOM, *Governor*

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

June 3, 2022

Sharon Gong, Senior Planner
City of Berkeley
1947 Center Street, 2nd Floor
Berkeley, CA 94704

Dear Sharon Gong:

RE: Berkeley – Letter of Technical Assistance

The purpose of this letter is to provide technical assistance to the City of Berkeley (City). The California Department of Housing and Community Development (HCD) has become aware of potential conflicts between the practices of the City's Zoning Adjustments Board (ZAB) concerning determinations for projects determined to be exempt from the California Environmental Quality Act (CEQA) and timelines pursuant to Public Resources Code section 21080.1, subdivision (a), and Public Resources Code section 21080.2. HCD is concerned that these actions may act as a governmental constraint on housing development and requests the City review the CEQA determination process in Berkeley's 6th Cycle Housing Element and include programs to mitigate or remove constraints as necessary.

Obligations Under Public Resources Code sections 21080.1 & 21080.2

HCD has been made aware of at least five development applications where the final ZAB determination was made more than 30 days after the relevant permit was determined to be complete. As the City is aware, under the Public Resources Code, a lead agency must make a determination under CEQA for projects exempt from environmental review within 30 days of a project application being deemed complete. These provisions are critical to meeting the Permit Streamlining Act requirement set in Government Code section 65950, subdivision (a) (5), and generally facilitate the processing of housing developments.

6th Cycle Housing Element

As Berkeley is updating its 6th Cycle Housing Element, the City must describe and analyze the permit process from application to approvals, including a discussion on timeframes for each step in the process, impediments, and how it addresses the

application of state law on application processing pursuant to Government Code section 65583, subdivision (a)(5). In addition, the element must also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need and include program actions to remove or mitigate identified constraints pursuant to Government Code section 65583, subdivision (c)(3). Excessive CEQA review timeframes can delay project approval and pose a constraint to the development of housing and should be reviewed as part of the City's housing element update.

Conclusion

HCD understands that the City is currently reviewing its compliance with these provisions and is looking at strategies to transparently document the process to ensure timely approval of CEQA determinations and provide additional transparency. HCD supports these efforts and encourages the City to take meaningful steps to ensure that its processes comply with provisions of state housing law.

If you have questions or need additional information, please contact Kevin Hefner at Kevin.Hefner@hcd.ca.gov

Sincerely,



Shannan West
Housing Accountability Unit Chief

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HOUSING ELEMENT PROCESS TIMELINE

On April 21, 2021, the Town issued a Request for Proposals (RFP) for consultant services for preparation of the 2023-2031 Housing Element. The Town received a proposal from one firm, EMC Planning Group, Inc.

On June 15, 2021, the Town Council authorized the Town Manager to execute an agreement for Consultant Services with EMC Planning Group, Inc. to prepare the 2023-2031 Housing Element and associated public engagement and environmental review documents.

On August 3, 2021, the Town Council adopted Resolution 2021-032 to establish the Housing Element Advisory Board (HEAB) to serve as an advisory board that provides input on specific tasks associated with the Housing Element Update and established the role of the HEAB as follows:

- Provide guidance on the development of the Housing Element Update;
- Provide an additional forum for public involvement;
- Forward milestone products to the Planning Commission and Town Council;
- Review the Draft Housing Element; and
- Make recommendations to the Planning Commission and Town Council.

On August 9, 2021, the Town participated in a Let's Talk Housing Community Meeting for Santa Clara County jurisdictions hosted by the Santa Clara County Planning Collaborative.

On September 21, 2021, the Town Council appointed four at-large members to the HEAB, in addition to the existing nine members of the General Plan Committee (GPC).

On October 15, 2021, the HEAB held their first meeting to elect the Chair and Vice Chair and adopt a meeting schedule.

On December 16, 2021, the HEAB discussed the Housing Element process, milestones, and reviewed the Draft Housing Needs Assessment and Review of Previous Housing Element appendices as contextual background information for future work by the HEAB.

On February 17, 2022, the HEAB reviewed and discussed the Housing Element Site Inventory analysis process.

On March 31, 2022, a Community Meeting was held for the public to review and provide input on potential sites for inclusion in the Site Inventory. At the meeting, the Balancing Act tool and Housing Element Update website site surveys were introduced to the public.

On April 6, 2022, a Joint Study Session of the Town Council, Planning Commission, and HEAB was held to discuss the production of affordable housing.

On April 21, 2022, the HEAB provided feedback on additional sites to include in the Site Inventory, in addition to the sites already identified by staff and the Housing Element Consultant. Results from the Balancing Act tool and Housing Element Update website site surveys were also shared with the HEAB.

On April 21, 2022, Property Owner Interest forms were mailed out to the property owners of the sites selected in the Draft Site Inventory to garner their interest in providing housing on their property. An electronic copy of the Property Owner Interest form was also made available on the Housing Element Update website.

On April 24, 2022, Town staff hosted a booth at the Spring Into Green event at the Town Plaza to provide the public an opportunity to discuss the Housing Element Update.

On May 5, 2022, the HEAB continued the discussion of the Site Inventory and provided feedback on additional sites that should be included.

On May 19, 2022, HEAB recommended the acceptance of the Site Inventory as proposed within Tier 1, with modifications to reduce the number of housing units within the North Forty, to add the site located at 206 Knowles Drive, and to add the site located within the California Department of Transportation right-of-way off of Oka Road. The sites identified by the HEAB at their meetings of April 21, 2022, and May 5, 2022, were divided by staff into three tiers based on the HCD checklist, property size, Zoning, General Plan land use designation, recently developed, environmental constraints, public feedback, and Property Owner Interest forms that were submitted to the Town.

On June 7, 2022, the Town Council considered the Site Inventory as recommended by the HEAB and recommended approval of the Tier 1 sites as presented in the staff report with an amendment to provide a unit projection for Senate Bill 9 projects. Since the recommendation of the HEAB at their May 19, 2022, meeting, an additional Property Owner Interest form was received for 15795 Los Gatos Boulevard and was added to the Tier 1 list. In addition, a letter from the property owner for 15827 Los Gatos Boulevard was received requesting to be removed from the Draft Site Inventory. In response, the Tier 2 site list was modified to remove the site.

On June 16, 2022, the HEAB reviewed and provided initial direction and modifications to the Draft Housing Element Goals, Policies, and Implementation Programs.

On July 7, 2022, the HEAB continued to review and provide additional direction and modifications to the Draft Housing Element Goals, Policies, and Implementation Programs.

On August 4, 2022, the HEAB completed review of the Draft Housing Element Goals, Policies, and Implementation Programs and provided feedback for additional modifications.

On August 16, 2022, signatures were submitted to the Town in support of a referendum on the Land Use and Community Design Elements of the approved 2040 General Plan.

On August 18, 2022, the HEAB reviewed and provided feedback for modifications to the Initial Public Review Draft Housing Element prior to the release of the document for the required 30-day public comment period.

On August 29, 2022, the Town released the Initial Public Review Draft Housing Element for a 30-day public comment period which ran from August 29, 2022, to September 27, 2022.

On September 4, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Initial Public Review Draft Housing Element during the 30-day public comment period.

On September 15, 2022, the HEAB received public comments on the Initial Public Review Draft Housing Element during the 30-day public review period.

On September 27, 2022, the referendum signatures on the Land Use and Community Design Elements of the approved 2040 General Plan were verified by the Santa Clara County Registrar.

On October 9, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide opportunity for the public to discuss the Draft Housing Element.

On October 14, 2022, the Town submitted the Draft Housing Element and a response to public comments received during the 30-day public comment period to HCD for preliminary review. By law, HCD has up to 90 days to complete its first review. The full document can be viewed at EngageLosGatosHousing.com.

On October 20, 2022, the HEAB reviewed the Draft Housing Element that was submitted to HCD for preliminary review, including a summary of all modifications that were made to the Draft Housing Element. Modifications to the Site Inventory as reviewed by the Town Council on June 7, 2022, include:

- The addition of 401-409 Alberto Way as the property owner submitted a Property Owner Interest form to the Town;
- The removal of 404 North Santa Cruz Avenue, 420 North Santa Cruz Avenue, and 430 North Santa Cruz Avenue (Los Gatos Shopping Center) from the Site Inventory per the property owner's request and therefore deleted the North Santa Cruz Avenue Area;
- The removal of 16535 Camellia Terrace and parcel number 523-02-005 (El Gato Village) as no Property Owner Interest form was submitted;
- Increased the housing density within the North Forty Specific Plan from 20 dwelling units per acre to a minimum of 30 dwelling units per acre to align with Implementation Program D and a public comment received from a member representing the interests of the property owner during the 30-day public comment period;
- Revised the housing density used for the calculation of projected housing units in the Site Inventory from the maximum density to the typical density, to be consistent with the 2040 General Plan Residential Buildout;

- Increased the maximum housing density within the Affordable Housing Overlay Zone (AHOZ) from 20 dwelling units per acre to 40 dwelling units per acre to area to align with Implementation Program BF;
- Modified the distribution for each income category to be consistent with the HCD Housing Element Site Inventory Guidebook, which allows jurisdictions to use a higher density (default density of 30 dwelling units per acre) as a proxy for lower income affordability;
- Created a Senate Bill 9 (SB 9) unit projection;
- Modified the number of housing units generated in the Pipeline Projects based on the creation of a new SB 9 projection, Planning applications that have been withdrawn, and projects that have received their Certificate of Use and Occupancy;
- Decreased the overall total number of housing units in the Site Inventory from 2,448 units to 2,371 units, as a result of the changes listed above; and
- Created a separate Appendix H, Site Inventory Form per HCD formatting requirements.

On November 9, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Draft Housing Element that was submitted to HCD for preliminary review.

On November 15, 2022, a Renter's Survey was published on the Housing Element Update website and made available in hard copies at the Community Development Department and Town Library. The survey is available in English, Spanish, and Russian in both the electronic and hard copy versions.

On November 17, 2022, the HEAB meeting was rescheduled by staff to December 1, 2022, due to the meeting being cancelled as a result of the Town's website being down and the agenda being unavailable to members of the public.

On November 18, 2022, Town staff hosted an informational table at the Town Library to provide the public an opportunity to discuss the Draft Housing Element and publicize the availability of the Renter's Survey.

On December 1, 2022, the HEAB discussed anticipated comments on the Draft Housing Element based on comments other jurisdictions have received from HCD on their Draft Housing Element.

On December 11, 2022, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Draft Housing Element.

On December 13, 2022, Town staff met with our HCD reviewer and received verbal, preliminary input on the Draft Housing Element.

On December 20, 2022, the Town Council recommended that the current version of the Draft 2023-2031 Housing Element as submitted to HCD on October 14, 2022, be adopted prior to the statutory deadline of January 31, 2023. In addition, the Town Council recommended that the Sites Inventory of the Housing Element utilize the minimum density, requiring additional sites to be added in order to comply with the Town's RHNA and buffer.

On January 11, 2023, the Planning Commission unanimously recommended the Town Council adopt the Draft 2023-2031 Housing Element with the revised Sites Inventory Analysis and revised Sites Inventory Form.

On January 12, 2023, the Town received HCD's findings/comment letter on the Draft Housing Element.

On January 15, 2023, Town staff hosted a booth at the Los Gatos Farmers' Market to provide the public an opportunity to discuss the Draft Housing Element.

On January 19, 2023, Town staff attended a Democracy Tent of Los Gatos meeting to discuss the Draft Housing Element.

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DRAFT RESOLUTION 2023-__

RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS ADOPTING A GENERAL PLAN AMENDMENT AND ADOPTING THE HOUSING ELEMENT OF THE GENERAL PLAN FOR THE PERIOD OF 2023-2031 IN SUBSTANTIAL COMPLIANCE WITH STATE HOUSING ELEMENT LAW. GENERAL PLAN AMENDMENT APPLICATION: GP-22-003

WHEREAS, the California Legislature has found that, "California has a housing supply and affordability crisis of historic proportions" (Gov. Code Section 65589.5); and

WHEREAS, the Legislature has further found that, "Among the consequences of those actions are discrimination against low-income and minority households, lack of housing to support employment growth, imbalance in jobs and housing, reduced mobility, urban sprawl, excessive commuting, and air quality deterioration" (Gov. Code Section 65589.5); and

WHEREAS, the Legislature recently adopted the Housing Crisis Act of 2019 (SB 330) which states that, "In 2018, California ranked 49th out of the 50 states in housing units per capita… California needs an estimated 180,000 additional homes annually to keep up with population growth, and the Governor has called for 3.5 million new homes to be built over 7 years"; and

WHEREAS, State Housing Element Law (Government Code Sections 65580 et seq.) requires that the Town Council adopt a Housing Element for the eight-year period 2023-2031 to accommodate the Town of Los Gatos (Town) regional housing need allocation (RHNA) of 1,993 housing units, comprised of 537 very-low income units, 310 low-income units, 320 moderate-income units, and 826 above moderate-income units; and

WHEREAS, to comply with State Housing Element Law, the Town has prepared Housing Element 2023-2031 (the Housing Element) in compliance with State Housing Element Law and has identified sites that can accommodate housing units meeting the Town's RHNA; and

WHEREAS, as provided in Government Code Section 65350 et. seq., adoption of the Housing Element constitutes a General Plan amendment; and

WHEREAS, as provided in Government Code Sections 65352 – 65352.5 the Town mailed

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a public notice to all California Native American tribes provided by the Native American Heritage Commission; and

WHEREAS, no California Native American tribe requested consultation; and

WHEREAS, the Town conducted extensive community outreach beginning in the summer of 2021, including 13 Housing Element Advisory Board (HEAB) public meetings; a joint study session with the HEAB, Planning Commission, and Town Council; four Town Council meetings; two community meetings; and public engagement at staff hosted information booths; and

WHEREAS, in accordance with Government Code Section 65585 (b), on August 29, 2022, the Town posted the Draft Housing Element and requested public comment for a 30-day review period, and on October 14, 2022, after responding to public comments, the Town submitted the Draft Housing Element to the State Department of Housing and Community Development (HCD) for its review; and

WHEREAS, the Town's deadline to adopt a Housing Element that is in substantial compliance with State Housing Element law is January 31, 2023; and

WHEREAS, on January 11, 2023, the Planning Commission held a duly and properly noticed public hearing and recommended that the Town Council adopt the Draft Housing Element, the General Plan Amendment Application, and associated Environmental Analysis; and

WHEREAS, on January 12, 2023, the Town received a letter from HCD that provides a list of recommended revisions that will be necessary to comply with State Housing Element Law;

WHEREAS, the Draft Housing Element substantially complies with State Housing Element Law for the reasons stated in the Findings below and will return to the Town Council with proposed amendments to add the information recommended by HCD; and

WHEREAS, the Town Council requested the opportunity to consider adopting the Housing Element in January in order to meet the January 31st deadline for adoption of a Housing Element that is in substantial compliance with State Housing Element Law, and anticipate amending the adopted Housing Element subsequent to adoption in order to add the information recommended by HCD; and

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WHEREAS, this matter came before the Town Council for public hearing on January 30, 2023, and was regularly noticed in conformance with State and Town law; and

WHEREAS, Town Council received testimony and documentary evidence from all interested persons who wished to testify or submit documents. Town Council considered all testimony and materials submitted, including the record of the Planning Commission proceedings and the packet of material contained in the Council Agenda Report for their meeting on January 30, 2023, along with any and all subsequent reports and materials prepared concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, THAT THE TOWN COUNCIL HEREBY FINDS THAT BASED ON SUBSTANTIAL EVIDENCE IN THE RECORD:

1. The foregoing recitals are true and correct and are incorporated by reference into this action.
2. An Environmental Analysis was prepared for the Draft Housing Element. Although the Housing Element Update could have a significant effect on the environment, all potentially significant effects have been analyzed adequately in Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), adopted with statement of overriding considerations on June 30, 2022, pursuant to applicable standards, including CEQA Guidelines Section 15168(c)2, and the Draft Housing Element is consistent with the growth projections evaluated in the General Plan EIR.
3. The Housing Element substantially complies with Housing Element Law, as provided in Government Code 65580 et seq., in that it:
    a. Contains all provisions required by State Housing Element Law;
    b. Includes an assessment of housing needs, and an inventory of resources and constraints upon the provision of housing;
    c. Includes a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing;

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d. Identifies adequate sites for housing to accommodate the Town's RHNA allocation in that the Town's RHNA allocation is 1,993 units and sites accommodating [2,312 units] have been identified; and
e. Makes adequate provision for the existing and projected needs of all economic segments of the community in that the sites inventory accommodates the Town's RHNA, which includes 537 very low-income units, 310 low-income units, 320 moderate-income units, and 826 above moderate-income units.

4. Based on substantial evidence in the record through the submittal of Property Owner Interest Forms, the existing uses on the non-vacant sites identified in the site inventory to accommodate the RHNA do not constitute an impediment to planned residential development on the sites during the planning period.
5. As required by Government Code Section 65585(e), the Town Council has considered the findings made by HCD included in HCD's letter to the Town of Los Gatos dated January 12, 2023, consistent with Government Code Section 65585(f), incorporated herein, and determined that the Draft Housing Element substantially complies with the requirements of State Housing Element Law.
6. The Town Council hereby adopts the 2023-2031 Housing Element, the associated General Plan Amendment Application (GP-22-003) which includes the revised Sites Inventory Analysis, revised Sites Inventory Form, and the Environmental Analysis attached here to as Exhibits 1 and 2.
7. This Resolution shall become effective upon adoption by the Town Council.
8. The Community Development Department is directed to submit a copy of the adopted Housing Element to HCD.
9. The Housing Element is found to be in substantial compliance with State Housing Element Law and the Community Development Department is authorized to make all non-substantive changes to the Housing Element to make it internally consistent or to address any non-substantive changes or amendments requested by HCD to achieve certification.

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10. The Community Development Department or designee is hereby directed to distribute copies of the Housing Element in the manner provided in Government Code Sections 65357 and 65589.7.

PASSED AND ADOPTED at a special meeting of the Town Council of the Town of Los Gatos, California, held on the 30th day of January 2023, by the following vote:

COUNCIL MEMBERS:

AYES:

NAYS:

ABSENT:

ABSTAIN:

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

ATTEST:

TOWN CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

DATE: _____

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Town of Los Gatos 6th Cycle 2023-2031 Housing Element Update

HCD Draft

Initial Review Period

October 2022









EXHIBIT 1

HCD DRAFT INITIAL REVIEW PERIOD

TOWN OF LOS GATOS
6TH CYCLE 2023-2031 HOUSING ELEMENT

OCTOBER 2022

PREPARED BY

Town of Los Gatos
Community Development Department
110 E. Main Street
Los Gatos, CA 95030
Tel 408.354.6872

EMC Planning Group Inc.
601 Abrego Street
Monterey, CA 93940
Tel 831.649.1799
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www.emcplanning.com

This document was produced on recycled paper.



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Appendix H Sites Inventory Form



10. Housing Element

This 2023-2031 Housing Element is the Town of Los Gatos' response to meet the housing needs of our community while meeting the State's housing goals as set forth in Article 10.6 of the California Government Code. The California State Legislature has identified the attainment of a decent home and a suitable living environment for every Californian as the State's major housing goal. The Los Gatos Housing Element represents a sincere and open-minded effort to meet local and regional housing needs within the constraints of a largely built-out community, limited land availability, and extraordinarily high costs of land and housing. The Housing Element serves as Chapter 10 of the Town's 2040 General Plan.

A copy of the Town's 2015-2023 Housing Element can be found at this link:
https://www.losgatosca.gov/1735/General-Plan---Housing-Element

10.1 Introduction

Pursuant to State law, the Housing Element must be updated periodically according to statutory deadlines. This 6th Cycle Housing Element covers the planning period 2023 through 2031 and replaces the Town's 5th Cycle Housing Element that covered the period 2015 through 2023.

Per State Housing Element law, the document must be periodically updated to:

- Outline the community's housing production objectives consistent with State and regional growth projections;
- Describe goals, policies, and implementation programs to achieve local housing objectives;
- Examine the local need for housing with a focus on special needs populations;
- Identify adequate sites for the production of housing serving various income levels;
- Analyze potential constraints to new housing production;
- Evaluate the Housing Element for consistency with other General Plan elements; and
- Evaluate Affirmatively Furthering Fair Housing.

A Housing Element is considered to be out of compliance with the State's Housing Element law if one of the following applies:

- It has not been revised and updated by the statutory deadline; or
- Its contents do not substantially comply with the statutory requirements.

Repercussions for a jurisdiction which does not comply with the Housing Element Law include:

- Limited access to State Funding.
- Vulnerability to litigation from housing rights' organizations, developers, and the Department of Housing and Community Development (HCD), resulting in the following potential consequences:
  a. The court may order the jurisdiction to bring its Housing Element into compliance within 120 days;
  b. Suspension of a jurisdiction's authority to issue building permits or grant zoning changes, variances, or subdivision map approvals;
  c. The court may step in and approve housing projects; and
  d. If a jurisdiction faces a court action stemming from its lack of compliance and either loses or settles the case, it often must pay substantial attorney fees to the plaintiff's attorneys in addition to the fees paid to its own attorneys.

10.1.1 California's Housing Crisis

The 6th Cycle Housing Element Update comes at a critical time because California is experiencing a housing crisis. As is the case for all jurisdictions in California, Los Gatos must play its part in meeting the demand for housing. In the last Housing Element cycle (2015 to 2023), Los Gatos' Regional Housing Needs Allocation (RHNA) called for 619 new housing units; however, as of December 31, 2021, only 81 percent of these housing units have been permitted (502 units). Of those constructed, the large majority were affordable only to households making more than the Town's area median income (AMI). In 2022, this amounted to $168,500 for a family of four.

Without immediate action, the housing crisis will only get worse. In the 20-year period (2020 to 2040), Santa Clara County is projected to add 169,450 jobs, which represents a 15 percent increase. Los Gatos is projected to add nearly 1,030 jobs in the same period, a five percent increase. These changes will increase demand for housing across all income levels. The Town and region must identify ways to significantly increase housing production, or risk worsening the burden for existing lower income households. Many lower income households do not have the means to move to a new location of employment and are faced with unsustainable increases in housing cost. The lack of affordable housing has constrained the Silicon Valley economy as well-educated workers have become increasingly mobile in searching for better jobs and a higher quality of life.

If Los Gatos and the region become more competitive in attracting high-skilled workers and increasingly unaffordable to lower income workers and seniors, then social and economic segregation will worsen, only exacerbating historic patterns of housing discrimination, racial bias, and segregation. This potentiality has become so acute in recent years that the California Legislature addressed the issue with new legislation in 2018. Assembly Bill (AB) 686 requires all State and local agencies to explicitly address, combat, and relieve disparities resulting from past patterns of housing segregation to foster more inclusive communities. This is commonly referred to as Affirmatively Furthering Fair Housing (AFFH). The legislation applies to all Housing Elements revised after January 1, 2021.

10.1.2 Regional Housing Needs Allocation

The Plan Bay Area 2050 Final Blueprint forecasts that the nine Bay Area counties will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, HCD has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing.[1] This calculation, known as the Regional Housing Needs

[1] HCD divides the RHNA into the following four income categories: Very Low income: 0-50 percent of AMI, Low income: 50-80 percent of AMI, Moderate income: 80-120 percent of AMI, and Above Moderate income: 120 percent or more of AMI.

Determination (RHND), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need.

Almost all jurisdictions in the Bay Area received a larger RHNA this cycle compared to the last cycle, primarily due to changes in State law that led to a considerably higher RHND compared to previous cycles.

On January 12, 2022, HCD approved the Association of Bay Area Government's (ABAG) adopted RHNA Methodology. For Los Gatos, the RHNA to be planned for this cycle is 1,993 units, an increase from the last cycle. Table 10-1 shows the RHNA, including breakdown by affordability levels, for Los Gatos for the period 2023 through 2031.

Table 10-1 Regional Housing Needs Allocation

Income Group	Percentage of AMI	Share
Extremely Low Income	0-30	268
Very Low Income	31-50	269
Low Income	51-80	310
Moderate Income	81-120	320
Above Moderate Income	Over 120	826
Total		1,993

10.1.3 Affirmatively Furthering Fair Housing

In 2018, AB 686 established an independent State mandate to address AFFH. AB 686 extends requirements for Federal grantees and contractors to "affirmatively further fair housing," including requirements in the Federal Fair Housing Act, to public agencies in California. Affirmatively furthering fair housing is defined specifically as taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity by replacing segregated living patterns with truly integrated and balanced living patterns; transforming racially and ethnically concentrated areas of poverty into areas of opportunity; and fostering and maintaining compliance with civil rights and fair housing laws.

AB 686 requires public agencies to:

- Administer their programs and activities relating to housing and community development in a manner to affirmatively further fair housing;
- Not take any action that is materially inconsistent with the obligation to affirmatively further fair housing;
- Ensure that the program and actions to achieve the goals and objectives of the Housing Element affirmatively further fair housing; and
- Include an assessment of fair housing in the Housing Element.

The requirement to AFFH is derived from The Fair Housing Act of 1968, which prohibited discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, or sex and was later amended to include familial status and disability. The 2015 U.S. Department of Housing and Urban

Development (HUD) Rule to Affirmatively Further Fair Housing and California AB 686 (2018) both mandate that each jurisdiction takes meaningful action to address significant disparities in housing needs and access to opportunity. AB 686 requires that jurisdictions incorporate AFFH into their Housing Elements, which includes inclusive community participation, an assessment of fair housing, a site inventory reflective of AFFH, and the development of goals, policies, and programs to meaningfully address local fair housing issues.

An AFFH analysis was prepared by Root Policy Research and is included as an appendix to this Housing Element (see Appendix A).

Defining Segregation

Segregation is the separation of different demographic groups into concentrated geographic locations or communities, meaning that groups are unevenly distributed across geographic space. Appendix A examines two spatial forms of segregation: neighborhood level segregation within a local jurisdiction; and Town level segregation between jurisdictions in the Bay Area.

Neighborhood level segregation (within a jurisdiction, or intra-Town): Segregation of race and income groups can occur from neighborhood to neighborhood within a Town. For example, if a local jurisdiction has a population that is 20 percent Latinx, but some neighborhoods are 80 percent Latinx while others have nearly no Latinx residents, that jurisdiction would have segregated neighborhoods.

Town level segregation (between jurisdictions in a region, or inter-jurisdiction): Race and income divides also occur between jurisdictions in a region. A region could be very diverse with equal numbers of White, Asian, Black, and Latinx residents, but the region could also be highly segregated with each jurisdiction consisting solely of one racial group.

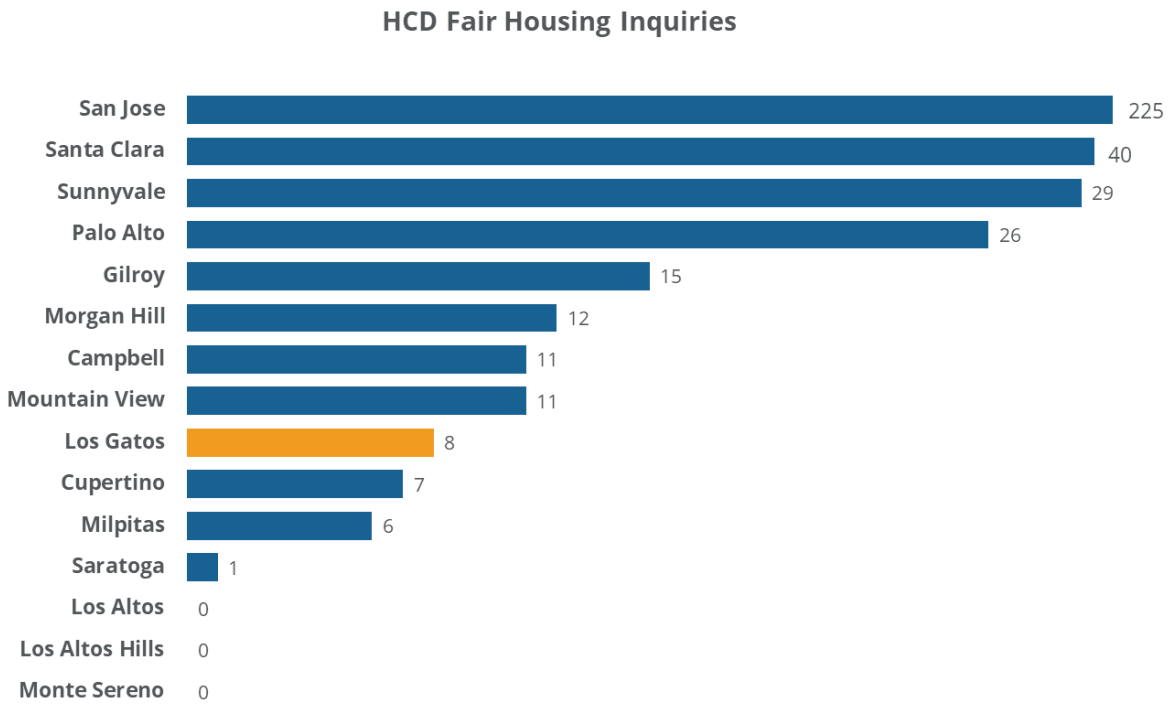
There are many factors that have contributed to the generation and maintenance of segregation. Historically, racial segregation stemmed from explicit discrimination against people of color, such as restrictive covenants, redlining, and discrimination in mortgage lending. This history includes many overtly discriminatory policies made by Federal, State, and local governments. Segregation patterns are also affected by policies that appear race-neutral, such as land use decisions and the regulation of housing development.

Segregation has resulted in vastly unequal access to public goods such as quality schools, neighborhood services and amenities, parks and playgrounds, clean air and water, and public safety. Segregation has lasting generational affects that target low-income and minority communities. Unequal access to public goods disproportionately affects undeserved communities, leading to lower levels of educational attainment, higher morbidity rates, and higher mortality rates.

Segregation Patterns in the Bay Area

Across the San Francisco Bay Area, White residents and above moderate-income residents are significantly more segregated from other racial and income groups (see Appendix B). The highest levels of racial segregation occur between the Black and White populations. The analysis completed for Appendix A indicates that the amount of racial segregation both within Bay Area cities and across jurisdictions in the region has decreased since the year 2000. This finding is consistent with recent research from the Othering and Belonging Institute at UC Berkeley, which concluded that, “[a]lthough seven of the nine Bay Area counties were more segregated in 2020 than they were in either 1980 or 1990, racial residential segregation in the region appears to have peaked around the year 2000 and has generally declined since.” However, compared to cities in other parts of California, Bay Area jurisdictions have more neighborhood level segregation between residents from different racial groups. Additionally, there is also more racial segregation between Bay Area cities compared to other regions in the State. The Federal Fair Housing Act prohibits discrimination in housing on the basis of race or color, national origin, religion, sex, familial status, and disability. Figure 10-1 on the following page shows the number of HCD Fair Housing Inquiries for the period 2013 through 2021.

Figure 10-1 HCD Fair Housing Inquiries (2013- 2021)



Source: California Department of Housing.

Segregation and Land Use

It is difficult to address segregation patterns without an analysis of both historical and existing land use policies that impact segregation patterns. Land use regulations influence what kind of housing is built in a county, city, town, or neighborhood. These land use regulations in turn impact demographics, and they can be used to affect the number of houses in a community, the number of people who live in the community, the wealth of the people who live in the community, and where within the community they reside. Land use regulations have led to disparities among neighborhoods based on class and race.

Segregation in the Town of Los Gatos

- As of 2020, White residents are the most geographically concentrated compared to other racial groups in Los Gatos, as measured by the isolation index. White residents live in neighborhoods where they are less likely to come into contact with other racial groups.
- Among all racial groups, the White population's isolation index value has changed the most over time, becoming less segregated from other racial groups between 2000 and 2020.
- According to the dissimilarity index, within Los Gatos, racial segregation is most significant between Black and White populations. [2] However, this dissimilarity index [3] value is not a reliable data point due to small population size.

[2] The analysis conducted for this report suggests that dissimilarity index values are unreliable for a population group if that group represents approximately less than 5% of the jurisdiction's total population. ABAG/MTC recommends that when cities have population groups that are less than 5% of the jurisdiction's population (see Figure B-4 in Appendix B) the assessment could focus on the isolation index or Thiel's H-Index to gain a more accurate understanding of neighborhood-level racial segregation in their jurisdiction.

[3] The "index of dissimilarity" is the most commonly used and accepted method of measuring segregation, and compares how evenly one population sub-group is spread out geographically compared to another population sub-group.

- According to the Theil H-Index,[4] neighborhood racial segregation in Los Gatos increased between 2010 and 2020. Neighborhood income segregation stayed about the same between 2010 and 2015.
- Above moderate-income residents are the most segregated compared to other income groups in Los Gatos. Above moderate-income residents live in neighborhoods where they are less likely to encounter residents of other income groups.
- Among all income groups, the above moderate-income population's segregation measure has changed the most over time, becoming less segregated from other income groups between 2010 and 2015.
- According to the dissimilarity index, segregation between lower income residents and residents who are not lower income has increased between 2010 and 2015. In 2015, the income segregation in Los Gatos between lower income residents and other residents was higher than the average value for Bay Area jurisdictions.

Figures 10-2 and 10-3 identify HCD Fair Housing Inquiries by bias for the period 2013 through 2021 and a list of Fair Housing Assistance organizations within Santa Clara County. Figure 10-2 shows that a total of eight fair housing inquiries for Los Gatos were submitted with two submittals citing race as a bias and six cases citing no specific bias.

Figure 10-2 HCD Fair Housing Inquiries by Bias, January 2013-March 2021

Jurisdiction	Disability	Race	Familial Status	National Origin	Religion	Sex	Color	None Cited	Decision Not To Persue	Failure to Respond	Total
San Jose	39	9	9	8	0	3	0	146	9	111	225
Santa Clara	2	2	4	4	0	0	0	26	1	12	40
Sunnyvale	7	1	3	0	0	0	0	17	1	16	29
Palo Alto	3	1	3	0	0	1	0	18	1	9	26
Gilroy	3	1	0	0	0	0	0	11	1	4	15
Morgan Hill	3	2	1	0	0	0	0	6	0	6	12
Campbell	3	1	0	0	0	0	0	7	0	5	11
Mountain View	1	0	1	0	0	0	0	9	0	6	11
Los Gatos	0	0	2	0	0	0	0	6	1	5	8
Cupertino	2	1	0	0	0	0	0	4	1	2	7
Milpitas	0	0	0	0	0	0	0	6	0	2	6
Saratoga	0	0	0	0	0	0	0	1	0	0	1
Los Altos	0	0	0	0	0	0	0	0	0	0	0
Los Altos Hills	0	0	0	0	0	0	0	0	0	0	0
Monte Sereno	0	0	0	0	0	0	0	0	0	0	0

Source: California Department of Housing and Community Development AFFH Data Viewer

[4] The Theil H-Index is a statistic primarily used to measure economic inequality and other economic phenomena.

Figure 10-3 Fair Housing Assistance Organizations, Santa Clara County

Name	Service Area	Address	Phone	Website
Project Sentinel	Northern California	1490 El Camino Real, Santa Clara, CA 95050	(800) 339-6043	https://www.housing.org/
Los Gatos Rental Dispute Resolution Program C/O Project Sentinel	Los Gatos	1490 El Camino Real, Santa Clara, CA 95050	(800) 339-6043	https://www.housing.org/
Housing and Economic Rights Advocates	State of California	1814 Franklin St. Ste. 1040 Oakland, CA 94612	(510) 271-8443	https://www.heraca.org
Bay Area Legal Aid - Legal Advice Line	Parts of Santa Clara County	2 West Santa Clara Street, 8th Floor, San Jose, CA 95113	(408) 850-7066	https://www.baylegal.org
Senior Adults Legal Assistance (SALA)	Santa Clara County	160 E Virginia Street, Ste. 260, San Jose, CA 95112	(408) 295-5991	www.sala.org
Asian Law Alliance	Silicon Valley	184 East Jackson Street, San Jose, CA 95112	(408) 287-9710	www.asianlawalliance.org
California Department of Fair Employment and Housing	State of California	2218 Kausen Dr. Ste. 100 Elk Grove, CA 95758	(916) 478-7251	https://www.dfeh.ca.gov
Law Foundation of Silicon Valley	Greater Silicon Valley, Santa Clara County	152 N. 3rd St. #3 San Jose, CA 95112	(408) 293-4790	https://lawfoundation.org

Source: Los-Gatos-Housing-Resources-Guide (losgatosca.gov)

Regional Segregation

- Los Gatos has a higher percentage of White residents than other jurisdictions in the Bay Area as a whole, a lower percentage of Latinx residents, a lower percentage of Black residents, and a lower percentage of Asian and Pacific Islander residents.
- Regarding income groups, Los Gatos has a lower percentage of very low-income residents than other jurisdictions in the Bay Area as a whole, a lower percentage of low-income residents, a lower percentage of moderate-income residents, and a higher percentage of above moderate-income residents.

10.1.4 Overview of Planning and Legislative Efforts

This section provides an overview of planning and legislative efforts that provide the context for development of the 6th Cycle Housing Element.

2040 General Plan

On June 30, 2022, the Town Council adopted the 2040 General Plan and accompanying Environmental Impact Report (EIR). As of September 27, 2022, The Land Use and Community Design Elements of the 2040 General Plan are suspended pending the results of a referendum. In the interim, the Town's 2020 General Plan Land Use and Community Design Elements will govern during the suspension period.

Effectiveness of Previous Housing Element

The Town of Los Gatos 5th Cycle Housing Element (2015 to 2023) identified a RHNA of 619 housing units between January 31, 2015, and January 1, 2023. As of December 31, 2021, 502 new units were added to the Town's housing stock in this cycle, achieving approximately 81 percent of the Town's RHNA. Units affordable to moderate- and lower-income households that were created during the planning period include senior rental units (North Forty Phase I), an attached condominium (Union Avenue), single-family homes (Knowles Avenue) produced through the Town's Below Market Program (BMP), and accessory dwelling units (ADU). See Appendix E for a complete review and analysis of Los Gatos's 5th Cycle Housing Element (2015-2023).

New State Laws Affecting Housing

While the Town has taken steps throughout the 5th Cycle to increase housing production locally, the State passed numerous laws to address California's housing crisis during the same period. As the State passes new legislation in the remainder of the 5th Cycle and during the 6th Cycle, the Town will continue to amend the Municipal Code; to monitor and evaluate policies and programs designed to meet State requirements; and to proactively implement new policies and programs to help increase housing production in the Town.

In 2019, several bills were signed into law that include requirements for local density bonus programs, the Housing Element, surplus lands, ADU streamlining, and removing local barriers to housing production. The Town has and will continue to implement changes required by State law, through amendments to the Los Gatos Municipal Code. The following is a summary of recent legislation and proposed Town activities that will further the Town's efforts to increase housing production during the 6th Cycle. Please see the previous section for a discussion of AB 686 (Affirmatively Furthering Fair Housing).

Streamlining for Subdividing Single-Family Lots

Senate Bill (SB) 9, the California Housing Opportunity and More Efficiency (HOME) Act, streamlines the process for a homeowner to create a duplex or subdivide an existing lot. Any new housing created as a result of this bill must meet a specific list of qualifications that protects historic districts, preserves environmental quality and the look of communities, and prevents tenants from being displaced. This legislation will enable homeowners to create intergenerational wealth, and provide access to more rental and ownership options for working families who would otherwise be priced out of neighborhoods.

Incentive for Accessory Dwelling Units

AB 68, AB 587, AB 671, AB 881, and SB 13 further incentivize the development of ADUs, through streamlined permits, reduced setback requirements, increased allowable square footage, reduced parking requirements, and reduced fees. The Town has amended its regulations and procedures pursuant to State law. In addition, the Town increased the allowable floor area ratio by an additional ten percent for development of ADUs.

Density Bonus Update

AB 1763 requires jurisdictions to provide a density bonus to development projects that restrict 100 percent of their units as affordable to lower and moderate-income households.

Objective Standards for Multi-Family and Mixed-Use Development Applications

The Town of Los Gatos is developing objective standards for the review of multi-family housing and mixed-use development applications. This effort is in response to State legislation requiring jurisdictions to adopt objective standards and to implement them in a streamlined review of qualifying housing projects. Objective standards are defined under State law as “standards that involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal” (California Government Code, Section 65913.4). Objective standards are a powerful tool that allow communities to respond to State housing laws that are reducing local control of development. They provide an opportunity to ensure that the appearance of new development is compatible with the Town’s vision, while reinforcing objectivity in the decision-making process.

Low-Barrier Navigation Centers

A "Low Barrier Navigation Center" is a low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. AB 101 requires jurisdictions to allow “low-barrier navigation centers” by-right in areas zoned for mixed-uses and in non-residential zones permitting multi-family uses if the center meets specified requirements. Implementation Program BD has been included pursuant to the requirements of AB 101.

Surplus Public Land

AB 1255 and AB 1486 seek to identify and prioritize State and local surplus lands available for housing development that are affordable to lower income households. The Town has not identified surplus lands through the sites inventory analysis and will report on these lands if identified through the Housing Element Annual Progress Reports.

Accelerated Housing Production

AB 2162 and SB 2 address various methods and funding sources that jurisdictions may use to accelerate housing production.

Priority Processing

SB 330 enacts changes to local development policies, permitting, and processes that will be in effect through January 1, 2025. SB 330 places new criteria on the application requirements and processing times for housing developments; prevents localities from decreasing the housing capacity of any site, such as through downzoning or increasing open space requirements, if such a decrease would preclude the jurisdiction from meeting its RHNA housing targets; prevents localities from establishing non-objective standards; and requires that any proposed demolition of housing units be accompanied by a project that would replace or exceed the total number of units

demolished. Additionally, any demolished units that were occupied by lower income households must be replaced with new units affordable to households with those same income levels.

Housing and Public Safety

In response to SB 379, SB 1035, SB 99, and AB 747, local jurisdictions must update their Safety Element to comprehensively address climate adaptation and resilience and identify evacuation routes. These updates are triggered by any General Plan or Housing Element Update that occurs after January 1, 2014. The Town has conducted this update through its recent General Plan Update, so that it can direct future development into areas that avoid or reduce unreasonable risks, while also providing needed housing and maintaining other community planning goals.

10.1.5 Public Participation

The primary purpose of this section is to describe the effort made by the Town of Los Gatos to engage all economic segments of the community (including residents and/or their representatives) in the development and update of the Housing Element. The 6th Cycle RHNA numbers are a significant change for all California communities, and the success of the update process is dependent on a robust, inclusive, and meaningful community outreach and engagement program. The COVID-19 pandemic has complicated community outreach efforts, but the pandemic has also catalyzed the development of new digital tools that have brought interactive engagement to a new level. The following section outlines efforts taken by the Town of Los Gatos to engage the community in the Housing Element Update process. The summary below illustrates the efforts that the Town has employed to reach the community for input and community engagement as part of the 2023-2031 Housing Element Update process to date:

- Postcards sent to all property owners and tenants in the Town for a Housing Element Update Community Meeting (17,446 in total).
- Announcements provided in the local newspaper for all Housing Element Advisory Board (HEAB) meetings, community meetings, joint study sessions, and the 30-day public review period of the Initial Public Review Draft Housing Element (Los Gatos Weekly).
- 17 pop-up informational tables at the Los Gatos Farmers' Market
- Information table at the Town Community Event (Spring in the Green).
- Social posts on five platforms, including Facebook, Instagram, Twitter, Nextdoor, and the What's New page on the Town's website for all Housing Element meetings, interactive on-line engagement, and public engagement opportunities.
- Public notices for Housing Element Advisory Board (HEAB) meetings and community meetings posted at Town Hall and the Library.
- Targeted email messaging that sends email updates to the Town's Notify Me subscribers for the 2040 General Plan Update and Housing Element Update.
- 100 Property Owner Interest Forms mailed to all property owners on the Site Inventory.
- Online advertisements for each Housing Element meeting and interactive on-line engagement opportunities on the Town's website, the Town's General Plan Update website, and the Town's Housing Element website.
- Use of the Balancing Act, a housing simulation tool, available on the Town's dedicated Housing Element Update website for online public engagement.
- 201 submissions to the online site surveys and 42 completions of the Balancing Act housing simulation tool.
- Seven community group meetings for the 2040 General Plan Update, including discussion regarding density and affordable housing.
- Eleven HEAB meetings held to date.

- Town Council meeting approving the draft Site Inventory.
- One community meeting hosted by the Santa Clara County Planning Collaborative for Santa Clara County municipalities.
- A public meeting hosted by West Valley Community Services; Envisioning an Inclusive Los Gatos: Housing Element 101.
- A joint study session with the Town Council and Planning Commission to discuss housing growth options for the 2040 General Plan.
- A joint study session with the Town Council, Planning Commission, and HEAB with panelists from both market rate and non-profit developers.
- Participation in a Santa Clara County Equity Advisory Group Meeting.

Staff expects to continue this level of outreach and engagement throughout the remainder of the Housing Element Update process, including: information on the Town's website; newspaper ads; social media posts; email notifications; a pop-up tables at the farmers market, library, and public events; and the website for the Housing Element Update (engagelosgatoshousing.com). Through staff's engagement with the public at the Farmers' Market, staff has heard community support for: housing options to meet the needs of seniors and large families; displacement prevention of existing naturally affordable housing units; housing of essential workers; and lower wage earners; and the Town incentives to attract affordable housing projects.

Housing Element Advisory Board

On August 3, 2021, the Los Gatos Town Council adopted Resolution 2021-032 establishing the HEAB to serve as an advisory board for preparation of the Housing Element Update. On September 21, 2021, the Town Council appointed four at-large members to the HEAB, which when combined with the nine members of the existing General Plan Committee (GPC), formed a 13-member oversight board.

Housing Element Website

The Town developed a focused Housing Element Update website "Engage Los Gatos Housing" to provide a forum for the Town's online community to engage in the Housing Element Update process. The site provides an interactive place for the public to learn about and be a part of the Town's work on housing and to help guide decision makers on the direction of future housing. This online platform has been open throughout the Town's 6th Cycle Housing Element Update and updated regularly with key documents, key meeting dates and times, engagement opportunities, and other information.

Balancing Act Online Public Engagement

The Balancing Act tool was added on the Town's Housing Element website to allow the public to participate and provide site selection feedback on the online platform. The Balancing Act is an online simulation-based tool for public engagement on potential housing sites. The Balancing Act provided an interactive map showing where potential housing could be placed to fulfill the Town's RHNA.

Site Surveys Online Public Engagement

As a companion to the Balancing Act mapping tool opportunity to gather public comments about potential housing sites, surveys were made available for each individual site. The dedicated Housing Element Update website included opportunities to learn more about the Housing Element Update process and how to contribute to the process.

Property Interest Forms

Letters were sent to owners of properties that were considered by the Town to be candidates for housing sites. The letters included a description of the Housing Element Update process and an invitation to include their property on the Sites Inventory List.

Community Meetings

On August 25, 2021, Town staff participated with other municipalities as part of the Santa Clara County Housing Collaborative to conduct the Let's Talk Housing meeting, a regional outreach effort. The online event introduced community participants to the Housing Element Update process. Town staff presented an introduction to the Housing Element Update and hosted breakout Zoom room discussions to learn more about community members housing experiences, needs challenges, and opportunities. There were 35 participants.

On March 2, 2022, West Valley Community Services (WVCS) hosted an online community engagement event, Envisioning an Inclusive Los Gatos: Housing Element 101. The online event provided an opportunity for the public to discuss opportunities with panelists for the Town to improve the housing community for everyone, ensuring inclusive, diverse, and affordable housing in Town. Community members, Housing Element experts, nonprofits, housing developers, and clients with experience in homelessness and affordable housing joined the conversation, discussing housing challenges, opportunities, and personal experiences. The featured panelists included:

- Ande Flower, Principal Planner at EMC Planning Group.
- Alison Cingolani, Policy and Research Associate at SV@Home.
- Bianca Neumann with EAH Housing.
- Two WVCS clients.

Housing Element Advisory Board Public Meetings (HEAB)

The HEAB is an advisory board created for the purposes of advising Town staff, providing a public forum for public involvement, and making recommendations to the Planning Commission and Town Council on updates to the Housing Element. The HEAB serves as an advisory body that provides input on specific tasks associated with the Housing Element Update. The role of the HEAB is to:

- Provide guidance on the development of the Housing Element Update;
- Provide an additional forum for public involvement;
- Forward milestone products to Town Council;
- Review the Draft Housing Element; and
- Make recommendations to the Planning Commission and Town Council.

The HEAB meeting agendas allow for two opportunities for public comment, at the beginning and end of each meeting, to provide the public an opportunity to react to the topics proposed and discussed. The public is invited to participate and provide comments at the HEAB meetings or in writing. Meetings are advertised through social media, the Town's website, the Housing Element Update website, newspaper advertisements, postings at Town Hall and the Library, and emails to the General Plan Notify Me list. The following meetings were held via Zoom with public participation and will continue through the Housing Element Update process.

- October 21, 2021: Kickoff Meeting and Housing Element Overview.
- December 16, 2021: Review and Discussion of Technical Appendices.
- February 17, 2022: Review and Discussion of the Housing Site Inventory Analysis Process.
- April 21, 2022: Review and Discussion of the Housing Element Site Inventory.
- May 5, 2022: Review and Discussion of the Housing Element Site Inventory.
- May 19, 2022: Review and Discussion of the Housing Element Site Inventory.
- June 16, 2022: Review and Discussion of the Housing Element Draft Goals, Policies, and Programs.
- July 7, 2022: Review and Discussion of the Housing Element Draft Goals, Policies, and Programs.
- August 4, 2022: Review and Discussion of the Housing Element Draft Goals, Policies, and Programs.
- August 18, 2022: Review and Discussion of the full preliminary Housing Element Draft.

- September 15, 2022: Receive Public Comments on the Initial Public Review Draft Housing Element.

In addition, the following groups have been invited to join the Housing Element Advisory Board Meetings:

- Los Gatos Chamber of Commerce.
- West Valley Community Services.
- Los Gatos Interfaith Community.
- Public and Private Schools.
- Los Gatos Anti-Racism Coalition.
- Los Gatos Rotary Club.
- Los Gatos Kiwanis Club.
- Los Gatos Lions Club.
- Architects, Designers, and Market and Affordable Housing Developers who typically do work within Town.
- The Town's Senior Services Committee.

The list of organizations that were contacted to participate in the Housing Element Update process is provided in Appendix F.

Joint Study Sessions

On December 7, 2021, the Town Council and the Planning Commission held a Joint Study session via Zoom to discuss housing growth options and related analyses for Planning Commission and Town Council consideration of the 2040 General Plan Update. The public was encouraged to continue to submit comments and participate in the 2040 General Plan Update, including any preferences for housing growth options.

On April 6, 2022, the Town Council, Planning Commission, and HEAB participated in a Joint Study session via Zoom titled "Nuts and Bolts of Affordable Housing." Several residents requested that the Town Council convene a study session with the Planning Commission and HEAB to learn more about the challenges of building affordable housing, particularly the financial and legal realities. The residents provided discussion questions to the panel members. The Town Council, Planning Commission, and HEAB members had the opportunity to ask questions of panel members. The panelists included the following:

- Josh Selo, West Valley Community Services Executive Director served as moderator for the panel discussion.
- Barbara Kautz, Goldfarb Lipman Attorneys, provided the current legal landscape for Housing Elements.
- Don Caprobres, Harmonie Park Development, provided expertise in market rate development and partnerships with affordable housing developers.
- Andrea Osgood, Eden Housing, provided hands-on knowledge of affordable housing development and working with market rate developers.
- Chris Neale, The CORE Companies, provided experience with both market and affordable housing development.

Public Hearings

On June 7, 2022, the Town Council considered and approved the HEAB's recommendation for the draft Site Inventory at a public hearing via Zoom. There will be more public hearings to come following the first review by HCD.

Justice, Diversity, Equity, and Inclusion

The Town of Los Gatos values justice, equity, diversity, and inclusion (JEDI). The Town works proactively to ensure the rights and opportunities of everyone in Los Gatos and opposes any attempts to undermine the safety,

security, and rights of any members of the community. The Town promotes equal treatment, equitable distribution of and access to resources, and engagement in issues affecting the lives of residents, workers, and visitors. The Town does not tolerate discrimination, racial injustice, or police brutality. The Town works toward realizing the values of diversity, equity, and inclusion by taking specific actions to become a more inclusive community.

In May of 2017, the Town Council affirmed a commitment to Los Gatos as a diverse, supportive, equitable, and inclusive community.

On June 5, 2020, the Town affirmed its commitment to stand in solidarity with the black community with a Proclamation from the Mayor.

On June 17, 2020, the Mayor signed the Obama Foundation's Mayor's Pledge, committing to review Police Department standards, report back to the community, and work on reforms.

On June 19, 2020, the Town launched a new webpage, "Becoming an Inclusive Community," dedicated to outlining the shared values of justice, diversity, equity, and inclusion. In naming the new webpage "Becoming an Inclusive Community," the Town acknowledged that there is work to do; and by clearly stating the commitment to inclusivity and diversity, the Town strives to take the steps needed to reach that goal. The dedicated webpage can be viewed at www.LosGatosCA.gov/Inclusivity and is kept updated on a regular basis with Town efforts and current information.

On July 30, 2020, the General Plan Update Advisory Committee (GPAC) held a special meeting to review and discuss the topics including racial, social, and environmental justice in the General Plan. As a result of this meeting, the first Element of the 2040 General Plan is a new Racial, Social, and Environmental Justice Element.

In 2020, the Town hosted three community workshops via teleconference to foster dialogue on racial and social justice and how Los Gatos can be more welcoming for all. The three conversations covered police reform, and housing. The inclusivity webpage contains full video recordings, presentations, and other information associated with these conversations.

Pop-up Community Outreach

Farmers Market Informational Booth

Town staff hosted a 2040 General Plan Update and Housing Element Update informational booth at the Los Gatos Farmers' Market on Sundays from 9:00 a.m. to 12:00 p.m. on the following dates:

- June 27, 2021.
- July 18, 2021.
- August 8, 2021.
- August 29, 2021.
- September 19, 2021.
- October 10, 2021.
- October 31, 2021.
- November 21, 2021.
- December 19, 2021.
- January 19, 2022.
- February 13, 2022.
- March 13, 2022.
- April 10, 2022.

- May 22, 2022.
- June 12, 2022.
- September 4, 2022.
- October 9, 2022.

The Farmers' Market is held at the Town's Plaza Park located in downtown Los Gatos. The informational booth provided an opportunity for planning staff to answer the public's questions regarding housing opportunities and challenges within the Town, possible housing sites in Town, the General Plan Update and Housing Element Update process, and key participation opportunities. Informational handouts were provided to members of the public with links to the Town's General Plan Update and Housing Element Update websites. Staff interacted with members of the community, including both Town residents and non-residents, at the Farmers Market. Staff members will continue hosting this informational booth once a month through the end of the Housing Element Update process.

Spring Into Green Informational Booth

On April 24, 2022, Town staff hosted an informational booth for the 2040 General Plan Update and Housing Element Update at the Town of Los Gatos' Spring into Green event. The outdoor event celebrates Keep Los Gatos Beautiful Month, environmental sustainability, and Earth Day. The festivities included environmentally focused exhibitor booths, a tree planting ceremony, the weekly Los Gatos Farmers Market, family-friendly activities, food, and live music. The informational booth provided an opportunity for Town staff to answer the public's questions regarding housing opportunities and challenges within the Town, possible housing sites in Town, the General Plan Update and Housing Element Update process and key participation opportunities.

2040 General Plan Update

On June 30, 2022, the Town Council adopted the 2040 General Plan. As mentioned above, the 2040 General Plan includes a new chapter: Racial, Social, and Environmental Justice. The Racial, Social, and Environmental Justice Element includes goals, policies, and implementation programs that encourage and support local efforts to increase participation in the local political process and to improve local conditions relative to racial, social, and environmental justice issues. The themes covered in this element lay the foundation for creating a more equitable and inclusive Town for all residents of Los Gatos. The Racial, Social, and Environmental Justice Element focuses on the empowerment of the community, and especially of the members of the community who have not been previously heard.

General Plan Update Advisory Committee (GPAC)

To help guide the update to the General Plan, the Town Council appointed a GPAC. The GPAC was composed of the Town's General Plan Committee (GPC) and three additional residents. The GPC includes two Town Council members, three Planning Commissioners, and four residents. The GPAC served to review and discuss issues, opportunities, and the development the Draft 2040 General Plan. The GPAC held more than 35 public meetings throughout the General Plan Update process, listening to community input and contributing to the development of Land Use Alternatives, and the content of the General Plan document.

Public Participation to Affirmatively Furthering Fair Housing

The Los Gatos public participation program was also responsive to AFFH, which requires local jurisdictions to conduct public outreach to equitably include all stakeholders in the housing element public participation program (see Section 10.1.3 for more complete information on AFFH).

Tribal Consultation

This public participation effort also includes formal consultation, pursuant to Government Code §65352.3, with representatives from nine Native American tribes that are present and active in Santa Clara County.

10.2 Overview of Housing Needs and Constraints

This section summarizes the housing needs of Los Gatos as determined through the comprehensive housing data assessment and analysis presented in Appendix B and serves as the basis for housing goals, policies, and implementation programs. The housing summary gives an overview of population trends: characteristics of the housing stock; housing affordability; and special needs households.

10.2.1 Introduction

The Bay Area continues to see growth in both population and jobs, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have housing opportunities. While the number of people drawn to the region over the past 30 years has steadily increased, housing production has stalled, due to the high cost of land, contributing to the housing shortage that communities are experiencing. In many communities, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across income levels being able to purchase homes or meet surging rents.

10.2.2 Los Gatos Overview

As California works to face its housing crisis, the State of California has adopted rules to ensure that the burden of housing an economically diverse and growing population is shared proportionately among all California communities. The Town is committed to meeting the housing challenge, while preserving the essential character of the community. The Town faces some of the following conditions as summarized below:

- Population growth trends in the Town are significantly lower than the County and regional rates.
- The Town has more than double the County share of White population and a correspondingly smaller percent of minority populations.
- The Town has a higher share of high-income earners than the County and Bay Area.
- The income gap between lower income residents and higher income residents in the Town is higher than the average value for Bay Area jurisdictions.
- Poverty rates are very low in the Town.
- The Town is a net importer of workers.
- Housing prices in the Town are extremely high. Home prices are valued at more than $2 million, and rental prices increased by 61 percent from 2009 to 2019.
- The Town does not have any public housing and only a small portion of the Town contains Housing Choice Voucher usage.

Figures 10-4 and 10-5 on the following pages show the concentration of public housing buildings with less than seven units and buildings with eight to 35 units in Santa Clara County; and Housing Choice vouchers by census tract, respectively.

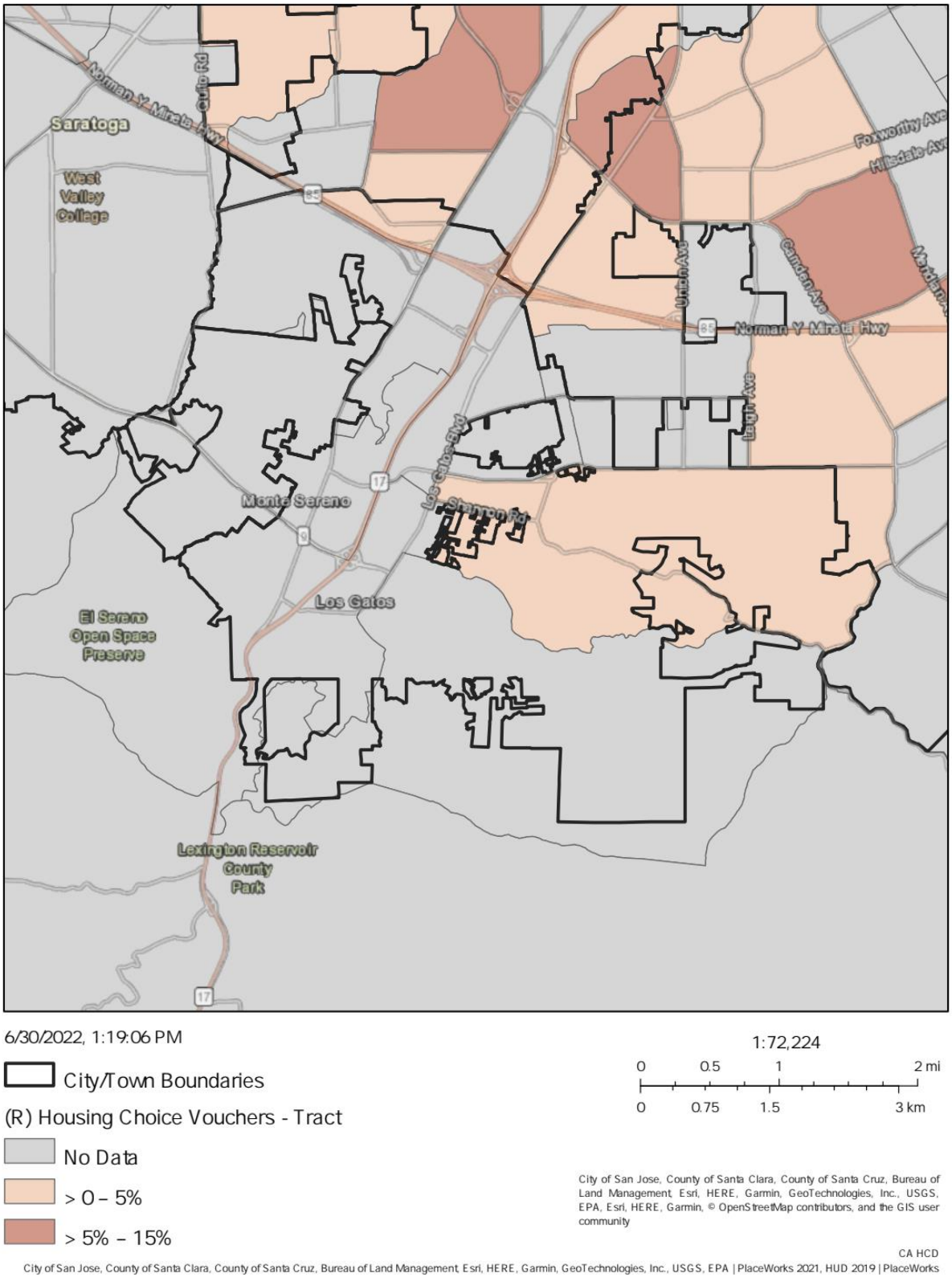
The remainder of this section provides an overview of the demographics, housing characteristics, and special housing needs that provide the context for Los Gatos's 6th Cycle Housing Element Update. A more complete report on housing needs is presented in Appendix B.

Figure 10-4 Public Housing Buildings, Santa Clara County



Source: California Department of Housing and Community Development AFFH Data Viewer

Figure 10-5 Housing Choice Vouchers by Census Tract



Source: California Department of Housing and Community Development AFFH Data Viewer

10.2.3 Demographics

Population Trends

Generally, the population of the Bay Area continues to grow because of natural growth and because the strong economy draws new residents to the region. The population of the Town of Los Gatos increased by 10 percent from 2000 to 2020, which is below the 14.8 percent growth rate of the Bay Area. In 2020, the population of the Town was estimated to be 31,439 according to the Department of Finance. The population of the Town makes up 1.6 percent of Santa Clara County.[5] In the Town of Los Gatos, roughly 13.5 percent of its population moved during the past year, a number that is roughly the same as the regional rate of 13.4 percent. Table 10-2 shows population growth trends for the Town, Santa Clara County, and the Bay Area as a whole.

Table 10-2 Population Growth Trends

Geography	1990	1995	2000	2005	2010	2015	2020
Los Gatos	27,357	28,751	28,592	28,872	29,413	30,807	31,439
Santa Clara County	1,497,577	1,594,818	1,682,585	1,752,696	1,781,642	1,912,180	1,961,969
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

Source: California Department of Finance, E-5 series

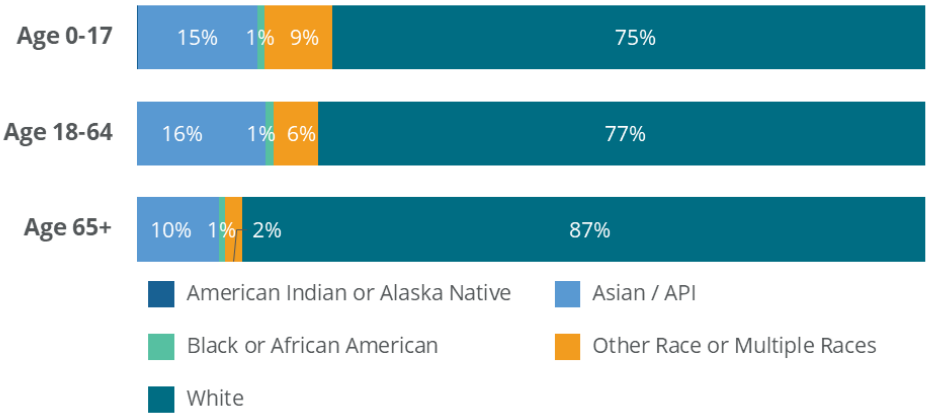
Population by Age

The distribution of age groups in a town or city shapes what types of housing the community may need in the near future. An increase in the older population may mean there is a developing need for more senior housing options, while higher numbers of children and young families can point to the need for more family housing options and related services. There has also been a move by many to age-in-place or downsize to stay within their communities, which can mean more multi-family and accessible units are also needed.

In 2019, the median age in the Town was 47 years, an increase from the median age of 41 in 2000. The youth population of the Town under the age of 18 was 6,767 and the senior population 65 and older was 6,393. These age groups represent 22 percent and 20.8 percent, respectively, of the Town's population. This reflects a nationwide aging trend related to the large baby boom generation, as well as local characteristics. The Town of Los Gatos is a community with a high quality of life that encourages residents to stay throughout their lives. Aging in place, attracting retirees, and high housing costs that favor older, more financially stable households all contribute to the aging trend in the Town. Figure 10-6 shows the distribution of senior and youth population by race.

[5] To compare the rate of growth across various geographic scales, Table 10-2 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the population growth in each of these geographies relative to their populations in 1990. NOTE: Universe: Total population; For more years of data, please refer to the Data Packet Workbook, Table POPEMP-01.

Figure 10-6 Senior and Youth Population by Race, Los Gatos, 2000-2019



Source: ABAG Housing Needs Data Workbook

Population by Race/Ethnicity

Understanding the racial makeup of a town, city, and region is important for designing and implementing effective housing policies and programs. These patterns are shaped by both market factors and government actions, such as exclusionary zoning, discriminatory lending practices, and displacement that has occurred over time and continues to impact communities of color today.[6]

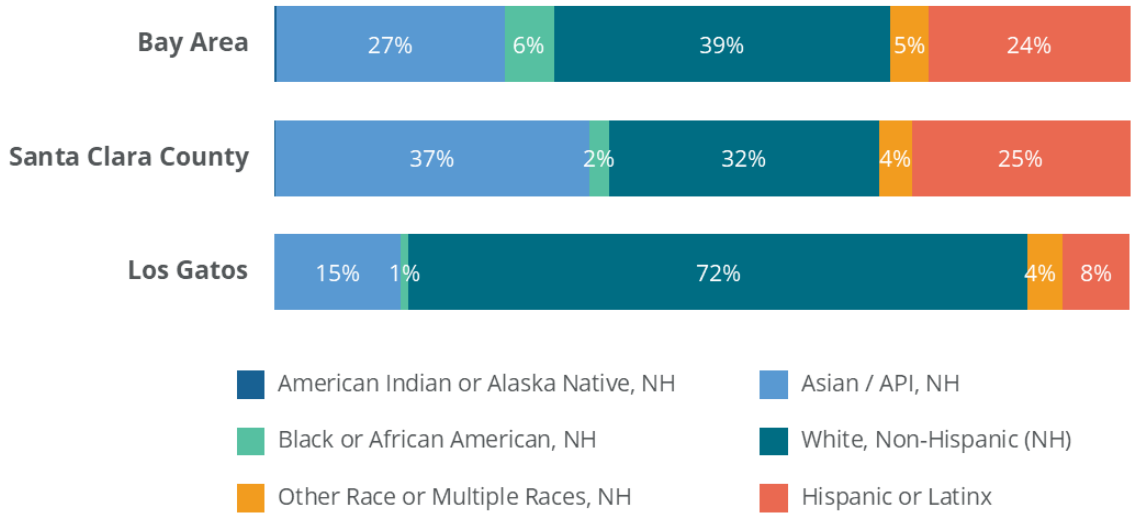
Figures 10-7 and 10-8 show the population distribution by race and ethnicities in the Bay Area, Santa Clara County, and specifically Los Gatos, through the period 2000 to 2019. Since 2000, the percentage of residents in the Town of Los Gatos identifying as "White, Non-Hispanic" has decreased by 13.3 percentage points. At the same time the percentage of residents of all "Other Race of Multiple Races, Non-Hispanic" has increased. In absolute terms, the "Asian/API, Non-Hispanic" population increased the most, while the "White, Non-Hispanic" population decreased the most.

In 2019, 72.3 percent of the Town's population was White while 0.9 percent was African American, 14.8 percent was Asian, and 7.9 percent was Latinx. People of color in Los Gatos comprise a proportion below the overall proportion in the Bay Area as a whole.[7]

[6] See, for example, Rothstein, R. (2017). The color of law: a forgotten history of how our government segregated America. New York, NY & London, UK: Liveright Publishing.

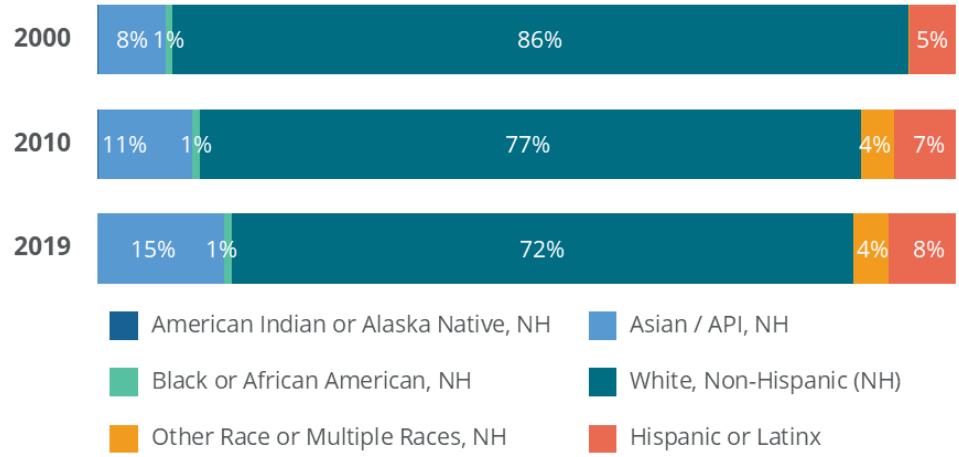
[7] The Census Bureau's American Community Survey accounts for ethnic origin separate from racial identity. The numbers reported here use an accounting of both, such that the racial categories are shown exclusive of Latinx status, to allow for an accounting of the Latinx population regardless of racial identity. The term Hispanic has historically been used to describe people from numerous Central American, South American, and Caribbean countries. In recent years, the term Latino or Latinx has become preferred. This report generally uses Latinx, but occasionally when discussing US Census data, we use Hispanic or Non-Hispanic, to clearly link to the data source.

Figure 10-7 Population by Race and Ethnicity, Los Gatos, 2019



Source: ABAG Housing Needs Data Workbook

Figure 10-8 Population by Race and Ethnicity, Los Gatos, 2000-2019



Source: ABAG Housing Needs Data Workbook

Employment

Town residents most commonly work in the Financial and Professional Services industry. From January 2010 to January 2021, the unemployment rate in the Town decreased by three percentage points. Since 2010, the number of jobs located in the jurisdiction increased by 4,440 (28.8 percent).

Additionally, the jobs-household ratio in the Town has increased from 1.32 in 2002 to 1.59 jobs per household in 2018, which means the Town has more jobs than housing. A surplus of jobs relative to residents suggests the need to import workers. Los Gatos has more low-wage jobs than low-wage residents (where low-wage refers to jobs paying less than $25,000). At the other end of the wage spectrum, the Town has more high-wage residents than high-wage jobs (where high-wage refers to jobs paying more than $75,000).

10.2.4 Household Characteristics

Extremely Low-Income Households

Despite the economic and job growth experienced throughout the region since 1990, the income gap has continued to widen. California is one of the most economically unequal states in the nation, and the Bay Area has the highest income inequality between high- and low-income households in the State.

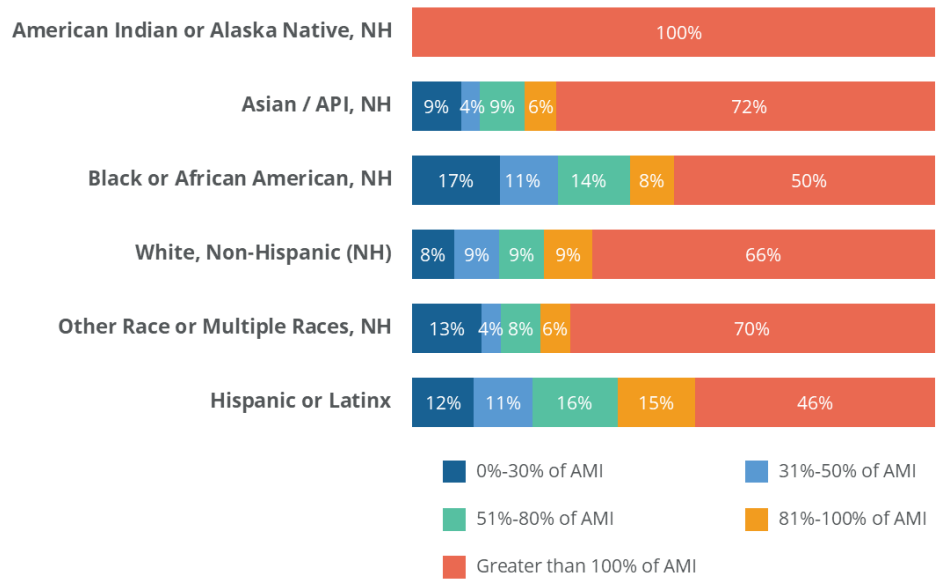
HUD annually updates it Section 8 Program income limits to reflect changes in median family income (MFI) levels for different size households and income limits for extremely low-, very low-, and low-income households. HCD must then annually update its income limits based on HUD's annual revisions. California law and State Income Limits reference AMI that, pursuant to Health & Safety Code 50093(c), means the MFI of a geographic area, estimated by HUD for its Section 8 Program.

In Los Gatos, 65 percent of households make more than 100 percent of the AMI [8], compared to nine percent making less than 30 percent of AMI, which is considered extremely low-income. Regionally, more than half of all households make more than 100 percent AMI, while 15 percent make less than 30 percent AMI. In Santa Clara County, 30 percent AMI is equivalent to an annual income of $39,900 for a family of four. Many households with multiple wage earners, including food service workers, full-time students, teachers, farmworkers, public safety officers, and healthcare professionals can fall into lower AMI categories due to relatively stagnant wages in many industries.

Throughout the region, there are disparities between the incomes of homeowners and renters. Figures 10-9 and 10-10 show the AMI distribution and the poverty rate among different races and ethnicities in the Los Gatos area. Typically, the number of low-income renters greatly outpaces the amount of housing available that is affordable for these households. In Los Gatos, the largest proportion of both renters and homeowners is found in the greater than 100 percent of AMI group.

[8] Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. Households making between 80 and 120 percent of the AMI are moderate-income, those making 50 to 80 percent are low income, those making 30 to 50 percent are very low income, and those making less than 30 percent are extremely low income. This is then adjusted for household size.

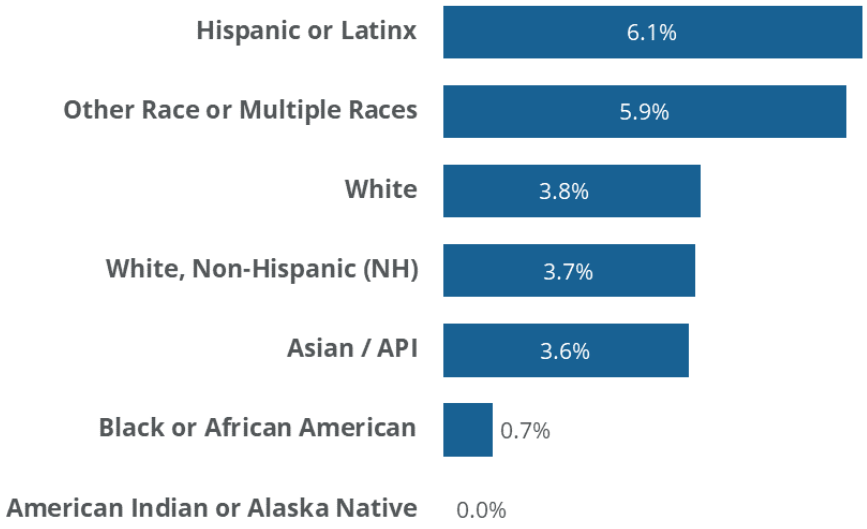
Figure 10-9 Area Median Income by Race and Ethnicity, Los Gatos, 2019



Source: ABAG Housing Needs Data Workbook

People of color are more likely to experience poverty and financial instability as a result of Federal and local housing policies that have historically excluded them from the same opportunities extended to White residents.[9] These economic disparities also leave communities of color at higher risk for housing insecurity, displacement, or homelessness. In Los Gatos, Hispanic or Latinx and Other Race or Multiple Races (Hispanic and Non-Hispanic) residents experience the highest rates of poverty, followed by White (Hispanic and Non-Hispanic) residents.

Figure 10-10 Poverty Rate by Race and Ethnicity, Los Gatos, 2019



Source: ABAG Housing Needs Data Workbook

[9] Moore, E., Montojo, N. and Mauri, N., 2019. Roots, Race & Place: A History of Racially Exclusionary Housing the San Francisco Bay Area. *Hass Institute*.

Tenure

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity (i.e., ability for individuals to stay in their homes) in a town, city, and region. Generally, renters may be displaced more quickly if prices increase. As of 2019, there are a total of 12,083 housing units in Los Gatos, and fewer residents rent than own their homes: 35 percent versus 65 percent. By comparison, 43.6 percent of households in Santa Clara County are renters, while 43.9 percent of Bay Area households rent their homes.

Homeownership rates often vary considerably across race and ethnicity in the Bay Area and throughout the country. These disparities not only reflect differences in income and wealth, but also stem from Federal, State, and local policies that limit access to homeownership for communities of color, while facilitating homebuying for White residents. While many of these policies, such as redlining, have been formally disbanded, the impacts of race-based policy are still evident across Bay Area communities. In Los Gatos, 84 percent of Black households owned their homes, while homeownership rates were 72 percent for Asian households, 39 percent for Latinx households, and 65 percent for White households.

In many communities, homeownership rates for households in single-family homes are substantially higher than the rates for households in multi-family housing. In Los Gatos, 86 percent of households in detached single-family homes are homeowners, while 13 percent of households in multi-family housing are homeowners.

Displacement

Because of increasing housing prices, displacement is a major concern in the Bay Area. Displacement has severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

The University of California (UC), Berkeley has mapped all neighborhoods in the Bay Area, identifying their risk for gentrification. It finds that in Los Gatos there are no households that live in neighborhoods that are susceptible to or experiencing displacement and none live in neighborhoods at risk of or undergoing gentrification. Equally important, some neighborhoods in the Bay Area do not have housing appropriate for a broad section of the workforce. UC Berkeley estimates that all households in Los Gatos live in neighborhoods where low-income households are likely to be excluded due to prohibitive housing costs.[10] Figure B-18 in Appendix B shows household displacement risk and tenure.

10.2.5 Housing Stock Characteristics

Number of Homes

The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in Los Gatos increased by four percent from 2010 to 2020, which is below the growth rate for Santa Clara County and below the growth rate of the region's housing stock during this time period.

Between 2015 and 2021, 502 housing units were issued permits in Los Gatos, which represents approximately 81 percent of the RHNA number of 619 units assigned in the 5th Cycle Housing Element. Approximately 66 percent of permits issued in Los Gatos were for above moderate-income housing, 24 percent were for moderate-income housing, and 10 percent were for low- or very low-income housing.

[10] More information about this gentrification and displacement data is available at the Urban Displacement Project's webpage: https://www.urbandisplacement.org/. Specifically, one can learn more about the different gentrification/displacement typologies shown in Figure 18 at this link: https://www.urbandisplacement.org/sites/default/files/typology_sheet_2018_0.png. Additionally, one can view maps that show which typologies correspond to which parts of a jurisdiction here: https://www.urbandisplacement.org/san-francisco/sf-bay-area-gentrification-and-displacement.

Housing Type

It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2020:

- 60 percent of homes in Los Gatos were single-family detached.
- 13 percent were single-family attached.
- 9 percent were small multi-family (two to four units).
- 18 percent were medium or large multi-family (five or more units).

Between 2010 and 2020, the number of single-family units increased more than multi-family units. Los Gatos has a higher portion of detached single-family homes than other jurisdictions in the region.

The housing stock of Los Gatos is generally in good condition, and few homes require reconstruction or rehabilitation. The high quality of life, desirable location, walkable neighborhoods, and school system have provided financial incentive for property owners to rehabilitate homes and maintain them.

Home Prices

A diversity of homes at all income levels would create opportunities for all members of the Los Gatos community to live in Town.

- **Ownership** – The largest proportion of homes had a value greater than $2 million in 2019. Home prices increased by 98.4 percent from 2010 to 2020.
- **Rental Prices** – The typical contract rent for an apartment in Los Gatos was $2,270 in 2019. Rental prices increased by 61 percent from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make $90,960 per year.[11]

Cost Burden

The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30 percent of its income on housing costs. A household is considered "cost-burdened" if it spends more than 30 percent of its monthly income on housing costs, while those who spend more than 50 percent of their income on housing costs are considered "severely cost-burdened." In Los Gatos, 20 percent of renter households and 16 percent of owner households spend 30 percent to 50 percent of their income on housing, while 22 percent of renter households and 12 percent of owner households are severely cost-burdened and use the majority of their income for housing.

Minority communities are more likely to experience poverty and financial instability as a result of Federal and local housing policies that have historically excluded them from the same opportunities extended to White residents. As a result, they often pay a greater percentage of their income on housing, and in turn, are at a greater risk of housing insecurity.

"Other Race" or "Multiple Races, Non-Hispanic" residents are the most cost-burdened, with 28 percent spending 30 to 50 percent of their income on housing, and Hispanic or Latinx residents are the most severely cost-burdened, with 22 percent spending more than 50 percent of their income on housing.

Neighborhood

100 percent of residents in Los Gatos live in neighborhoods identified as "Highest Resource" or "High Resource" areas by State-commissioned research, while none live in areas identified by this research as "Low Resource" or "High Segregation and Poverty" areas. These neighborhood designations are based on a range of indicators

[11] Note that contract rents may differ significantly from, and are often lower than, current listing prices.

covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.[12]

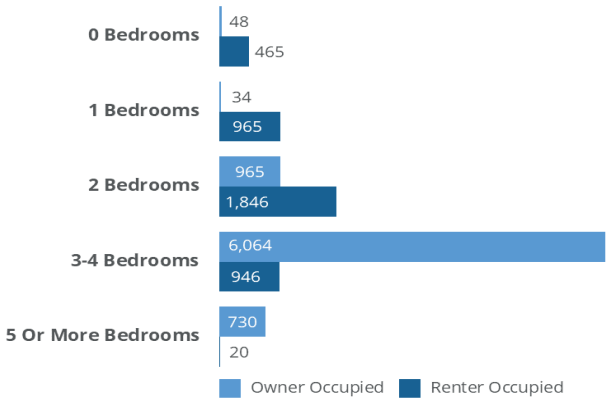
10.2.6 Special Housing Needs

Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Los Gatos, nine percent of residents have a disability and may require accessible housing. Additionally, six percent of Los Gatos households are larger households with five or more people, and likely need larger housing units with three bedrooms or more. Eight percent of households are female-headed families, which are often at greater risk of housing insecurity.

Large Households

Large households, with five or more persons, often have different housing needs than smaller households. If a town or city's rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions. Large families are generally served by housing units with three or more bedrooms, of which there are 7,760 units in Los Gatos, as shown in Figure 10-11. Among these large units, most are owner-occupied, and few are renter-occupied, indicating the Town's rental housing stock lacks larger apartments.

Figure 10-11 Housing Units by Number of Bedrooms and Tenure, Los Gatos, 2019



Source: ABAG Housing Needs Data Workbook

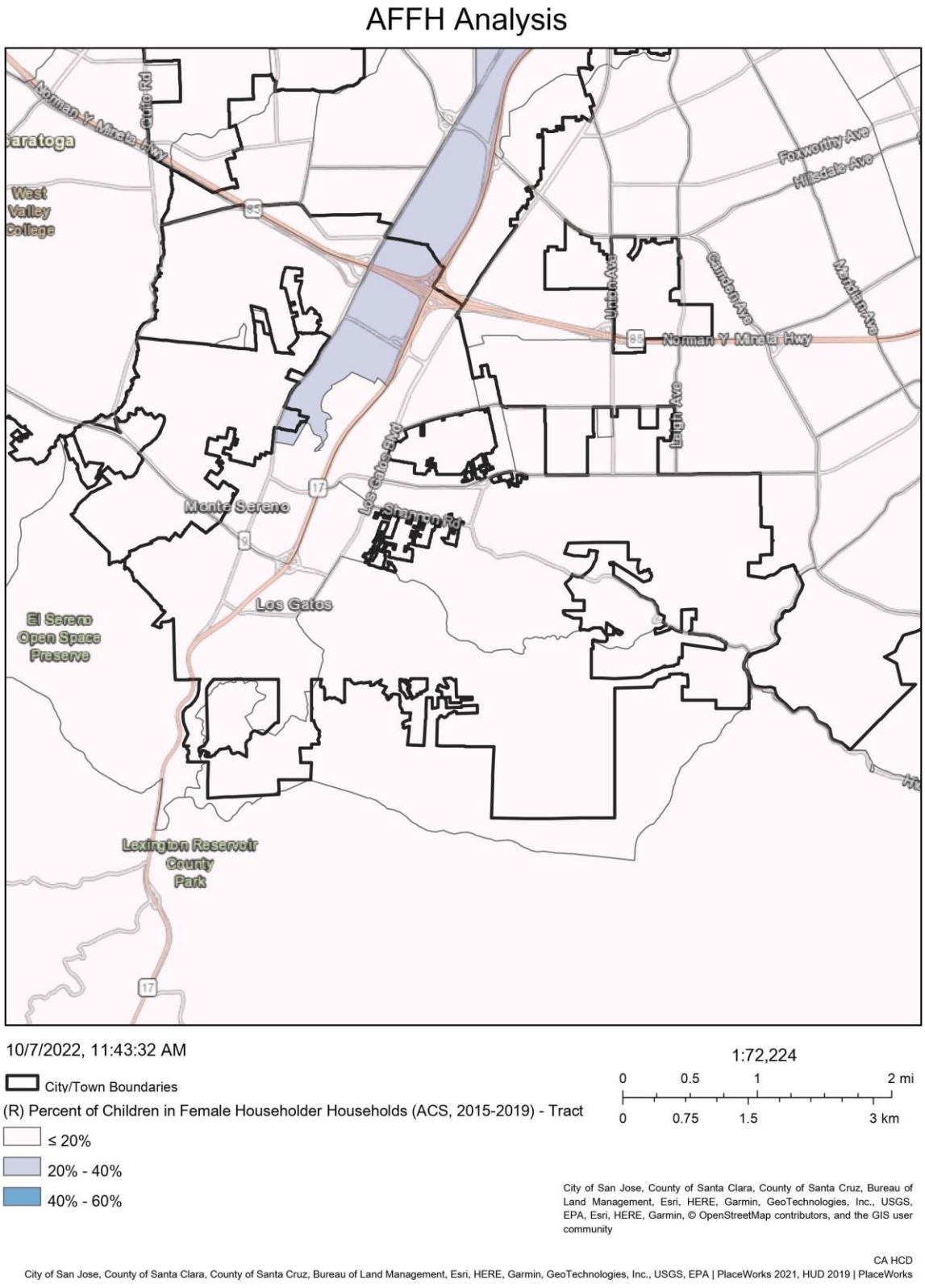
Female-Headed Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. Female-headed households with children may face particular housing challenges, with gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging.

In Los Gatos, the largest proportion of households is Married-Couple Family Households at 58 percent of the total, while Female-Headed Family Households make up 8 percent of all households. Additionally, 36 Female-Headed Households with Children (eight percent) fell in the Below Poverty Level category, while 26 Female-Headed Households without Children (five percent) fell in the Below Poverty Level category.

[12] For more information on the "opportunity area" categories developed by HCD and the California Tax Credit Allocation Committee, see this website: https://www.treasurer.ca.gov/ctcac/opportunity.asp. The degree to which different jurisdictions and neighborhoods have access to opportunity will likely need to be analyzed as part of new Housing Element requirements related to affirmatively furthering fair housing. ABAG/MTC will be providing jurisdictions with technical assistance on this topic this summer, following the release of additional guidance from HCD.

Figure 10-12 Percent of Children in Female Households, 2015-2019



Source: California Department of Housing and Community Development AFFH Data Viewer

Senior Households

Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. Seniors, defined as persons who are 65 years or older, may live on fixed incomes and may have disabilities, chronic health conditions, and/or reduced mobility. Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups.

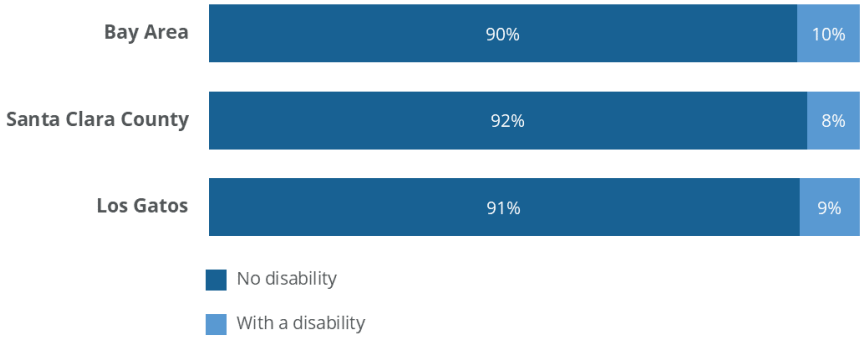
When cost-burdened seniors are no longer able to make house payments or rent payments, displacement from their homes can occur, putting further stress on the local rental market or forcing residents out of their community. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors. Of seniors making less than 30 percent of AMI, 74 percent are spending the majority of their income on housing. For seniors making more than 100 percent of AMI, 86 percent are not cost-burdened and spend less than 30 percent of their income on housing.

People with Disabilities

People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive, and sensory impairments, many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care. When it comes to housing, people with disabilities are not only in need of affordable housing, but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a high risk for housing insecurity, homelessness, and institutionalization, particularly when they lose aging caregivers. Overall, nine percent of people in Los Gatos have a disability of some kind.

State law also requires a Housing Element to examine the housing needs of people with developmental disabilities. Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe intellectual disability. Some people with developmental disabilities are unable to work, rely on supplemental security income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them.[13] In Los Gatos, there are 123 persons with a developmental disability. Out of this nine percent of the Town's population, 50 are children under the age of 18 (41 percent) and 73 are adults (60 percent). The most common living arrangement for individuals with disabilities in Los Gatos is the home of a parent/family/guardian.

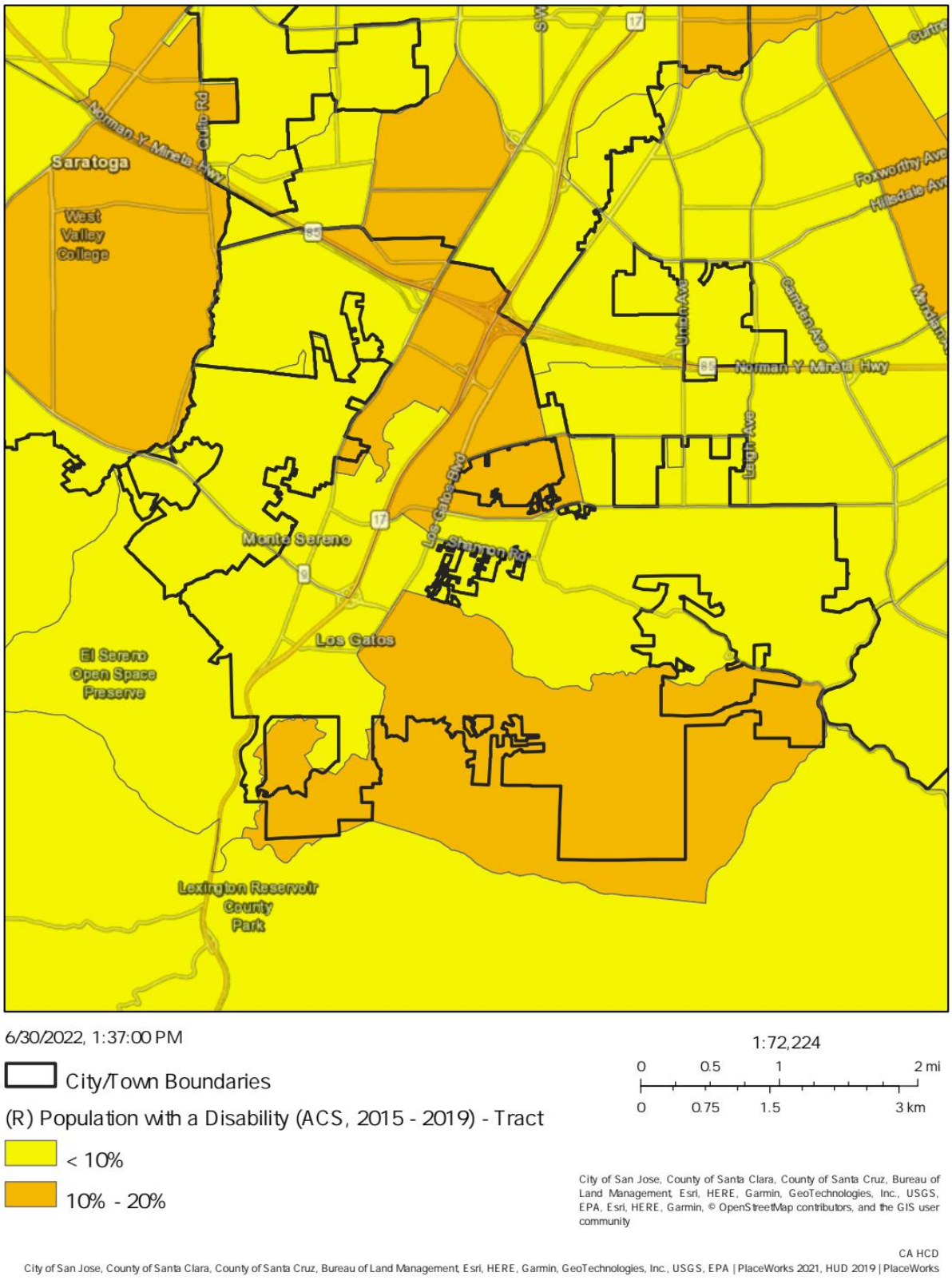
Figure 10-13 Share of Population by Disability Status, 2019



Source: ABAG Housing Needs Data Workbook

[13] For more information or data on developmental disabilities in your jurisdiction, contact the Golden Gate Regional Center for Marin, San Francisco and San Mateo Counties; the North Bay Regional Center for Napa, Solano and Sonoma Counties; the Regional Center for the East Bay for Alameda and Contra Costa Counties; or the San Andreas Regional Center for Santa Clara County.

Figure 10-14 Percent of Population with a Disability by Census Tract, 2019



Source: California Department of Housing and Community Development AFFH Data Viewer

Homelessness

Homelessness remains an urgent challenge in many communities across the State, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Many residents who have found themselves housing insecure have ended up homeless in recent years, either temporarily or longer term. Addressing the specific housing needs of the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction, and those dealing with traumatic life circumstances.

In Santa Clara County, the most common type of household experiencing homelessness is those without children in their care. Among households experiencing homelessness that do not have children, 87 percent are unsheltered. Of homeless households with children, most are sheltered in emergency shelters.

People of color are more likely to experience poverty and financial instability as a result of Federal and local housing policies that have historically excluded them from the same opportunities extended to White residents. Consequently, people of color are often disproportionately impacted by homelessness, particularly Black residents of the Bay Area.

In Santa Clara County, White (Hispanic and Non-Hispanic) residents represent the largest proportion of residents experiencing homelessness and account for 44 percent of the homeless population, while making up 45 percent of the overall population.

Farmworkers

Across the State, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding decent and affordable housing can be challenging, particularly in the current housing market.

In Los Gatos, there were no reported students of migrant workers in the 2019-20 school year. The trend for the region for the past few years has been a decline of more than two percent in the number of migrant worker students since the 2016-17 school year. The change at the County level is a 50 percent decrease in the number of migrant worker students since the 2016-17 school year.

10.2.7 Governmental and Non-Governmental Constraints

Housing development is affected by government regulations and other non-governmental forces, such as the cost of land and building materials and the availability and cost of housing loans. A Housing Element is required to investigate the impact of these constraints as they present themselves in the municipality in which the Housing Element is being prepared. Please see Appendix C for a full discussion governmental and non-governmental constraints in the Town of Los Gatos.

Revisions to the Zoning Code are necessary to achieve consistency with changes in State housing law. Anticipated zoning changes are detailed in the implementation programs found in Section 10.5 of this Housing Element.

In terms of non-governmental constraints, land costs will remain a constraint to affordable housing. To help offset this constraint, programs to use Town-owned lands, such as Town parking lots could be utilized. Due to the cost of construction materials, the Town may subsidize affordable housing projects with available funds dedicated to housing in order to increase affordable housing inventory.

10.3 Site Inventory and Opportunities

This section summarizes the housing needs of the Town as determined through the comprehensive housing data assessment and analysis presented in Appendix D and serves as the basis for housing goals, policies, and actions. The housing summary gives an overview of population trends, characteristics of the housing stock, housing affordability, and special needs households.

10.3.1 Introduction

The Plan Bay Area 2050 Final Blueprint [14] forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, HCD has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing. This calculation, known as the RHNA, is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from California Department of Finance, in order for the regions to get closer to healthy housing markets. To this end, adjustments focus on the region's vacancy rate, level of overcrowding and the share of cost-burdened households and seek to bring the region more in line with comparable ones. Compared to previous cycles, these new laws governing the methodology for how HCD calculates the RHNA resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous cycles.

10.3.2 Sites Summary

The vacant, partially vacant, and underutilized sites identified in this report are sufficient to accommodate Los Gatos' Regional Housing Needs Allocation for the 6th Cycle planning period. The sites also accommodate the recommended buffer of 15 percent above RHNA, which would equal a capacity of approximately 299 additional units. This "cushion" for capacity above the base RHNA number is highly recommended because of the State's no-net-loss policy, which precludes jurisdictions from approving development that results in an overall housing site deficit. The "cushion" essentially provides a degree of flexibility for policy makers as they make development decisions. Many of the sites identified in this report have existing uses that would need to be demolished before new housing could be constructed.

For communities like Los Gatos that are largely built-out and surrounded on all sides by other communities, redevelopment and densification is the only practical solution to providing a fair share of future housing for the San Francisco Bay Area. By its nature, such redevelopment is more costly and more time consuming than building new units on vacant land. To offset these constraints, higher densities are proposed in some areas. These higher densities act as a market incentive to offset the added cost and time required to build new housing on redeveloped sites. Property owner interest will be pivotal for facilitating single-family site opportunities and policies to add housing through SB 9, which allows for up to four units on a property zoned for single-family residences. Table 10-3 provides a summary of the number of vacant and underutilized housing sites included in the Site Inventory for the Town of Los Gatos, and how they compare to the RHNA allocation plus a 15 percent buffer.

[14] Plan Bay Area 2050 is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. It covers four key issues: the economy, the environment, housing and transportation.

Table 10-3 Summary of Vacant and Underutilized Housing Sites

Item	Very Low	Low	Moderate	Above Moderate	Total
Total Estimated Housing for Sites in Inventory	618	360	388	1,005	2,371
RHNA	537	310	320	826	1,993
Buffer (15 %)	81	46	48	124	299
RHNA + Buffer	618	356	368	950	2,292
Difference Between Housing Estimate and RHNA + Buffer	0	4	20	55	79

SOURCE: EMC Planning Group, Inc; Town of Los Gatos

10.4 Energy and Resource Conservation

This section summarizes background information and actions being undertaken by the Town of Los Gatos to address energy and resource conservation. The information is excerpted from Chapter 8 (Environment and Sustainability Element) of the 2040 General Plan. For a full discussion of energy-related issues, please see Chapter 8, Section 8.6 (Energy) of the 2040 General Plan.

10.4.1 Opportunities for Energy Conservation

With the escalation in energy prices, consumers and builders have once again become more aware of energy costs. The Town must balance between development and environmental stewardship to maintain a strong economy and, at the same time, protect the environment. The following section highlights building standards and conservation codes contributing to that success.

Title 24 of the California Administrative Code sets forth mandatory energy standards for new development and requires adoption of an "energy budget." In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations. In 2015, the Town adopted a Solar Energy Code for the purpose of reducing energy costs for new residential developments and adopted an energy budget. In addition, State law (both the Residential Building Code and CalGreen) have standards that significantly reduce energy use in new residential construction.

Increasing energy costs, persistent drought, and climate change have reshaped how Californians think when it comes to buying new homes. Solar roof panels have become more commonplace over the past several decades, with both State and Federal tax credits available. Energy-efficient appliances and water wise landscaping have become amenities of choice for homebuyers. Developers can make the most of this paradigm shift by embracing “green” building practices that incorporate the energy and water efficiencies that consumers desire as well as environmentally friendly construction that minimizes waste and maximizes the use of resources.

Pacific Gas and Electric (PG&E) distributes electricity throughout Los Gatos, with supplies purchased from Silicon Valley Clean Energy (SVCE). PG&E supplies natural gas to the community as well. The Town is committed to its partnership with other local communities under the umbrella of SVCE. Through this partnership, Los Gatos residents and businesses receive carbon-free electricity at lower rates than those that arise from fossil fuel consumption. SVCE works to innovate and implement new clean energy programs and presents many of these innovations at community meetings, Earth Day events, and presentations to businesses. SVCE’s 2020 Community Benefits Summary indicates Los Gatos achieved the following results:

- $813,000 in on-bill savings for Los Gatos SVCE customers.
- 14,700 households and businesses served.

- 99 percent reduction in electric utility-related emissions (34,897,000 pounds greenhouse gas emissions avoided by providing clean energy).
- $29,900 in cash payments to customers for generating surplus solar energy.

Achieving these goals adds to the overall GHG reduction strategy, with a focus on lowering dependence on carbon-based fuels and energy sources. Energy efficiency involves a careful balance of assessing energy sources, educating the public on home and business renewable energy use, implementing energy efficiency strategies, and encouraging and incentivizing widespread and ongoing implementation of those strategies. This in turn translates into lower ongoing costs to homeowners and renters.

10.4.2 Energy-Related Goals and Policies

As required by State housing law, the Housing Element must analyze energy conservation opportunities in residential development. In the following section, Goal HE-5 and its related policies and actions address energy conservation in residential development in Los Gatos.

The relevant Environment and Sustainability Element goals and policies in the 2040 General Plan are:

- Carbon-Neutral Energy (ENV-11.1). Support SCVE to continue to procure carbon-neutral energy for long-term and short-term supplies, including renewable resources.
- Energy Efficiency in Municipal Facilities (ENV 11.2). Invest in cost-effective energy efficiency and energy conservation programs in municipal facilities.
- Future Demand Reduction (ENV 11.3). Explore cost-effective, reliable, and feasible energy efficiency and demand reduction opportunities and continue to use the Sustainability Plan to include education programs for these opportunities.
- Conservation and Reduction (ENV 11.4). Maximize the conservation and efficient use of energy in existing and new residences, businesses, and municipal buildings in Los Gatos.
- Solar Systems (ENV 11.5). Support the maximum economic use of solar electric (photovoltaic) systems on-site to augment the renewable energy portfolio available to new development, businesses, and municipal facilities.
- Organic Waste Recycling (ENV 11.6). Comply with SB 1383 regulations to maximize energy recovery from organic materials such as yard trimmings, food waste, and other compostable resources.

10.5 Goals, Policies, and Implementation Programs

The Town does not build housing but, rather creates the policies and implementation programs to plan for where the housing can be located and how many units can be built on potential sites. The Town is responsible for enabling the production of housing by reducing regulatory barriers, providing incentives, and supporting programs that create or preserve housing, especially for vulnerable populations. The Town encourages production of a diversity of new housing to ensure an adequate supply is available to meet the needs of existing and future residents. To enable the construction of quality housing, the Town has identified the following goals, policies, and actions.

Goal HE-1	Facilitate All Types of Housing Construction.

The Town encourages the production of diverse new housing options to ensure that an adequate supply is available to meet the existing and future needs of all residents.

Policy HE-1.1 Adequate Sites
Designate sufficient, residentially zoned land at appropriate densities to provide adequate sites to accommodate Los Gatos's RHNA for 2023–2031 and monitor residential development to ensure there is an adequate level of remaining development capacity.

Policy HE-1.2 Multi-Family Housing Densities
Encourage builders to develop projects on multi-family designated properties at the high end of the applicable density range.

Policy HE-1.3 Infrastructure
All new residential development shall be sufficiently served by public services and facilities, including pedestrian and vehicular circulation, bike lanes, water and wastewater services, police, fire, schools, and parks.

Policy HE-1.4 Housing Design
Ensure that all new housing is well designed and fosters a sense of community.

Policy HE-1.5 Variety of Housing Choices
AFFH
Encourage the production of housing that meets the needs of all economic segments of the Town, including lower and moderate households, to maintain a balanced community.

Policy HE-1.6 Universal Design
AFFH
Address the special housing needs of persons with disabilities through reasonable accommodation procedures, zoning provisions for supportive and group housing, homeowner accessibility grants, and by encouraging universal design.

Policy HE-1.7 Infill Opportunities in Single-Family Neighborhoods
The Town shall increase access to opportunity for lower-income households by encouraging infill of smaller units in single-family neighborhoods (e.g., ADUs, multi-generational housing units, and SB 9 projects).

Goal HE-2 Provide New Affordable Housing.

Overall housing production has been too slow to keep pace with population growth over the past two decades. This trend has increased demand on the supply side of housing and increased the cost of all housing. More affordable housing is needed for extremely low, very low-, low-, and middle-income households.

Policy HE-2.1 Financial Resources

AFFH

Pursue expanding financial resources to support the production of affordable housing for the Town's modest income residents and workforce.

Policy HE-2.2 Housing Vouchers

AFFH

The Town shall support the Santa Clara County Housing Authority program for Housing Choice Vouchers (Section 8) to assist extremely low-, very low-, and low-income residents of the Town.

Policy HE-2.3 Mixed-Use Development

Encourage mixed–use developments that provide affordable housing close to employment centers and/or transportation facilities, particularly along arterials.

Policy HE-2.4 Rental Housing

Strive to ensure that at least 30 percent of the housing stock is rental units and continue to support the development of ADUs as a means of affordable rental housing.

Policy HE-2.5 Pre-Approved Accessory Dwelling Units

Collaborate with countywide efforts to develop pre-approved ADU plans suitable for Los Gatos, including designs that are Americans with Disabilities Act (ADA) accessible.

Policy HE-2.6 Promote Accessory Dwelling Unit Construction

Encourage homeowners to construct detached rental ADUs in order to increase the housing stock of smaller rental units.

Policy HE-2.7 Senior Housing

AFFH

Support development and maintenance of affordable senior rental and ownership housing and continue to work with existing senior lifestyle living and assisted living facilities in Los Gatos. Encourage a variety of senior living options including downsizing and step-down independent ownership housing.

Policy HE-2.8 Equal Housing and Special Needs

AFFH

Support the provision of permanent, affordable, and accessible housing that allows persons with special needs to live independent lives. For the purposes of this Housing Element "persons with special needs" include extremely low-income households, seniors, overcrowded and large-family households, the homeless population, those in need of emergency shelter, youth aging out of foster care, female-headed or single-parent households, and persons with disabilities, including developmental challenges.

Policy HE-2.9 Public/Private Partnerships

Work with and support collaborative partnerships with nonprofit agencies and housing developers to plan and develop a mix of affordable housing opportunities in Los Gatos using available funding.

Policy HE-2.10 Repurposing Obsolete Commercial Buildings
Encourage property owners to pursue opportunities to integrate housing in underutilized commercial centers, and to reuse excess or obsolete commercial buildings for affordable housing.

Policy HE-2.11 Smart Growth
Encourage "smart growth" that accommodates higher density residential uses near transit, bicycle-, and pedestrian-friendly areas of the Town that encourage and facilitate the conservation of resources by reducing the need for automobile use.

Policy HE-2.12 Housing on Land Owned by Religious Institutions
Support the provision of affordable housing on congregational land through flexible development standards, including opportunities for reduced and shared parking arrangements.

Goal HE-3

Remove Barriers to the Production of Housing.

Governmental constraints on the development of housing for households of all income levels needs to be minimized. The success of development in some opportunity areas will be dependent upon consolidation of individual parcels into larger development sites. While some of the individual parcels within these areas are already under common ownership, many are individually owned.

Policy HE-3.1 Regulatory Incentives for Affordable Housing
AFFH
Facilitate the development of affordable housing through regulatory incentives and concessions, and/or financial assistance. Continue expediting the permit processing system for affordable residential development applications and proactively seek out new models and approaches in the provision of affordable housing.

Policy HE-3.2 Flexible Development Standards
Provide flexibility in development standards to accommodate new models and approaches to providing housing, such as live/work housing (permitted with a CUP), and micro units (in existing housing units), to allow housing to adapt to the needs of the occupants.

Policy HE-3.3 Efficient Development Processing
Explore continued improvements to the entitlement process to streamline and coordinate the processing of permits, design review, and environmental clearance.

Policy HE-3.4 Lot Consolidation
Educate and encourage lot consolidation and lot assemblage in mixed use and commercial areas.

Policy HE-3.5 Development Impact and Permit Fees
Consider reduced fees and alternative funding to facilitate affordable housing development.

Goal HE-4 Improve the Existing Housing Stock.

Providing more housing is a priority; but maintaining and preserving existing housing also plays a critical role. Much of the older housing in the Town can be naturally affordable, as priced by the housing market, but must be well-maintained to provide quality housing across income levels.

Policy HE-4.1 Property and Housing Conditions
Support long-term maintenance and improvement of existing housing units through Code Enforcement and housing rehabilitation programs.

Policy HE-4.2 Multi-Family Housing Acquisition and Improvement
AFFH
Improve the quality of rental housing by acquisition and/or rehabilitation using the Affordable Housing Fund and support nonprofit housing providers in the acquisition and rehabilitation of older housing stock, and maintenance as long-term affordable housing.

Policy HE-4.3 Home Affordability Preservation
AFFH
Preserve the affordability of units affordable to very low-, low-, and moderate-income households in the Town and Bonnie View Park, and enforce zoning regulations regarding conversion of mobile home parks in Los Gatos.

Policy HE-4.4 Naturally Occurring Affordable Units
Encourage maintaining naturally affordable housing types such as duplexes, townhomes, and mobile homes.

Policy HE-4.5 Preserve Residences of Historic or Architectural Value
The Town shall encourage the preservation of residential buildings with historic or architectural value.

Goal HE-5 Encourage Green Building and Energy Conservation.

The Town is dedicated to addressing and mitigating climate change impacts and strives to be a leader in sustainable development. The General Plan promotes environmentally sound and socially equitable development by encouraging residential construction that promotes sustainable building and energy conservation practices.

Policy HE-5.1 Green Building
AFFH
Encourage sustainable housing development throughout the Town by fostering awareness and encouraging the adoption of green building practices.

Policy HE-5.2 Solar Energy
Promote more efficient energy use and renewable energy to reduce the strain on the existing energy grid and reduce greenhouse gas emissions.

Goal HE-6	Publicize Fair Housing Resources, Including those for Special Needs Populations.

Many programs that address housing access and affordability for lower income households are supported by the Town and its partners; however, many people who need these resources have trouble finding them. It is important for the Town to proactively inform residents about housing needs and resources, particularly those related to Fair Housing issues.

Policy HE-6.1 Fair Housing

AFFH

Support and publicize housing programs that protect individuals' rights and enforce fair housing laws prohibiting arbitrary discrimination in the building, financing, selling or renting of housing on the basis of race, color, ancestry, religion, national origin, sex, sexual orientation, age, disability/medical condition, familial status, marital status, source of income or other such factors.

Policy HE-6.2 Financial Assistance

AFFH

Continue to encourage Los Gatos households to participate in financial assistance programs provided in the County of Santa Clara.

Policy HE-6.3 Housing for Persons with Special Needs

AFFH

Continue to provide assistance to service providers who support special needs households and the homeless, such as Project Sentinel, Santa Clara County Housing Authority, and Santa Clara County Office of Supportive Housing. Support and publicize efforts and resources to provide coordinated services for persons with special needs in the Town.

Policy HE-6.4 Affordable Housing Awareness

Raise community awareness of the need for and benefits of affordable housing through Town outreach. Foster Town-wide discussion on housing needs, resources and ideas and improve communication channels and methods for meaningful dialogue.

Policy HE-6.5 Infill Opportunities in Single-Family Neighborhoods

The Town shall provide educational materials for the public to promote ADUs, multi-generational housing units and SB 9 projects that create housing opportunities in single-family neighborhoods through the infill of smaller units.

Policy HE-6.6 Rental Dispute Mediation and Arbitration Ordinance

AFFH

The Town will work to prevent evictions of long term, low-income residents living in naturally affordable housing who can quickly lose their residence due to sudden rent increases or changes in property owners.

10.6 Implementation Programs

Programs		Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
A	**Developer Forum** Establish an annual meeting between staff and housing developers to discuss constraints and opportunities to affordable and market rate housing projects.	HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-1.3 Infrastructure HE-1.4 Housing Design HE-1.5 Variety of Housing Choices	Community Development Department	Annually provide focus group or Town Hall meeting opportunities	None required
B	**Large Site Program** Encourage property owners and affordable housing developers to target and market the availability of sites with the best potential for development by facilitating meetings between willing property owners of large sites. To assist the development of housing, especially for lower income households, on sites larger than 10 acres, the Town will facilitate land divisions and lot line adjustments to result in parcels sizes between one half to10 acres that can accommodate multiple-family developments affordable to lower income households in light of State, Federal, and local financing programs.	HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-1.3 Infrastructure HE-1.4 Housing Design HE-1.5 Variety of Housing Choices	Community Development Department	Annually provide focus group or Town Hall meeting opportunities	None required
C	**No Net Loss** Develop and implement an ongoing formal evaluation procedure (project-by-project) of sites identified in the Site Inventory to maintain sufficient sites at appropriate densities to accommodate RHNA for lower income households. If an approval of a development results in a reduction of site capacity below the residential capacity needed to accommodate the remaining RHNA, including for lower income households, the Town	HE-1.1 Adequate Sites HE-1.3 Infrastructure HE-1.5 Town Resources HE-1.5 Variety of Housing Choice	Community Development Department	Ongoing tracking as developments are approved	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	will identify and zone sufficient adequate sites at appropriate densities to accommodate the remaining RHNA.				
D	**Additional Housing Capacity** Amend the North Forty Specific Plan to increase the maximum allowable density from 20 dwelling units per acre to more than 30 dwelling units per acre and increase the total number of dwelling units allowed in the Specific Plan.	HE-1.1 Adequate Sites HE-3.3 Efficient Development Processing	Community Development Department	December 2023	None required
E	**Affordable Development on Town Owned Property** Pursue opportunities to work with an affordable housing developer to construct affordable housing on Town owned property.	HE-1.1 Adequate Sites HE-2.9 Public/Private Partnerships	Community Development Department	Ongoing	None required
F	**Update Permit Software System** Update the existing permit software system to better monitor average processing times for ministerial and discretionary development permits. Use data to set baselines timelines to drive improvements. Update the Town planning and zoning regulations and remove permit processing constraints as appropriate.	HE-3.3 Efficient Development Processing	Community Development Department	Review and update regulations as appropriate at biannual years	None required
G	**Report Annually on Housing Availability** Prepare an annual housing report for the review of the Town Council including information on progress made towards achieving new construction need, affordable housing conserved/developed, effectiveness of existing programs and recommendations for improvement. Consult and collaborate with non-profit providers, special need providers, and other community	HE-1.1 Adequate Sites HE-1.5 Town Resources HE-3.3 Efficient Development Processing HE-1.5 Variety of Housing Choices	Community Development Department	Annual	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	resources in preparation and evaluation of the report.				
H	**Study detached single-family condominium option.** Study the development of a new floor area ratio standard for multi-family development when developed as detached single-family condominium units.	HE-1.5 Variety of Housing Choices HE-2.7 Senior Housing	Community Development Department	Upon adoption of this Housing Element	None required
I	**Coordination with Water and Sewer Providers** Deliver the adopted Housing Element to the San Jose Water Company and the West Valley Sanitation District so that they can prioritize current and future resources or services for housing development that helps meet Los Gatos's RHNA for lower income households.	HE-1.3 Infrastructure	Community Development Department	Upon adoption of this Housing Element	None required
J	**Helping Seniors Program** 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.	HE-1.7 Universal Design HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs	Community Development Department, Town Council	Ongoing	Town Affordable Housing Funds
K	**Small Multi-Unit Housing** Update the Zoning Code to facilitate low rise multi-family structures in the Medium Residential Density designation. 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.	HE-1.5 Variety of Housing Choices HE-2.4 Rental Housing HE-3.3 Efficient Development Processing	Community Development Department	Ongoing	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
L	**Rental Housing for Large Families** Encourage development of multi-family rental housing that is greater than two bedrooms to encourage the provision of adequate rental housing for families.	HE-1.5 Variety of Housing Choices HE-2.4 Rental Housing	Community Development Department	Ongoing	None required
M	**Lot Consolidation** The Town will conduct outreach to property owners in these areas to identify meaningful incentives to facilitate lot consolidation, lot assemblage and redevelopment in mixed use and commercial areas. Based on this feedback, within two years of Housing Element adoption, the Town will consider the development of a Lot Consolidation Ordinance to include specific incentives such as: flexible development standards such as reduced setbacks, increased lot coverage, increased heights, reduced parking, reduced fees, and streamlined permit processing through administrative staff review. Upon adoption of the Ordinance, the Town will work with property owners that are receptive to lot consolidation/lot assemblage to assist them in facilitating the parcel merge process in a streamlined and timely manner.	HE-3.4 Lot Consolidation	Community Development Department	Within two years of Housing Element adoption	None required
N	**Below Market Price Program** Conduct a study to evaluate the existing BMP Program and recommend changes to the program to increase the number of units constructed. The study will include evaluation of the implementation of the BMP Program to date, including impacts to market rate housing related to current market conditions, project applications,	HE-2.7 Senior Housing HE-3.1 Regulatory Incentives for Affordable Housing HE-4.1 Property and Housing Conditions HE-4.2 Multi-family Housing Acquisition Improvement	Community Development Department	Complete study by June 2025 and implement recommended policy actions by December 2028.	Town Affordable Housing Fund

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	estimated affordable housing requirements, fee collection, and actual construction of affordable housing units to address constraints based on the outcome of the evaluation. The study will evaluate the feasibility of requiring BMP's for senior assisted living, senior independent living, and senior communities.				
O	**Establish a Commercial Linkage Fee** Conduct a nexus study and amend the Municipal Code to include a linkage fee if appropriate. A commercial linkage fee is an impact fee levied on commercial development for the provision of affordable housing. Before levying an impact fee, the Town is required to complete a nexus study that shows the linkage between new development and the increased demand for housing.	HE-3.5 Development Impact and Permit Fees	Community Development Department	Complete study by June 2024 and implement recommended actions by December 2024.	None required
P	**Funds for Development for Extremely Low Income (ELI) Households** Continue to encourage the creation of housing that is affordable to extremely low-income households by allocating a percentage of the Town Affordable Housing (Below Market Price) Fund to subsidize housing for extremely low-income households. As part of the Town's annual budget process, provide a priority for funding ELI developments that may be submitted to the Town with the Town's BMP monies. Update the allocation as recommended by the BMP study. Additionally, provide staff technical assistance with the preparation of Tax Credit or grant funding applications or	HE-3.1 Regulatory Incentives for Affordable Housing HE-4.1 Property and Housing Conditions HE-4.2 Multi-family Housing Acquisition Improvement	Community Development Department	Ongoing	Town Affordable Housing Fund

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	conducting local Tax Equity and Fiscal Responsibility Act (TEFRA) hearings to facilitate the financing of proposed housing projects in Los Gatos.				
Q	**Habitat for Humanity Home Repair Program** Work with Habitat for Humanity to promote the Home Repair Program offered by Habitat, which responds to health, accessibility, and safety concerns in homes owned by low-income families, veterans, and senior residents on limited incomes. By fixing the long-deferred maintenance projects, critical repairs and code violations, this program helps families stay in their already affordable homes and avoid displacement.	HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-4.1 Property and Housing Conditions	Community Development Department	Annually meet with Habitat for Humanity	None required
R	**Development Impact and Permit Fees** Review the financial needs of affordable housing projects, determine whether or not Town fees can be reduced to facilitate affordable housing development, and identify options for the Town to offset the foregone revenues from other sources.	HE-3.5 Development Impact and Permit Fees	Community Development Department, Parks and Public Works, Town Council	January 2023 to January 2031	Staff Time
S	**Affordable Housing Development** Provide incentives for affordable housing development, including density bonus, fee deferrals or reductions, and reduced fees for studio units. The Town shall also provide annual outreach to attract and support affordable housing developers in the Town, including developers of senior housing, extremely low-income units, and permanent supportive housing for persons with disabilities and developmental disabilities.	HE-1.2 Multi-family Housing Densities HE-3.5 Development Impact and Permit Fees HE-2.7 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-3.1 Regulatory Incentives for Affordable Housing	Community Development Department, Town Council	January 2023 to January 2031	Staff Time and the Town Affordable Housing Fund

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
T	**Purchase Affordability Covenants in Existing Apartments** Create a program for the Town to purchase affordability covenants with BMP funding to increase the supply of affordable housing or "buy-down" existing affordability covenants to have deeper affordable units in existing rental properties. This program is analogous to purchasing covenants in new developments in conjunction with the BMP program, but for existing apartments. In existing and new rental developments, the Town could provide a rehabilitation loan or another form of subsidy to a rental property owner in exchange for securing affordability covenants on a percentage of units and the owner's agreement to restrict rents on these units to levels that would be affordable to very low- and low-income households.	HE-2.1 Financial Resources	Community Development Department, Town Council	January 2023 to January 2031	Town Affordable Housing Fund
U	**Accessory Dwelling Units** Waive building fees when an ADU is deed restricted for very low- and low-income households.	HE-2.4 Rental Housing HE-3.5 Development Impact and Permit Fees	Community Development Department	Amend the Fee Schedule within one year of Housing Element adoption	Below Market Price Housing In-lieu Fees
V	**Density Bonus** Conduct a study to evaluate the existing Density Bonus Ordinance and recommend changes to increase the number of units constructed. The study will include an evaluation of the implementation of the ordinance to date and actual construction of affordable housing units that utilized the Density Bonus. Additional density and height incentives beyond what the State	HE-3.1 Regulatory Incentives for Affordable Housing HE-2.3 Mixed-Use Development HE-2.8 Equal Housing and Special Needs	Community Development Department	Complete study by June 2026 and implement recommended actions by December 2029	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	requires will be considered (i.e., fee reductions, add free density of BMP units). The study shall recommend improvements to the Ordinance based on the outcome of the evaluation.				
W	**Affordable Housing Overlay Zone (AHOZ)** Continue to encourage development of housing affordable to all income levels on property within this Town Overlay Zone. The Overlay property on Knowles Avenue is a key site for a mixed income affordable housing project.	HE-3.1 Regulatory Incentives for Affordable Housing HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-2.11 Policy Smart Growth	Community Development Department	Complete by 2025	None required
X	**Congregational Land Overlay Zone** Expand site opportunities by allowing affordable housing on religious sites. Study new Congregational Land Overlay to build upon what is available through AB 1851 and help congregations by connecting them with affordable housing development partners.	HE-3.1 Regulatory Incentives for Affordable Housing HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-2.11 Policy Smart Growth	Community Development Department	Complete by 2025	None required
Y	**Nonprofit Affordable Housing Providers** Support the efforts of nonprofit affordable housing organizations that provide housing services in Los Gatos. Encourage the participation of these providers in developing housing and meeting the affordable housing needs of Los Gatos households particularly extremely low-income households. Staff will meet with nonprofit groups on at least on an annual basis to discuss constraints to development and develop strategies and actions for affordable housing development, including	HE-2.3 Mixed-Use Development HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships	Community Development Department	Annually	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	incentives for the development of affordable housing as provided under the Affordable Housing Overlay Zone.)				
Z	**Increased Range of Housing Opportunities for the Homeless** Continue to support the County of Santa Clara's Continuum of Care plan, as well as the "Housing 1000" campaign by "Destination: Home" to provide housing opportunities for homeless households, including emergency shelter, transitional housing, and permanent affordable housing opportunities.	HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships	Community Development Department	January 2023 to January 2031	County CDBG
AA	**Reasonable Accommodation Ordinance** Continue to enforce Section 29.10.505–530 of the Town Code to ensure equal access to housing for persons with disabilities under the Fair Housing Act and provide specific procedures for requesting and granting reasonable accommodations. Review annually for trends and develop new procedures and/or materials in response to annual review.	HE-2.8 Equal Housing and Special Needs	Community Development Department	Annually	None required
AB	**Accessibility Design Features** Encourage residential development that incorporates accessible design features to meet the needs of as many users as possible. The intent is to reduce the potential for occupants to be displaced from their homes due to disability, to allow those persons to visit neighboring dwelling units, and to increase to number of accessible dwelling units in the local housing supply that meet long term housing needs. Remove identified regulatory constraints	Policy HE-1.6 Universal Design HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships	Community Development Department	Review and update regulations as necessary; at least every three years	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	on housing for persons with disabilities.				
AC	**Housing Opportunities for Persons Living with Disabilities** Support the provision of housing for the disabled population, including persons with developmental disabilities, through several means, including: ▪ By-right zoning for licensed residential care facilities (six or fewer residents) in all residential zones, and provisions for larger care facilities (seven or more residents) in multi-family residential zones subject to a conditional use permit. ▪ Treatment of supportive and transitional housing as a residential use of property, and subject only to those restrictions and processing requirements that apply to other residential dwellings of the same type in the same zone. ▪ Programs to facilitate affordable housing, including Density Bonus and Affordable Housing Overlay. ▪ Encouraging affordable housing developers to integrate supportive housing units, increasing project competitiveness for Tax Credits and other funding sources. ▪ Supporting the creation of ADUs in all residential districts.	HE-1.6 Universal Design HE-2.8 Equal Housing and Special Needs HE-6.1 Fair Housing HE-6.3 Housing for Persons with Special Needs			

Programs		Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
AD	**Special Needs Housing** Prioritize special needs housing by allowing for reduced processing times and streamlined procedures for applicable zoning/land use applications. Include preferential handling of special needs populations in management plans and regulatory agreements of funded projects.	HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-3.3 Efficient Development Processing	Community Development Department	January 2023 to January 2031	None required
AE	**Rental Dispute Resolution Program** Continue the administration of the Rental Dispute Resolution Program and consider revisions as necessary to make the program as effective as possible in protecting both tenants' and landlords' rights.	HE-6.6 Rental Dispute Mediation and Arbitration Ordinance	Community Services Department	January 2023 to January 2031	Program fees
AF	**Rental Assistance for Persons with Developmental Challenges** Work with local and/or regional partners to provide rental assistance for persons with developmental challenges. Efforts will include the following: ▪ Work with the California Department of Developmental Services local Regional Center to identify the housing needs specific to developmentally challenged persons residing in Los Gatos and assist in identifying available housing that meets those needs. ▪ Encourage qualifying Regional Center clients residing in Los Gatos to apply for appropriate rental assistance programs. ▪ Identify outside funding sources, such as regional or State programs, that could	HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships	Community Development Department	Annually follow up on a periodic basis with service providers to determine outcomes for referrals and update referral process and timelines accordingly 2023-2031 period	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	provide rental assistance for developmentally challenged persons living in Los Gatos. ▪ Make referrals to non-profit service providers with rental assistance or rental voucher programs such as West Valley Community Services and the Housing Authority of Santa Clara County.				
AG	**Supportive Services for the Homeless** Continue to support community and nonprofit organizations that provide supportive services for homeless persons in Los Gatos in part by continuing to fund the Town's annual grant and disseminating opportunities for other agency funding to West Valley Community Services (WVCS), in order to support its Comprehensive Emergency Assistance Program (CEAP).	HE-2.3 Mixed-Use Development HE-2.7 Equal Housing and Special Needs	Community Development Department	January 2023 to January 2031	Town of Los Gatos
AH	**Stabilize Rents** Study and implement recommendations with regard to the Town's Rental Dispute Mediation and Arbitration Ordinance 2128 to help further stabilize rents for long-term residents.	HE-2.3 Mixed-Use Development HE-2.4 Rental Housing HE-6.6 Rental Dispute Mediation and Arbitration Ordinance	Community Development Department	Complete study by January 2024 and implement Municipal Code changes by June 2024	
AI	**Reduce Parking Standards** Initiate a study to determine specific updates for the Municipal Code to address the following: ▪ Align parking requirements with the preparation of Objective Design Standards. ▪ Reduce parking requirements near transit. ▪ Remove guest parking requirements. ▪ Allow parking to be unbundled from residential units.	3.1 Regulatory Incentives for Affordable Housing 2.7 Senior Housing 2.8 Equal Housing and Special Needs	Community Development Department	Complete study by January 2024 and implement Municipal Code changes by June 2024	None required

Programs		Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
AJ	**Allow for 100 Percent Affordable Residential Development in Mixed-Use General Plan Designations** Amend the General Plan and the Municipal Code to allow for 100 percent affordable residential development without the requirement of commercial uses.	HE-3.1 Regulatory Incentives for Affordable Housing	Community Development Department	Implement General Plan and Municipal Code changes by June 2024	None required
AK	**Housing Conditions Survey** Seek funding through the Below Market Price Program funds, or other funding sources, to conduct a survey of housing conditions in the Town. The survey shall identify housing units in need of rehabilitation or replacement.	HE-4.1 Property and Housing Conditions	Community Development Department	January 2023 to January 2031	Town Affordable Housing Fund
AL	**SB 35 Process Improvements** Develop an SB 35 checklist and written procedures for processing SB 35 applications to ensure efficient and complete application processing.	HE-3.3 Efficient Development Processing HE-3.1 Regulatory Incentives for Affordable Housing	Community Development Department	Implement by December 2023	Staff Time
AM	**Low Barrier Navigation Centers** Amend the Zoning Code Definitions to include the definition for “Low Barrier Navigation Center” consistent with State law. Allow at least two mixed-use zoning districts to permit low barrier navigation centers as a by-right use.	HE-2.7 Equal Housing and Special Needs	Community Development Department	Implement by December 2023	Staff Time
AN	**Fair Housing Law Education** Educate the community about landlords and renters rights and responsibilities under Fair Housing law, needs and benefits of affordable housing, and available resources in the Town by posting information on the Town’s website, social media posts and/or brochures, distributing information through the business licensing recertification process, and	HE-6.4 Affordable Housing Awareness	Community Development Department, Finance Department, California Department of Developmental Services	Resources posted by end of January 2023	Staff Time

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	posting fair housing posters in Town Hall, the community center and the library. The Town will continue to work with and fund local nonprofits, and to collaborate with local homeless service providers to provide information on homeless needs in the town.				
AO	**Transit Oriented Development** As part of the comprehensive Zoning Code update, establish development standards for transit-oriented development located within existing transit areas that promote sustainable land use practices which reduce vehicle trips and allow for mixed-use developments as well as stand-alone residential. In addition, the Town shall provide for CEQA streamlining consistent with the provisions of SB 375.	HE-2.10 Policy Smart Growth	Community Development Department	January 2023 to January 2031	Staff Time
AP	**Preserve "At-Risk" Affordable Housing Units** Continue to monitor affordable, multi-family housing units in the Town to ensure that they retain their affordability status.	HE-4.3 Home Affordability Preservation	Community Development Department	January 2023 to January 2031	None required
AQ	**Rental Housing Conservation Program** Continue to implement Section 29.20.155 of the Town Code that addresses conversions of residential use, specifically Section 29.20.155(a)(2), which requires that any proposed conversion satisfy the housing goals and policies as set forth in the 2040 General Plan.	HE-2.4 Rental Housing HE-4.1 Property and Housing Conditions	Community Development Department	January 2023 to January 2031	None required
AR	**CDBG and other Housing Rehabilitation Programs** Continue to participate in the County of Santa Clara Community Development Block Grant Joint Powers Authority to facilitate participation in County	HE-4.1 Property and Housing Conditions HE-4.3 Home Affordability Preservation	Community Development Department	January 2023 to January 2031	General Fund

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	CDBG Housing Rehabilitation programs by Town residents.				
AS	**Countywide Home Repair Programs** Continue to support countywide programs (Habitat for Humanity East Bay/Silicon Valley, Rebuilding Together, Housing Trust of Santa Clara County, etc.) that provide assistance with minor home repairs and accessibility improvements for lower income households, including special needs households. Support annual funding requests submitted by rehabilitation agencies to the County of Santa Clara, and provide local technical assistance as needed to nonprofits submitting funding applications to the County and/or applying for building permits through the Town's building permit process. Contribute funding from the Town's Below Market Price monies to support these programs. The Continue to participate as a member of the County of Santa Clara JPA. Continue to provide staffing to the County Technical Advisory Committee (TAC), which reviews annual applications for funding and helps formulate funding recommendations to the Board of Supervisors.	HE-4.1 Property and Housing Conditions HE-6.3 Housing for Persons with Special Needs	Community Development Department; County of Santa Clara	January 2023 to January 2031	None required
AT	**Energy Conservation Opportunities** Continue to enforce State of California Title 24 requirements for energy conservation.	HE-5.1 Green Building	Community Development Department	Ongoing	None required
AU	**Residential Rehabilitation Program**	HE-4.1 Property and Housing Conditions HE-5.1 Green Building	Community Development Department	January 2023 to January 2031	Town Affordable Housing Fund

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	Create a new program to assist lower income homeowners, including senior and disabled households, with funding for home repairs and improvements. The program could incentivize providing grants for the following activities: accessibility improvements; exterior or interior home repair; repair of fencing and/or landscaping; plumbing; exterior painting; roof repair; and similar activities.				
AV	**Solar Energy** Continue to expedite solar panel installation by requiring only ministerial building permits.	HE-5.1 Green Building HE-5.2 Solar Energy	Community Development Department	Ongoing	None required
AW	**Town Housing Resources Guide** Continue to provide a guide to developments that include affordable housing units as part of the Housing Resources Guide posted on the Town's website, and available at Town Hall, Library, and other Town facilities. Publicize available warming/cooling centers as provided by the Santa Clara County of Office of Supportive Housing during inclement weather episodes.	HE-5.1 Green Building HE-6.4 Affordable Housing Awareness	Community Development Department	Update list annually	None required
AX	**Santa Clara County Fair Housing Consortium** Support the efforts of the Santa Clara County Fair Housing Consortium, as follows. Continue to make referrals through Project Sentinel and provide updated fair housing information on the Town's website and at public locations through the Town, such as the Adult Recreation Center, Library, Farmers Market and public kiosks. Through an ongoing partnership with Project Sentinel, a member of the Consortium and the Town's	HE-5.2 Solar Energy HE-6.3 Housing for Persons with Special Needs	Community Development Department	January 2023 to January 2031	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	service administrator for the Rental Dispute Resolution Program, Town staff is able to attend the Consortiums annual Fair Housing Symposium, receive training, and disseminate fair housing information (including how to contact Consortium agencies for assistance) to members of the public who contact the Town about a potential fair housing related matter.				
AY	**Senior Housing Resources** Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers Market.	HE-6.1 Fair Housing HE-6.2 Financial Assistance HE-6.3 Housing for Persons with Special Needs HE-6.4 Affordable Housing Awareness	Community Development Department	Update materials annually	None required
AZ	**Developmental Challenges** Continue to work with the local California Department of Developmental Services Regional Center to proactively inform families within Los Gatos about housing and services available for persons with developmental challenges, to include an informational brochure, information on the Town's website, and housing-related training workshops for individuals and families.	HE-6.1 Fair Housing HE-6.3 Housing for Persons with Special Needs HE-6.4 Affordable Housing Awareness	Community Development Department, California Department of Developmental Services	Update materials annually	None required
BA	**Use a Variety of Communication Methods** Broadcast information about available housing resources through a variety of communication methods across media, technological nonprofit organizations and traditional in person outreach methods, such as the Farmers Market, Library, and community center, with a particular focus on reaching the very low- and low-income demographic and those who may	HE-6.1 Fair Housing HE-6.4 Affordable Housing Awareness	Community Development Department, California Department of Developmental Services	Quarterly January 2023 to January 2031	None required

	Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
	not have access to online resources.				
BB	**Educate Single-Family Property Owners Regarding In-Fill Housing Options** Create and distribute educational materials to include information about the process to construct ADU's, multi-generational housing, and options available with Senate Bill SB 9.	HE-1.5 Variety of Housing Choices HE-1.7 Infill Opportunities in Single-Family Neighborhoods HE-6.1 Fair Housing HE-6.4 Affordable Housing Awareness	Community Development Department, California Department of Developmental Services	Quarterly January 2023 to January 2031	None required
BC	**Zoning Text Amendments for Special Needs Housing** Pursuant to recent changes in State law, the Town's Municipal Code may be modified to better facilitate the provision of a variety of housing types. These Code revisions include: ▪ Amend parking standards for emergency shelters from a ratio based on the size of the structure to a ratio based on the number of shelter staff (per AB 139). ▪ Eliminate current spacing requirements between shelters and residentially zoned properties and schools. ▪ Develop and adopt by- right processing procedures for Low Barrier Navigation Centers (per AB 101). ▪ Allow small employee housing (six or fewer) in all zone districts where single-family residential is permitted.	HE-2.7 Equal Housing and Special Needs	Community Development Department	January 2024	None required
BD	**Affordable Development on Religious Sites** Pursue and expand development opportunities by allowing affordable housing on religious sites per AB 2244.	HE-2.12 Housing on Land Owned by Religious Institutions	Community Development Department	Ongoing	None required

Programs		Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
BE	**Community Education on Housing Needs** Provide education on the problems and needs of affordable housing as a means of changing negative attitudes towards the provision of affordable housing.	HE-6.4 Affordable Housing Awareness	Community Development Department	Ongoing	None required
BF	**Zoning Code Amendments** The Town will initiate a program to revise the Zoning Code to ensure adequate sites are available to accommodate the identified sites in the Sites Inventory. Amend the Zoning Code to include a Housing Element Overlay Zone (HEOZ) to apply to the sites included in the Site Inventory to modify the development standards (i.e., density, lot coverage, FAR, height) on those sites. Amend the Affordable Housing Overlay Zone to increase the maximum allowable density from 20 dwelling units per acre to 40 dwelling units per acre. Clarify the text of the non-residential zones regarding housing. Rezone the Caltrans ROW – Site E3 to allow residential development.	HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-2.11 Smart Growth	Community Development Department	If the Housing Element is found in compliance by January 31, 2023, then rezonings will be completed within 3 years and 120 days. If it is not found in compliance, then the rezonings will be completed within 1 year of January 1, 2024.	General Plan Update Fund
BG	**General Plan Amendment** Amend the General Plan to establish new maximum densities for the High Residential, Medium Density Residential, Low Density Residential, Mixed-Use, Neighborhood Commercial, and Central Business District land use designations to provide for the development of housing for the sites in the Site Inventory. See Program BF.	HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-2.11 Smart Growth	Community Development Department	If the Housing Element is found in compliance by January 31, 2023, then rezonings will be completed within 3 years and 120 days. If it is not found in compliance, then the rezonings will be	General Plan Update Fund

Programs		Implements Which Policy(ies)	Responsible Supporting Department(s)	Time Frame	Funding Source
				completed within 1 year of January 1, 2024	
BH	**Provide Adequate Sites for Lower Income Households on Nonvacant and Vacant Sites Previously Identified** Rezone the following sites to allow development by right pursuant to Government Code section 65583.2(i) when 20 percent or more of the units are affordable to lower income households as identified in Appendix I to accommodate the lower income RHNA for sites that were previously identified in past housing elements: Parcel: 424-08-074; Parcel 424-08-057; and Parcel 424-08-21.	HE-1.1 Adequate Sites	Community Development Department	Sites rezoned no more than three years from the beginning of the planning period.	General Plan Update Fund

10.7 Glossary and Acronyms

A

Accessible. The ability to accommodate everyone regardless of ability or pre-existing condition.

Accessory Dwelling Unit (ADU). An accessory dwelling unit is a detached or attached dwelling unit. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation and is generally smaller and located on the same parcel as a proposed or exiting primary dwelling. An accessory dwelling unit also includes efficiency units and manufactured homes.

Acres (Gross). An acre is a measurement of land area equal to 43,560 square feet. The gross acreage of a lot includes all land within the boundaries of the lot (including, but not limited to, easements). The gross acreage is defined as the total area, measured on a horizontal plane, and is the measure used for determination of density and intensity calculations.

Acres (Net). A reduced lot size based average lot slope or other factors and used for the purpose of calculating the maximum allowed floor area or density.

Affirmative Furthering Fair Housing. Taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd. (a)(1).)"

Affordable Housing. Under State and Federal statutes, affordable housing is housing which costs no more than 30 percent of gross household income. Housing costs include rent or mortgage payments, utilities, taxes, insurance, homeowner association fees, and other related costs.

Americans with Disabilities Act (ADA). A civil rights law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public.

Area Median Income (AMI). A key metric in affordable housing. Area median income is defined as the midpoint of a specific area's income distribution and is calculated on an annual basis by the Department of Housing and Urban Development.

B

Below Market Program (BMP). The BMP Program implements the Town of Los Gatos' inclusionary zoning ordinance, which requires that a portion of the new residential construction in Los Gatos be dedicated to affordable housing.

C

California Environmental Quality Act (CEQA). State law that requires State and local agencies to evaluate and disclose the significant environmental impacts of discretionary actions and to avoid or mitigate those impacts, if feasible.

Commercial. Retail, service, and entertainment uses (e.g., shopping centers, smaller stores, restaurants).

D

Density. Residential developments are regulated by an allowed density range (minimum and maximum) measured in "dwelling units per acre." Residential

density is calculated by dividing the number of housings units on the site (excluding accessory units) by the gross lot area.

Development. The subdivision of land; construction or alteration of structures, roads, utilities, and other facilities; installation of septic systems; grading activities; depositing of refuse; disposal of any material; dredging or mineral extraction, debris or fill materials; and the clearing of natural vegetation with the exception of agricultural activities. This does not include routine repair and maintenance activities.

Dwelling Unit. A room or group of rooms (including sleeping, eating, cooking, and sanitation facilities, but not more than one kitchen) that constitutes an independent housekeeping unit, occupied or intended for occupancy by one household on a long-term basis.

E

Environmental Justice. The fair treatment of people of all races, cultures, incomes, political and religious affiliation, and national origins with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.

Equality. Is sameness; everyone gets the same thing. Equality focuses on everyone getting the same opportunity, but often ignores the realities of historic exclusion and power differentials among whites and other racialized groups.

Equity. Ensures that outcomes in the conditions of well-being are improved for marginalized groups, lifting outcomes for all. Equity is a measure of justice.

F

Federal Fair Housing Act of 1968. Prohibits discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, - and was later amended to include familial status and disability.

Fire Hazard Severity Zone. A mapped area that designates zones, based on factors such as fuel, slope, and fire weather, with varying degrees of fire hazard (e.g., moderate, high, and very high).

Floor Area Ratio (FAR). Total building size is regulated by a maximum FAR standard. FAR means the gross floor area of a building or buildings on a zoning plot divided by the area of such zoning plot. Floor area means the entire enclosed area of all floors that extend more than four (4) feet above the existing or proposed grade, measured from the outer face of exterior walls or in the case of shared walls from the centerline. The maximum FAR standard limits the overall size of development on a property.

G

Goal. A statement that describes, in general terms, a desired future condition or "end" state. Goals describe ideal future conditions for a topic and tend to be very general and broad.

H

Housing Element Advisory Board. A Town Council appointed advisory board for preparation of the Housing Element.

I

Implementation Program. An action, activity, or strategy to be taken by the Town to carry out an adopted policy to achieve a specific goal or objective.

Infill Development. Development of vacant or underutilized land (usually individual lots or leftover properties) within areas that are already largely developed.

Intensity. Developments are regulated by an allowed intensity, measured by a maximum FAR. Intensity is a measure of the extent to which a land parcel is developed in conformity with the zoning

J

K

L

Land Use Designation. A specific geographic designation with associated land use or management policies and regulations.

Lot Coverage. Lot coverage is the percentage of a lot that is covered by all buildings compared to the total area of the lot.

M

Missing Middle Housing. Missing middle housing is a term used to describe a range of house-scale buildings with multiple units 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. Also referred to as "Small Multi-Unit Housing".

Mixed-Use Development. Development projects where a variety of uses such as office, commercial, institutional, and residential are combined in a single building or on a single site in an integrated project. These developments are regulated by both the maximum residential density (units per acre) and maximum FAR standard that incorporates both the residential and non-residential building floor areas.

Multi-Family Residential. Residential buildings containing units built one on top of another and those built side-by-side which do not have a ground-to-roof wall and/or have common facilities (i.e., attic, basement, heating plant, plumbing, etc.). Accessory dwelling units (ADUs) are not considered multi-family residential.

N

O

Objective Design Standards. Objective standards are defined under State law as "standards that involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external or uniform benchmark or criteria available and knowable by both the development applicant or proponent and the public official prior to submittal "(California Government Code, Section 65913.4).

P

Persons With Special Needs. Includes extremely low-income households, seniors, overcrowded and large-family households, the homeless population, those in need of emergency shelter, youth aging out of foster care, female-headed or single-parent households, and persons with disabilities, including developmental challenges.

Planning Commission. An appointed commission responsible for conducting public hearings on the General Plan and Zoning Code modifications, considering the input of the public, and making recommendations to the Town Council on these matters.

Planned Development. The Planned Development (PD) overlay zone provides alternative standards for housing developments with a minimum of 40 percent of the units affordable to households of very low, low, or moderate income.

Policy. A statement that guides a specific course of action for decision-makers to achieve a desired goal.

Q

R

Regional Housing Need Allocation (RHNA). A State-mandated process to identify the total number of housing units (by affordability level) that each jurisdiction must accommodate in its Housing Element.

S

Setback. The distance between a building and the property line or other buildings.

Single-Family Residential. Land with detached buildings with not more than one primary dwelling

unit for residential uses, such as single-family homes, townhomes, and condominiums.

Specific Plan. A planning tool authorized by Government Code Section 65450, et seq., for the systematic implementation of the General Plan for a defined portion of a community's planning area. A specific plan must specify in detail the land uses, public and private facilities needed to support the land uses, phasing of development, standards for the conservation, development, and use of natural resources, and a program of implementation measures, including financing measures.

Small Multi-Unit Housing. Also known as **"**Missing middle housing" is a term used to describe a range of house-scale buildings with multiple units 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.

T

Town Council. The political body which formulates and implements policies in Los Gatos. It is the Town Council, through its decision-making authority, that affirms the policy direction and priorities contained within this General Plan. The Town Council is ultimately responsible for adoption of the General Plan, as well as the regulations, capital improvement programs, and financing mechanisms that implement the General Plan.

U

V

Vacant Land. Land that is not actively used for any purpose, including land that is not improved with buildings or site facilities and is sizeable in area to accommodate development.

W

Wildland/Urban Interface (WUI). Areas where homes or other structures are built near or among lands prone to wildland fire.

X

Y

Z

Zoning. The division of the Town into districts, and the application of different regulations in each district.

Zoning District. A part of the community designated by the local zoning ordinance for specific of land uses, such as single-family residential or neighborhood commercial uses. Only the primary permitted land uses, their accessory uses, and any conditional uses permitted in the zoning district may be placed on the land in that part of the community.

Zoning Ordinance. The adopted zoning and planning regulations of a town, city, or county that establish development standards for each zone, such as minimum lot size, maximum height of structures, building setbacks, and yard size.

List of Acronyms

AB	Assembly Bill
ABAG	Association of Bay Area Governments
ADA	Americans with Disabilities Act
ADU	Accessory dwelling unit
AFFH	Affirmative Furthering Fair Housing
AHOZ	Affordable Housing Overlay Zone
AMI	Area Median Income
BMP	Below Market Program
CBD	Central Business District land use designation
CC	Community Commercial land use designation
CD	Community Design Element
CEQA	California Environmental Quality Act
CMU	Mixed-Use land use designation
CUP	Conditional Use Permit
DFEH	California Department of Fair Employment in Housing
du/ac	Dwelling units per acre
EIR	Environmental Impact Report
FAR	Floor area ratio
FFH	Federal Fair Housing Act
HCD	Department of Housing and Community Development
HDR	High Density Residential land use designation
HDS&G	Hillside Development Standards and Guidelines
HEAB	Housing Element Advisory Board
HR	Hillside Residential land use designation
HUD	Department of Housing and Urban Development
LDR	Low Density Residential land use designation
LHP	Landmark and Historic Preservation Zone
LI	Light Industrial land use designation
LID	Low Impact Development
LU	Land Use Element
MDR	Medium Density Residential land use designation
MTC	Metropolitan Transportation Commission
MU	Mixed-Use land use designation
NFHA	National Fair Housing Alliance
NF-SP	North Forty Specific Plan
PD	Planned Development
PS	Public School Zone
RHNA	Regional Housing Needs Allocation
RHND	Regional Housing Needs Determination
RHM	Mobile Home Residential
SB	Senate Bill
WUI	Wildland/Urban Interface

.

Affirmatively Furthering Fair Housing Report

A

APPENDIX

A.1 What is AFFH?

The State of California's 2018 Assembly Bill (AB 686) requires that all public agencies in the state affirmatively further fair housing (AFFH) beginning January 1, 2019. Public agencies receiving funding from the U.S. Department of Housing and Urban Development (HUD) are also required to demonstrate their commitment to AFFH. The Federal obligation stems from the fair housing component of the Federal Civil Rights Act mandating Federal fund recipients to take "meaningful actions" to address segregation and related barriers to fair housing choice.

AB 686 requires all public agencies to "administer programs and activities relating to housing and community development in a manner that affirmatively furthers fair housing and take no action inconsistent with this obligation."1

AB 686 also makes changes to Housing Element Law to incorporate requirements to AFFH as part of the housing element and General Plan to include an analysis of fair housing outreach and capacity, integration and segregation, access to opportunity, disparate housing needs, and current fair housing practices.

Affirmatively Furthering Fair Housing

"Affirmatively furthering fair housing" means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a public agency's activities and programs relating to housing and community development. (Gov. Code, § 8899.50, subd.(a)(1).)"

Source: California Department of Housing and Community Development Guidance, 2021, page 14.

A.2 History of Segregation in the Region

The United States' oldest cities have a history of mandating segregated living patterns and Northern California cities are no exception. ABAG, in its recent Fair Housing Equity Assessment, attributes segregation in the Bay Area to historically discriminatory practices, highlighting redlining and discriminatory mortgage approvals as well as "structural inequities" in society, and "self-segregation" (i.e., preferences to live near similar people).

Researcher Richard Rothstein's 2017 book *The Color of Law: A Forgotten History of How Our Government Segregated America* chronicles how the public sector contributed to the segregation that exists today. Rothstein highlights several significant developments in the Bay Area region that played a large role in where the region's non-White residents settled.

In 1955, builders began developing workforce housing for the Ford Corporation's plant in the Bay Area, including Santa Clara County. Initially the units were segregated as no one would sell to the local Black/African American workers. The American Friends Service Committee (AFSC) worked to find builders who would build integrated subdivisions. Unfortunately, after four purchased plots were subsequently rezoned to prevent integrated housing,

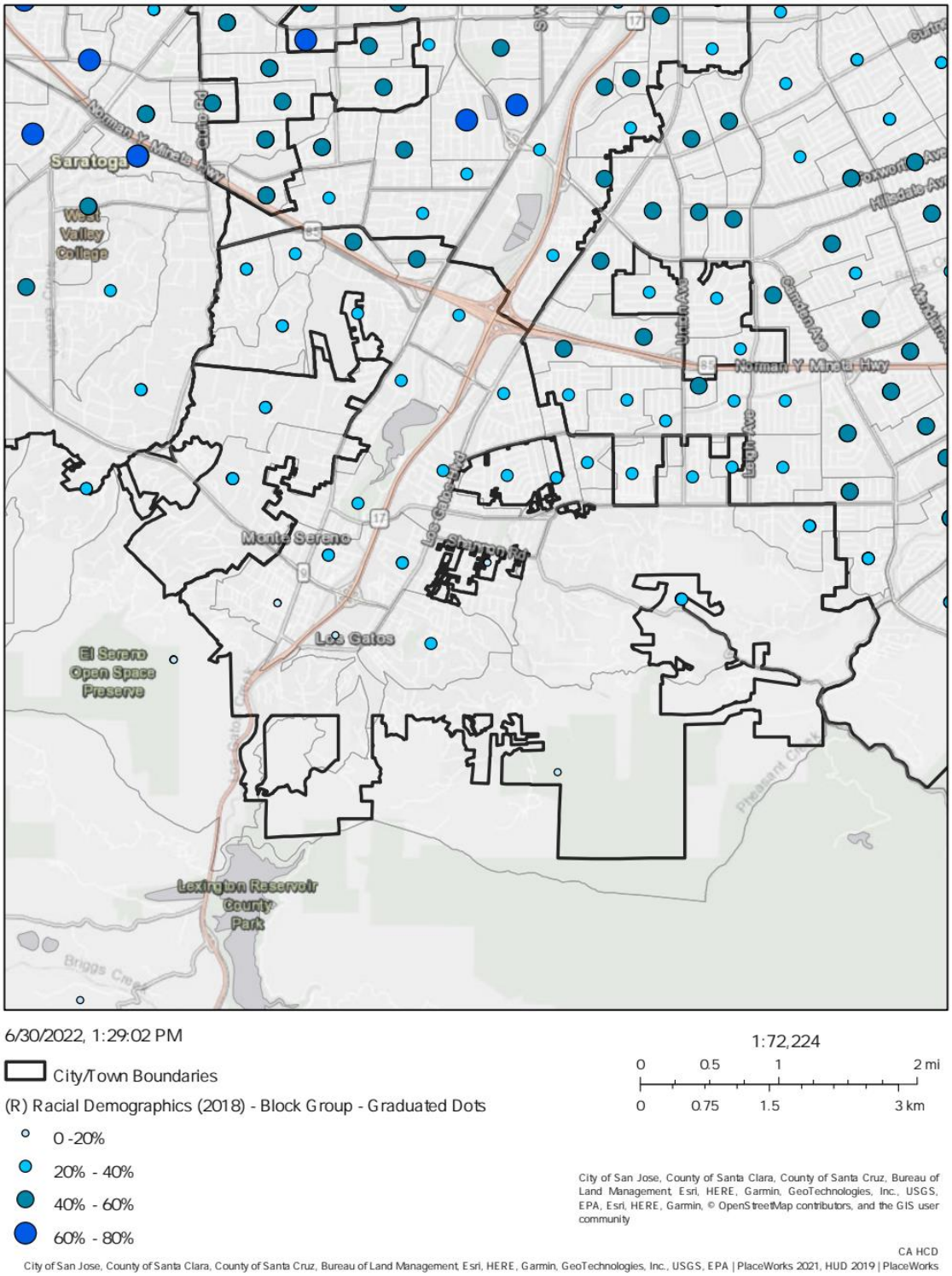
[1] California Department of Housing and Community Development Guidance, 2021, page 9.

the original builder quit. After multiple additional iterations, Black/African American workers had "become so discouraged about finding housing opportunities" that they began carpooling from outside cities such as Richmond[2].

A 2018 Berkeley publication titled, *Racial Segregation in the San Francisco Bay Area*, describes Los Gatos among the "most segregated, heavily white cities in the county" with Santa Clara County containing "no truly integrated city"[3]. The study also delved into the history of segregation, highlighting 1960s-era laws and practices connected to urban renewal projects that displaced established communities of color. This was coupled with the building of transportation infrastructure that resulted in a net loss of affordable housing due to a lack of one-for-one replacement. Figure A-1 through Figure A-7 illustrates the demographic distribution within the Santa Clara County.

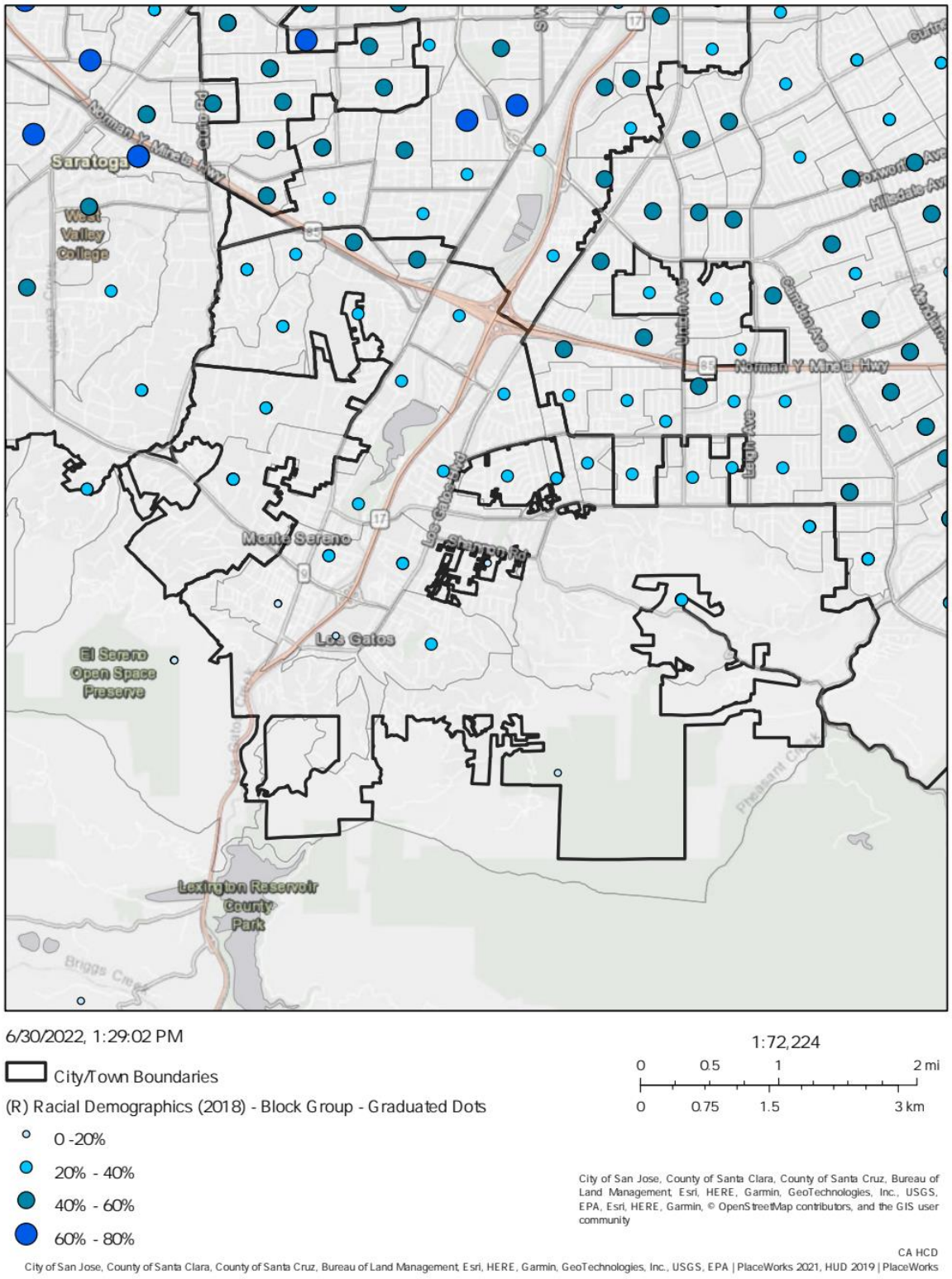
[2] Source: book *The Color of Law: A Forgotten History of How Our Government Segregated America* by Richard Rothstein, p 121.
[3] Racial Segregation in the San Francisco Bay Area, Part 1 | Othering & Belonging Institute (berkeley.edu)

Figure A-1 Percent Non-White Population by Census Block Groups, 2018



Source: California Department of Housing and Community Development AFFH Data Viewer

Figure A-2 White Majority Census Tracts



Source: California Department of Housing and Community Development AFFH Data Viewer

Figure A-3 Asian Majority Census Tracts

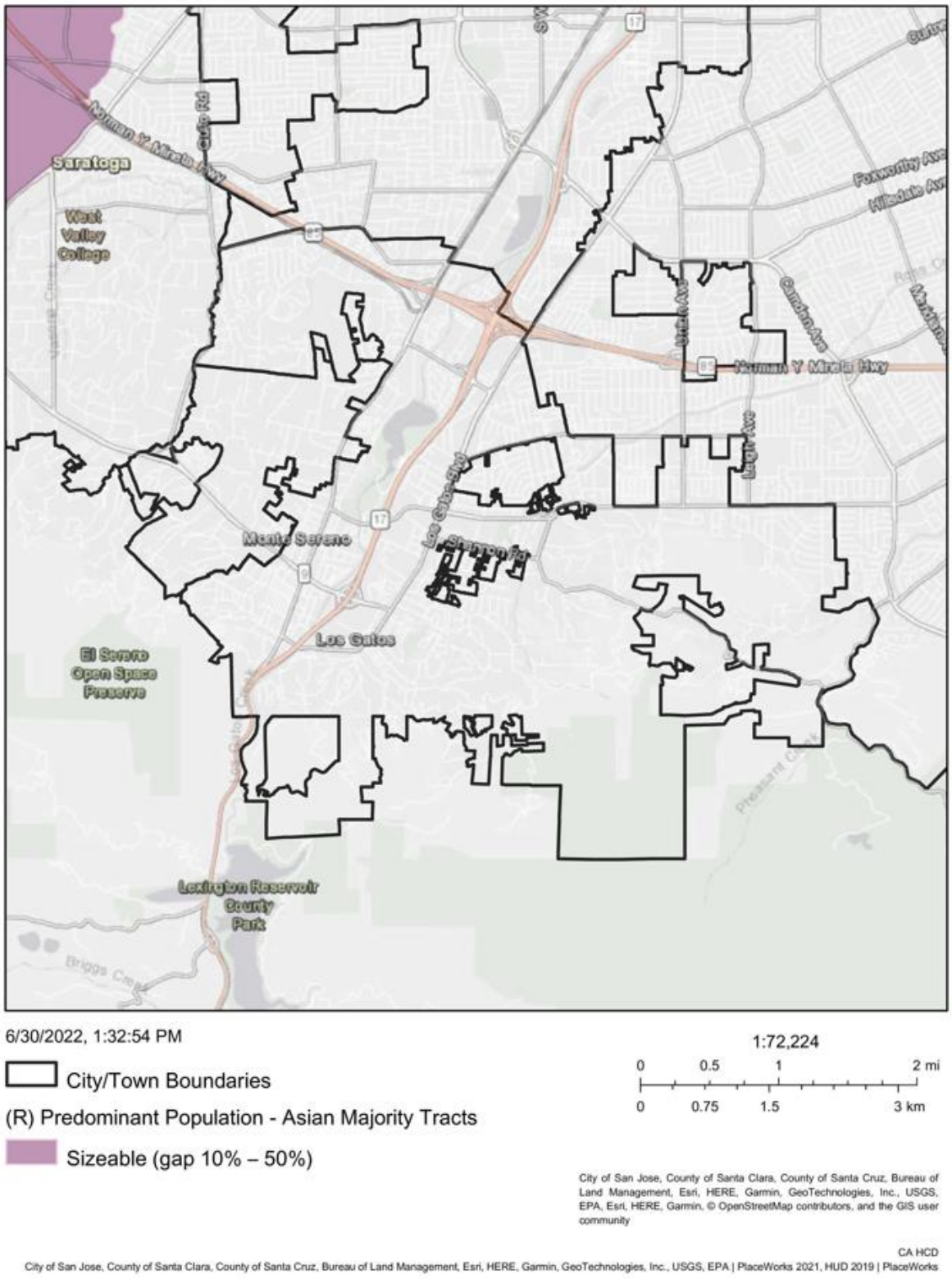
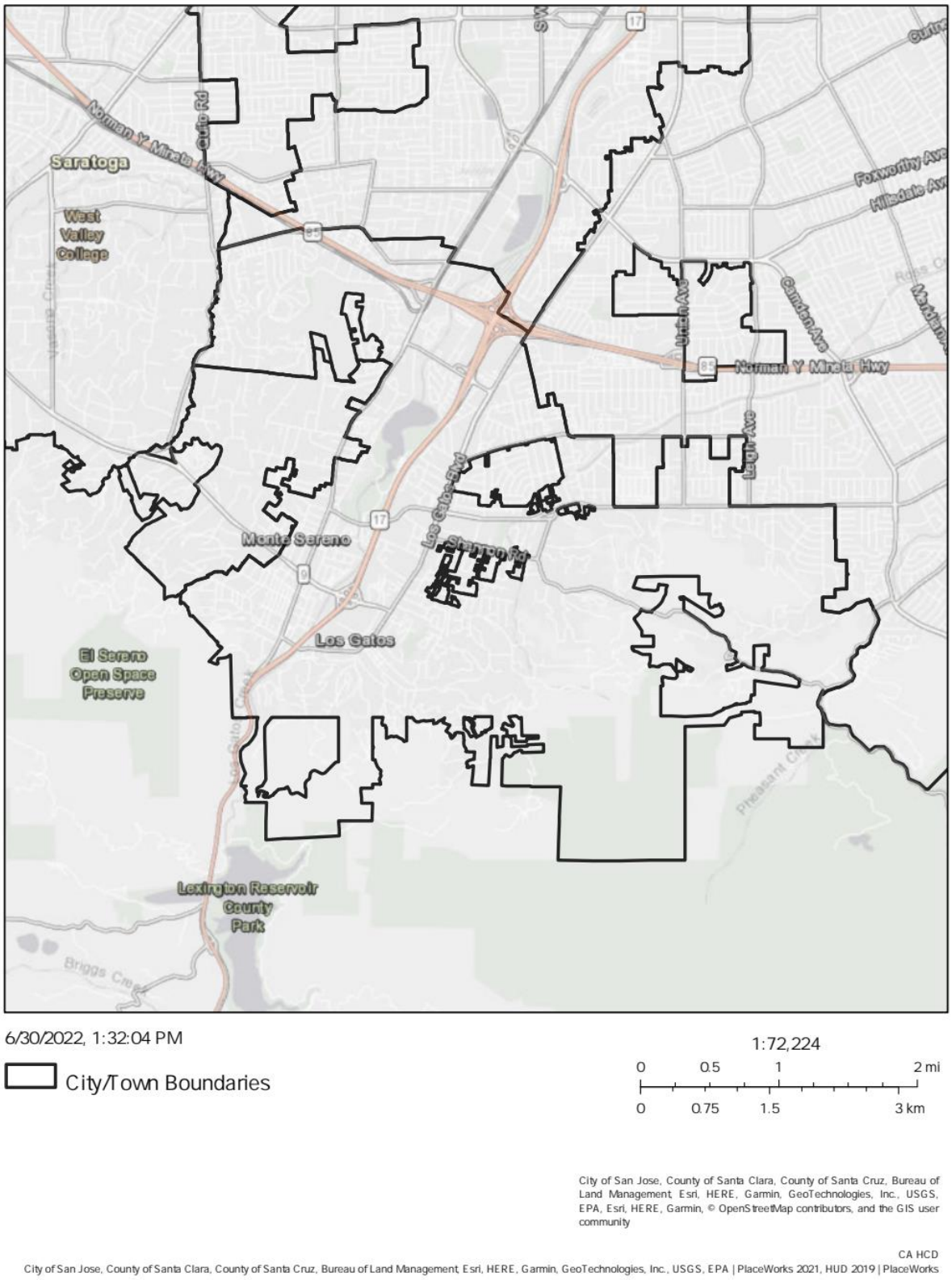
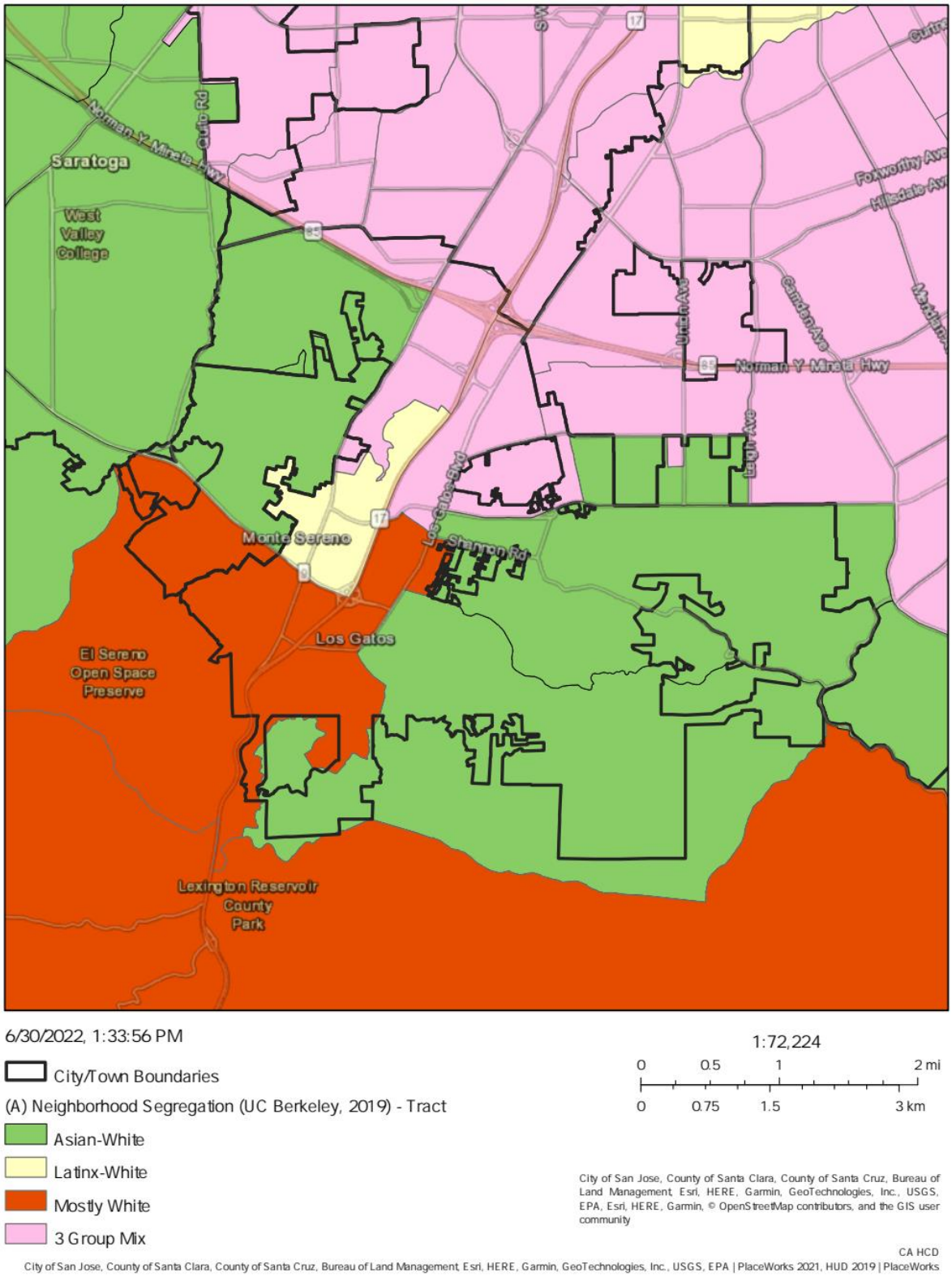

Saratoga
West Valley College
Monte Sereno
Los Gatos
El Sereno Open Space Preserve
Lexington Reservoir County Park
Briggs Creek
Stevens Creek
Los Gatos Creek
Pierce Rd
Samaritan Dr
Blossom Hill Rd
Camden Ave
Leigh Ave
Forestlake Ave
Hillsdale Ave
Marchmont
Santa Cruz
Saratoga Creek
Pierce Creek
Pierce Ranch
Pierce Ranch
Pierce Ranch

Figure A-4 Hispanic Majority Census Tracts



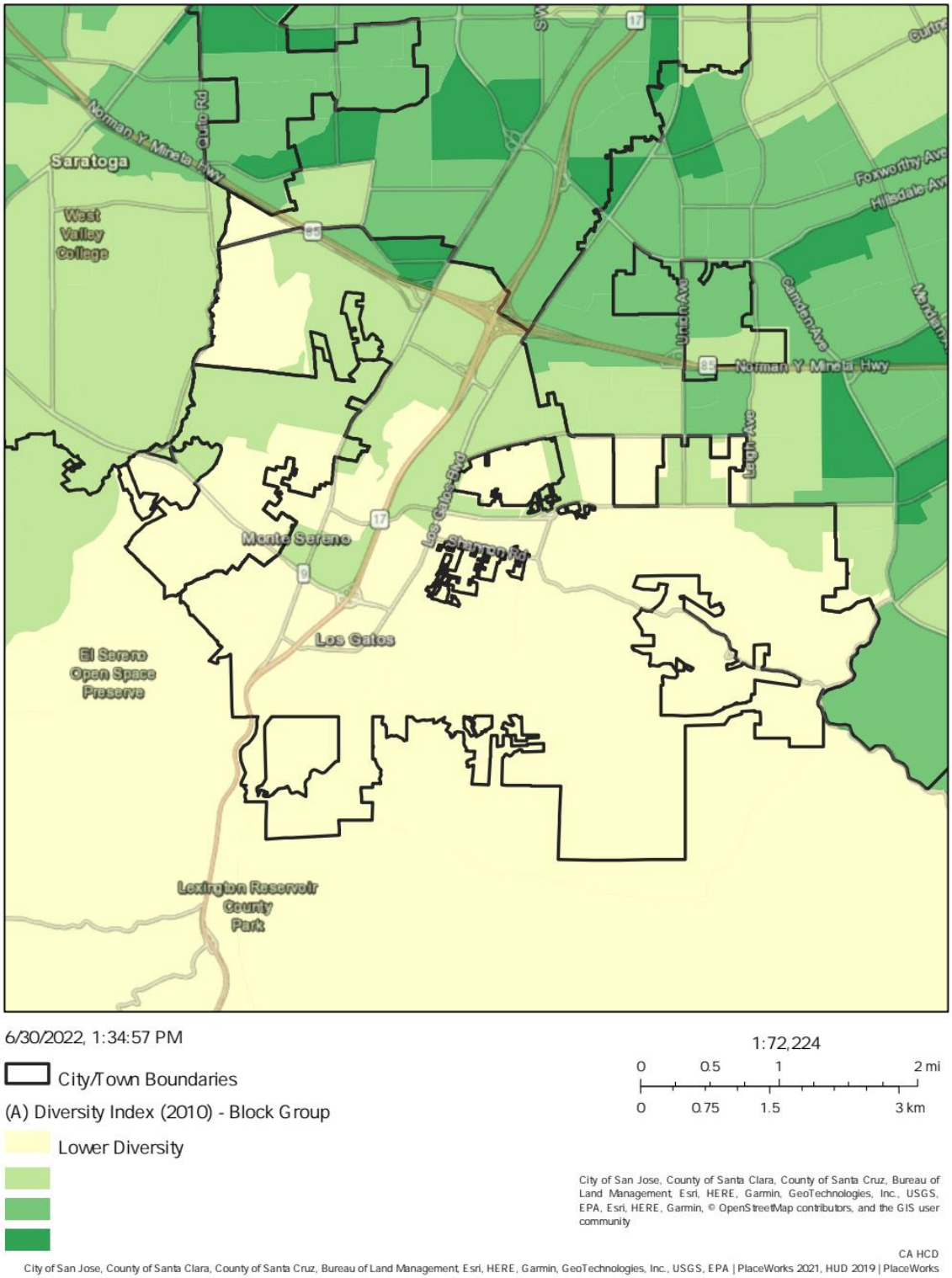
Source: California Department of Housing and Community Development AFFH Data Viewer

Figure A-5 Neighborhood Segregation by Census Tract, 2019



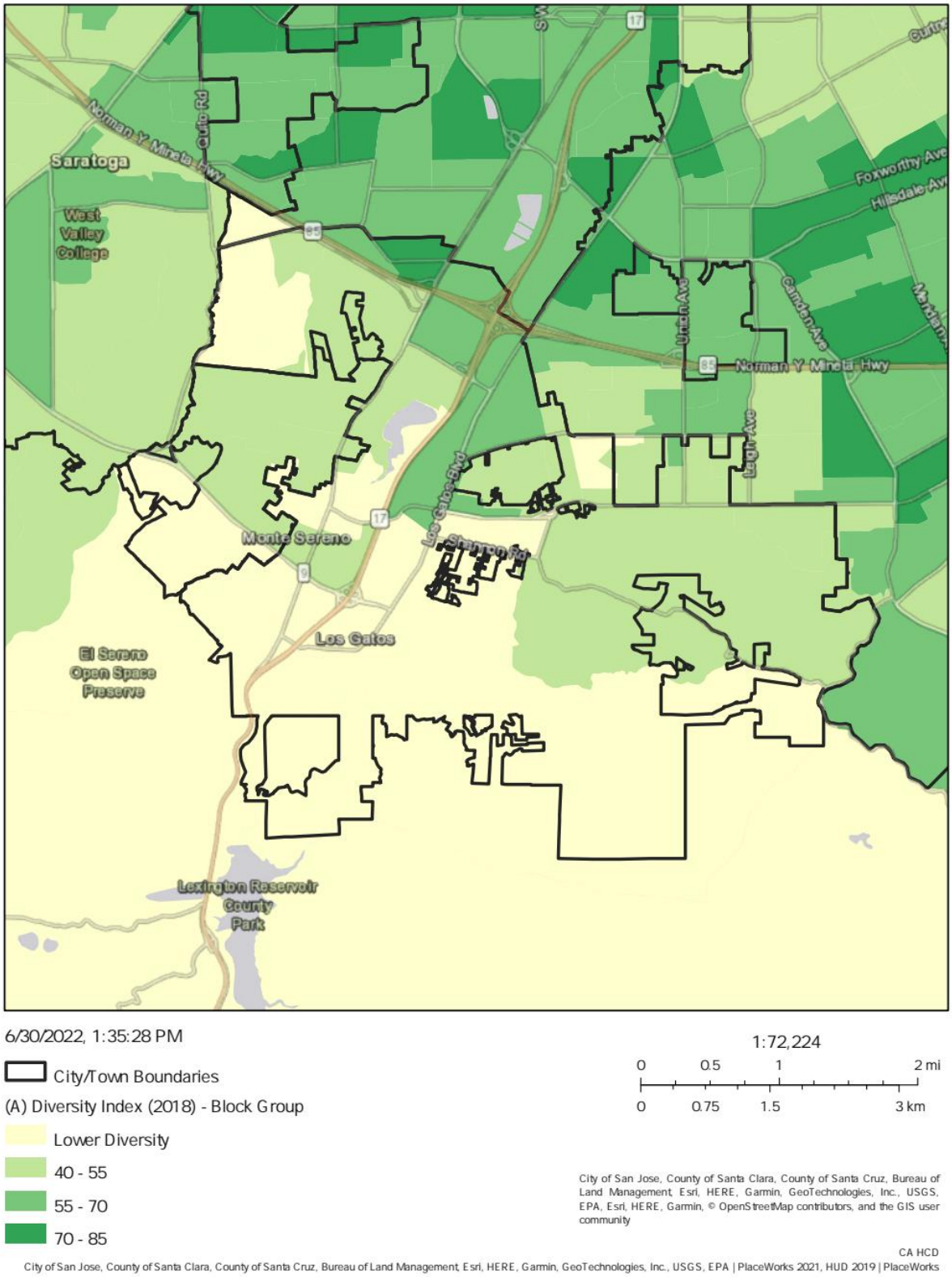
Source: California Department of Housing and Community Development AFFH Data Viewer

Figure A-6 Diversity Index by Block Group, 2010



Source: California Department of Housing and Community Development AFFH Data Viewer

Figure A-7 Diversity Index by Block Group, 2018



Source: California Department of Housing and Community Development AFFH Data Viewer

History of Segregation in the Region

This history of segregation in the region is important not only to understand how residential settlement patterns came about—but, more importantly, to explain differences in housing opportunity among residents today. In sum, not all residents had the ability to build housing wealth or achieve economic opportunity. This historically unequal playing field in part determines why residents have different housing needs today.

In addition to historical discriminatory practices that embedded segregation into living patterns throughout the Bay Area, it's also necessary to recognize the historical impacts of colonization and genocide on Indigenous populations and how the effects of those atrocities are still being felt today. The original inhabitants of present-day San Mateo County are the Ramaytush Ohlone, who have "…lived on the San Francisco Peninsula for thousands of years and continue to live here as respectful stewards of the land"[4]. However, "[d]ue to the devastating policies and practices of a succession of explorers, missionaries, settlers, and various levels of government over the centuries since European expansion, the Ramaytush Ohlone lost the vast majority of their population as well as their land"[5]. The lasting influence of these policies and practices have contributed directly to the disparate housing and economic outcomes collectively experienced by Native populations today[6].

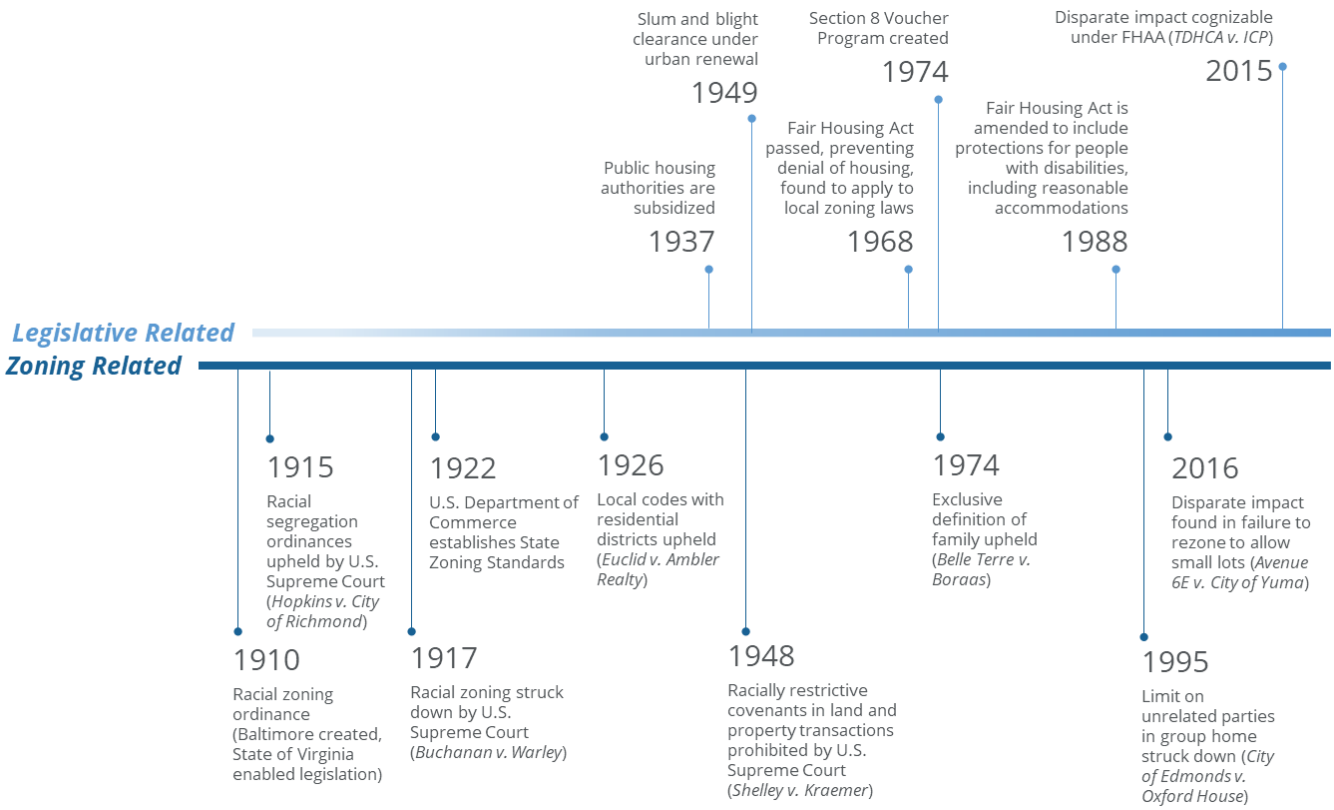
The timeline of major Federal Acts and court decisions related to fair housing choice and zoning and land use appears on the following page.

As shown in the timeline, exclusive zoning practices were common in the early 1900s. Courts struck down only the most discriminatory and allowed those that would be considered today to have a "disparate impact" on classes protected by the Fair Housing Act. For example, the 1926 case *Village of Euclid v. Amber Realty Co. (272 U.S. 365)* supported the segregation of residential, business, and industrial uses, justifying separation by characterizing apartment buildings as "mere parasite(s)" with the potential to "utterly destroy" the character and desirability of neighborhoods. At that time, multifamily apartments were the only housing options for people of color, including immigrants.

The Federal Fair Housing Act was not enacted until nearly 60 years after the first racial Zoning Ordinances appeared in U.S. cities. This coincided with a shift away from Federal control over low-income housing toward locally-tailored approaches (block grants) and market-oriented choice (Section 8 subsidies), the latter of which is only effective when adequate affordable rental units are available.

[4] https://www.smcoe.org/for-communities/indigenous-people-of-san-mateo-county.html
[5] https://www.smcoe.org/for-communities/indigenous-people-of-san-mateo-county.html
[6] https://www.americanprogress.org/article/systemic-inequality-displacement-exclusion-segregation/

Major Public and Legal Actions that Influence Fair Access to Housing



A.3 Report Content and Organization

This Fair Housing Assessment follows the April 2021 State of California State Guidance for AFFH.

Section I. Fair Housing Enforcement and Outreach Capacity reviews lawsuits/enforcement actions/complaints against the jurisdiction; compliance with State fair housing laws and regulations; and jurisdictional capacity to conduct fair housing outreach and education.

Section II. Integration and Segregation identifies areas of concentrated segregation, degrees of segregation, and the groups that experience the highest levels of segregation

Section III. Access to Opportunity examines differences in access to education, economic development, and healthy environments.

Section IV. Disparate Housing Needs identifies which groups have disproportionate housing needs including displacement risk.

Section V. Contributing Factors and Fair Housing Action Plan identifies the primary factors contributing to fair housing challenges and the Plan for taking meaningful actions to improve access to housing and economic opportunity.

Appendices

- Map and Data packet, including Fair Housing Organizations in Santa Clara County—mission, services, and contact information

- State Fair Housing Laws and Regulations—summary of key State laws and regulations related to mitigating housing discrimination and expanding housing choice

A.4 Primary Findings

This section summarizes the primary findings from the Fair Housing Assessment for Los Gatos including the following sections: fair housing enforcement and outreach capacity, integration and segregation, access to opportunity, disparate housing needs, and contributing factors and the Town's Fair Housing Action Plan.

- Population growth trends in Los Gatos are significantly lower than the county and regional index rates. The Town has grown 15 percent since 1990, while Santa Clara County grew by 31 percent.
- Los Gatos diverges from the county and region overall in racial composition with more than double the county share of non-Hispanic White population (72 percent versus 32 percent for Santa Clara County). Yet Los Gatos' residents have grown more racially diverse since 2000 with the non-Hispanic white population declining by 14 percentage points and Asian residents increasing in population from eight percent to 15 percent in 2019.
- Conversely, the types of households in Los Gatos mirror the county and are similar to the Bay Area with 58 percent married couples (57 percent in Santa Clara County and 51 percent in the Bay Area). Household size is in line with the county, except for five or more person households, for which Los Gatos has a smaller share.
- Los Gatos has a higher share of high-income earners (greater than 100 percent AMI) than the county and Bay Area (65 percent versus 55 percent and 52 percent respectively). Accounting for race and ethnicity, Asian households are much more likely to comprise high income earners (72 percent), especially when compared to Black/African American and Hispanic households (50 percent and 46 percent, respectively).
- In 2015, the income segregation in Los Gatos between lower-income residents and other residents was higher than the average value for Bay Area jurisdictions. Segregation also exists among racial groups, yet is slowly declining.
- Poverty rates are minimal but do vary across races and ethnicities with Hispanic residents experiencing the highest poverty rate (although still a very low six percent) and Black/African Americans the lowest (0.7 percent).
- The job to household ratio for Los Gatos tracks closely with Bay Area and is lower than Santa Clara County's, indicating that Los Gatos is less of a commuter Town than surrounding jurisdictions with much higher job to household ratios. This differs, however, by wage, with jobs to household ratios much higher for low wage workers who cannot afford to live in the Town. Los Gatos has twice as many jobs as households for low wage jobs.
- Los Gatos' housing opportunities are limited by pricing, and both rental and home values are higher than the county median. Eighty-three percent of houses are valued at more than one million dollars; Zillow reports Los Gatos' market average value at more than three million dollars. The average value of homes in Los Gatos is 63 percent higher than the County's 1.3-million-dollar average value. Sixty-three percent of rentals charge 2,000 dollars or more a month, compared to 56 percent in Santa Clara County. Los Gatos does not have any public housing and only a small portion of the Town contains any Housing Choice Voucher usage, a minimal 0-5 percent.
- Nearly three-quarters of the Town's housing are single-family units.

- Housing cost burden in Los Gatos is lower than nearby cities but differs by race and ethnicity—and by tenure (renters/owners). Asian households experience the lowest rates of cost burden (30 percent) in the Town, followed by non-Hispanic White households (31 percent). This is followed by Black/African American household (34 percent) and Hispanic households (37 percent). Other/Multiple Race households (45 percent) are the most likely to be cost burdened (45 percent). Owners experience cost burden at a lower rate (28 percent) than renters (42 percent).

- Mortgage denial rates vary little by race and ethnicity, with 55 percent to 65 percent of loans originated. Other than Asian applicants, however, applications from non-White applicants are very low in numbers.

- Saratoga Elementary School, Los Gatos Union Elementary School, and Los Gatos-Saratoga Union High School Districts serve the majority of Los Gatos residents. The most up-to-date performance rankings show that the Los Gatos-Saratoga high school with very few Black/African American or Native American students. Asian students experienced higher educational outcomes compared to other students, scoring 93.8 percent in a 2019 College/Career Indicator metric. White and Hispanic students scored 71 percent and 64.6 percent, respectively.

A.5 Contributing Factors and Fair Housing Issues

The disparities in housing choice and access to opportunity discussed above stem from historical actions in the broader region, socioeconomic factors that have limited employment and income growth among non-White and Hispanic residents, and a shortage of housing units built to accommodate growth.

Fair Housing Issue

Los Gatos' very low production of affordable and market rate housing limits housing choices of all but the highest income households.

Contributing factors:

- Since 2010, Los Gatos added 2,000 residents while only building 342 housing units. This lack of production has exacerbated an already tight housing market.

- The housing that was added in Los Gatos between 2015 and 2019 was largely priced for above moderate-income households. Only 1.5 percent of housing permits approved were for low- or very- low-income housing.

Fair Housing Issue

Los Gatos' lack of affordable housing has a disproportionate impact on low- and moderate-income households who are more likely to be households of color. As such, Los Gatos lacks racial and ethnic diversity relative to the county overall.

Contributing factors:

- Black or African American and Hispanic residents typically work lower wage jobs, stemming from historical employment discrimination and lack of access to quality educational environments. These jobs do not support the Town's very high housing costs.

- Low wage jobs are necessary to support higher wage industries. Los Gatos' employment growth has not been adequately supported by affordable housing development. As such, there are twice as many low wage jobs as residents in Los Gatos who work those jobs.

Fair Housing Issue

Los Gatos' households are segregated by income, and income segregation is higher in the Town than in other Bay Area jurisdictions.

Contributing factors:

- Lack of affordable housing overall.
- Segregation of the limited affordable housing that does exist into the north central portion of the Town.

Fair Housing Issue

Los Gatos feeds to high performing schools, yet, except for Asian students, students of color cannot take advantage of these learning opportunities because they cannot afford to live in Los Gatos.

Contributing factors:

- Lack of affordable housing overall.

A.6 Fair Housing Enforcement and Outreach Capacity

This section discusses fair housing legal cases and inquiries, fair housing protections and enforcement, and outreach capacity.

Fair housing legal cases and inquiries. California fair housing law extends beyond the protections in the Federal Fair Housing Act (FHA). In addition to FHA protected classes—race, color, ancestry/national origin, religion, disability, sex, and familial status—California law offers protections for age, sexual orientation, gender identity or expression, genetic information, marital status, military or veteran status, and source of income (including Federal housing assistance vouchers).

The California Department of Fair Employment in Housing (DFEH) was established in 1980 and is now the largest civil rights agency in the United States. According to their website, DFEH's mission is, "to protect the people of California from unlawful discrimination in employment, housing and public accommodations (businesses) and from hate violence and human trafficking in accordance with the Fair Employment and Housing Act (FEHA), Unruh Civil Rights Act, Disabled Persons Act, and Ralph Civil Rights Act"[7].

DFEH receives, evaluates, and investigates fair housing complaints. DFEH plays a particularly significant role in investigating fair housing complaints against protected classes that are not included in Federal legislation and, therefore, not investigated by HUD. DFEH's website provides detailed instructions for filing a complaint, the

[7] https://www.dfeh.ca.gov/aboutdfeh/

complaint process, appealing a decision, and other frequently asked questions[8]. Fair housing complaints can also be submitted to HUD for investigation.

Additionally, Santa Clara County has a number of local resource and enforcement organizations:

- Project Sentinel: Assists with housing discrimination, mortgage foreclosures, rental issues, and more.
- Housing and Economic Rights Advocates (HERA) provides legal and advocacy for vulnerable Californians facing discrimination and economic abuses.
- Bay Area Legal Aid engages in broad advocacy focused on helping low-income Bay Area residents lead stable lives, including housing stability.
- The Law Foundation of Silicon Valley provides legal advocacy for social change with a focus on finding stable homes for low-income residents.
- Senior Adults Legal Assistance is a law office dedicated to supporting elder residents obtain independent living.

From 2013 to 2021, 391 fair housing complaints in Santa Clara County were filed with the U.S. Department of Housing and Urban Development (HUD) or Fair Housing Advocates of Northern California (FHANC). Most of the county's valid complaints cited disability status as the bias. Of these complaints, 69 percent were considered valid and proceeded to actionable responses. Los Gatos had eight total complaints.

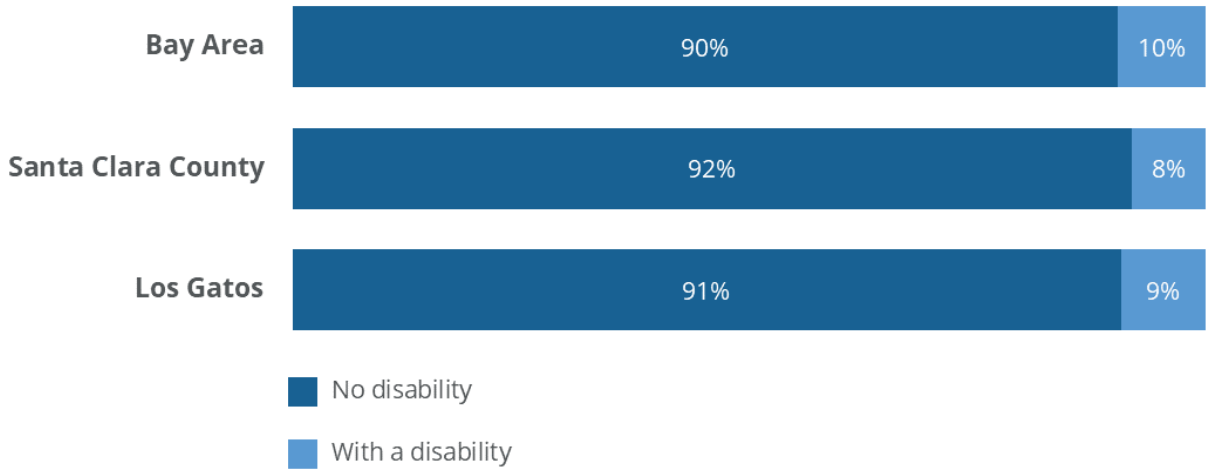
Nationally, the National Fair Housing Alliance (NFHA) reported a "negligible" decrease in the number of complaints filed between 2019 and 2020. The primary bases for complaints nationally of disability (55 percent) were represented in Santa Clara County at a much lower rate (16 percent). Familial status represented eight percent of complaints nationally, similar to the six percent of cases in the county. Figure A-8 and Figure A-9 show the share of population by disability status within Santa Clara County and the distribution by census tract, respectively.

NFHA identifies three significant trends in 2020 that are relevant for this AFFH:

- First, fair lending cases referred to the Department of Justice from Federal banking regulators has been declining, indicating that State and local government entities may want to play a larger role in examining fair lending barriers to homeownership.

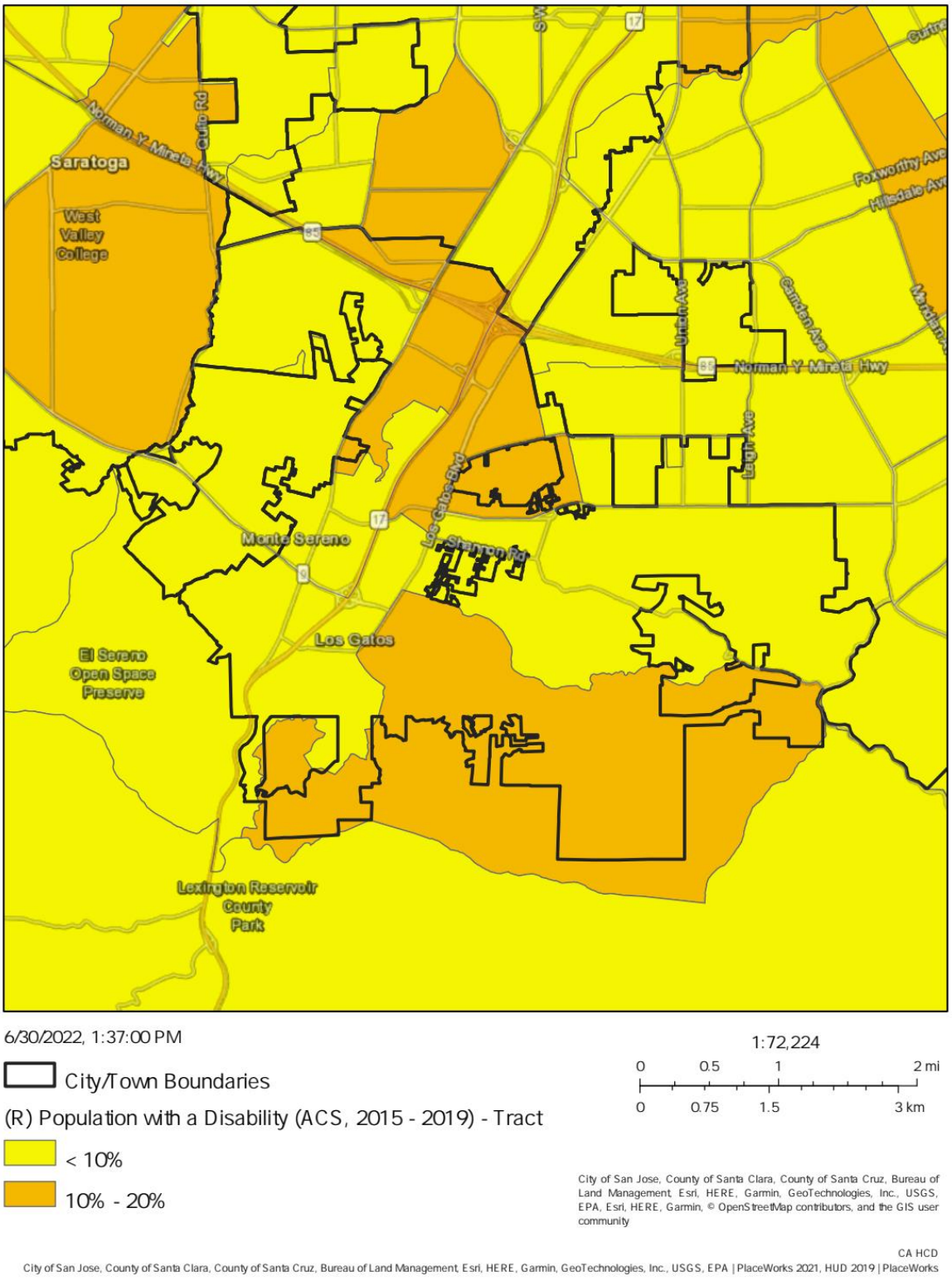
[8] https://www.dfeh.ca.gov/complaintprocess/

Figure A-8 Share of Population by Disability Status, 2019



Source: ABAG Housing Needs Data Workbook

Figure A-9 Percent of Population with a Disability by Census Tract, 2019



Source: California Department of Housing and Community Development AFFH Data Viewer

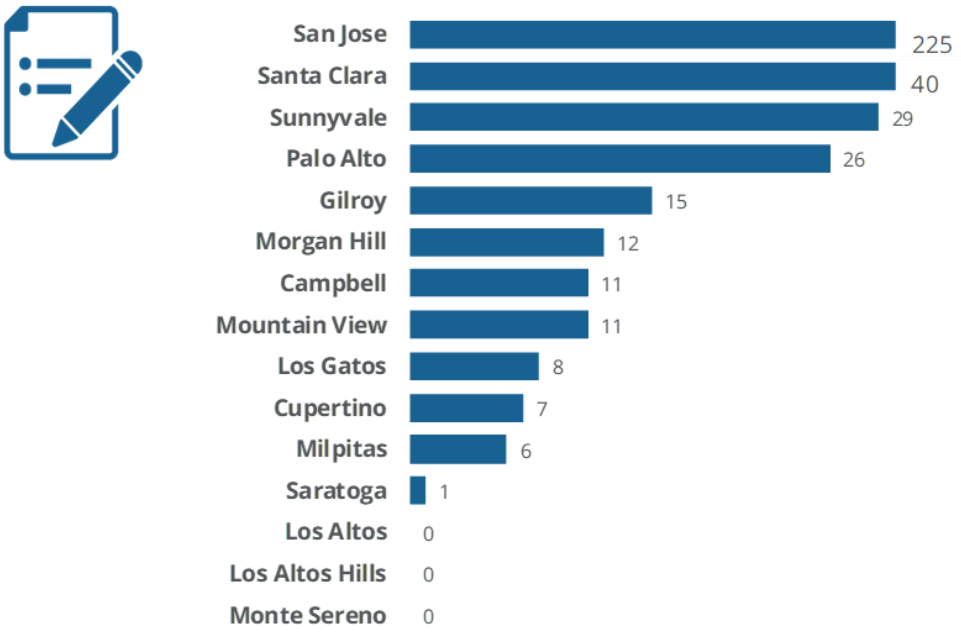
- Second, NFHA identified a significant increase in the number of complaints of harassment - 1,071 complaints in 2020 compared to 761 in 2019.

Fair Housing Complaints and Inquiries

HUD Fair Housing Complaints, by Basis, Santa Clara County, 2017-2021

	Number
Disability	63
Race	18
Familial Status	23
National Origin	12
Religion	0
Sex	4
No Issue Cited	257
Failure to Respond	178
Total cases	**391**

HCD Fair Housing Inquiries (2013- 2021)



- Finally, NFHA found that 73 percent of all fair housing complaints in 2020 were processed by private fair housing organizations, rather than State, local, and Federal government agencies—reinforcing the need for local, active fair housing organizations and increased funding for such organizations[9].

Outreach and capacity. Santa Clara County, including Los Gatos, has a number of organizations dedicated to assisting residents with legal services related to housing discrimination and general housing disputes. These organizations are listed in Figure I-1 of the map and data appendix.

The Town also maintains a resource guide that highlights service providers across multiple categories focused on housing and quality of life for underserved members of the community[10]. Additionally, the Town provides links and email addresses for citizens to participate in the ongoing Housing Element Update process, including links to the agendas and staff reports for the Housing Element Advisory Board (HEAB) meetings.

Finally, the Town has a strong statement about inclusivity and directly addresses hate speech on its website[11].

Compliance with State law. Los Gatos is compliant with the following State laws that promote fair and affordable housing. The Town has not been alleged or found in violation of the following:

- Housing Accountability Act (Gov. Code. Section 65589.5) requiring adoption of a Housing Element and compliance with RHNA allocations;
- No Net Loss Law (Gov. Code Section 65863) requiring that adequate sites be maintained to accommodate unmet RHNA allocations;
- Least Cost Zoning Law (Gov. Code. Section 65913.1);
- Excessive Subdivision Standards Law (Gov. Code. Section 65913.2);
- Limits on Growth Controls Law (Gov. Code. Section 65589.5).

Housing specific policies enacted locally.

- Los Gatos offers a density bonus program to comply with State law.
- It also has an affordable housing overlay zone; however, that zone applies to one property only.
- The Town allows relative diverse type of housing in residential zones. However, minimum lot area for duplexes is quite generous (8,000 square feet). The Town could add flexibility for affordable duplexes—particularly in areas near and within downtown.
- The Town requires that development of Accessory Dwelling Units under Town incentive programs be affordable, and deed restricted to 80 percent AMI households.
- The Town's Below Market Price program requirements apply to developments of five units and more and require between 10 percent and 20 percent of units to be affordable to low- and moderate-income households. In-lieu fees are only allowed in limited circumstances, which prioritizes unit development.

[9] https://nationalfairhousing.org/2021/07/29/annual-fair-housing-report-shows-increase-in-housing-harassment/
[10] Los-Gatos-Housing-Resources-Guide (losgatosca.gov)
[11] https://www.losgatosca.gov/2604/Becoming-an-Inclusive-Community

Publicly-Assisted Housing. According to the California Department of Housing and Community Development AFFH Data Viewer (HCD data viewer), Los Gatos does not have any public housing buildings. Additionally, only a small portion of Los Gatos contains any Housing Choice Voucher usage, a minimal zero to five percent.

A.7 Integration and Segregation

This section discusses integration and segregation of the population by protected classes including race and ethnicity, disability status, familial status, and income status. The section concludes with an analysis of racially and ethnically concentrated areas of poverty and affluence.

Integration and Segregation

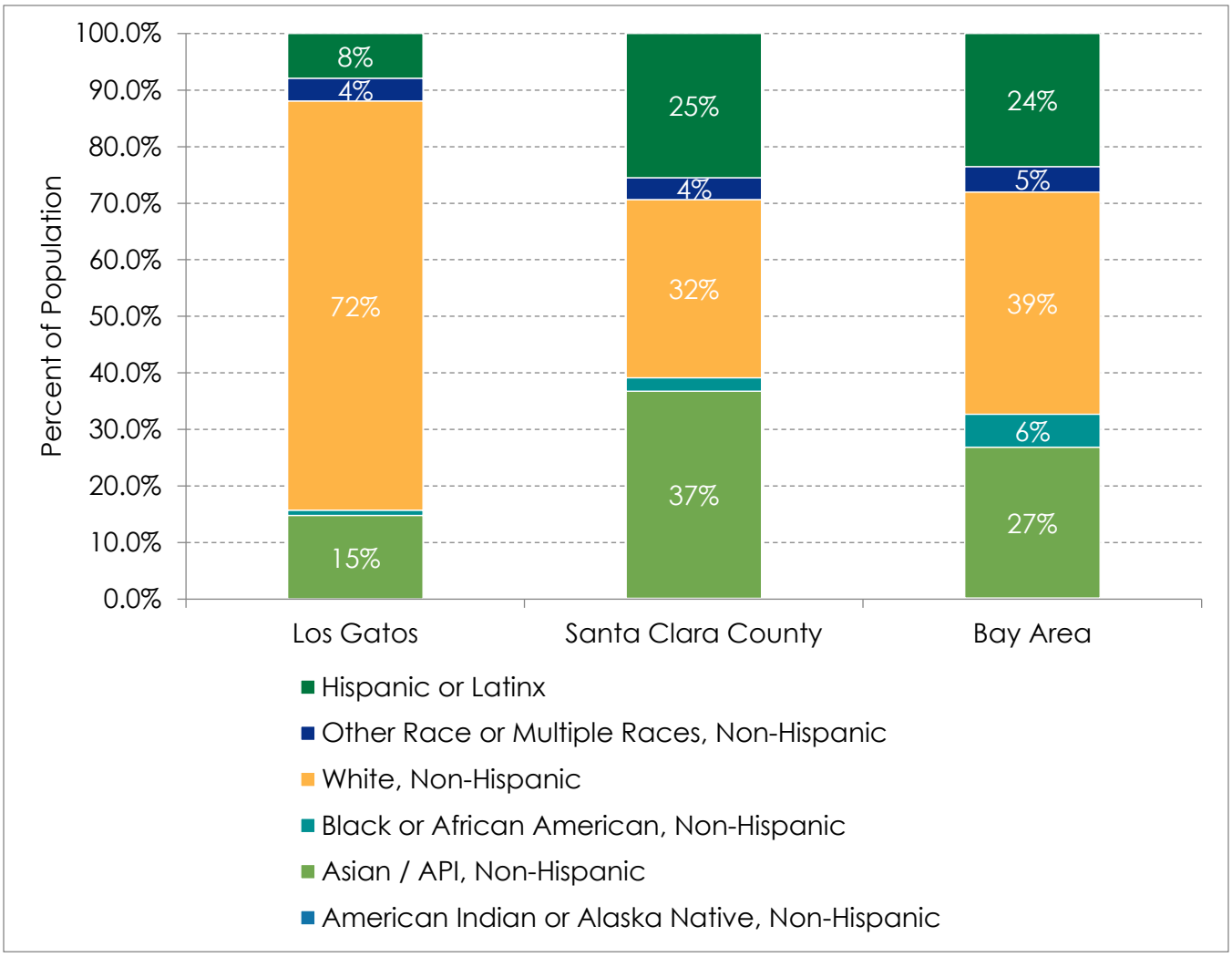
"Integration generally means a condition in which there is not a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a particular type of disability when compared to a broader geographic area.

Segregation generally means a condition in which there is a high concentration of persons of a particular race, color, religion, sex, familial status, national origin, or having a disability or a type of disability in a particular geographic area when compared to a broader geographic area."

Race and ethnicity. Los Gatos differs from the county and Bay Area overall for its relatively high proportion of residents identifying as non-Hispanic White (72 percent in Los Gatos compared to 32 percent in Santa Clara County) and small Hispanic population (eight percent in Los Gatos and 25 percent in the county).

- Los Gatos' proportion of Black/African American and Other and mixed-race residents is less proportional to the County and the Bay Area overall (Figure A-10).
- Los Gatos' residents have grown more racially diverse since 2000 largely due to growth in Asian and Hispanic residents (Figure B-4).
- Older residents are less racially diverse than other age groups, with 87 percent of the population older than 65 years identifying as White compared to 77 percent of those aged 18 to 24 and 75 percent of children less than 18 years old. The main shift is the inclusion of more diverse populations in younger age groups, especially among Asian/API and Other/Multiple race residents (Figure B-3).
- Poverty rates are very low for all residents including residents of color. Black/African American have the lowest poverty rate at less than 1 percent. The highest poverty rate was 6.1 percent among Hispanic residents (Figure B-13).

Figure A-10 Population by Race



Source: ABAG Housing Needs Data Workbook

Geospatially, almost all census tracts in Los Gatos have a predominantly White population (Figure A-2 above). Compared with neighboring Monte Sereno, Los Gatos has a more varied neighborhood composition map and a more even dispersion of residents of varied races and ethnicities, see Figure A-5 above. Overall, the Town has low to moderate diversity (Figure A-6 and Figure A-7 above). The Town's diversity index has improved since 2010 due to changes in racial and ethnic diversity in the northern and eastern portions of Town.

The Association of Bay Area Governments (ABAG), working with UC Merced, created a 2021 report on segregation in Los Gatos that measured racial and income segregation within the community. This report, in its entirety can be found in Appendix G. That report utilized several common measures of segregation:

- The Dissimilarity Index, or DI, is a common tool that measures segregation in a community. DI is an index that measures the degree to which two distinct groups are evenly distributed across a geographic area. DI represents the percentage of a group's population that would have to move for each area in the county to have the same percentage of that group as the county overall. DI values range from zero to 100—where zero is perfect integration and 100 is complete segregation. Dissimilarity index values between zero and 39 generally indicate low segregation, values between 40 and 54 generally indicate moderate segregation, and values between 55 and 100 generally indicate a high level of segregation.

- The isolation index is interpreted as the probability that a randomly drawn minority resident shares an area with a member of the same minority, it ranges from zero to 100 and higher values of isolation tend to indicate higher levels of segregation.

ABAG's assessed measures of segregation above highlighted White residents as the most segregated in Los Gatos. White residents are more likely than any other racial group to live in a neighborhood where they are unlikely to come into contact with other racial groups. However, White residents are becoming less isolated over time—and segregation in Los Gatos is decreasing.

Segregation by income increased between 2010 and 2015. In 2015, the income segregation in Los Gatos between lower-income residents and other residents was higher than the average value for Bay Area jurisdictions.

Disability status. The share of the population living with at least one disability is nine percent in Los Gatos compared to eight percent in Santa Clara County. Roughly a third of census tracts in Los Gatos contain 10 percent to 20 percent of persons with a disability, higher than most of the surrounding jurisdictions (Figure A-9 above).

Familial status. Familial status can indicate specific housing needs and preferences. A larger number of non-family or single person households indicates a higher share of seniors living alone, young adults living alone or with roommates, and unmarried partners. Higher shares of nonfamily households indicate an increased need for one- and two-bedroom units.

Los Gatos' households are as likely to be three to four person households (34 percent) as two person households (35 percent). Compared to the county and Bay Area overall, Los Gatos mirrors the share of one person households (26 percent compared to 20 percent in the county and 25 percent for the Bay Area). Married couple households were the majority household type (58 percent) and 31 percent of all households have at least one child under the age of 18. The share of single persons and female-headed households mirror the makeup in the Bay Area.

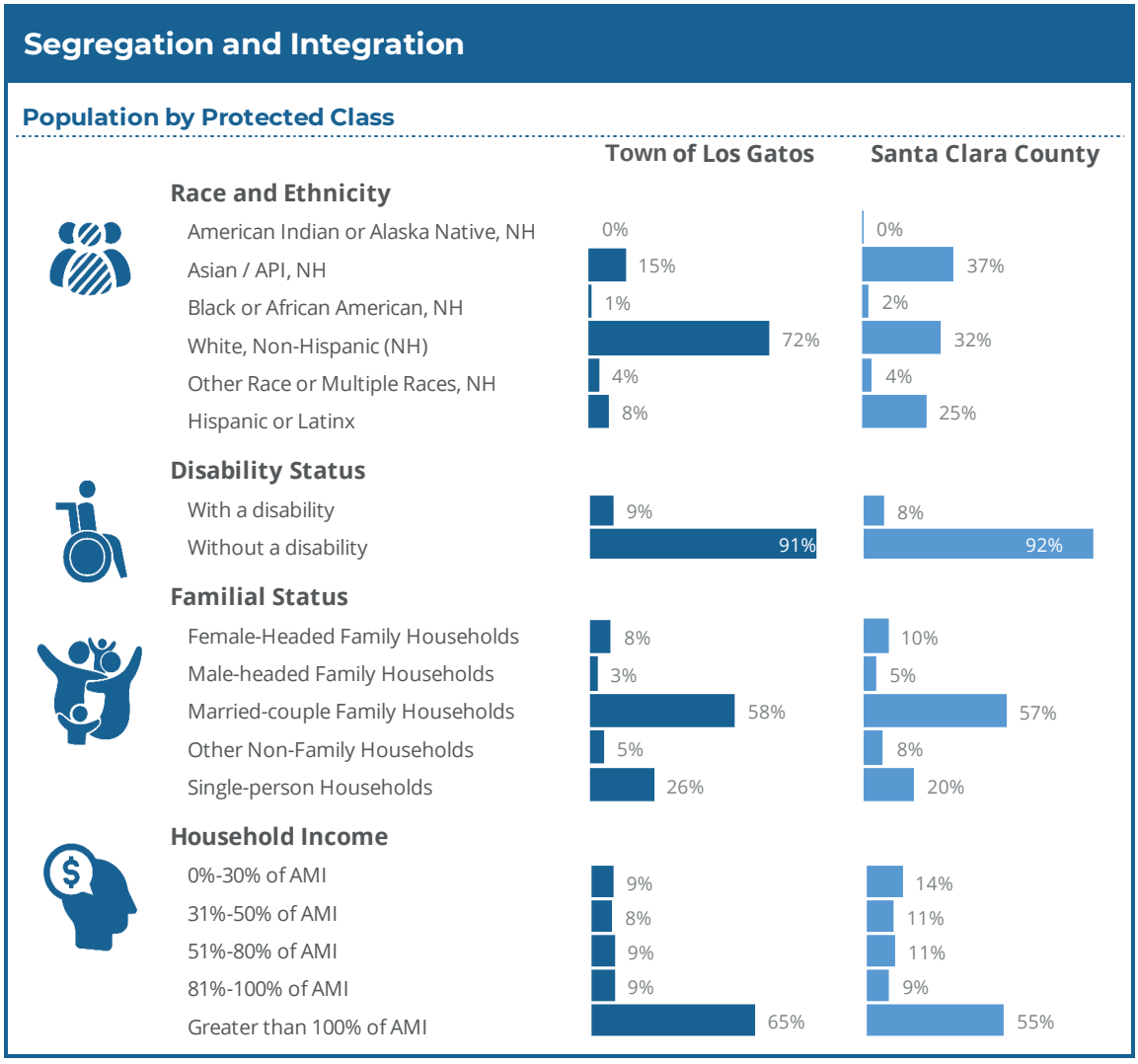
The Town has no concentrations of adults living alone, suggesting that access to in-home services and care for single, older adults is less critical for Los Gatos than some surrounding communities within the county. However, the Town's age distribution has shifted upwards since 2000 (Figure B-2) and these accommodations may grow in demand if older adults, 55 and older, in Los Gatos age in place.

Los Gatos' married couples overwhelmingly own housing: seventy-seven percent of married couple families in the Town own their homes.

Renters are more likely to occupy studios and one- and two-bedroom units than owners (Figure B-36), and owners are more likely to be occupying three to four- and 5 or more-bedroom units. Owners and renters are equally as likely to live alone.

Household income. Los Gatos' households are higher-income than the county and Bay Area overall: 65 percent of Los Gatos households earn more than 100 percent of the AMI, compared to 55 percent for the county and 52 percent for the Bay Area (Figure B-11, and infographic below).

Every block group in Los Gatos with available data has a median household income of $125,000 or more. In the Town, Hispanic or Latinx and Other Race or Multiple Races (Hispanic and Non-Hispanic) residents experience the highest rates of poverty, followed by White (Hispanic and Non-Hispanic) residents (Figure B-13).



Racially or ethnically concentrated areas of poverty and affluence. Racially Concentrated Area of Poverty or an Ethnically Concentrated Area of Poverty (R/ECAP) and Racially Concentrated Areas of Affluence (RCAAs) represent opposing ends of the segregation spectrum from racially or ethnically segregated areas with high

poverty rates to affluent predominantly White neighborhoods. Historically, HUD has paid particular attention to R/ECAPs as a focus of policy and obligations to AFFH. Recent research out of the University of Minnesota Humphrey School of Public Affairs argues for the inclusion of RCAAs to acknowledge current and past policies that created and perpetuate these areas of high opportunity and exclusion[12].

It is important to note that R/ECAPs and RCAAs are not areas of focus because of racial and ethnic concentrations alone. This study recognizes that racial and ethnic clusters can be a part of fair housing choice if they occur in a non-discriminatory market. Rather, R/ECAPs are meant to identify areas where residents may have historically faced discrimination and continue to be challenged by limited economic opportunity, and conversely, RCAAs are meant to identify areas of particular advantage and exclusion.

R/ECAPs

HCD and HUD's definition of a Racially/Ethnically Concentrated Area of Poverty is:

- A census tract that has a non-White population of 50 percent or more (majority-minority) or, for non-urban areas, 20 percent, AND a poverty rate of 40 percent or more; OR
- A census tract that has a non-white population of 50 percent or more (majority-minority) AND the poverty rate is three times the average tract poverty rate for the County, whichever is lower.

Source: California Department of Housing and Community Development Guidance, 2021.

For this study, the poverty threshold used to qualify a tract as an R/ECAP was three times the average census tract poverty rate countywide, or 22.5 percent.

There are no census tracts in Los Gatos that qualify as R/ECAPs. R/ECAPs in the county are all located in San Jose.

RCAAs. At the time this report was written, HCD and HUD had not established standard definitions for Racially or Ethnically Concentrated Areas of Affluence (RCAAs). However, these are generally understood to be neighborhoods in which there are both high concentrations of non-Hispanic White households and high household income rates. Comparing Los Gatos to the surrounding county and region, it is safe to speculate that the Town has more RCAAs as other communities, the county, and the region.

A.8 Access to Opportunity

This section discusses disparities in access to opportunity among protected classes including access to quality education, employment, and environment.

Access to Opportunity

"Access to opportunity is a concept to approximate place-based characteristics linked to critical life outcomes. Access to opportunity oftentimes means both improving the quality of life for residents of low-income communities, as well as supporting mobility and access to 'high resource'

[12] Goetz, E. G., Damiano, A., & Williams, R. A. (2019). Racially Concentrated Areas of Affluence: A Preliminary Investigation. Cityscape: A Journal of Policy Development and Research, 21(1), 99–124

neighborhoods. This encompasses education, employment, economic development, safe and decent housing, low rates of violent crime, transportation, and other opportunities, including recreation, food and healthy environment (air, water, safe neighborhood, safety from environmental hazards, social services, and cultural institutions)."

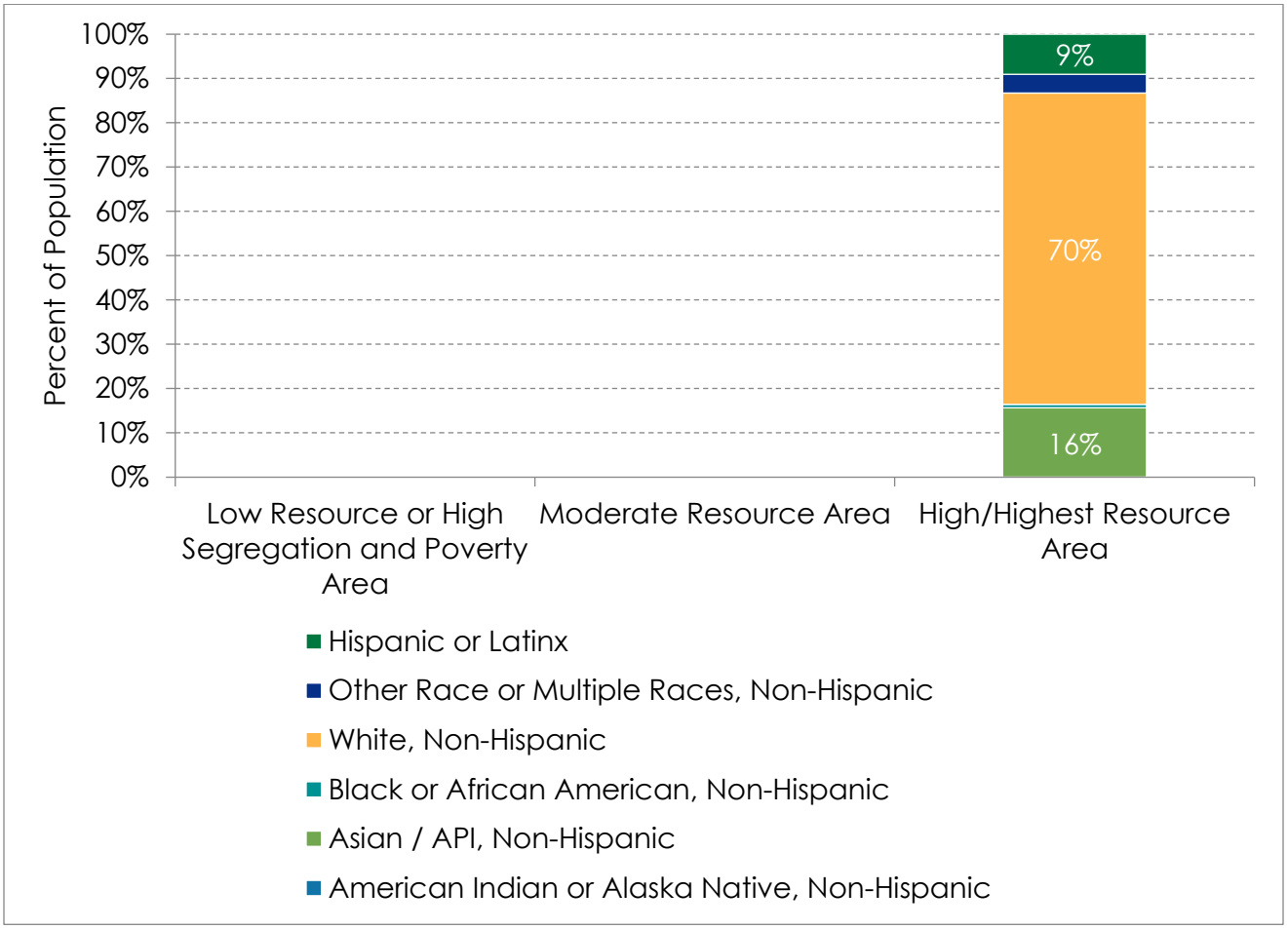
Source: California Department of Housing and Community Development Guidance, 2021, page 34.

The California Tax Credit Allocation Committee (TCAC) in collaboration with HCD developed a series of opportunity maps that help to identify areas of the community with good or poor access to opportunity for residents. These maps were developed to align funding allocations with the goal of improving outcomes for low-income residents—particularly children.

The opportunity maps highlight areas of highest resource, high resource, moderate resource, moderate resource (rapidly changing), low resource and high segregation and poverty. TCAC provides opportunity maps for access to opportunity in quality education, employment, transportation, and environment. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

TCAC's economic opportunity score comprises poverty, adult educational attainment, employment, job proximity, and median home value for Los Gatos and is shown in Figure A-11.

Figure A-11 Population Living in High Resource Areas by Race



Source: ABAG Housing Needs Data Workbook, California Tax Credit Allocation Committee (TCAC)/California Housing and Community Development (HCD), Opportunity Maps (2020); U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002

Education. TCAC's education score is based on math proficiency, reading proficiency, high school graduation rates, and the student poverty rate. According to TCAC's educational opportunity map, every census tract in Los Gatos scores higher than 0.75—indicating the highest positive educational outcomes. Opportunity scores are presented on a scale from zero to one and the higher the number, the more positive the outcomes.

Los Gatos is served by the Los Gatos-Saratoga Union High School District, the Los Gatos Union Elementary School, the Saratoga Elementary School Districts, Loma Prieta Joint Union Elementary, and Lakeside Joint School District. The most complete data, due to halted data collection during the COVID pandemic, was from 2019 and highlights a 97.7 percent graduation rate among all students in the Los Gatos-Saratoga Union high school, a small increase over 2018 (97.1 percent). When broken down by race/ethnicity, Asian students graduated at a slightly higher rate of 98 percent, while Hispanic and White students graduated at 95 percent and 96.5 percent respectively. There were not enough African American students enrolled to provide accurate data (less than 11 total). The lowest graduation rate was among students with a disability, yet still relatively high at 88 percent.

The Los Gatos Union Elementary served 2,710 students in 2021, down from 3,024 from 2019, the last year with complete data. White students accounted for 64 percent of the student body, with Asian (19 percent) and Hispanic students (9 percent) accounting for the majority of the remainder. The school included four percent socioeconomically disadvantaged students, one homeless student, and seven percent students with a disability.

Saratoga Elementary had 1,657 students in 2021 and 1,765 in 2019. At Saratoga, 57 percent of students are Asian and White students accounted for 26 percent and Hispanic students another six percent. Saratoga Elementary served a student population with 11 percent disabilities, two percent socioeconomically disadvantaged, and no homeless students.

Employment. The job to household ratio for Los Gatos tracks with the Bay Area and is lower than Santa Clara County's (Figure B-8), indicating that Los Gatos is less of a commuter city than surrounding jurisdictions with much higher job to household ratios. This differs, however, by wage (Figure B-7), with jobs to household ratios much higher for low wage workers who cannot afford to live in the Town. Los Gatos has twice as many jobs as workers for low wage jobs.

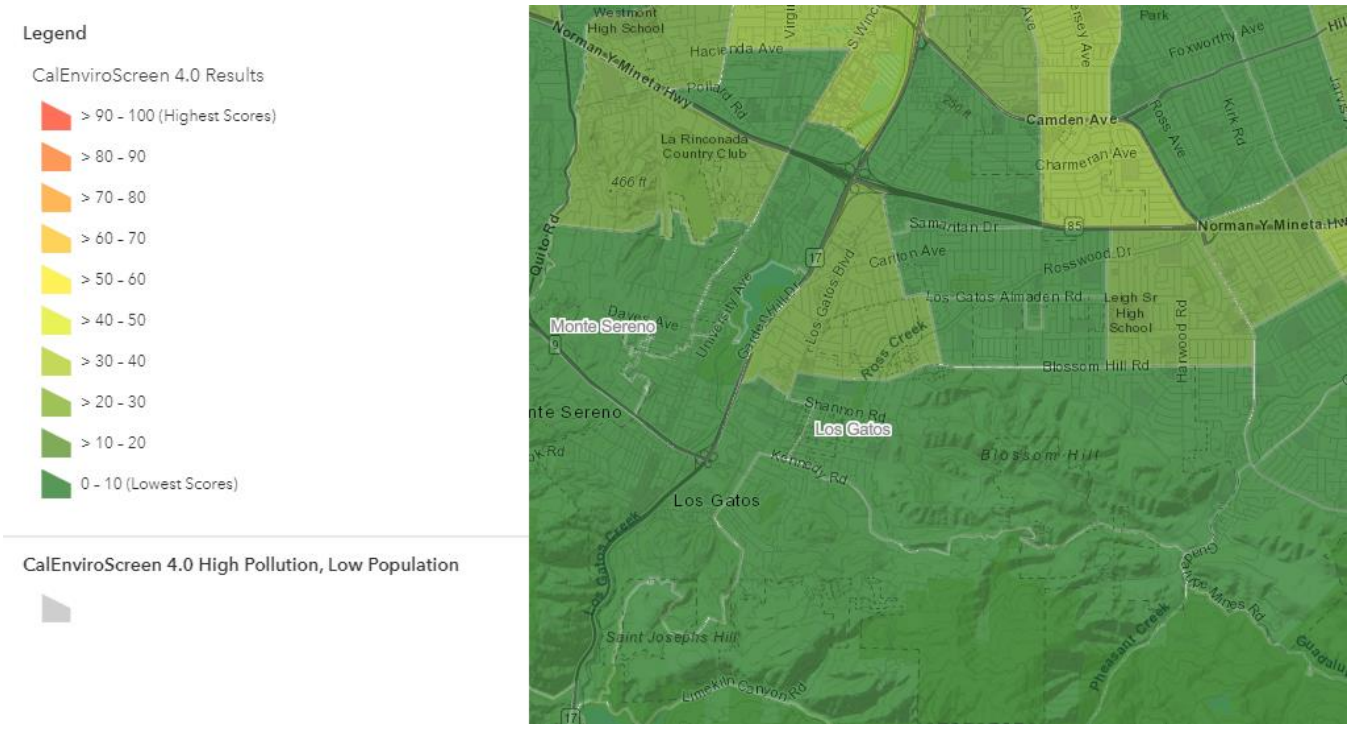
- Notably, Los Gatos had 19,843 jobs (Figure B-5) in 2018 compared to 14,573 job holders (Figure III-3), indicating a healthy job market for local residents and a need for in-commuting to fill the unoccupied jobs.
- Most jobs in Los Gatos are in Financial and Professional Services and Health and Educational Services (Figure B-9).
- Unemployment in Los Gatos is five percent, below the county and area averages (Figure B-10).

HUD's job proximity index shows that Los Gatos offers a moderate to high proximity to jobs. On a scale from zero to 100, where 100 is the closest proximity to jobs, the areas near Highway 17 score within the high proximity range, while most of the remaining parts of the Town scores as moderate proximity. The further away from Highway 17, the lower the proximity to jobs.

Environment. TCAC's opportunity areas environmental scores are based on the CalEnviroScreen four indicators, which identify areas disproportionately vulnerable to pollution sources such as ozone, PM2.5, diesel PM, pesticides, toxic release, traffic, cleanup sites, groundwater threats, hazardous waste, impaired water bodies, and solid waste sites.

Three-quarters of Los Gatos scores low on positive environmental outcomes, with no census tracts in the Town scoring over 0.5 out of one (Figure A-12). Los Gatos almost uniformly had the lowest possible scores according to the CalEnviroScreen metric for 2021.

Figure A-12 CalEnviroScreen 4.0, Los Gatos

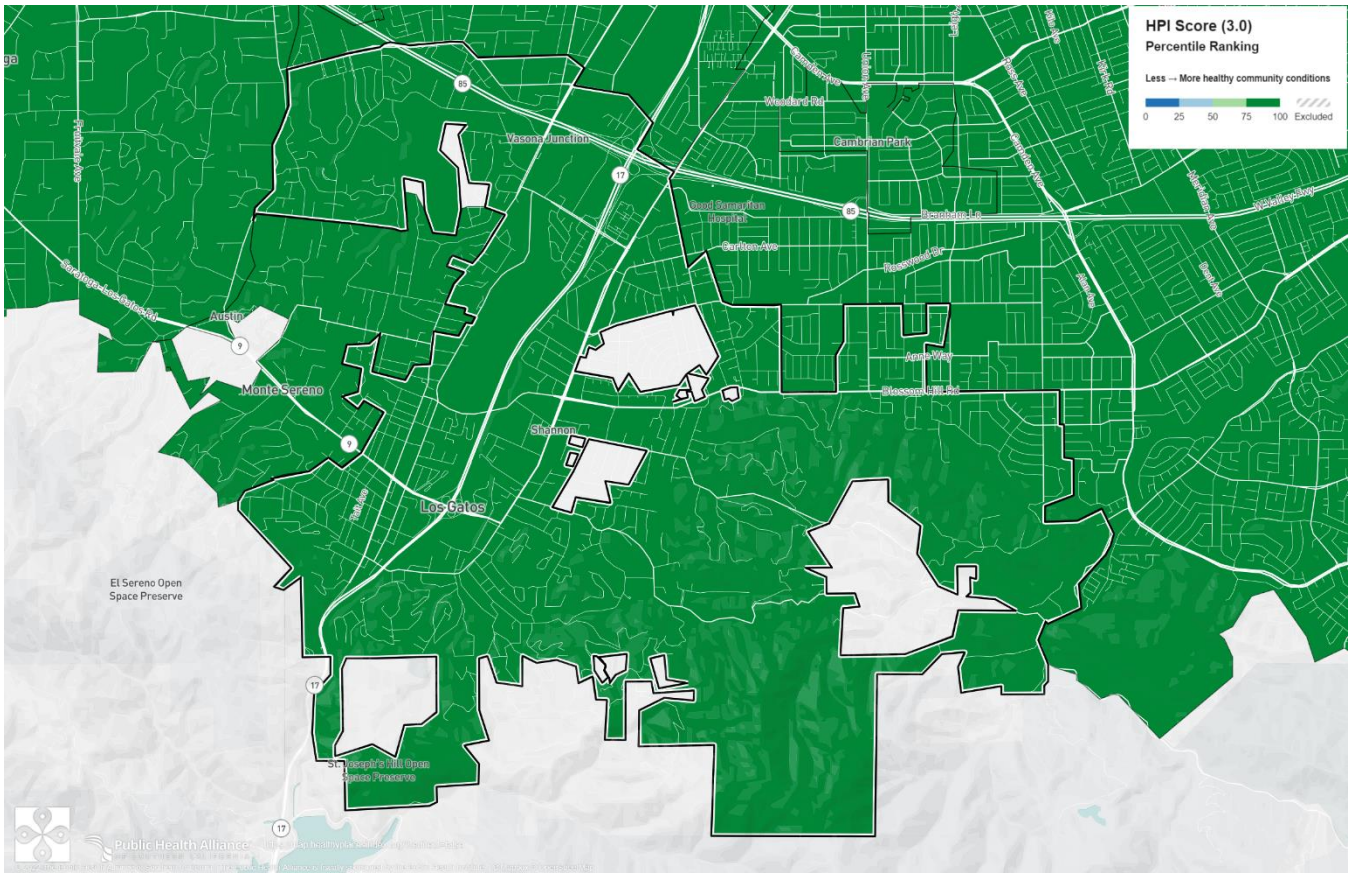


Source: California Office and Environmental Health Hazard Assessment, CalEnviroScreen Maps and Data.

The Town scores high on California Healthy Places Index (HPI) developed by the Public Health Alliance of Southern California (PHASC) (Figure A-13). HPI includes 25 community characteristics in eight categories including economic, social, education, transportation, neighborhood, housing, clean environment, and healthcare[13].

[13] https://healthyplacesindex.org/about/

Figure A-13 California Healthy Places Index, Los Gatos



Source: Public Health Alliance of Southern California, California Healthy Places Index.

Disparities in access to opportunity. All residents live in highly resourced areas, regardless of race or ethnicity (Figure A-11). Los Gatos and other surrounding areas are entirely high opportunity jurisdictions.

The Social Vulnerability Index (SVI) provided by the Center for Disease Control (CDC)—ranks census tracts based on their ability to respond to a disaster—includes four themes of socioeconomic status, household composition, race or ethnicity, and housing and transportation. Los Gatos scores well on the SVI; with no neighborhoods ill equipped to respond to disasters.

Los Gatos does not have any disadvantaged communities as defined under SB 535 as, "the top 25 percent scoring areas from CalEnviroScreen along with other areas with high amounts of pollution and low populations"[14].

Disparities specific to the population living with a disability. Nine percent of the population in Los Gatos is living with at least one disability, compared to eight percent in the county. The most common disabilities in Los Gatos are ambulatory (4.8 percent), independent living difficulty (4.3 percent), and hearing difficulty (3.6 percent). For the population 65 and over, the share of the population with ambulatory difficulties increases to 18.4 percent, independent living difficulty increase to 15.2 percent, and hearing difficulty was 13.8 percent. 15 percent of residents with a disability were unemployed in 2019, while only four percent unemployment for residents without a disability.

[14] https://oehha.ca.gov/calenviroscreen/sb535

Disability

"Disability types include hearing difficulty, vision difficulty, cognitive difficulty, ambulatory difficulty, self-care difficulty, and independent living difficulty."

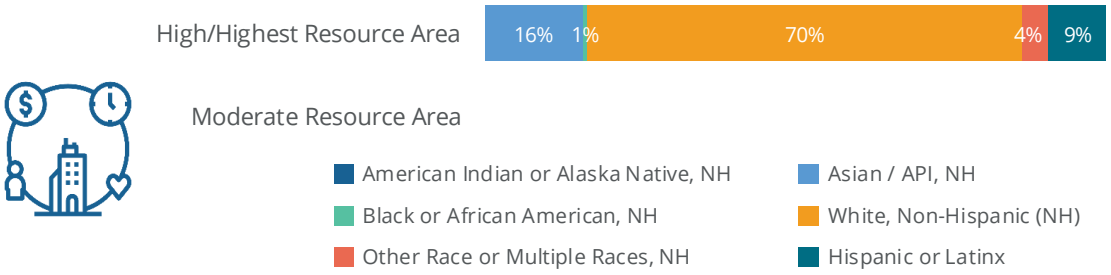
Source: California Department of Housing and Community Development Guidance, 2021, page 36.

Access to Opportunity

Regional Access

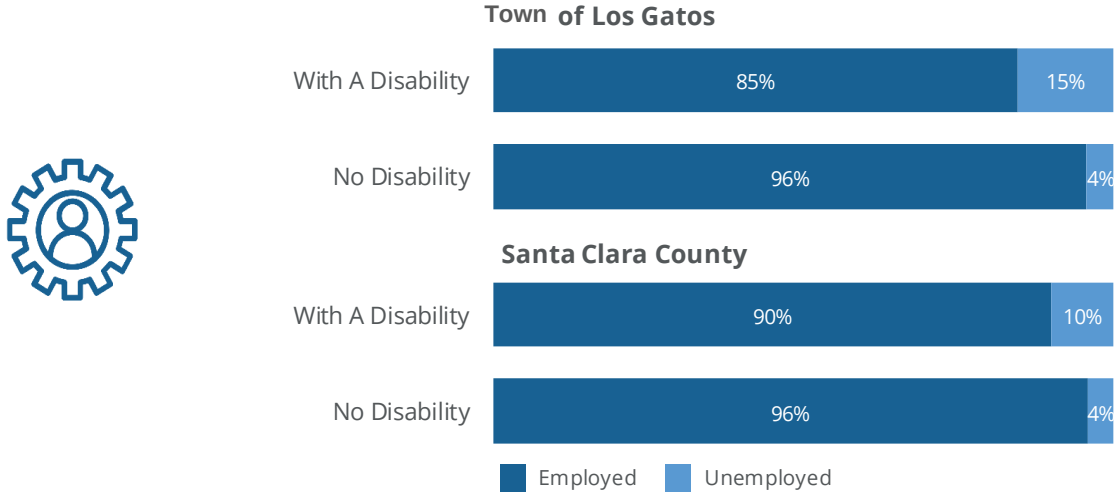
	Town of Los Gatos	Santa Clara County
Jobs to Household Ratio	1.59	1.71
Unemployment Rate	5%	6%
LEP Population	2%	9%

Share of Population by Race in Resource Areas in the Town of Los Gatos



Employment by Disability Status

For those in the labor



A.9 Disproportionate Housing Needs

This section discusses disparate housing needs for protected classes including cost burden and severe cost burden, overcrowding, substandard housing conditions, homelessness, displacement, and other considerations.

Disproportionate Housing Needs

"Disproportionate housing needs generally refers to a condition in which there are significant disparities in the proportion of members of a protected class experiencing a category of housing need when compared to the proportion of members of any other relevant groups, or the total population experiencing that category of housing need in the applicable geographic area. For purposes of this definition, categories of housing need are based on such factors as cost burden and severe cost burden, overcrowding, homelessness, and substandard housing conditions."

Source: California Department of Housing and Community Development Guidance, 2021, page 39.

Housing Needs. Since 2015, the housing that has received permits to accommodate growth has almost exclusively been priced for the higher incomes, with only two units permitted for low-income households and none for very low-income households.

- The vast majority of the Town's homes were built between 1940 and 1979 (69 percent). After this period, housing production slowed, with only three percent of units built since 2010.
- Los Gatos housing is becoming more limited by type with 76 percent single-family units, up from 71 percent in 2010. Multifamily housing, with five or more units, made up the second highest category of units (18 percent); there were sixty-four mobile/manufactured homes in Los Gatos[15].
- Eighty-four percent of owner-occupied homes in Los Gatos are valued over one million dollars with another 39 percent valued above two million dollars. This compares to 48 percent for the county and 35 percent for the Bay Area overall (Figure B-23). According to the Zillow Home Value Index, home values in Los Gatos are 63 percent higher than home values for the county and almost double the cost of housing in the Bay Area (Figure B-24).
- Rents in Los Gatos are most likely to be at least $2,000 per month (63 percent); 24 percent rent for $3,000 per month. While the Town's rental costs higher than in the county, the trend of increasing rental costs matches the changes in the county and Bay Area overall.

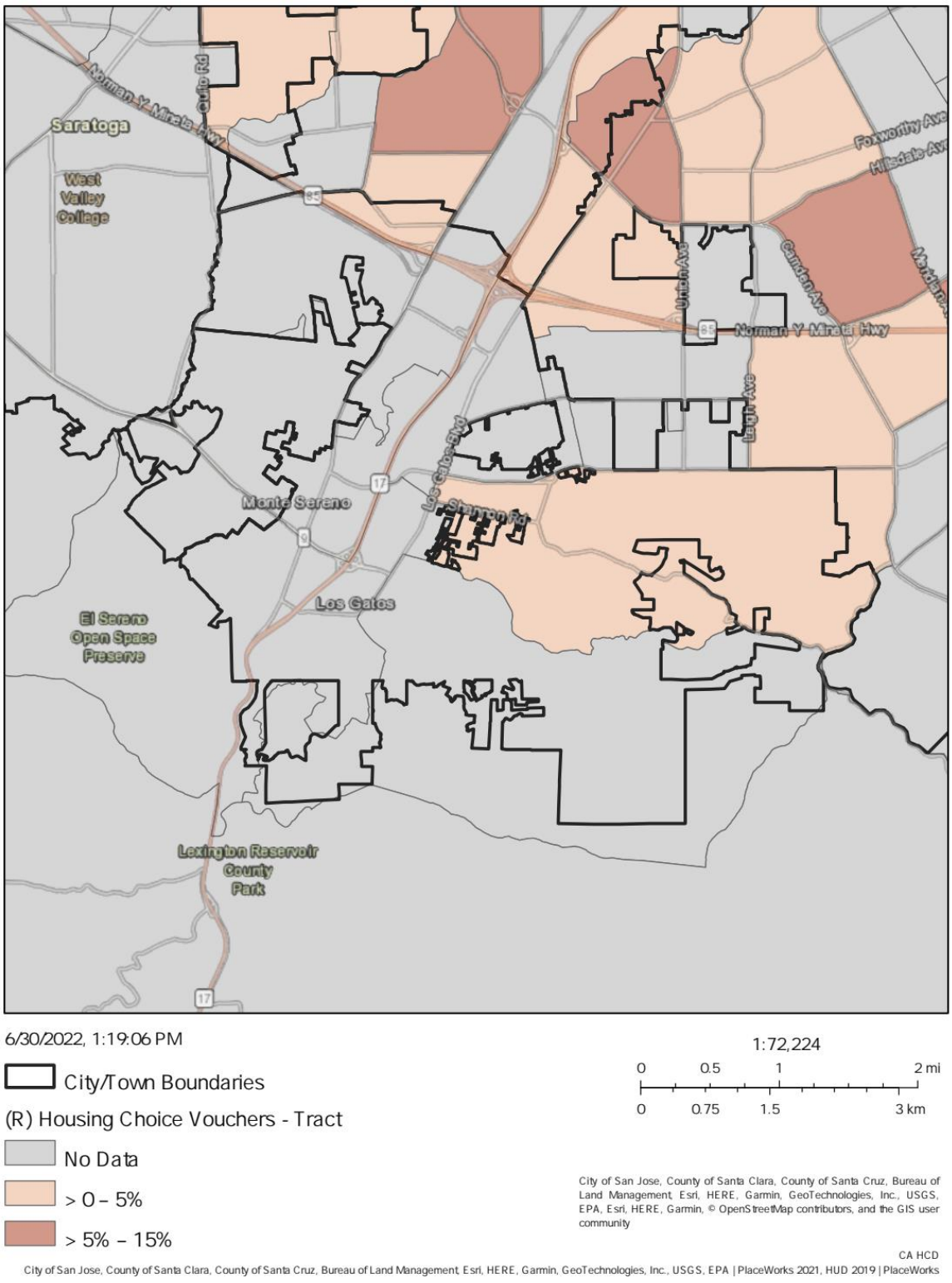
Cost burden and severe cost burden. Despite Los Gatos' comparably high housing costs, cost burden—which occurs when households spend more than 30 percent of their gross income on housing costs—is slightly better than the county and Bay Area (Figure A-15). This is indicative of a market with high barriers to entry. The lack of publicly subsidized housing and opportunity for use of Housing Choice Vouchers limits the ability of low-income households (who are typically cost burdened) to live in the Town.

Cost burden does vary by tenure (renter or ownership) in Los Gatos, Figure A-16. Renters experience a greater share of all forms of cost burden while owners experienced less of a cost burden. The cost burden by income decreases for each increase in earned income (AMI category) with a vast difference between the highest and lowest income groups. Seventy-eight percent of the lowest income group (zero percent to 30 percent of AMI) pay

[15] Housing Needs Data Report: Los Gatos, ABAG/MTC Staff and Baird + Driskell Community Planning, 2021.

more than 50 percent of their gross household incomes in housing costs (Figure A-16). Figure A-14 identifies the housing vouchers distribution by tract within Los Gatos.

Figure A-14 Housing Choice Vouchers by Census Tract

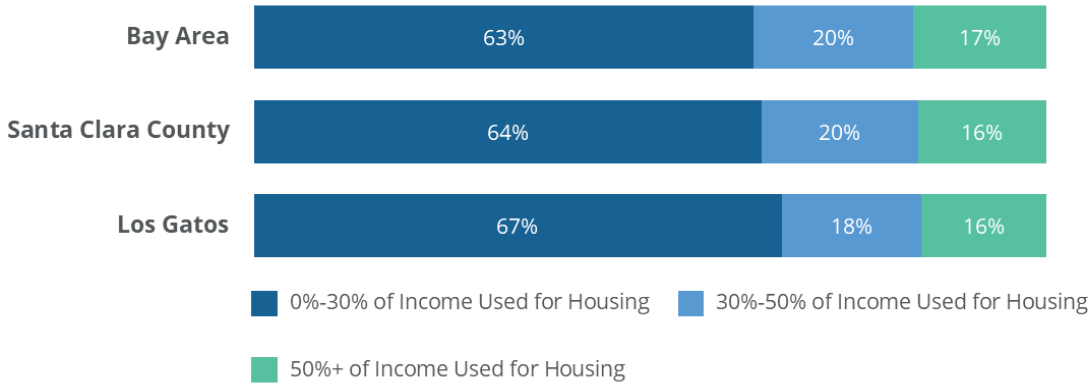


Source: California Department of Housing and Community Development AFFH Data Viewer

Figure A-15 through Figure A-19 shows cost burden distribution by jurisdiction, tenure, Area Median Income (AMI), race and ethnicity, and the size of the families. Renters experience a greater share of all forms of cost burden (42 percent) while owners experienced 28 percent cost burden (Figure A-16). The cost burden by income decreases for each increase in earned income (AMI category) with a vast difference between the highest and lowest income groups (16 percent versus 90 percent). Seventy-eight percent of the lowest income group pay more than 50 percent of their gross household incomes in housing costs.

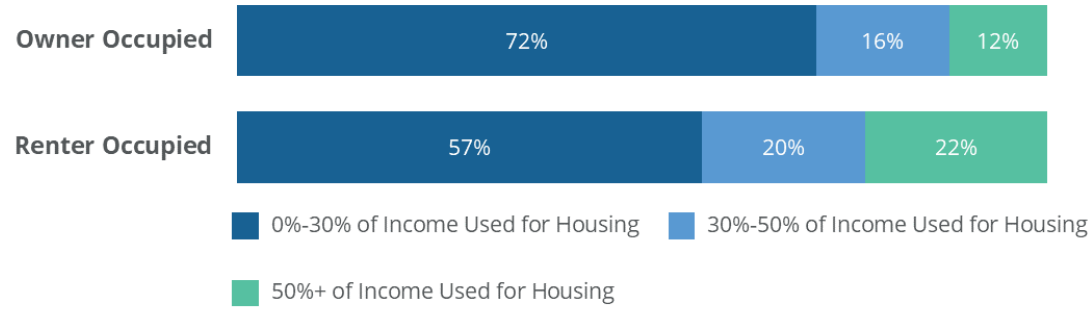
There is consistency in housing cost burden in Los Gatos by race and ethnicity. All households have similar shares of residents paying less than 30 percent of their income on housing. Hispanic and Black/African American residents were the only groups to experience a greater percentage of households spending 50 percent or more of their income than 30 percent to 50 percent of their income, indicating larger shares of extreme cost burdens, see Figure A-18.

Figure A-15 Overpayment (Cost Burden) by Jurisdiction, 2019



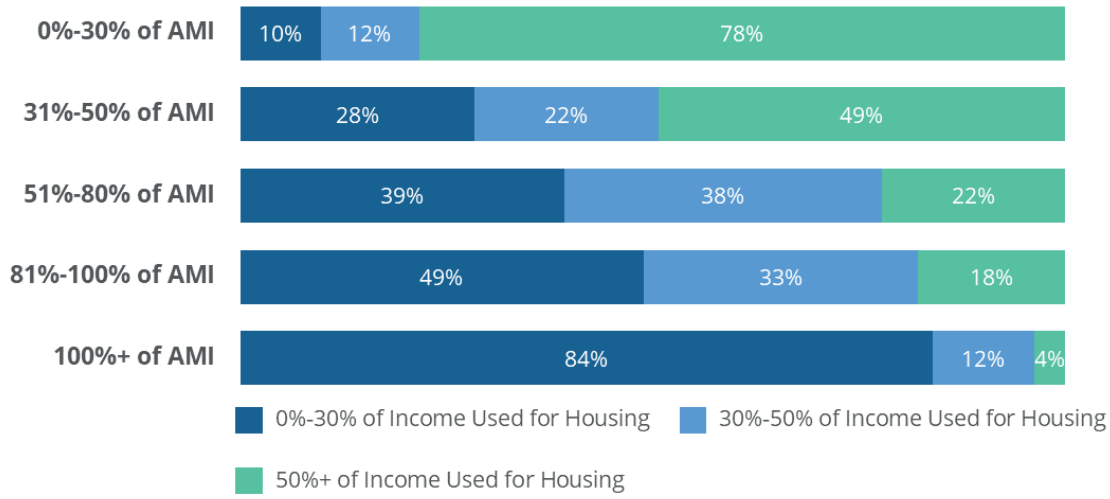
Source: ABAG Housing Needs Data Workbook

Figure A-16 Overpayment (Cost Burden) by Tenure, Los Gatos, 2019



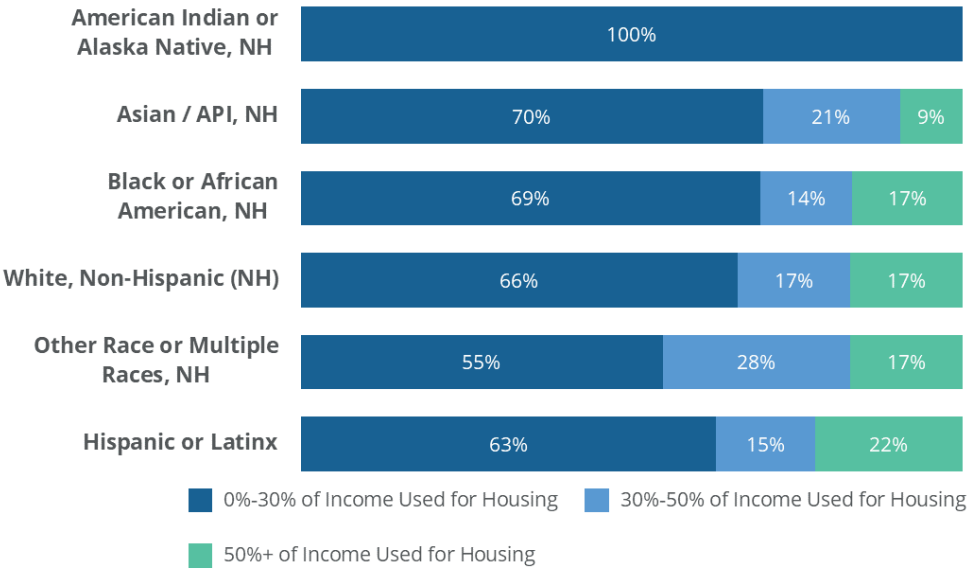
Source: ABAG Housing Needs Data Workbook

Figure A-17 Overpayment (Cost Burden) by AMI, Los Gatos, 2019



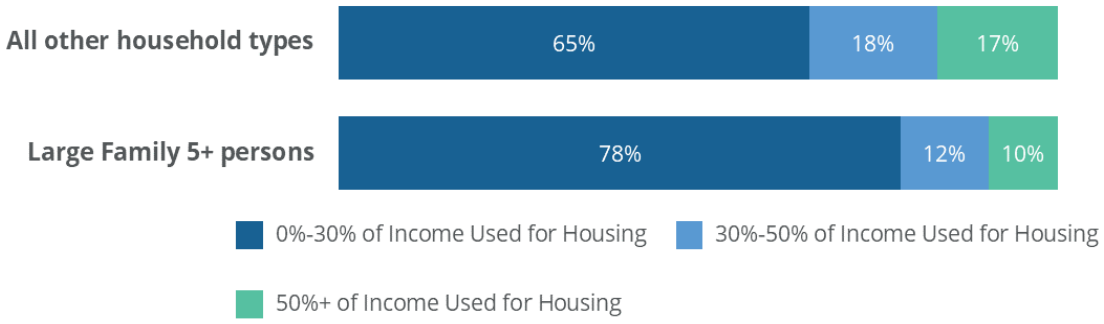
Source: ABAG Housing Needs Data Workbook

Figure A-18 Overpayment (Cost Burden) by Race and Ethnicity, Los Gatos, 2019



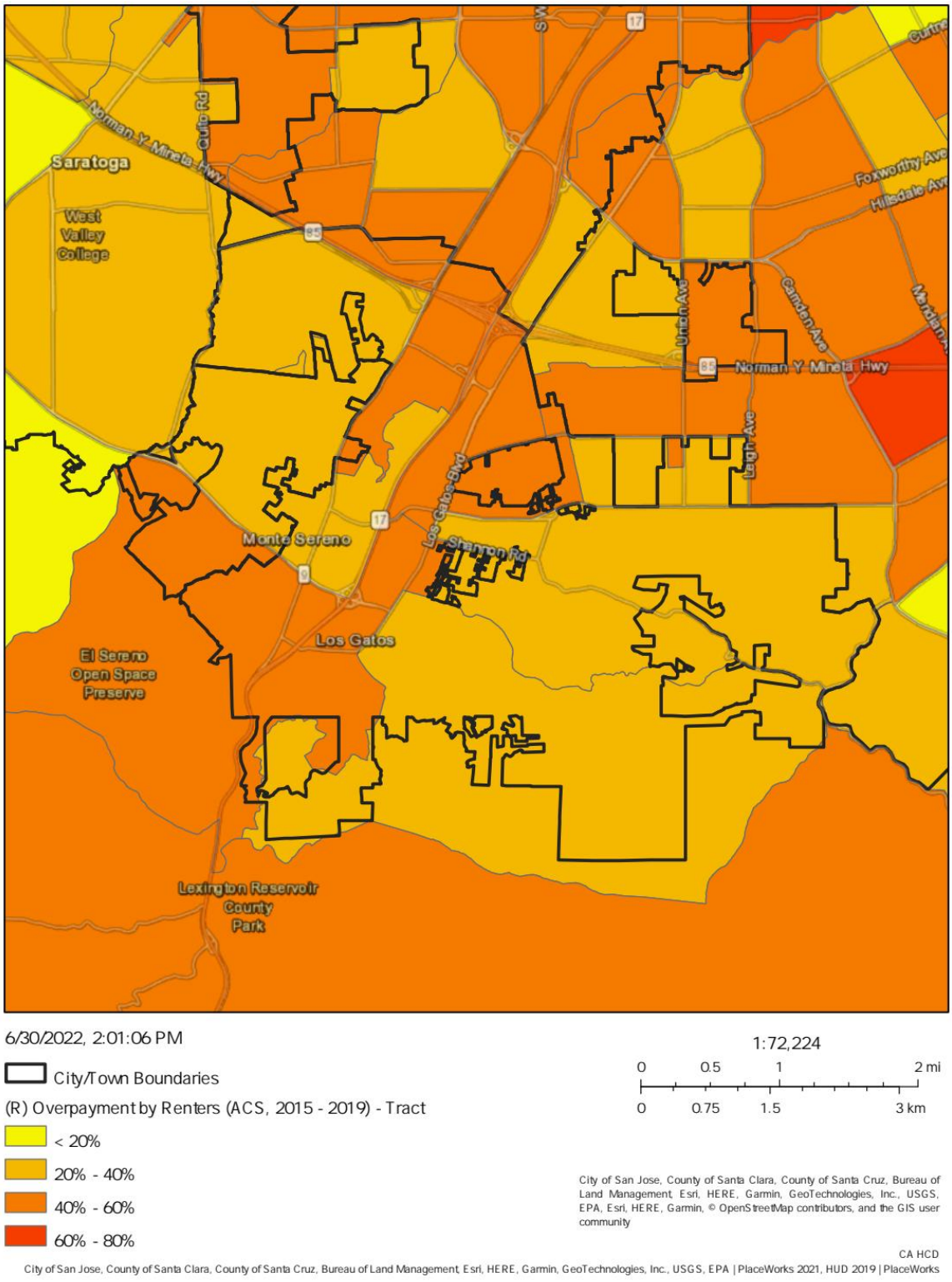
Source: ABAG Housing Needs Data Workbook

Figure A-19 Overpayment (Cost Burden) by Family Size, Los Gatos, 2019



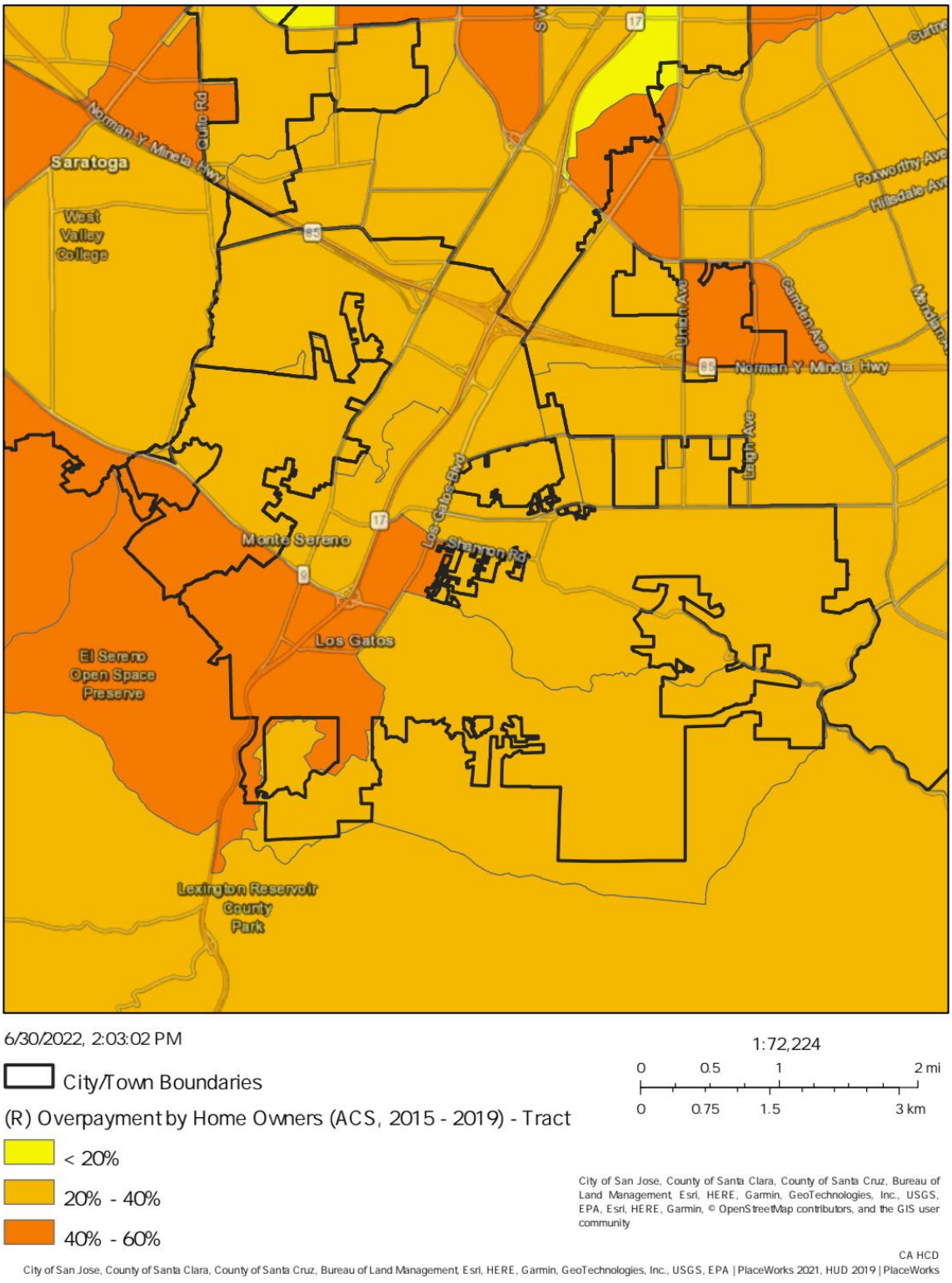
Source: ABAG Housing Needs Data Workbook

Figure A-20 Overpayment (Cost Burden) for Renter Households by Census Tract, 2019



Source: California Department of Housing and Community Development AFFH Data Viewer

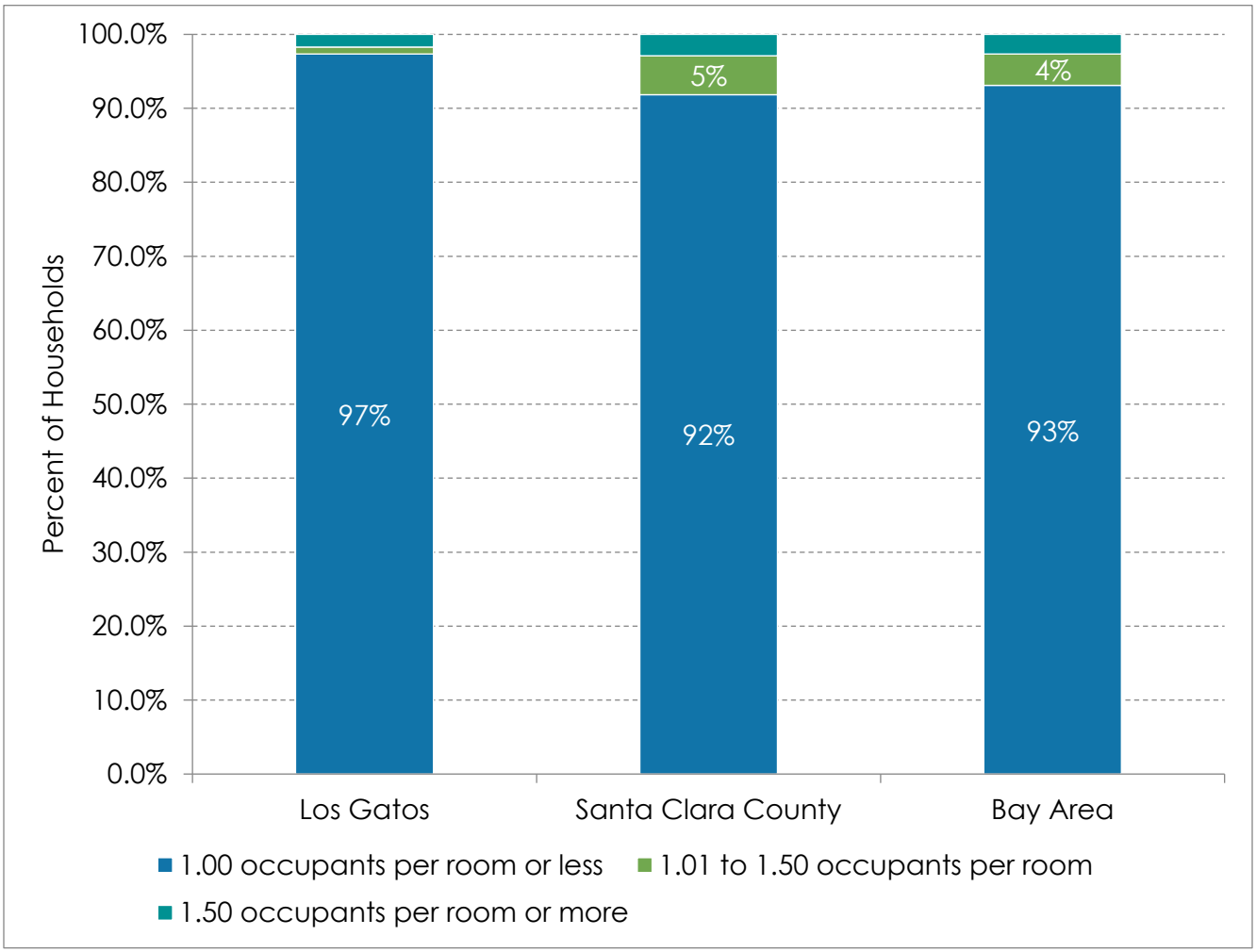
Figure A-21 Overpayment (Cost Burden) for Owner Households by Census Tract, 2019



Source: California Department of Housing and Community Development AFFH Data Viewer

Overcrowding. The vast majority of households (97 percent) in Los Gatos are not overcrowded—indicated by more than one occupant per room (Figure A-22). Renter households are more likely to be overcrowded, with six percent of renter households with more than one occupant per room, compared to 0.3 percent of owner households (Figure B-32).

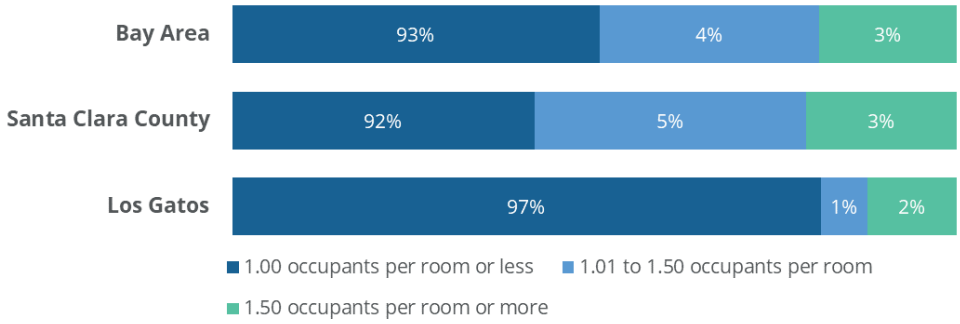
Figure A-22 Overpayment (Cost Burden) for Owner Households by Census Tract, 2019



Source: ABAG Housing Needs Data Workbook, U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2013-2017 release

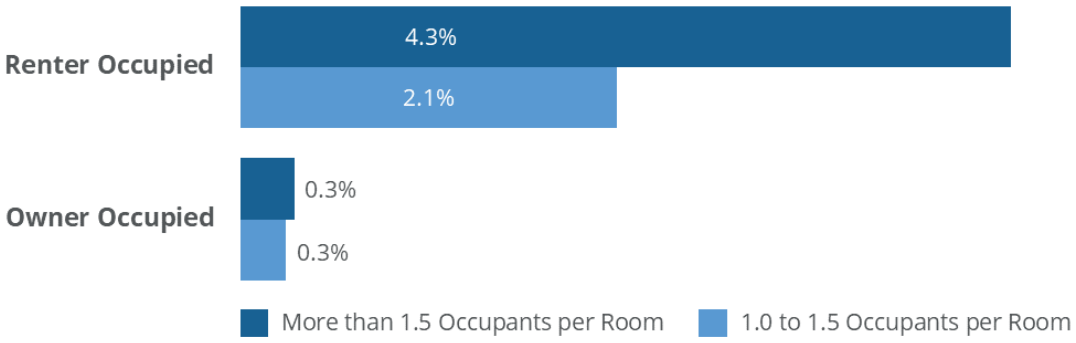
Hispanic residents experience the highest rates of overcrowding (Figure B-34). The rest of the Town's population experiences approximately two percent to 3.5 percent overcrowding.

Figure A-23 Occupants per Room by Jurisdiction, 2019



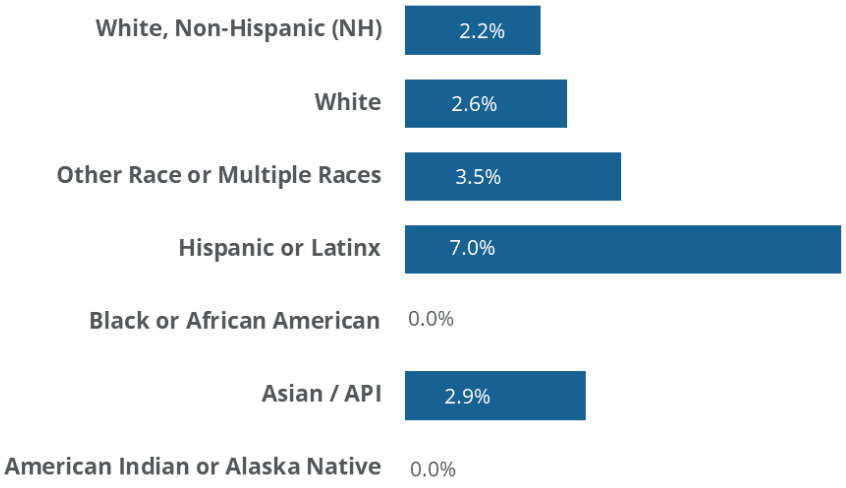
Source: ABAG Housing Needs Data Workbook

Figure A-24 Occupants per Room by Tenure, Los Gatos, 2019



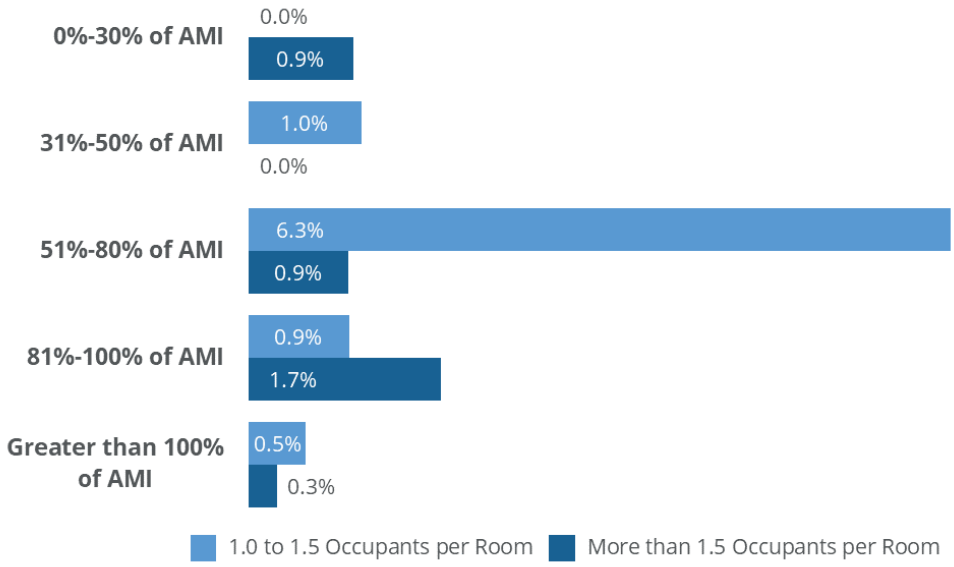
Source: ABAG Housing Needs Data Workbook

Figure A-25 Overcrowding by Race and Ethnicity, Los Gatos, 2019



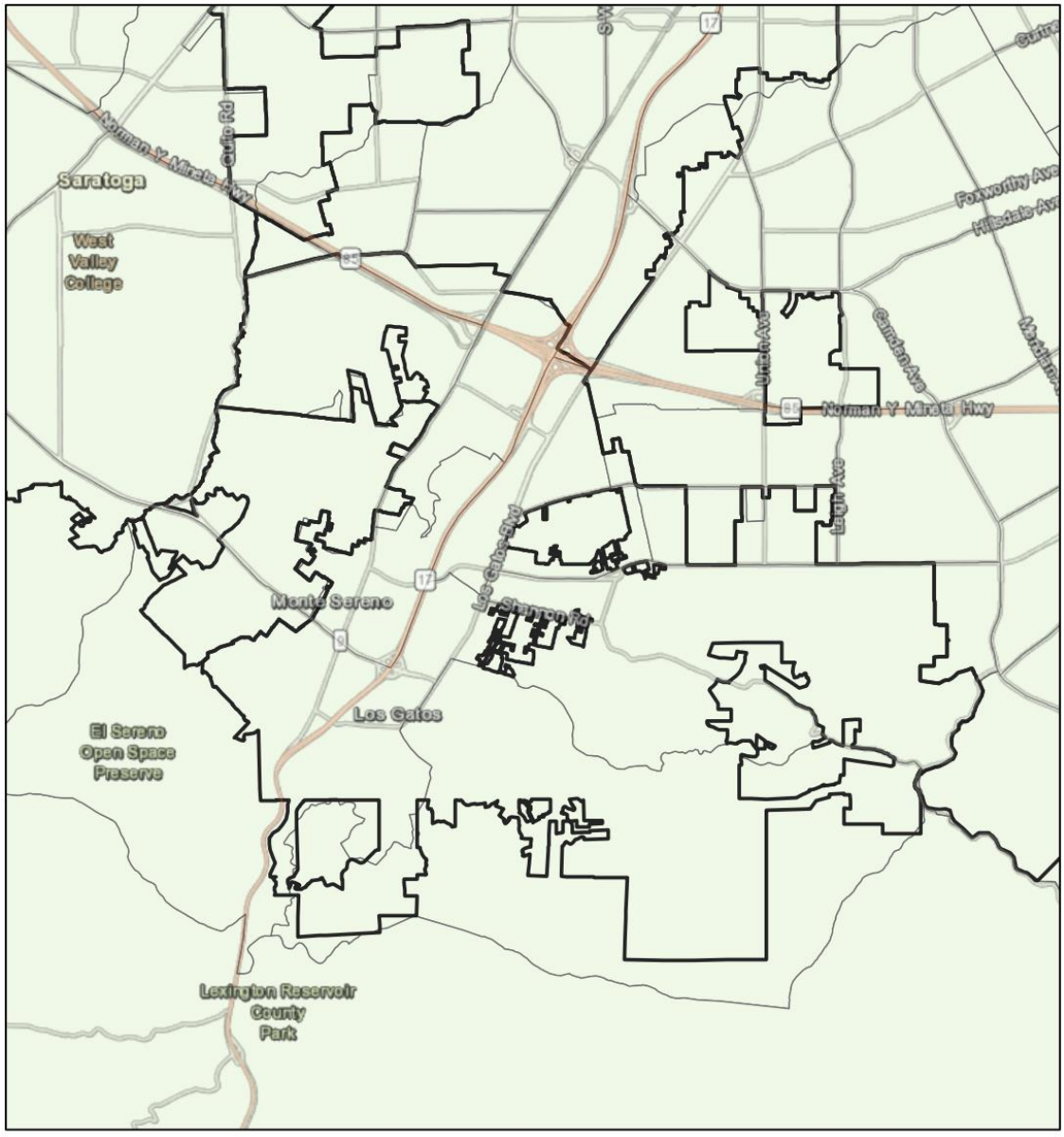
Source: ABAG Housing Needs Data Workbook

Figure A-26 Occupants per Room by AMI, Los Gatos, 2019



Source: ABAG Housing Needs Data Workbook

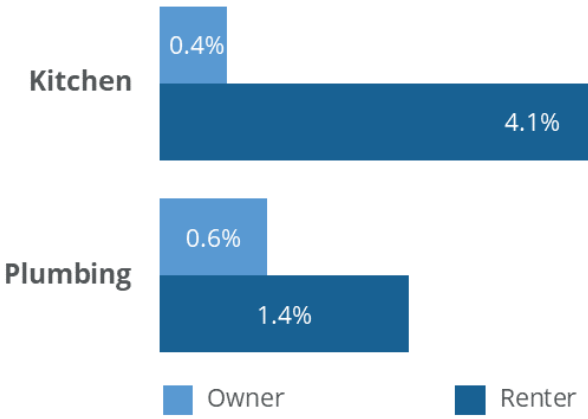
Figure A-27 Overcrowded Households by Census Tract, 2019



Source: California Department of Housing and Community Development AFFH Data Viewer

Substandard housing. Data on housing condition are limited, with the most consistent data available across jurisdictions found in the American Community Survey (ACS)—which captures units in substandard condition as self-reported in Census surveys. Renters in Los Gatos report living in substandard housing in 5.5 percent of housing units, with the more units lacking complete kitchen facilities (4.1 percent). As shown in Figure A-28, about 0.4 percent of owner households are lacking complete kitchens and 0.6 percent lack complete plumbing.

Figure A-28 Percent of Units Lacking Complete Kitchen and Plumbing Facilities, Los Gatos, 2019



Source: ABAG Housing Needs Data Workbook

Homelessness. In 2019, 9,706 people were experiencing homelessness in the county during the one-day count (point-in-time), with only 18 percent of people in emergency or transitional shelter while the remaining 82 percent were unsheltered. The majority of unsheltered people experiencing homelessness were in households without children. The majority of people in transitional housing were in households with children or people without children, as shown in Figure A-29.

People who identify as American Indian or Alaskan Native (approximately eight percent of the homeless population compared to less than one percent of the total population), Black (approximately 19 percent, compared to two and a half percent of the total population), , and Other Race or Multiple Races (approximately 24 percent compared to 16 percent of the total population) are overrepresented in the homeless population compared to their share of the general population, as shown in Figure A-30. People struggling with chronic substance abuse (35 percent), severe mental illness (42 percent), and post-traumatic stress disorder (33 percent) represented a substantial share of the homeless population in 2019. Losing a job or being evicted was reported to be the causal events that led to homelessness in 44 percent of incidents of homelessness[16].

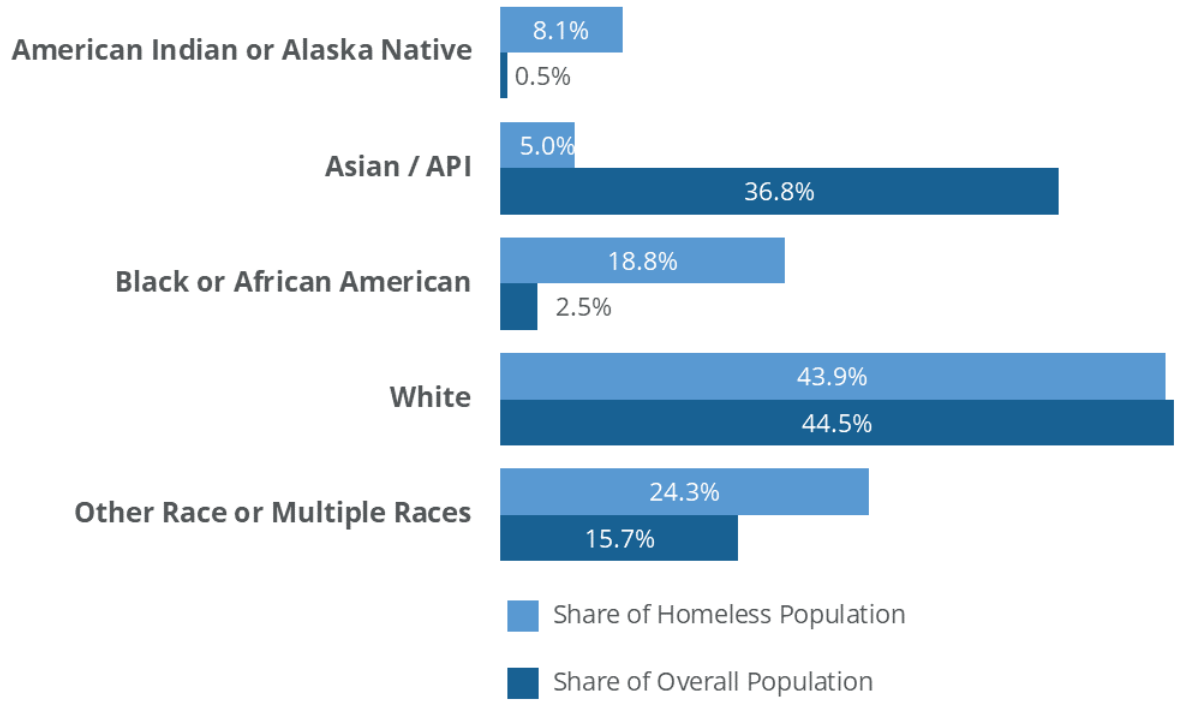
[16] According to Santa Clara County's Homeless Census & Survey (2019); 2019 SCC Homeless Census and Survey Exec Summary.pdf (sccgov.org).

Figure A-29 Homelessness by Household Type and Shelter Status, Santa Clara County, 2019

	People in Households Solely Children	People in Households with Adults and Children	People in Households Without Children
Sheltered - Emergency Shelter	7	377	696
Sheltered - Transitional Housing	3	301	400
Unsheltered	266	243	7,413

Source: ABAG Housing Needs Data Workbook

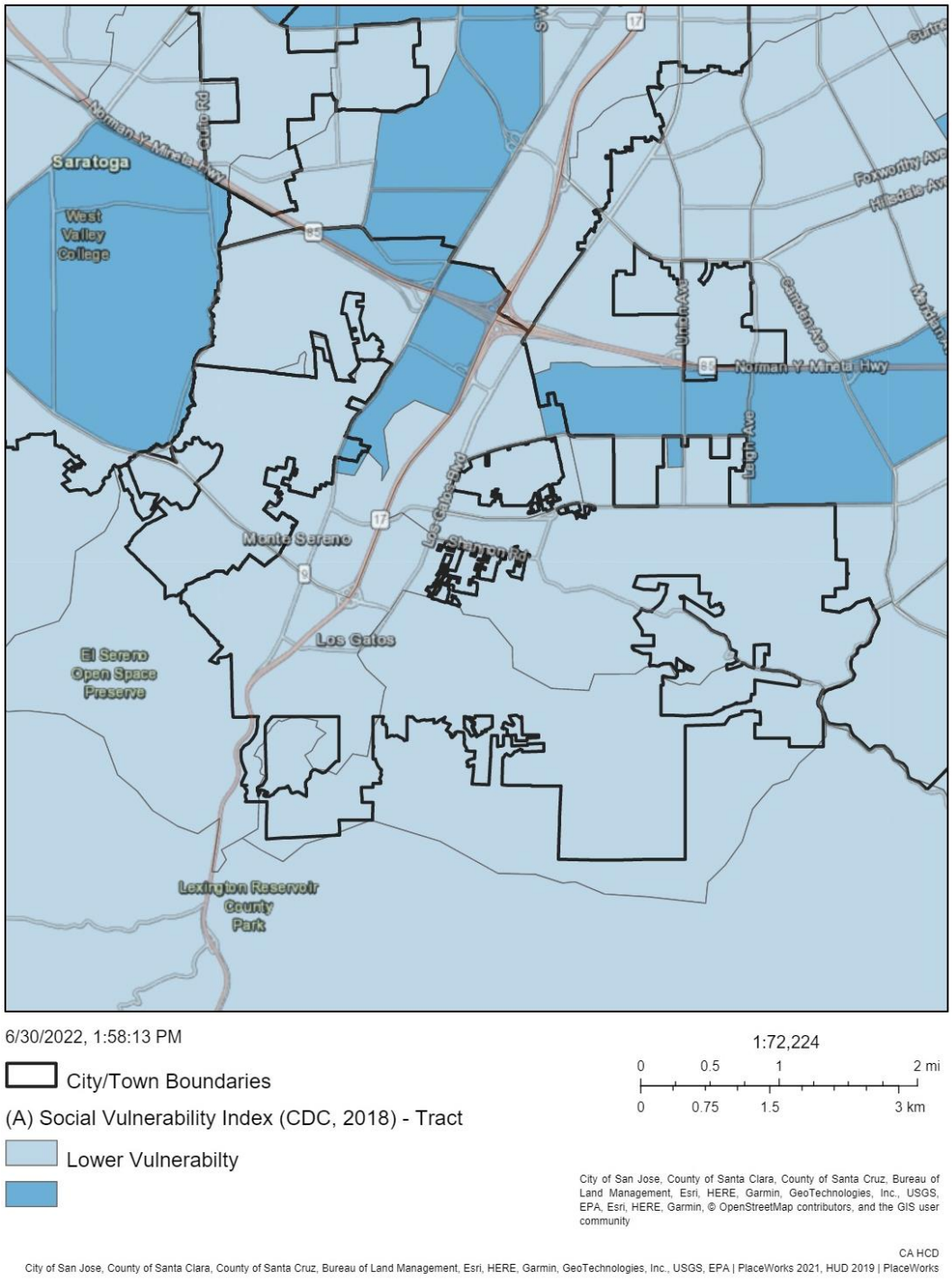
Figure A-30 Share of General and Homeless Populations by Race, Santa Clara County, 2019



Source: ABAG Housing Needs Data Workbook

Displacement. According to the Sensitive Communities map of vulnerable communities, one area north of Highway 9 and west of Highway 17 were vulnerable to displacement. The Town has 169 assisted units, but all were rated as low risk of conversion. Figure A-31 illustrates the social vulnerability index, identifying the census tracts by lower or higher social vulnerability.

Figure A-31 Social Vulnerability Index by Census Tract, 2018



Source: California Department of Housing and Community Development AFFH Data Viewer

Displacement Sensitive Communities

"According to the Urban Displacement Project, communities were designated sensitive if they met the following criteria:

- They currently have populations vulnerable to displacement in the event of increased redevelopment and drastic shifts in housing cost. Vulnerability is defined as:
- Share of very low-income residents is above 20 percent, 2017

AND the tract meets two of the following criteria:

- Share of renters is above 40 percent, 2017
- Share of people of color is above 50 percent, 2017
- Share of very low-income households (50 percent AMI or below) that are severely rent burdened households is above the county median, 2017
- They or areas in close proximity have been experiencing displacement pressures. Displacement pressure is defined as:
- Percent change in rent above county median for rent increases, 2012-2017

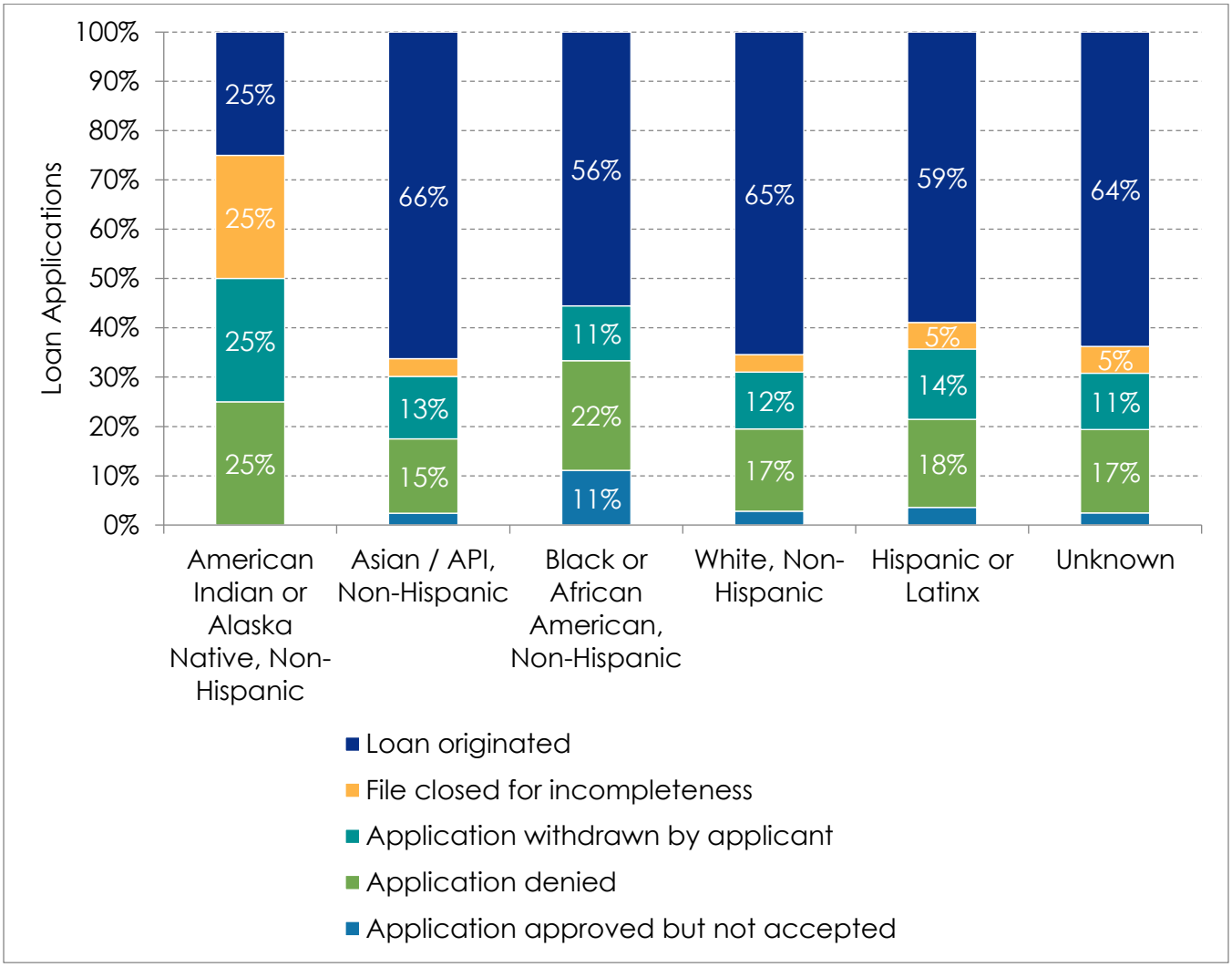
OR

- Difference between tract median rent and median rent for surrounding tracts above median for all tracts in county (rent gap), 2017"

Source: https://www.sensitivecommunities.org/.

Access to mortgage loans. In many communities, disparities by race and ethnicity are prevalent for home mortgage applications, particularly in denial rates. This is less true in Los Gatos (Figure A-32). Mortgage denial rates range from 17 percent to 25 percent. American Indian or Alaska Native, Non-Hispanic and Black/African American residents experienced the next highest rejection rate at 25 percent and 22 percent.

Figure A-32 Mortgage Applications and Acceptance by Race, 2018 and 2019

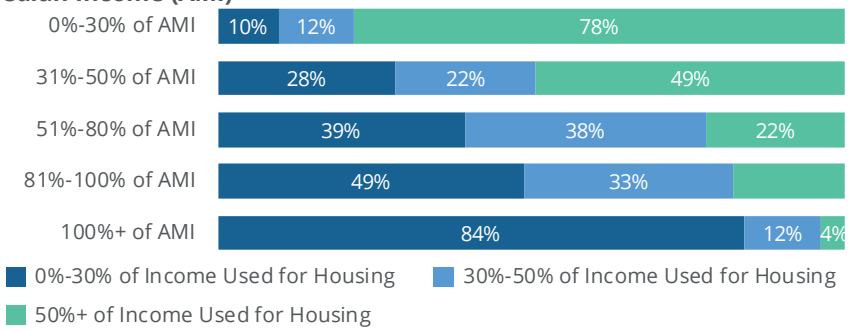


Source: ABAG Housing Needs Data Workbook, Federal Financial Institutions Examination Council's (FFIEC) Home Mortgage Disclosure Act loan/application register (LAR) files.

Disproportionate Housing Needs

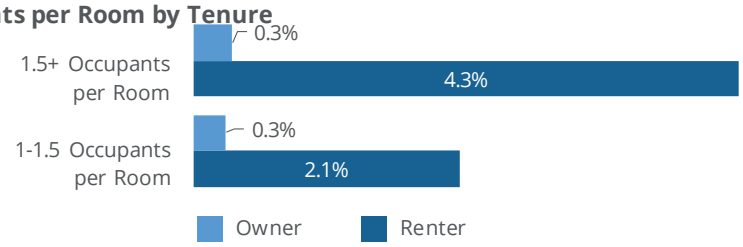
Cost Burden, Town of Los Gatos, 2019





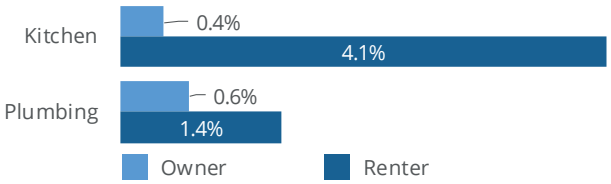
Overcrowding, Town of Los Gatos, 2019





Substandard Housing, Town of Los Gatos, 2019





Homelessness, Santa Clara County, 2019



Race and Ethnicity	Share of Homeless Population	Share of Overall Population
American Indian or Alaska Native	8%	1%
Asian / API	5%	37%
Black or African American	19%	2%
White	44%	44%
Other Race or Multiple Races	24%	16%

Displacement, 2020



Assisted Units at High or Very High Risk of Displacement	City of Los Gatos	Santa Clara County
Number of Units	0	0
% of Assisted Units	**0%**	**0%**

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Housing Needs Assessment

B

APPENDIX

B.1 Introduction

This appendix of the Housing Element describes existing housing needs and conditions in the Town of Los Gatos. The analysis in this section primarily utilizes data compiled by Association of Bay Area Governments/ Metropolitan Transportation Commission (ABAG/MTC) in the "Housing Needs Data Report: Los Gatos" (ABAG/MTC, Baird + Driskell Community Planning, April 2, 2021). This data packet was approved by the California Department of Housing and Community Development (HCD).

Overview of Bay Area Housing

The Bay Area continues to see growth in both population and jobs, which means more housing of various types and sizes is needed to ensure that residents across all income levels, ages, and abilities have a place to call home. While the number of people drawn to the region over the past 30 years has steadily increased, housing production has stalled, contributing to the housing shortage that communities are experiencing today. In many communities, this has resulted in residents being priced out, increased traffic congestion caused by longer commutes, and fewer people across incomes being able to purchase homes or meet surging rents.

The 2023-2031 Housing Element Update provides a roadmap for how to meet growth and housing challenges. As required by the State, the Housing Element identifies what the existing housing conditions and community needs are, reiterates goals, and creates a plan for more housing.

Summary of Key Facts

- **Population** – Generally, the population of the Bay Area continues to grow because of new births (natural growth) and the strong economy draws new residents to the region. The population of the Town of Los Gatos increased by 10 percent from 2000 to 2020, which is below the growth rate of the Bay Area.
- **Age** – In 2019, the youth population of the Town, under the age of 18, was 6,767 and the senior population, 65 and older, was 6,393. These age groups represent 22. percent and 20.8 percent, respectively, of the Town's population.
- **Race/Ethnicity** – In 2020, 72.3 percent of the Town of Los Gatos population was White, while 0.9 percent was African American, 14.8 percent was Asian, and 7.9 percent was Latinx. People of color in Los Gatos comprise a proportion below the overall proportion in the Bay Area as a whole[1].
- **Employment** – The Town of Los Gatos residents most commonly work in the Financial and Professional Services industry. From January 2010 to January 2021, the unemployment rate in the Town decreased by 2.9 percent. Since 2010, the number of jobs located in the jurisdiction increased by 4,440 (28.8 percent). Additionally, the jobs-household ratio in the Town of Los Gatos has increased from 1.32 jobs per household in 2002 to 1.59 in 2018.
- **Number of Homes** – The number of new homes built in the Bay Area has not kept pace with the demand, resulting in longer commutes, increasing prices, and exacerbating issues of displacement and homelessness. The number of homes in the Town of Los Gatos increased 4.5 percent from 2010 to 2020,

[1] The Census Bureau's American Community Survey accounts for ethnic origin separate from racial identity. The numbers reported here use an accounting of both such that the racial categories are shown exclusive of Latinx status, to allow for an accounting of the Latinx population regardless of racial identity. The term Hispanic has historically been used to describe people from numerous Central American, South American, and Caribbean countries. In recent years, the term Latino or Latinx has become preferred. This report generally uses Latinx, but occasionally when discussing US Census data, we use Hispanic or Non-Hispanic, to clearly link to the data source.

which is below the growth rate for Santa Clara County and below the growth rate of the region's housing stock during this time period[2].

- **Home Prices** – A diversity of homes at all income levels would create opportunities for all of the Los Gatos community to live in Town.
  - ✓ **Ownership** – The largest proportion of homes had a value greater than $2 million in 2019. Home prices increased by 98.4 percent from 2010 to 2020.
  - ✓ **Rental Prices** – The typical contract rent for an apartment in the Town of Los Gatos was $2,270 in 2019. Rental prices increased by 60.9 percent from 2009 to 2019. To rent a typical apartment without cost burden, a household would need to make $90,960 per year[3].
- **Housing Type** – It is important to have a variety of housing types to meet the needs of a community today and in the future. In 2020, 60 percent of homes in the Town of Los Gatos were single-family detached, 13 percent were single-family attached, 9 percent were small multi-family (two to four units), and 18 percent were medium or large multi-family (five or more units). Between 2010 and 2020, the number of single-family units increased more than multi-family units. Los Gatos has a higher portion of detached single-family homes than other jurisdictions in the region.
- **Housing Demand** – The Town is populated with a higher share of high-income earners (65% greater than 100% of AMI) than the rest of the county, therefore, housing is built for these higher income and amenity levels. Without goals, policies and programs that specifically address the need to build "affordable housing" targeting incomes less than 100% of AMI (not above greater than 100% AMI), it is highly unlikely developers will voluntarily build housing for low and very-low-income levels.
- **Cost Burden** – The U.S. Department of Housing and Urban Development (HUD) considers housing to be affordable for a household if the household spends less than 30 percent of its income on housing costs. A household is considered "cost-burdened" if it spends more than 30 percent of its monthly income on housing costs, while those who spend more than 50 percent of their income on housing costs are considered "severely cost-burdened." In the Town of Los Gatos, 20 percent of households spend 30 percent to 50 percent of their income on housing, while 16 percent of households are severely cost burdened and use the majority of their income for housing.
- **Displacement/Gentrification** – According to research from the University of California (UC), Berkeley no households in the Town of Los Gatos live in neighborhoods that are susceptible to or experiencing displacement, and none live in areas at risk of or undergoing gentrification. All households in the Town live in neighborhoods where low-income households are likely excluded due to prohibitive housing costs.
- **Neighborhood** – All residents in Los Gatos live in neighborhoods identified as "Highest Resource" or "High Resource" areas by State-commissioned research, while no residents live in areas identified by this research as "Low Resource" or "High Segregation and Poverty" areas. These neighborhood designations are based on a range of indicators covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors[4].

[2] According to HCD Annual Progress Report Dashboard (as of September 20, 2021).
[3] Note that contract rents may differ significantly from, and often being lower than, current listing prices.
[4] For more information on the "opportunity area" categories developed by HCD and the California Tax Credit Allocation Committee, see this website: https://www.treasurer.ca.gov/ctcac/opportunity.asp. The degree to which different jurisdictions and neighborhoods have access to opportunity will likely need to be analyzed as part of new Housing Element requirements related to affirmatively furthering fair housing. ABAG/MTC will be providing jurisdictions with technical assistance on this topic this summer, following the release of additional guidance from HCD.

- **Special Housing Needs** – Some population groups may have special housing needs that require specific program responses, and these groups may experience barriers to accessing stable housing due to their specific housing circumstances. In Los Gatos, 9 percent of residents have a disability (physical, developmental, etc.), and may require accessible housing. Additionally, 6 percent of Los Gatos households are larger households with five or more people and likely need larger housing units with three bedrooms or more. 8.2 percent of households are female-headed families, which are often at greater risk of housing insecurity.

B.2 Population, Employment, and Household Characteristics

Population

The Bay Area is the fifth-largest metropolitan area in the nation and has seen a steady increase in population since 1990, except for a dip during the Great Recession. Many towns and cities in the region have experienced significant growth in jobs and population. While these trends have led to a corresponding increase in demand for housing across the region, the regional production of housing has largely not kept pace with job and population growth.

According to the data, the population of the Town of Los Gatos was estimated to be 31,439 in 2020. The population of Los Gatos makes up 1.6 percent of Santa Clara County[5]. In Los Gatos, roughly 13.5 percent of its population moved during the past year, a number that is roughly the same as the regional rate of 13.4 percent. Table B-1 shows population growth trends for the Town of Los Gatos, Santa Clara County, and the Bay Area as a whole.

Table B-1 Population Growth Trends

Geography	1990	1995	2000	2005	2010	2015	2020
Town of Los Gatos	27,357	28,751	28,592	28,872	29,413	30,807	31,439
Santa Clara County	1,497,577	1,594,818	1,682,585	1,752,696	1,781,642	1,912,180	1,961,969
Bay Area	6,020,147	6,381,961	6,784,348	7,073,912	7,150,739	7,595,694	7,790,537

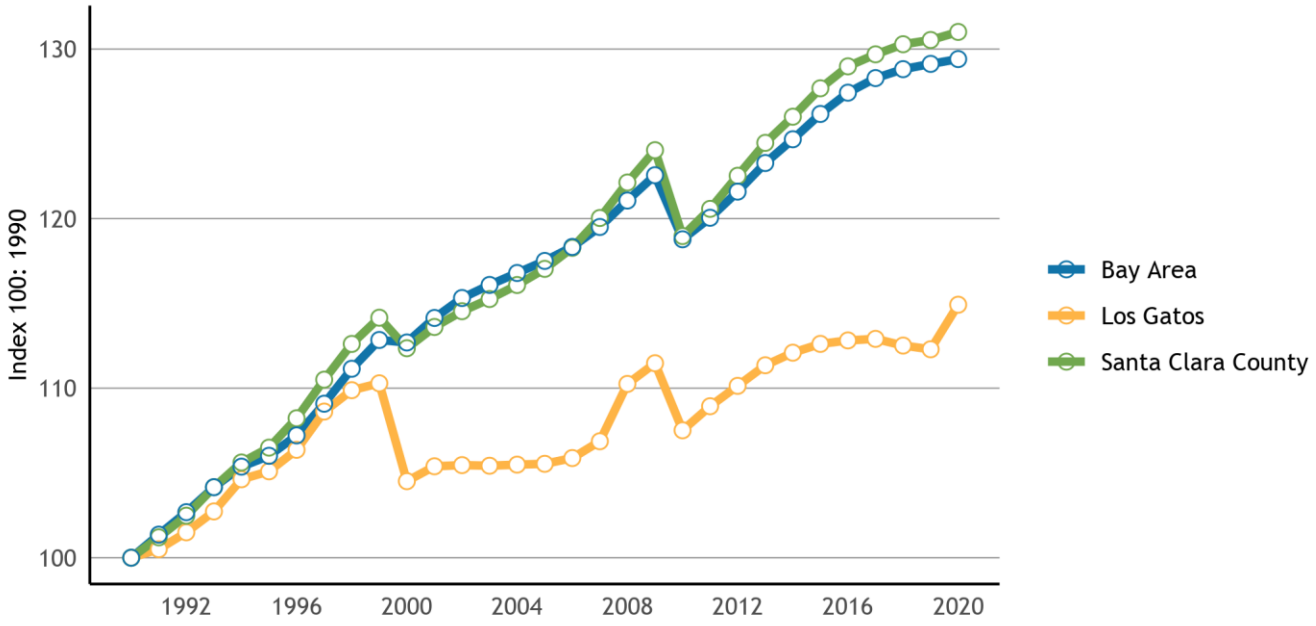
SOURCE: California Department of Finance, E-5 series.
NOTE: Universe: Total population; Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-01.

Since 2000, the Town of Los Gatos population has increased by approximately 10 percent, which is below the rate for the region as a whole, at 14.8 percent. From 1990 to 2000, the population increased by 4.5 percent. During the first decade of the 2000's the population increased by 2.9 percent. In the most recent decade, the population increased by 6.9 percent. Figure B-1 shows population growth trends in percentages.

In 2019 the Town of Los Gatos annexed 24 urban islands totaling 116.1 acres. The islands were comprised of approximately 308 single-family residences and the staff report assumed 2.2 persons per household for an estimated increase in population of 678.

[5] To compare the rate of growth across various geographic scales, Figure B-1 shows population for the jurisdiction, county, and region indexed to the population in the year 1990. This means that the data points represent the population growth (i.e., percent change) in each of these geographies relative to their populations in 1990.

Figure B-1 Population Growth Trends



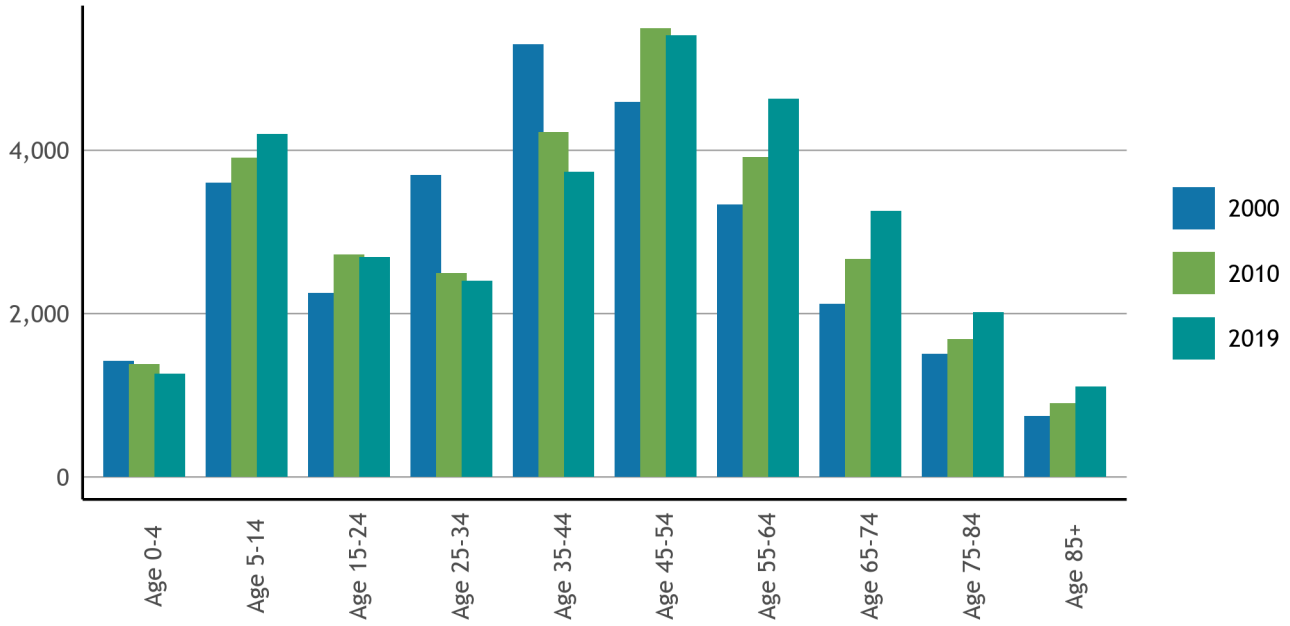
Source: California Department of Finance, E-5 series.
Note: The data shown on the graph represents population for the jurisdiction, county, and region indexed to the population in the first year shown. The data points represent the relative population growth in each of these geographies relative to their populations in that year. For some jurisdictions, a break may appear at the end of each decade (1999, 2009) as estimates are compared to census counts. DOF uses the decennial census to benchmark subsequent population estimates. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-01

Age

The distribution of age groups in a community shapes what types of housing the community may need in the near future. An increase in the older population may mean there is a developing need for more senior housing options, while higher numbers of children and young families can point to the need for more family housing options and related services. There has also been a move by many to age-in-place or downsize to stay within their communities, which can mean more multi-family and accessible units are needed.

In the Town of Los Gatos, the median age in 2000 was approximately 41 years. By 2019, the median age increased to approximately 47 years. The cohorts age 25 to 34 and age 35 to 44 decreased between 2000 and 2019, while all age cohorts 55 and above increased during the same time period. Figure B-2 shows population by age for the years 2000, 2010, and 2019 for the Town of Los Gatos.

Figure B-2 Los Gatos Population by Age, 2000-2019

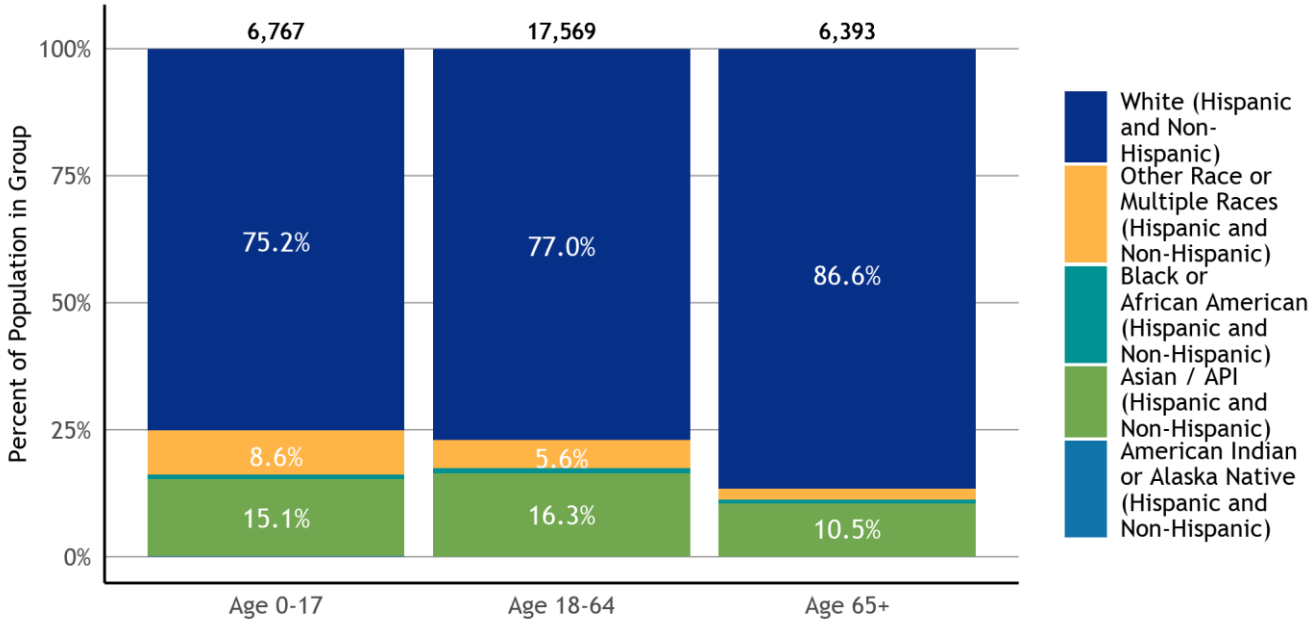


Source: U.S. Census Bureau, Census 2000 SF1, Table P12; U.S. Census Bureau, Census 2010 SF1, Table P12; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-04.
Note: Universe: Total population.

Looking at the senior and youth population by race can add an additional layer of understanding, as families and seniors of color are even more likely to experience challenges finding affordable housing. People of color [6] make up 13.4 percent of seniors and 23.7 percent of youth under 18. Figure B-3 shows population age by race for the Town of Los Gatos.

[6] Here, all non-white racial groups are counted.

Figure B-3 Los Gatos Population Age by Race



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-G). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table SEN-02.
Notes: Universe: Total population. In the sources for this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity, and an overlapping category of Hispanic / non-Hispanic groups has not been shown to avoid double counting in the stacked bar chart.

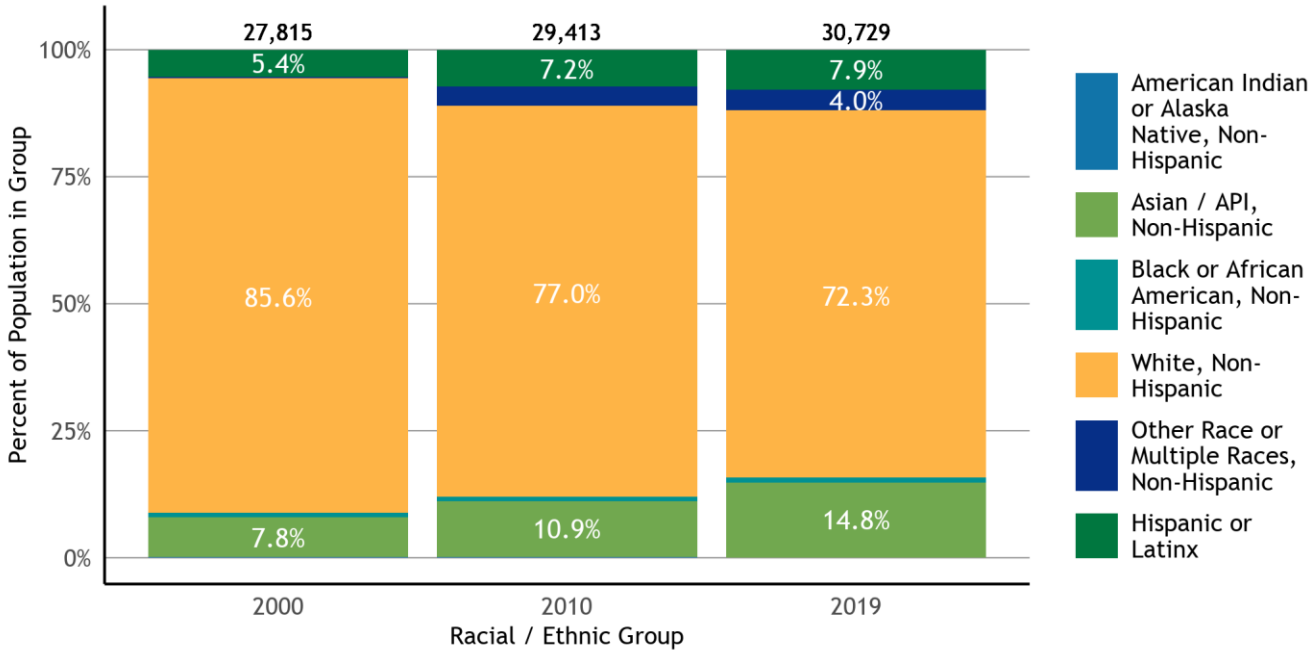
Race and Ethnicity

Understanding the racial makeup of the Town and region is important for designing and implementing effective housing policies and programs. These patterns are shaped by both market factors and government actions, such as exclusionary zoning, discriminatory lending practices, and displacement that has occurred over time and continues to impact communities of color today[7].

Since 2000, the percentage of residents in the Town of Los Gatos identifying as White, Non-Hispanic has decreased by 13.3 percentage points, with this 2019 population standing at 22,231. At the same time the percentage of residents of all Other Race of Multiple Races, Non-Hispanic has increased. In absolute terms, the Asian/API, Non-Hispanic population increased the most while the White, Non-Hispanic population decreased the most. Figure B-4 shows population for the Town of Los Gatos by race for 2000, 2010, and 2019.

[7] See, for example, Rothstein, R. (2017). The color of law: a forgotten history of how our government segregated America. New York, NY & London, UK: Liveright Publishing.

Figure B-4 Los Gatos Population by Race, 2000-2019



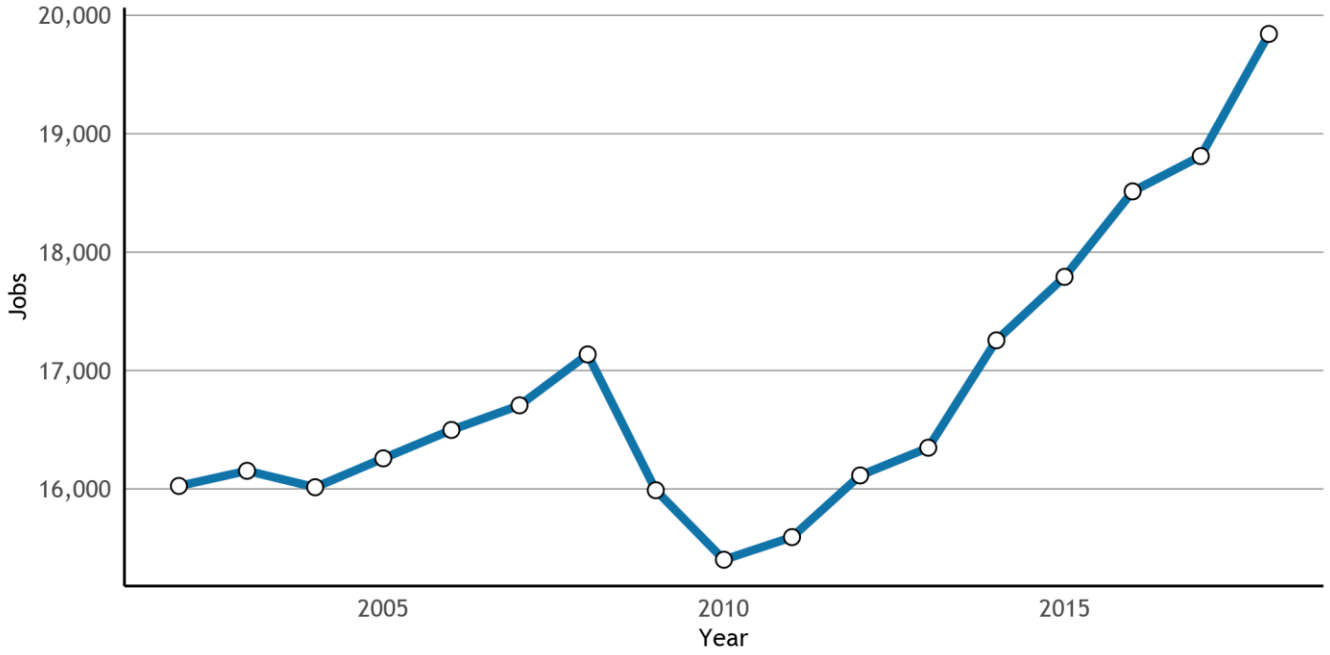
Source: U.S. Census Bureau, Census 2000, Table P004; U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B03002. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-02.
Notes: Universe: Total population. Data for 2019 represents 2015-2019 ACS estimates. The Census Bureau defines Hispanic/Latinx ethnicity separate from racial categories. For the purposes of this graph, the "Hispanic or Latinx" racial/ethnic group represents those who identify as having Hispanic/Latinx ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latinx ethnicity.

Employment Trends

Balance of Jobs and Workers

A town houses employed residents who either work in the community where they live or work elsewhere in the region. Conversely, a town may have job sites that employ residents from the same town, but more often employ workers that commute from outside of it. Smaller towns typically will have more employed residents than jobs and export workers, while larger towns tend to have a surplus of jobs and import workers. To some extent the regional transportation system (bus system, for example) is set up for this flow of workers to the region's core job centers. At the same time, as the housing affordability crisis has illustrated, local imbalances may be severe, where local jobs and worker populations are out of sync at a sub-regional scale. One measure of this is the relationship between workers and jobs. A town with a surplus of workers "exports" workers to other parts of the region, while a town with a surplus of jobs must conversely "import" them. Between 2002 and 2018, the number of jobs in the Town of Los Gatos increased by 23.8 percent. Figure 3-5 shows jobs in the Town of Los Gatos between 2002 and 2018.

Figure B-5 Los Gatos Jobs in a Jurisdiction

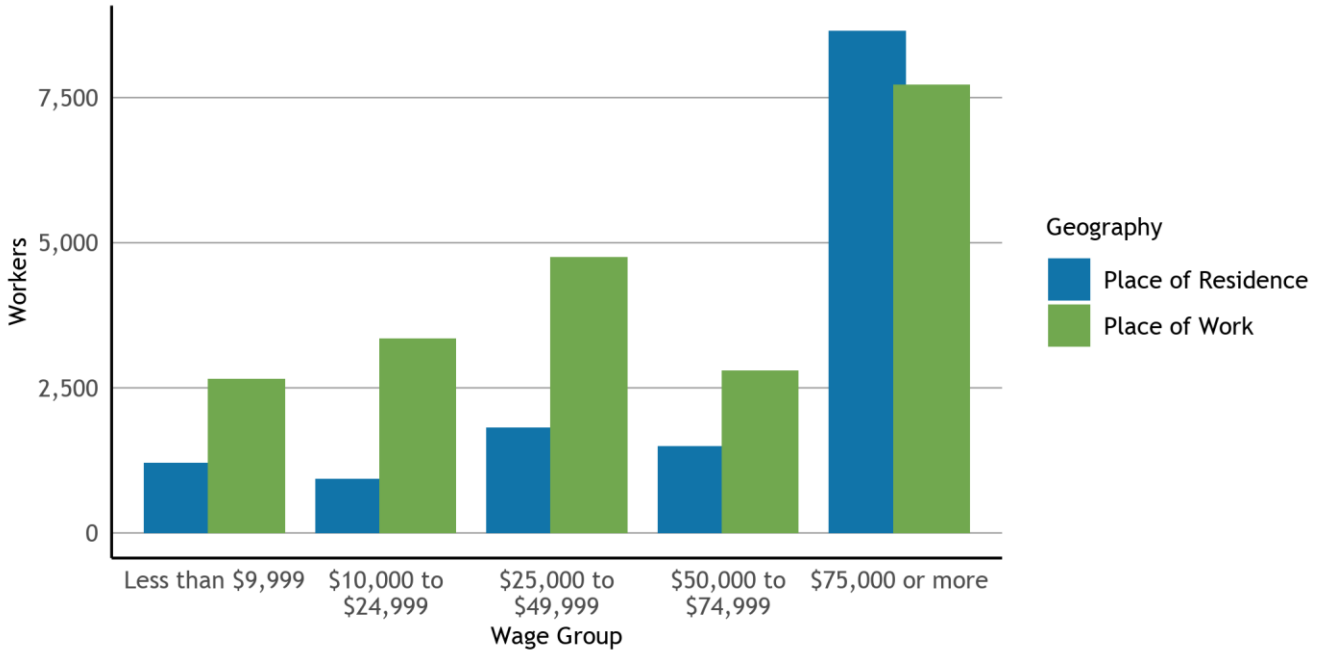


Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files, 2002-2018. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-11.
Notes: Universe: Jobs from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment. The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are cross walked to jurisdictions and summarized.

The figure below shows the balance when comparing jobs to workers, broken down by different wage groups, offering additional insight into local dynamics. A community may offer employment for relatively low-income workers, but have relatively few housing options for those workers. Conversely, it may house residents who are low-wage workers, but offer few employment opportunities for them. Such relationships may cast extra light on potentially pent-up demand for housing in particular price categories. A relative surplus of jobs relative to residents in a given wage category suggests the need to import those workers, while conversely, surpluses of workers mean the community will export those workers to other jurisdictions. Such flows are not inherently bad, though over time, sub-regional imbalances may appear. The Town has more jobs than residents in wage categories below $75,000 per year. At the high end of the wage spectrum (i.e., wages over $75,000 per year), the Town has more high-wage residents than high-wage jobs[8]. Figure B-6 shows workers by earnings, place of residence, and place of work within the jurisdiction of the Town of Los Gatos.

[8] The source table is top coded at $75,000, precluding more fine-grained analysis at the higher end of the wage spectrum.

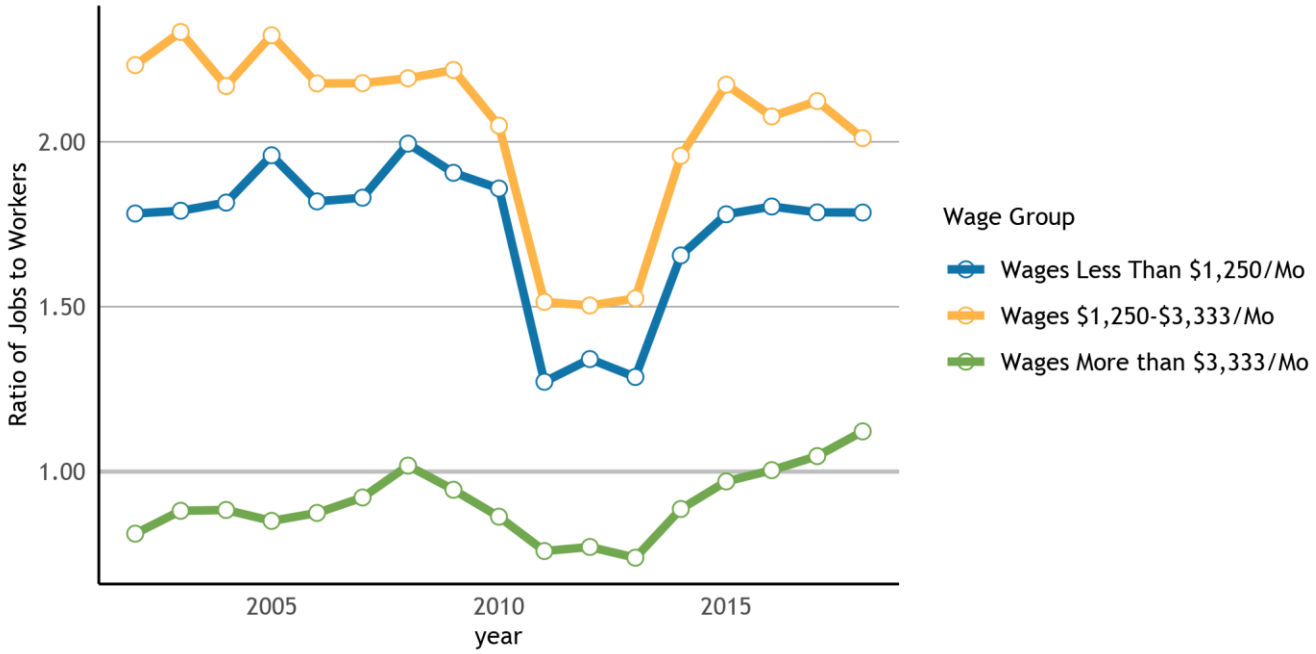
Figure B-6 Workers by Earnings, by Los Gatos Jurisdiction as Place of Work and Place of Residence



Source: U.S. Census Bureau, American Community Survey 5-Year Data 2015-2019, B08119, B08519. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-10.
Notes: Universe: Los Gatos Workers 16 years and over with earnings.

The next diagram shows the ratio of jobs to workers, by wage group. A value of 1.00 means that the Town has the same number of jobs in a wage group as it has resident workers, in principle, a balance. Values above 1.00 indicate a jurisdiction will need to import workers for jobs in a given wage group. Figure B-7 shows jobs to worker ratios for the Town Los Gatos.

Figure B-7 Los Gatos Jobs-Worker Ratios, By Wage Group

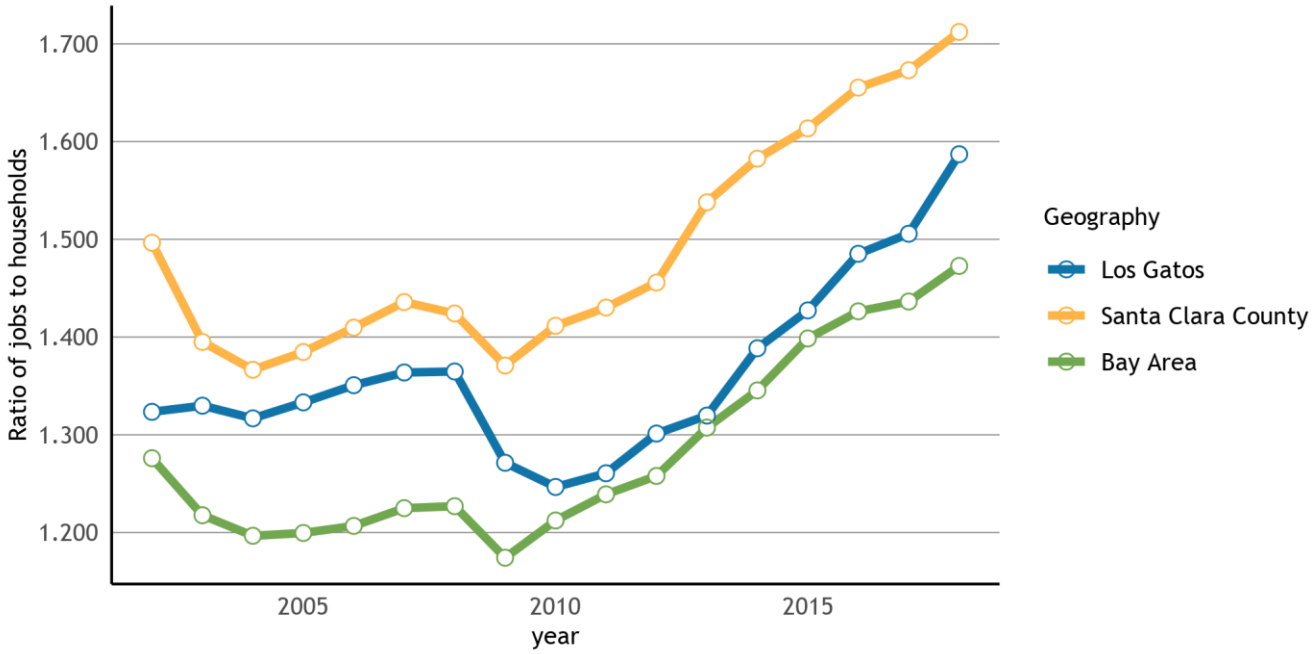


Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs); Residence Area Characteristics (RAC) files (Employed Residents), 2010-2018. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-14.
Notes: Universe: Jobs in a jurisdiction from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment. The ratio compares job counts by wage group from two tabulations of LEHD data: Counts by place of work relative to counts by place of residence. See text for details.

Such balances between jobs and workers may directly influence the housing demand in a community. New jobs may draw new residents, and when there is high demand for housing relative to supply, many workers may be unable to afford to live where they work, particularly where job growth has been in relatively lower wage jobs. The Town is a "net importer of workers" at the low-wage group, while at the high-wage group the Town is "exporting workers." This dynamic not only means many workers will need to prepare for long commutes and time spent on the road, but in the aggregate, it contributes to traffic congestion and time lost for all road users.

If there are more jobs than employed residents, it means a community is relatively jobs-rich, typically also with a high jobs-per-employed-resident ratio. Therefore, bringing housing into the measure, the jobs per employed resident ratio in the Town of Los Gatos has increased from 1.32 in 2002, to 1.59 jobs per employed resident in 2018. In short, the Town of Los Gatos is a net importer of workers. Figure B-8 shows the Town of Los Gatos jobs per household ratio.

Figure B-8 Jobs-Household Ratio

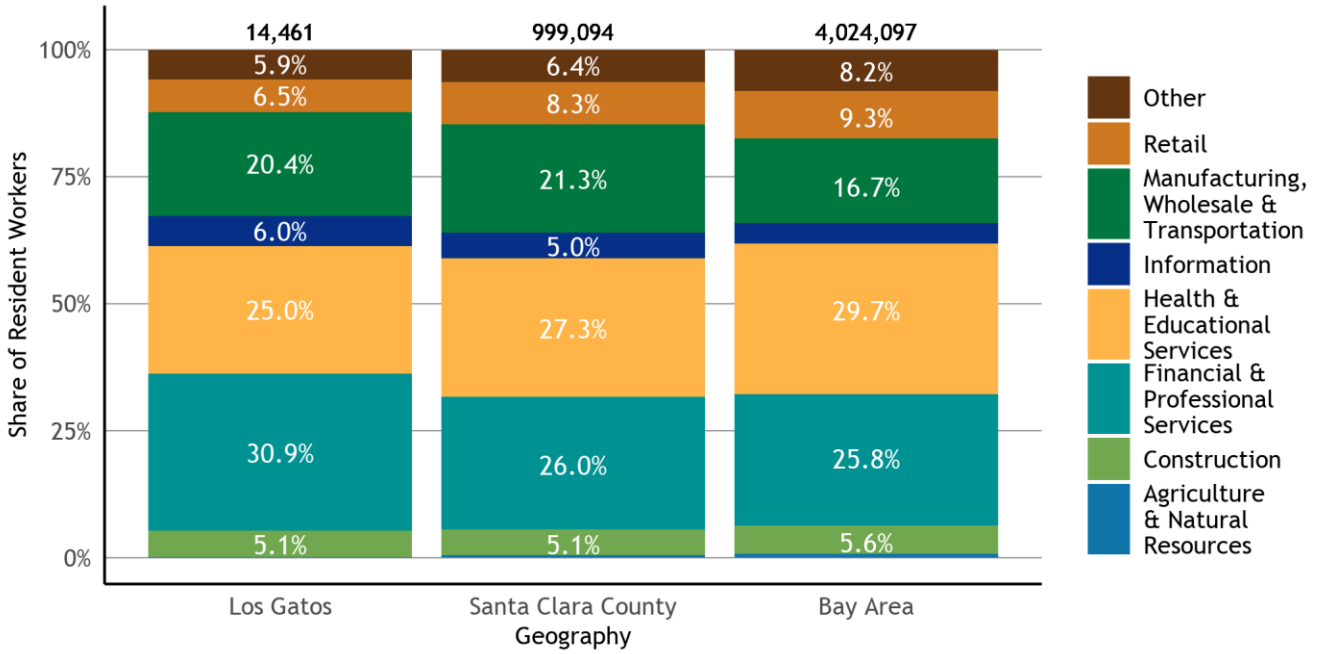


Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics, Workplace Area Characteristics (WAC) files (Jobs), 2002-2018; California Department of Finance, E-5 (Households). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-13. Notes: Universe: Jobs in a jurisdiction from unemployment insurance-covered employment (private, state and local government) plus United States Office of Personnel Management-sourced Federal employment; households in a jurisdiction. The data is tabulated by place of work, regardless of where a worker lives. The source data is provided at the census block level. These are cross walked to jurisdictions and summarized. The ratio compares place of work wage and salary jobs with households, or occupied housing units. A similar measure is the ratio of jobs to housing units. However, this jobs-household ratio serves to compare the number of jobs in a jurisdiction to the number of housing units that are actually occupied. The difference between a jurisdiction's jobs-housing ratio and jobs-household ratio will be most pronounced in jurisdictions with high vacancy rates, a high rate of units used for seasonal use, or a high rate of units used as short-term rentals.

Sector Composition

In terms of sectoral composition, the largest industry in which the Town of Los Gatos residents work is Financial and Professional Services, and the largest sector in which Santa Clara residents work is Health and Educational Services. For the Bay Area as a whole, the Health and Educational Services industry employs the most workers. Figure B-9 shows resident employment by industry.

Figure B-9 Resident Employment by Industry

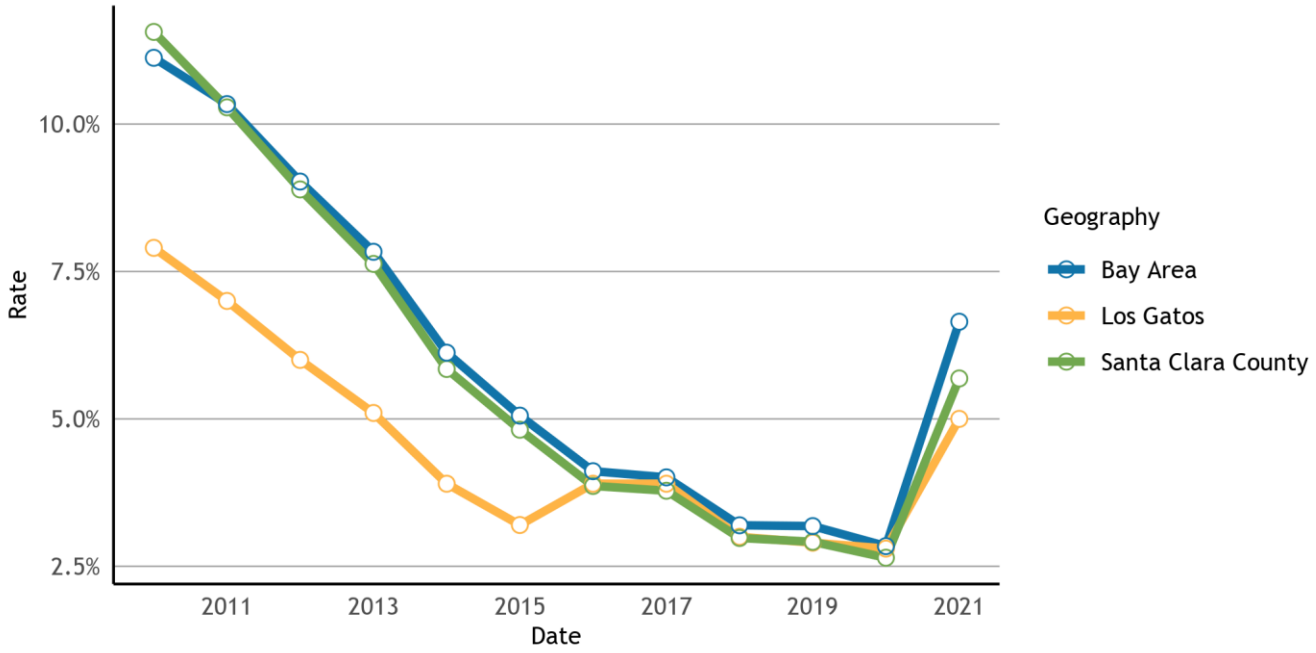


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table C24030. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-06.
Notes: Universe: Civilian employed population age 16 years and over. The data displayed shows the industries in which jurisdiction residents work, regardless of the location where those residents are employed (whether within the jurisdiction or not). Categories are derived from the following source tables: Agriculture & Natural Resources: C24030_003E, C24030_030E; Construction: C24030_006E, C24030_033E; Manufacturing, Wholesale & Transportation: C24030_007E, C24030_034E, C24030_008E, C24030_035E, C24030_010E, C24030_037E; Retail: C24030_009E, C24030_036E; Information: C24030_013E, C24030_040E; Financial & Professional Services: C24030_014E, C24030_041E, C24030_017E, C24030_044E; Health & Educational Services: C24030_021E, C24030_024E, C24030_048E, C24030_051E; Other: C24030_027E, C24030_054E, C24030_028E, C24030_055E.

Unemployment

In the Town of Los Gatos, there was a 2.9 percentage point decrease in the unemployment rate between January 2010 and January 2021. Jurisdictions throughout the region experienced a sharp rise in unemployment in 2020 due to impacts related to the COVID-19 pandemic, though with a general improvement and recovery in the later months of 2020. Figure B-10 shows the unemployment rates over the last decade for the Town of Los Gatos, Santa Clara County, and the Bay Area as a whole.

Figure B-10 Los Gatos Unemployment Rate



Source: California Employment Development Department, Local Area Unemployment Statistics (LAUS), Sub-county areas monthly updates, 2010-2021. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-15.
Notes: Universe: Civilian noninstitutional population ages 16 and older. Unemployment rates for the jurisdiction level is derived from larger-geography estimates. This method assumes that the rates of change in employment and unemployment are exactly the same in each sub-county area as at the county level. If this assumption is not true for a specific sub-county area, then the estimates for that area may not be representative of the current economic conditions. Since this assumption is untested, caution should be employed when using these data. Only not seasonally-adjusted labor force (unemployment rates) data are developed for cities and CDPs.

Extremely Low-Income Households

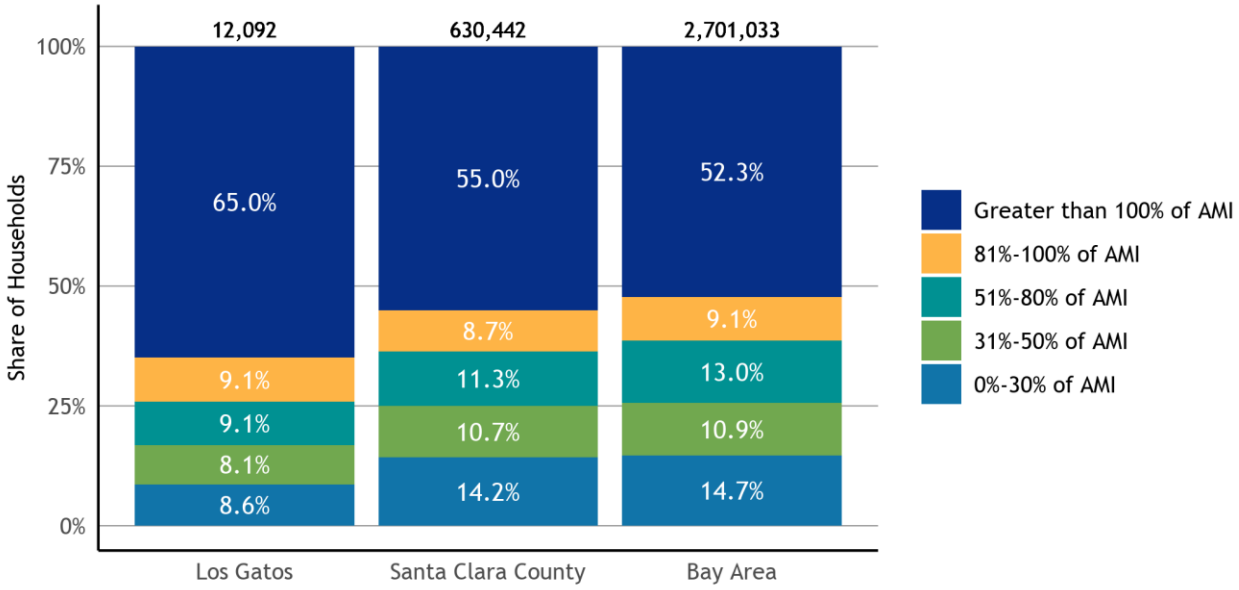
Despite the economic and job growth experienced throughout the region since 1990, the income gap has continued to widen. California is one of the most economically unequal states in the nation, and the Bay Area has the highest income inequality between high- and low-income households in the state[9].

In the Town of Los Gatos, 65 percent of households make more than 100 percent of the Area Median Income (AMI)[10], compared to 8.6 percent making less than 30 percent of AMI, which is considered extremely low-income. Regionally, more than half of all households make more than 100 percent AMI, while 15 percent make less than 30 percent AMI. In Santa Clara County, 30 percent AMI is the equivalent to the annual income of $39,900 for a family of four. Many households with multiple wage earners, including food service workers, full-time students, teachers, farmworkers, and healthcare professionals, can fall into lower AMI categories due to relatively stagnant wages in many industries. Figure B-11 shows households by income level.

[9] Bohn, S.et al. 2020. Income Inequality and Economic Opportunity in California. Public Policy Institute of California.

[10] Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), S1anta Rosa Metro

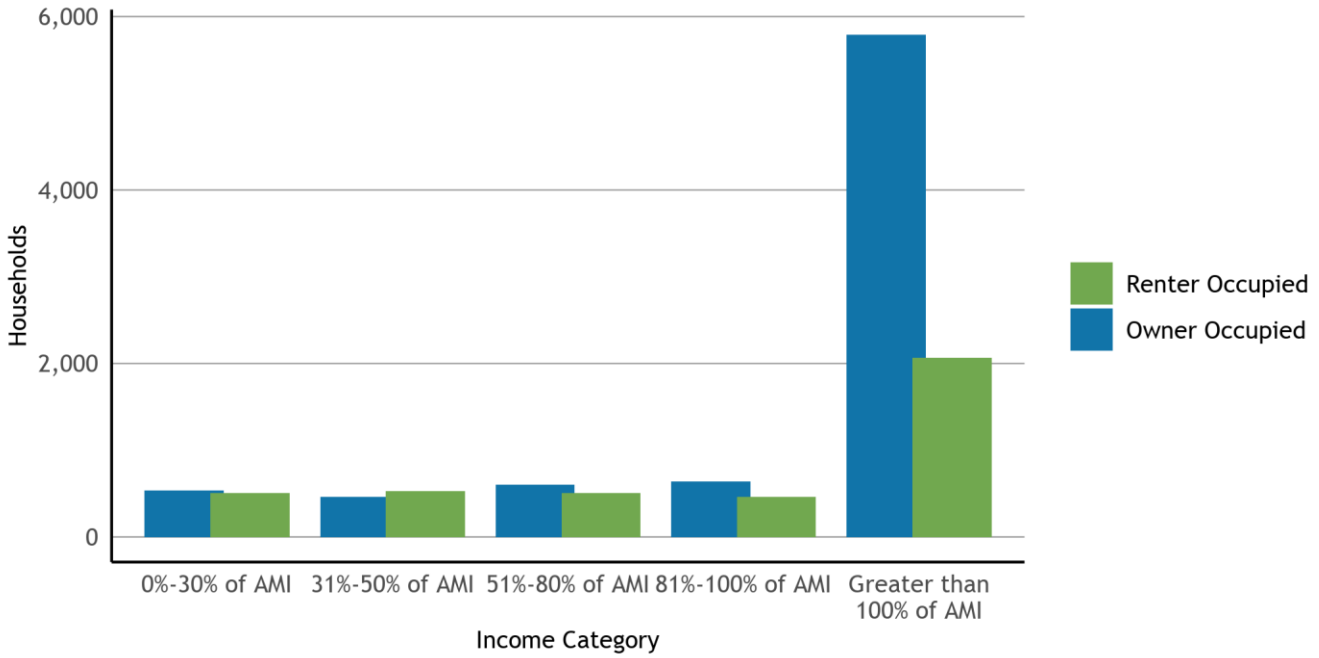
Figure B-11 Households by Household Income Level



Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table ELI-01.
Notes: Universe: Occupied housing units. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. The data that is reported for the Bay Area is not based on a regional AMI but instead refers to the regional total of households in an income group relative to the AMI for the county where that household is located. Local jurisdictions are required to provide an estimate for their projected extremely low-income households (0-30 percent AMI) in their Housing Elements. HCD's official Housing Element guidance notes that jurisdictions can use their RHNA for very low-income households (those making 0-50 percent AMI) to calculate their projected extremely low-income households. As Bay Area jurisdictions have not yet received their final RHNA numbers, this document does not contain the required data point of projected extremely low-income households. The report portion of the housing data needs packet contains more specific guidance for how local staff can calculate an estimate for projected extremely low-income households once jurisdictions receive their 6th cycle RHNA numbers. AMI levels in this chart are based on the HUD metro area where this jurisdiction is located. Households making between 80 and 120 percent of the AMI are moderate-income, those making 50 to 80 percent are low income, those making 30 to 50 percent are very low-income, and those making less than 30 percent are extremely low-income. This is then adjusted for household size.

Throughout the region, there are disparities between the incomes of homeowners and renters. Typically, the number of low-income renters greatly outpaces the amount of housing available that is affordable for these households. In the Town of Los Gatos, the largest proportion of renters falls in the Greater than 100 percent of AMI group, while the largest proportion of homeowners are found in the Greater than 100 percent of AMI group. Figure B-12 shows household income by tenure.

Figure B-12 Los Gatos Household Income Level by Tenure



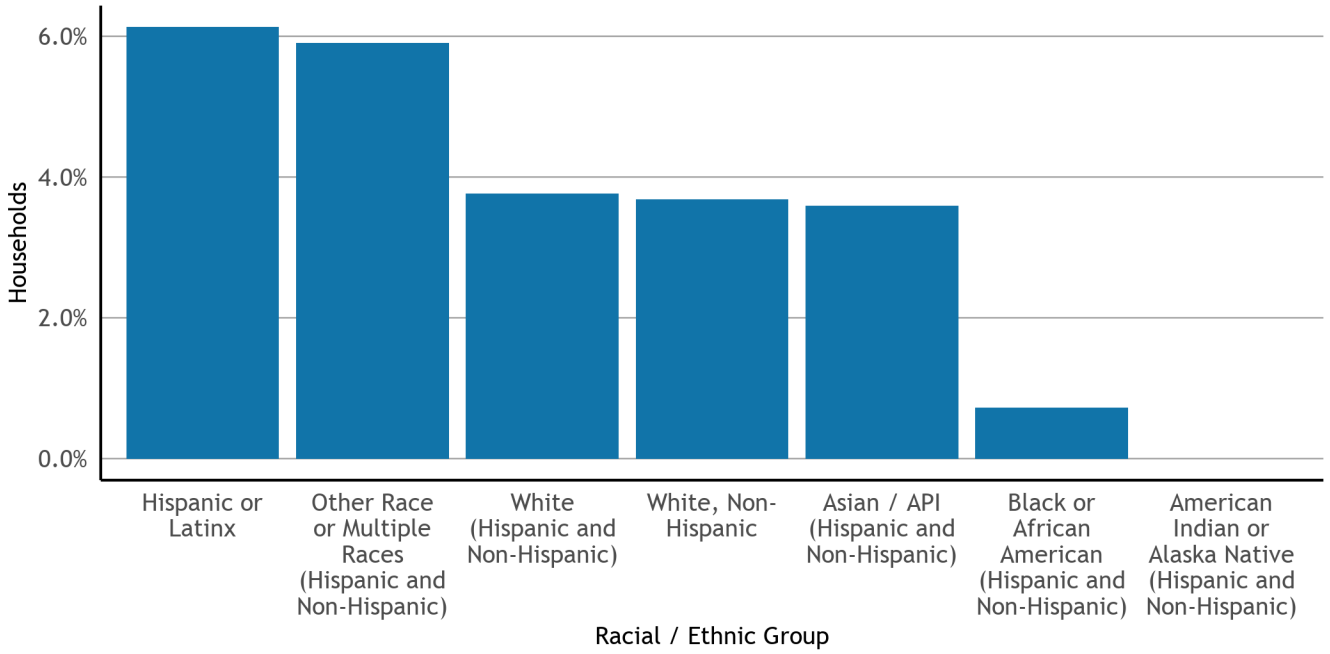
Source: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-21.
Notes: Universe: Occupied housing units. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Currently, people of color are more likely to experience poverty and financial instability as a result of Federal, State, and local housing policies that have historically excluded them from the same opportunities extended to White residents[11]. These economic disparities also leave communities of color at higher risk for housing insecurity, displacement, or homelessness.

In the Town of Los Gatos, Hispanic or Latinx and Other Race or Multiple Races (Hispanic and Non-Hispanic) residents experience the highest rates of poverty, followed by White (Hispanic and Non-Hispanic) residents. Figure B-13 shows poverty status by race.

[11] Moore, E., Montojo, N. and Mauri, N., 2019. Roots, Race & Place: A History of Racially Exclusionary Housing the San Francisco Bay Area. Hass Institute.

Figure B-13 Los Gatos Poverty Status by Race



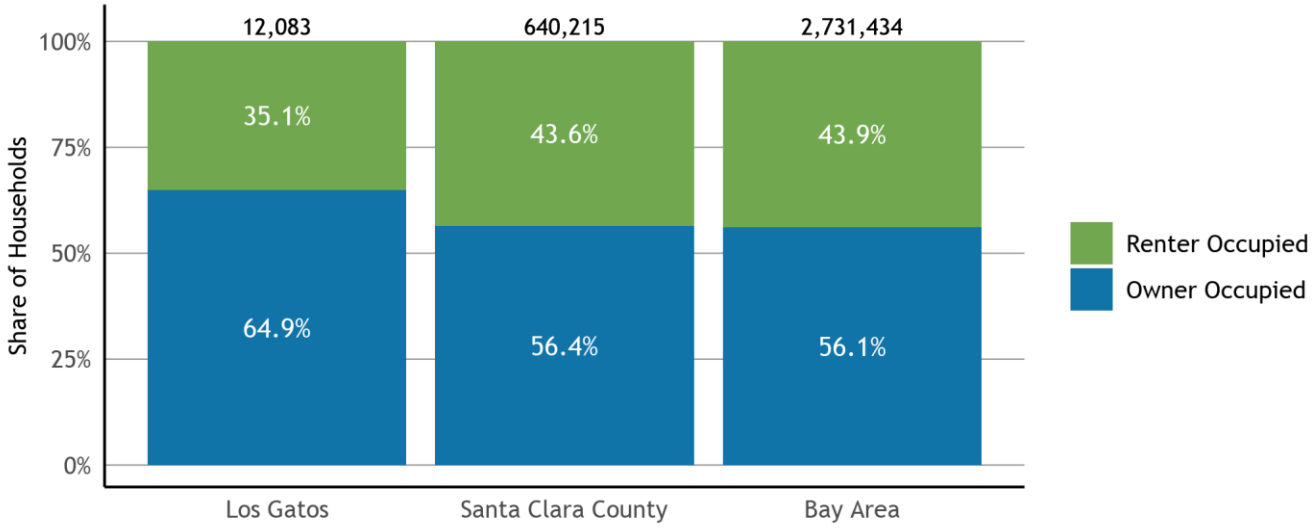
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B17001(A-I). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table ELI-03.
Notes: Universe: Population for whom poverty status is determined. The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the population for whom poverty status is determined for this jurisdiction. However, all groups labelled "Hispanic and Non-Hispanic" are mutually exclusive, and the sum of the data for these groups is equivalent to the population for whom poverty status is determined.

Tenure

The number of residents who own their homes compared to those who rent their homes can help identify the level of housing insecurity (i.e., ability for individuals to stay in their homes) in a town or city and region. Generally, renters may be displaced more quickly if prices increase.

In the Town of Los Gatos as of 2019, there are a total of 12,083 housing units, and fewer residents rent than own their homes: 35.1 percent versus 64.9 percent. By comparison, 43.6 percent of households in Santa Clara County are renters, while 43.9 percent of Bay Area households rent their homes. Figure B-14 shows housing tenure for Los Gatos, Santa Clara County, and the Bay Area as a whole.

Figure B-14 Housing Tenure



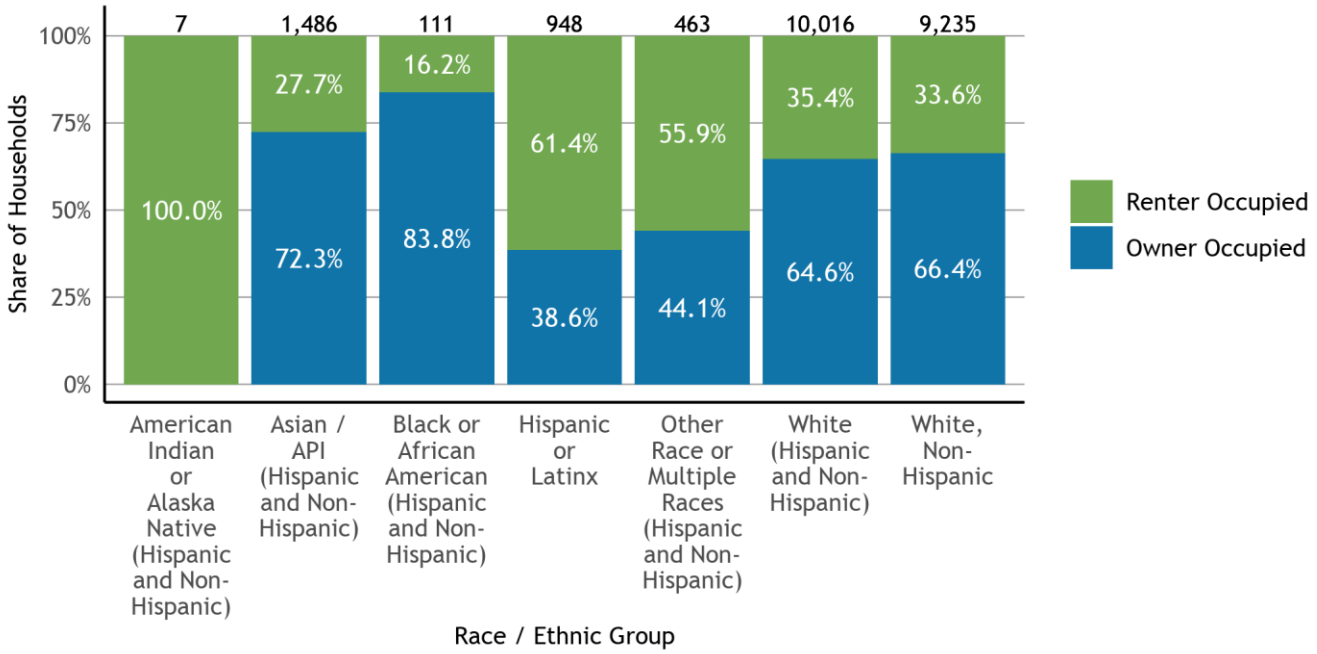
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-16.
Notes: Universe: Occupied housing units.

Homeownership rates often vary considerably across race and ethnicity in the Bay Area and throughout the country. These disparities not only reflect differences in income and wealth, but also stem from Federal, State, and local policies that limited access to homeownership for communities of color while facilitating homebuying for White residents. While many of these policies, such as redlining, have been formally disbanded, the impacts of race-based policy are still evident across Bay Area communities.[12]

In Los Gatos, 84 percent of Black households owned their homes, while homeownership rates were 72 percent for Asian households, 39 percent for Latinx households, and 65 percent for White households. Notably, recent changes to State law require local jurisdictions to examine these dynamics and other fair housing issues when updating their Housing Elements. Figure B-15 shows housing tenure by the race of the householder.

[12] See, for example, Rothstein, R. (2017). The color of law: a forgotten history of how our government segregated America. New York, NY & London, UK: Liveright Publishing.

Figure B-15 Los Gatos Housing Tenure by Race of Householder

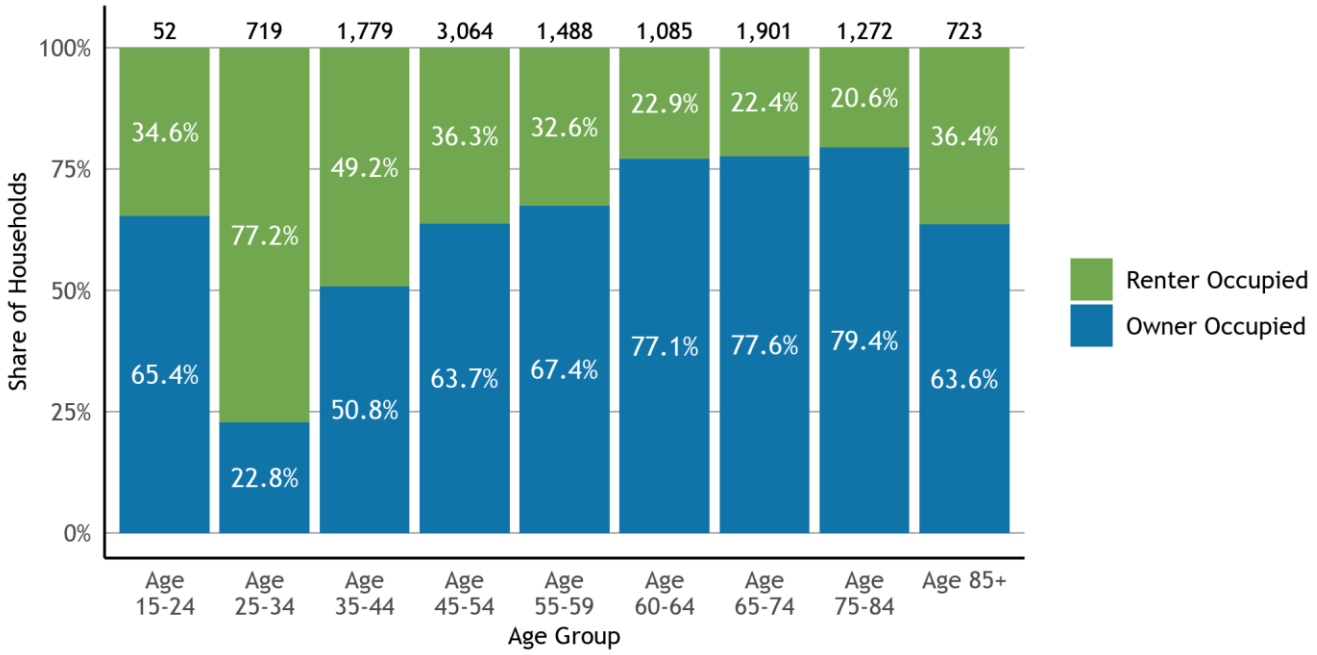


Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25003(A-I). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-20.
Notes: Universe: Occupied housing units. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the total number of occupied housing units for this jurisdiction. However, all groups labelled "Hispanic and Non-Hispanic" are mutually exclusive, and the sum of the data for these groups is equivalent to the total number of occupied housing units.

The age of residents who rent or own their home can also signal the housing challenges a community is experiencing. Younger households tend to rent and may struggle to buy a first home in the Bay Area due to high housing costs. At the same time, senior homeowners seeking to downsize may have limited options in an expensive housing market.

In the Town of Los Gatos, 77.2 percent of householders between the ages of 25 and 34 are renters, and 36.4 percent of householders over 85 are renters. Figure B-16 shows housing tenure by age.

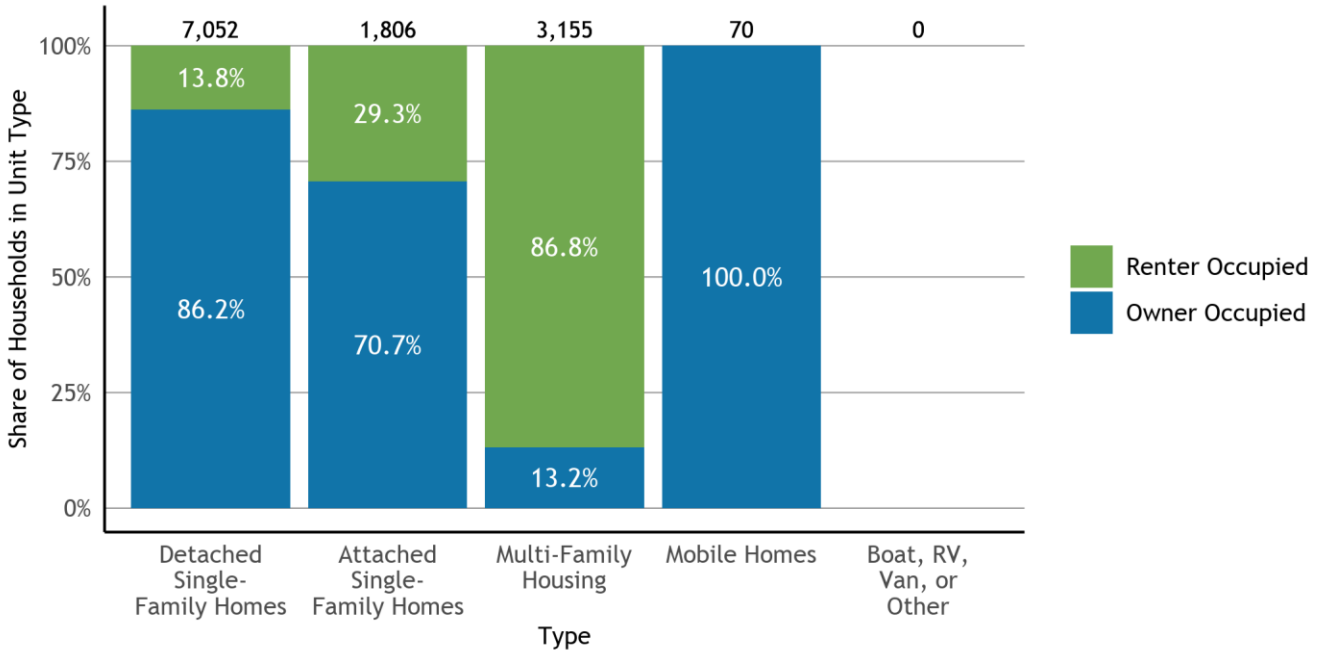
Figure B-16 Los Gatos Housing Tenure by Age



Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25007. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-18.
Notes: Universe: Occupied housing units.

In many communities, homeownership rates for households in single-family homes are substantially higher than the rates for households in multi-family housing. In the Town of Los Gatos, 86.2 percent of households in detached single-family homes are homeowners, while 13.2 percent of households in multi-family housing are homeowners. Figure B-17 shows housing tenure by housing type.

Figure B-17 Los Gatos Housing Tenure by Housing Type



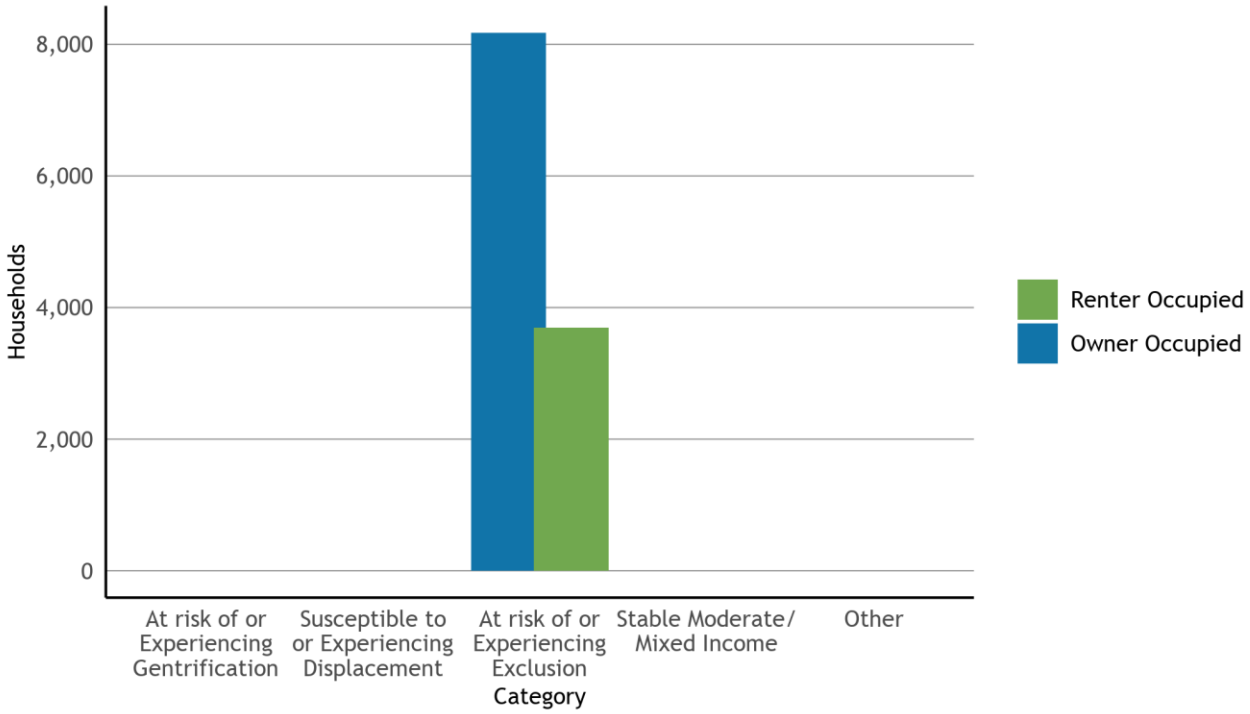
Source: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25032. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-22.
Notes: Universe: Occupied housing units.

Displacement

Because of increasing housing prices, displacement is a major concern in the Bay Area. Displacement has the most severe impacts on low- and moderate-income residents. When individuals or families are forced to leave their homes and communities, they also lose their support network.

The University of California UC, Berkeley, has mapped all neighborhoods in the Bay Area, identifying their risk for gentrification. They find that in the Town of Los Gatos, there are no households that live in neighborhoods that are susceptible to or experiencing displacement and none live in neighborhoods at risk of or undergoing gentrification. Equally important, some neighborhoods in the Bay Area do not have housing appropriate for a broad section of the workforce. The University of California, Berkeley, estimates that all households in the Town of Los Gatos live in neighborhoods where low-income households are likely to be excluded due to prohibitive housing costs.[13] Figure B-18 shows household displacement risk and tenure.

Figure B-18 Los Gatos Households by Displacement Risk and Tenure



Source: Urban Displacement Project for classification, American Community Survey 5-Year Data (2015-2019), Table B25003 for tenure. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-25.
Notes: Universe: Households. Displacement data is available at the census tract level. Staff aggregated tracts up to jurisdiction level using census 2010 population weights, assigning a tract to jurisdiction in proportion to block level population weights. Total household count may differ slightly from counts in other tables sourced from jurisdiction level sources. Categories are combined as follows for simplicity: At risk of or Experiencing Exclusion: At Risk of Becoming Exclusive; Becoming Exclusive; Stable/Advanced Exclusive At risk of or Experiencing Gentrification: At Risk of Gentrification; Early/Ongoing Gentrification; Advanced Gentrification Stable Moderate/Mixed Income: Stable Moderate/Mixed Income Susceptible to or Experiencing Displacement: Low-Income/Susceptible to Displacement; Ongoing Displacement Other: High Student Population; Unavailable or Unreliable Data.

[13] More information about this gentrification and displacement data is available at the Urban Displacement Project's webpage: https://www.urbandisplacement.org/. Specifically, one can learn more about the different gentrification/displacement typologies shown in Figure 18 at this link: https://www.urbandisplacement.org/sites/default/files/typology_sheet_2018_0.png. Additionally, one can view maps that show which typologies correspond to which parts of a jurisdiction here: https://www.urbandisplacement.org/san-francisco/sf-bay-area-gentrification-and-displacement

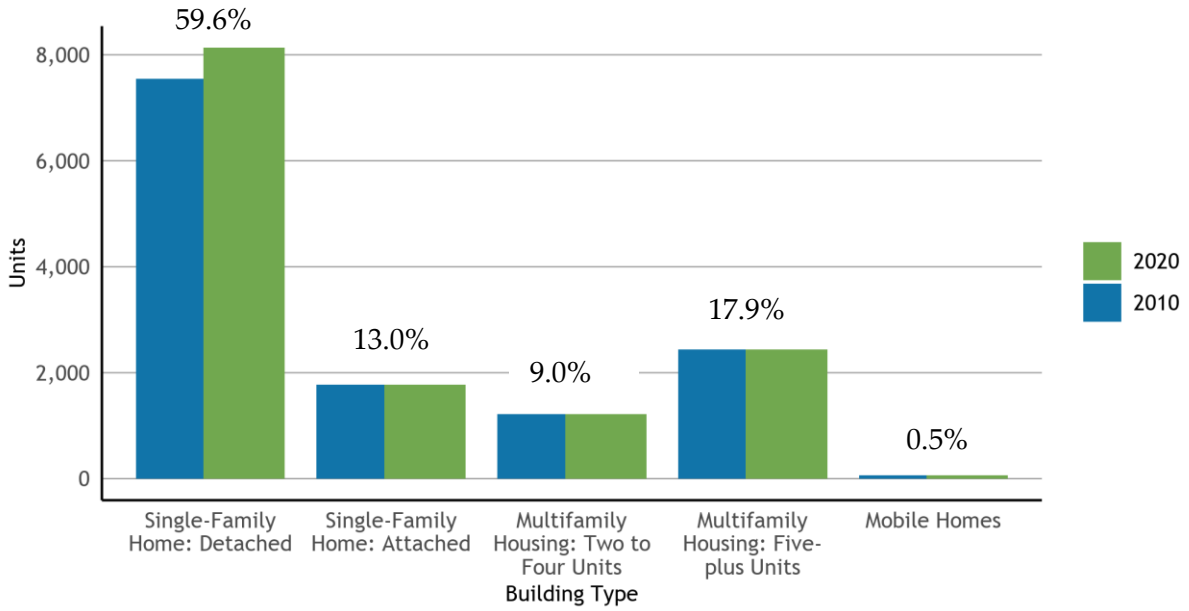
B.3 Housing Stock Characteristics

Housing Types, Year Built, Vacancy, and Permits

In recent years, most housing produced in the region and across the State consisted of single-family homes and larger multi-unit buildings. However, some households are increasingly interested in "missing middle housing" or "Small Multi-Unit Housing, including duplexes, triplexes, townhomes, cottage clusters, and accessory dwelling units. These housing types may open up more options across incomes and tenure, from young households seeking homeownership options to seniors looking to downsize and age-in-place.

The housing stock of the Town of Los Gatos in 2020 was made up of 60 percent Single-Family Home: Detached, 13 percent Single-Family Home: Attached, 9 percent Multi-family Housing: Two to Four Units, 18 percent Multi-family Housing: Five-Plus Units, and 0.5 percent Mobile Homes. In Los Gatos, the housing type that experienced the most growth between 2010 and 2020 was Single-Family Home: Detached. Figure B-19 shows housing type trends in Los Gatos for 2010 and 2020.

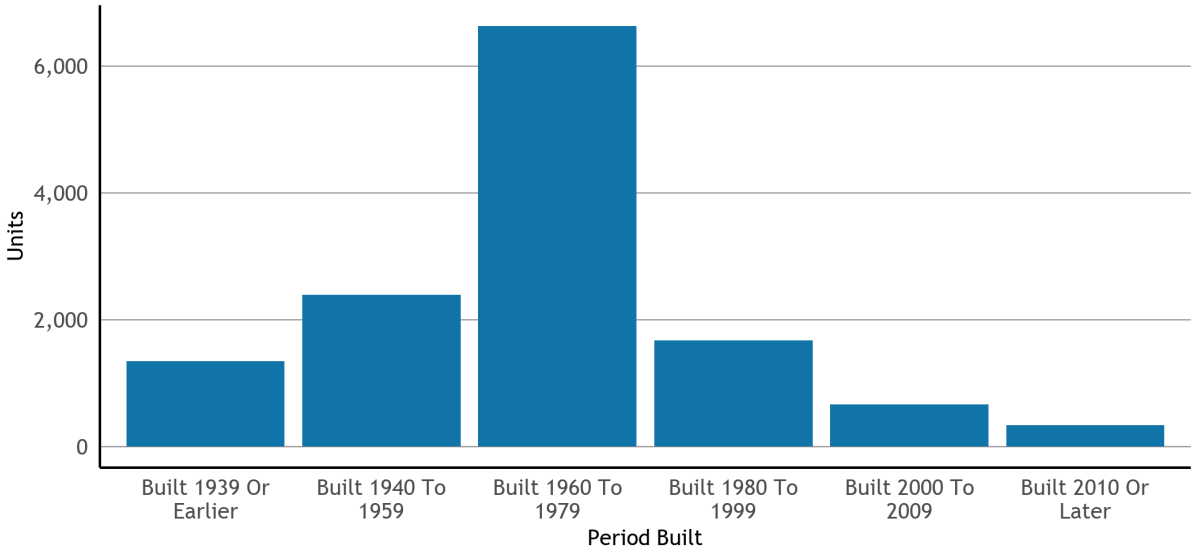
Figure B-19 Los Gatos Housing Type Trends



SOURCE: California Department of Finance, E-5 series. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-01.
NOTE: Universe: Housing units.

Production has not kept up with housing demand for several decades in the Bay Area, as the total number of units built and available has not yet come close to meeting the population and job growth experienced throughout the region. In the Town of Los Gatos, the largest proportion of the housing stock was Built 1960 to 1979, with 6,630 units constructed during this period. Since 2010, 2.6 percent of the current housing stock was built, which is 342 units (U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25034). Figure B-20 shows housing units by the year built.

Figure B-20 Los Gatos Housing Units by Year Structure Built



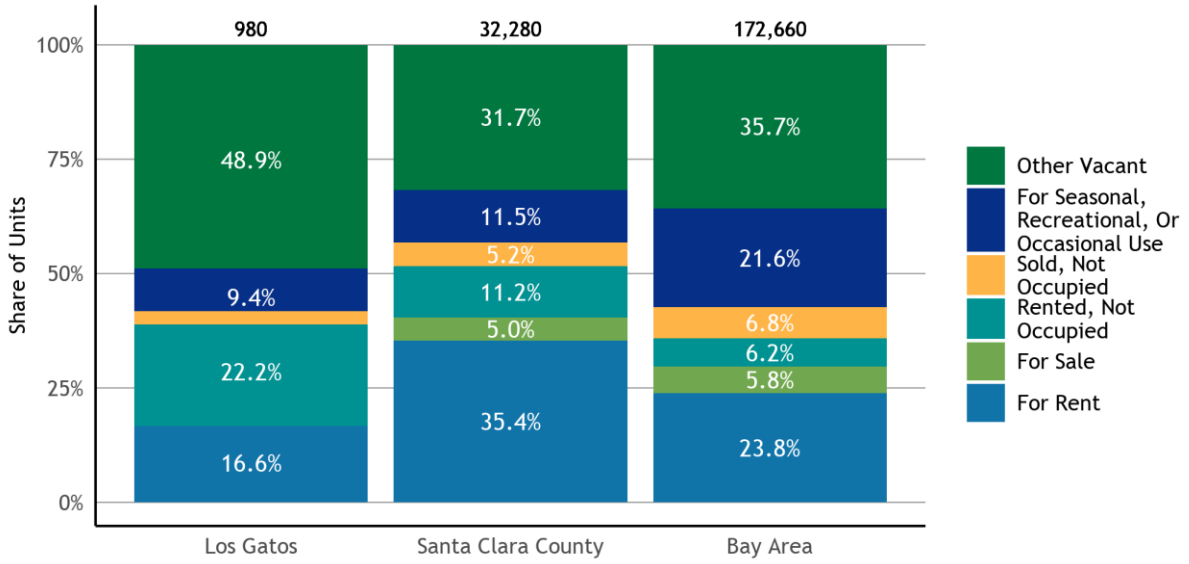
SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25034. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-04.
NOTE: Universe: Housing units.

Throughout the Bay Area, vacancies make up 2.6 percent of the total housing units, with homes listed for rent, units used for Recreational or Occasional Use, and units not otherwise classified (Other Vacant) making up the majority of vacancies. The Census Bureau classifies a unit as vacant if no one is occupying it when census interviewers are conducting the American Community Survey or Decennial Census. Vacant units classified as For Recreational or Occasional Use are those that are held for short-term periods of use throughout the year. Accordingly, vacation rentals and short-term rentals like Airbnb are likely to fall in this category. The Census Bureau classifies units as Other Vacant if they are vacant due to foreclosure, personal/family reasons, legal proceedings, repairs/renovations, abandonment, preparation for being rented or sold, or vacant for an extended absence for reasons such as a work assignment, military duty, or incarceration[14]. In a region with a thriving economy and housing market like the Bay Area, units being renovated/repaired and prepared for rental or sale are likely to represent a large portion of the Other Vacant category. Additionally, the need for seismic retrofitting in older housing stock could also influence the proportion of Other Vacant units in some jurisdictions[15].

Vacant units make up 7.5 percent of the overall housing stock in the Town of Los Gatos. The rental vacancy stands at 8.2 percent, while the ownership vacancy rate is 0.4 percent. Of the vacant units in the Town of Los Gatos, the most common type of vacancy is Other Vacant, which represents almost half of all vacant rental units[16]. Figure B-21 shows vacant units by type.

[14] For more information, see pages 3 through 6 of this list of definitions prepared by the Census Bureau: https://www.census.gov/housing/hvs/definitions.pdf.
[15] See Dow, P. (2018). Unpacking the Growth in San Francisco's Vacant Housing Stock: Client Report for the San Francisco Planning Department. University of California, Berkeley.
[16] The vacancy-rates-by-tenure is for a smaller universe than the total vacancy rate first reported, which in principle includes the full stock (7.5 percent). The vacancy by tenure counts are rates relative to the rental stock (occupied and vacant) and ownership stock (occupied and vacant) but exclude a significant number of vacancy categories, including the numerically significant *other vacant*.

Figure B-21 Los Gatos Vacant Units by Type



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25004. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-03.
NOTE: Universe: Vacant housing units.

Between 2015 and 2020, 502 housing units were issued building permits in the Town of Los Gatos. Of those, approximately percent were for above moderate-income housing, approximately percent were for moderate-income housing, and approximately 1.0 percent were for low-income, and approximately 17.0 percent were for very low-income housing. Table B-2 shows residential building permits issued by the Town of Los Gatos by income group.

Table B-2 Los Gatos, Residential Building Permits by Income Group, 2015 to 2020

Income Group	Number	Percent
Very Low-Income Permits	49	revise all below
Low-Income Permits	3	
Moderate-Income Permits	119	
Above Moderate-Income Permits	331	
Total	502	100.0%

SOURCE: California Department of Housing and Community Development (HCD), 5th Cycle Annual Progress Report Permit Summary (2020). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-11.
NOTE: Universe: Housing permits issued between 2015 and 2021. Notes: HCD uses the following definitions for the four income categories: Very Low Income: units affordable to households making less than 50 percent of the Area Median Income for the county in which the jurisdiction is located. Low Income: units affordable to households making between 50 percent and 80 percent of the Area Median Income for the county in which the jurisdiction is located. Moderate Income: units affordable to households making between 80 percent and 120 percent of the Area Median Income for the county in which the jurisdiction is located. Above Moderate Income: units affordable to households making above 120 percent of the Area Median Income for the county in which the jurisdiction is located.

Assisted Housing Developments At-Risk of Conversion

While there is a need to produce new affordable housing units, ensuring that the existing affordable housing stock remains affordable is also important. Additionally, it is typically faster and less expensive to preserve currently affordable units that are at risk of converting to market-rate than it is to build new affordable housing.

The data in the table below comes from the California Housing Partnership's Preservation Database, the State's most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing[17]. According to the data, there are 169 assisted units in the Town of Los Gatos. Of these units, none were at high risk or very high risk of conversion. Table B-3 summarizes assisted units at risk in the Town of Los Gatos.

Table B-3 Assisted Units at Potential Risk of Conversion

Income	Los Gatos	Santa Clara County	Bay Area
Low-Income Units	169	28,001	110,177
Moderate-Income Units	0	1,471	3,375
High-Income Units	0	422	1,854
Very High-Income Units	0	270	1,053
Total	169	30,164	116,459

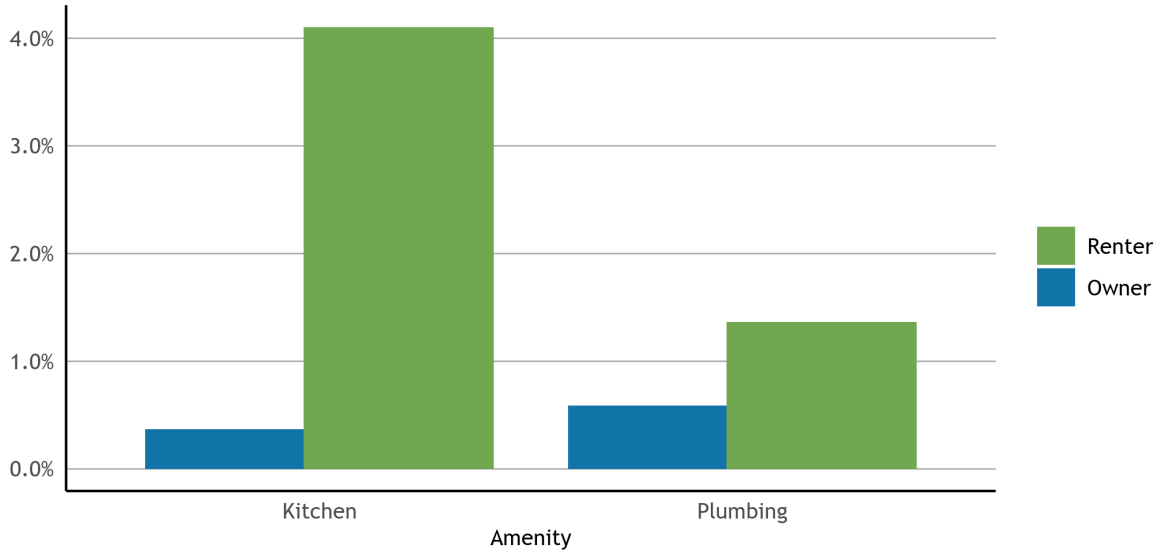
SOURCE: California Housing Partnership, Preservation Database (2020). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table RISK01.
NOTE: Universe: HUD, Low-Income Housing Tax Credit (LIHTC), USDA, and CalHFA projects. Subsidized or assisted developments that do not have one of the aforementioned financing sources may not be included. While California Housing Partnership's Preservation Database is the state's most comprehensive source of information on subsidized affordable housing at risk of losing its affordable status and converting to market-rate housing, this database does not include all deed-restricted affordable units in the state. Consequently, there may be at-risk assisted units in a jurisdiction that are not captured in this data table. Per HCD guidance, local jurisdictions must also list the specific affordable housing developments at-risk of converting to market rate uses. This document provides aggregate numbers of at risk units for each jurisdiction, but local planning staff should contact Danielle Mazzella with the California Housing Partnership at dmazzella@chpc.net to obtain a list of affordable properties that fall under this designation. California Housing Partnership uses the following categories for assisted housing developments in its database: Very-High Risk: affordable homes that are at-risk of converting to market rate within the next year that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer. High Risk: affordable homes that are at-risk of converting to market rate in the next 1-5 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer. Moderate Risk: affordable homes that are at-risk of converting to market rate in the next 5-10 years that do not have a known overlapping subsidy that would extend affordability and are not owned by a large/stable non-profit, mission-driven developer. Low Risk: affordable homes that are at-risk of converting to market rate in 10+ years and/or are owned by a large/stable non-profit, mission-driven developer.

Substandard Housing

Housing costs in the region are among the highest in the country, which could result in households, particularly renters, needing to live in substandard conditions in order to afford housing. Generally, there is limited data on the extent of substandard housing issues in a community. However, the Census Bureau data included in the graph below gives a sense of some of the substandard conditions that may be present in Los Gatos. For example, 4.1 percent of renters in Los Gatos reported lacking a kitchen and 1.4 percent of renters lack plumbing, compared to 0.4 percent of owners who lack a kitchen and 0.6 percent of owners who lack plumbing. Figure B-22 shows substandard housing issues in Los Gatos.

[17] This database does not include all deed-restricted affordable units in the state, so there may be at-risk assisted units in a jurisdiction that are not captured in this data table.

Figure B-22 Los Gatos Substandard Housing Issues



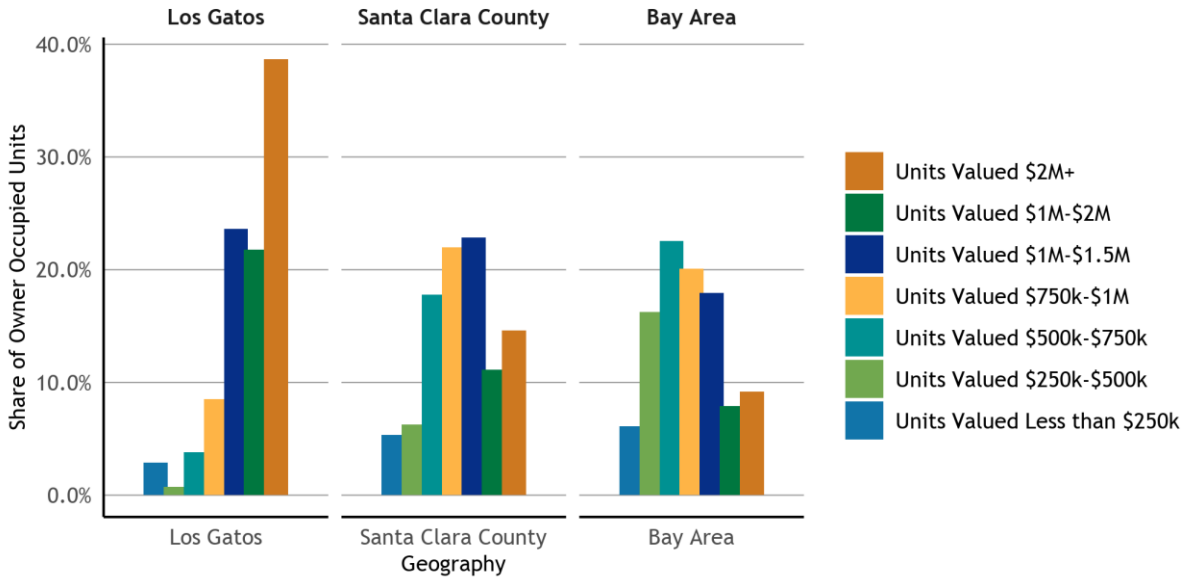
SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25053, Table B25043, Table B25049 Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-06.
NOTES: Universe: Occupied housing units. Per HCD guidance, this data should be supplemented by local estimates of units needing to be rehabilitated or replaced based on recent windshield surveys, local building department data, knowledgeable builders/developers in the community, or nonprofit housing developers or organizations.

Home and Rent Values

Home prices reflect a complex mix of supply and demand factors, including an area's demographic profile, labor market, prevailing wages, and job outlook, coupled with land and construction costs. In the Bay Area, the costs of housing have long been among the highest in the nation.

The typical home value in Los Gatos was estimated at $2,109,040 in December of 2020, per data from Zillow. The largest proportion of homes were valued in excess of $2 million. By comparison, the typical home value is $1,290,970 in Santa Clara County and $1,077,230 in the Bay Area, with the largest share of units valued $1 million to $1.5 million (county) and $500 thousand to $750 thousand (region). Figure B-23 shows home values of owner-occupied housing units in Los Gatos.

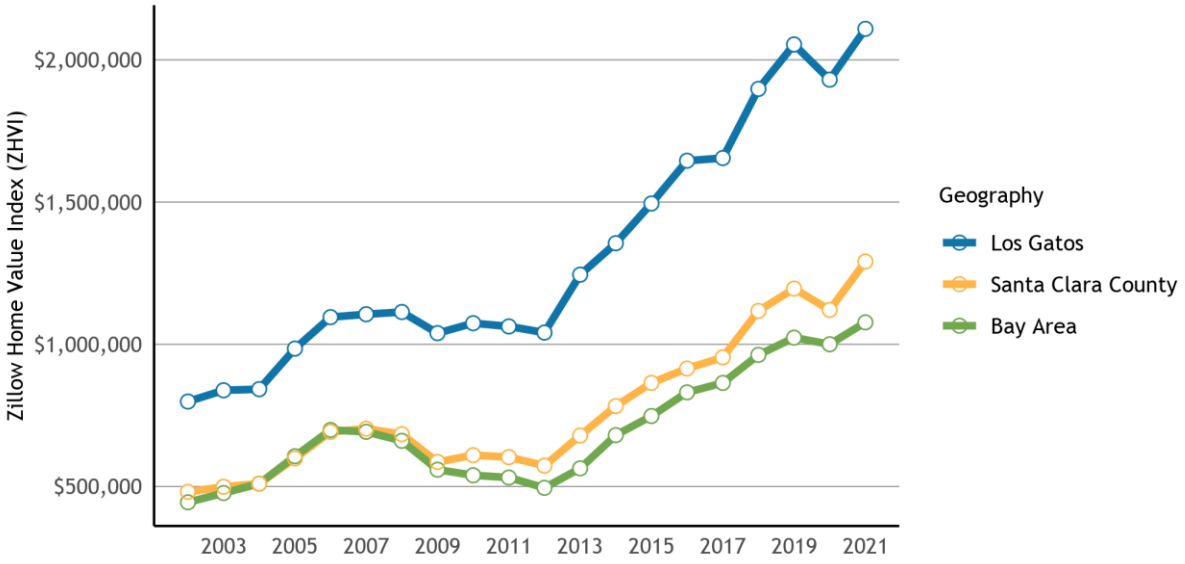
Figure B-23 Home Values of Owner-Occupied Units



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25075. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-07.
NOTE: Universe: Owner-occupied units.

The region's home values have increased steadily since 2000, besides a decrease during the Great Recession. The rise in home prices has been especially steep since 2012, with the median home value in the Bay Area nearly doubling during this time. Since 2001, the typical home value has increased 164.0 percent in Los Gatos from $798,770 to $2,109,040. This change is considerably greater than the change in Santa Clara County and for the region as a whole. Figure B-24 shows Zillow home value index for Los Gatos.

Figure B-24 Zillow Home Value Index (ZHVI)

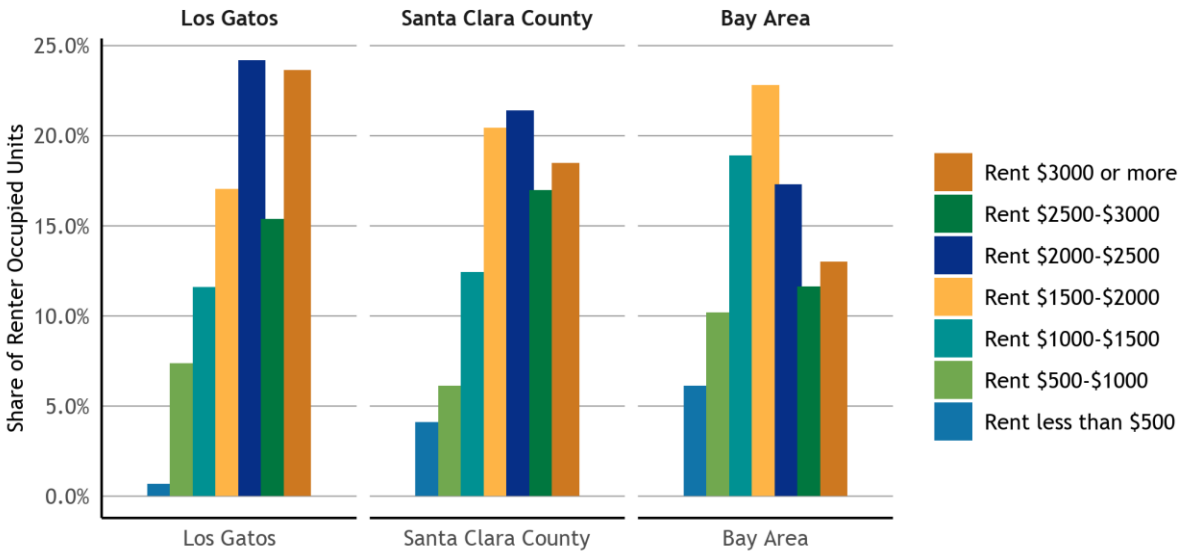


SOURCE: Zillow, Zillow Home Value Index (ZHVI). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-08.
NOTES: Universe: Owner-occupied housing units. Zillow describes the ZHVI as a smoothed, seasonally adjusted measure of the typical home value and market changes across a given region and housing type. The ZHVI reflects the typical value for homes in the 35th to 65th percentile range. The ZHVI includes all owner-occupied housing units, including both single-family homes and condominiums. More information on the ZHVI is available from Zillow. The regional estimate is a household-weighted average of county-level ZHVI files, where household counts are yearly estimates from DOF's E-5 series For unincorporated areas, the value is a population weighted average of unincorporated communities in the county matched to census-designated population counts.

Similar to home values, rents have also increased dramatically across the Bay Area in recent years. Many renters have been priced out, evicted, or displaced, particularly communities of color. Residents finding themselves in one of these situations may have had to choose between commuting long distances to their jobs and schools or moving out of the region, and sometimes, out of the State.

In Los Gatos, the largest proportion of rental units rented in the 'rent $2,000-$2,500 category', totaling 24.2 percent, followed by 23.7 percent of units renting in the 'rent $3,000 or More category.' Looking beyond the Town, the largest share of units in Santa Clara County is in the 'rent $2,000-$2,500 category', compared to the 'rent $1,500-$2,000 category' for the Bay Area as a whole. Figure B-25 shows contract rents for renter-occupied units in Los Gatos, Santa Clara County, and the Bay Area as a whole.

Figure B-25 Contract Rents for Renter-Occupied Units

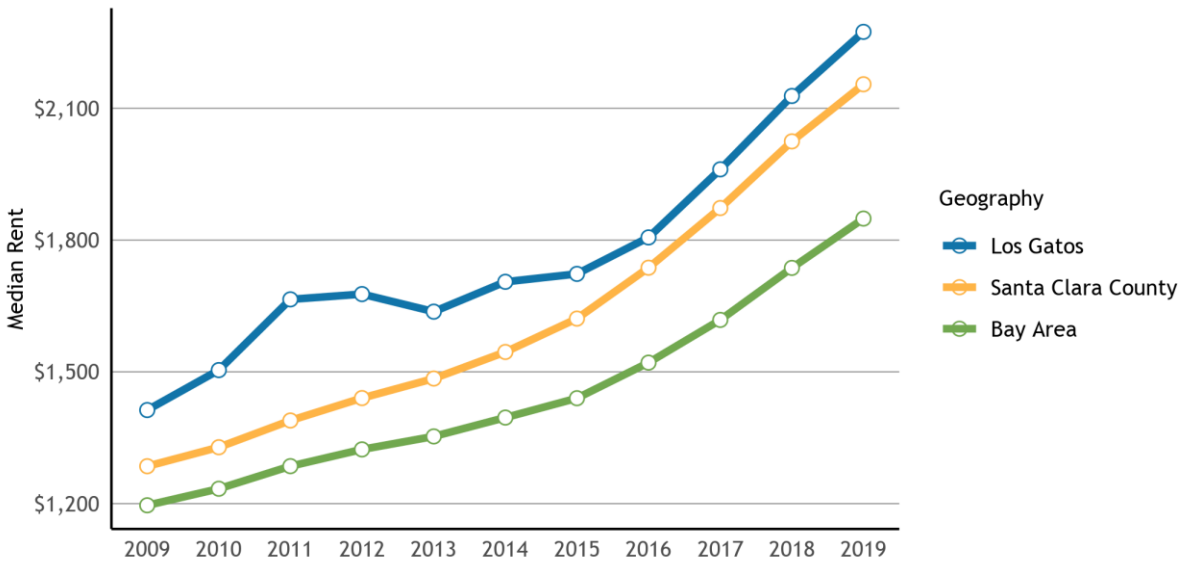


SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25056. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-09.
NOTE: Universe: Renter-occupied housing units paying cash rent.

Since 2009, the median rent has increased by 33.5 percent in the Town of Los Gatos, from $1,700 to $2,270 per month. In Santa Clara County, the median rent has increased 39.6 percent, from $1,540 to $2,150. The median rent in the region has increased significantly during this time from $1,200 to $1,850, a 54.2 percent increase[18]. Figure B-25 shows median contract rent in the Town of Los Gatos, Santa Clara County, and the Bay Area as a whole.

[18] While the data on home values shown in Figure B-24 comes from Zillow, Zillow does not have data on rent prices available for most Bay Area jurisdictions. To have a more comprehensive dataset on rental data for the region, the rent data in this document comes from the U.S. Census Bureau's American Community Survey, which may not fully reflect current rents. Local jurisdiction staff may want to supplement the data on rents with local realtor data or other sources for rent data that are more current than Census Bureau data.

Figure B-26 Median Contract Rent



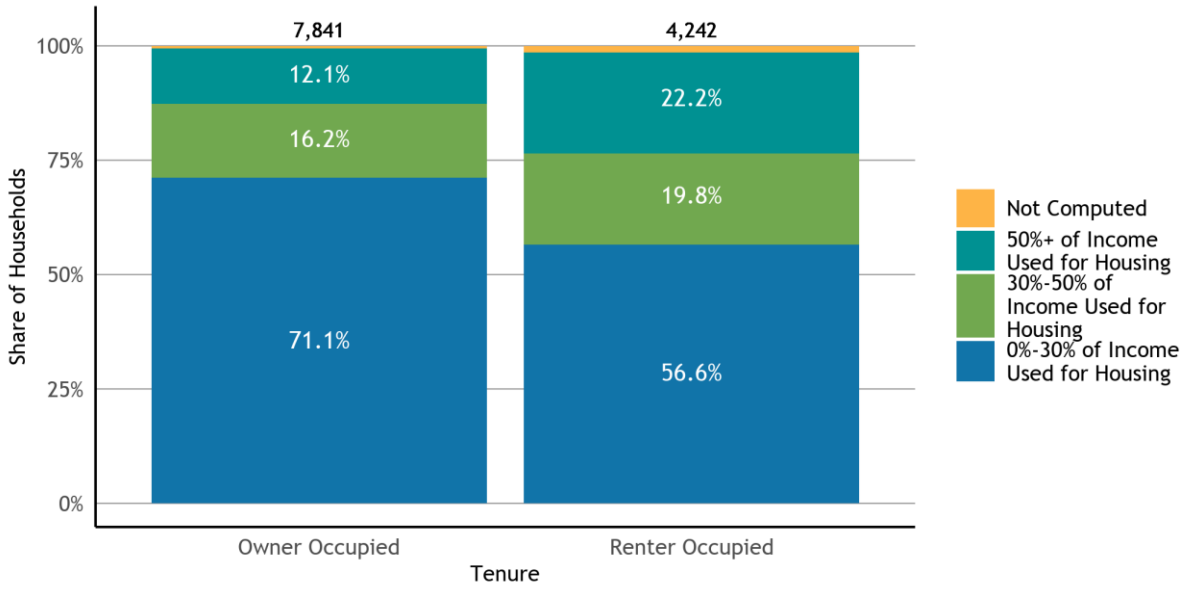
SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data releases, starting with 2005-2009 through 2015-2019, B25058, B25056 (for unincorporated areas). County and regional counts are weighted averages of jurisdiction median using B25003 rental unit counts from the relevant year. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-10.
NOTES: Universe: Renter-occupied housing units paying cash rent. For unincorporated areas, median is calculated using distribution in B25056.

Overpayment and Overcrowding

A household is considered "cost-burdened" if it spends more than 30 percent of its monthly income on housing costs, while those who spend more than 50 percent of their income on housing costs are considered "severely cost-burdened." Low-income residents are the most impacted by high housing costs and experience the highest rates of cost burden. Spending such large portions of their income on housing puts low-income households at higher risk of displacement, eviction, or homelessness. While the housing market has resulted in home prices increasing dramatically, homeowners often have mortgages with fixed rates, whereas renters are more likely to be impacted by market increases.

When looking at the cost burden across tenure in the Town of Los Gatos, 20 percent of renters spend 30 percent to 50 percent of their income on housing compared to 16 percent of those that own. Additionally, 22 percent of renters are severely cost-burdened (i.e., spend 50 percent or more of their income on housing), while 12 percent of owners are severely cost-burdened. Figure B-27 shows cost burden by tenure.

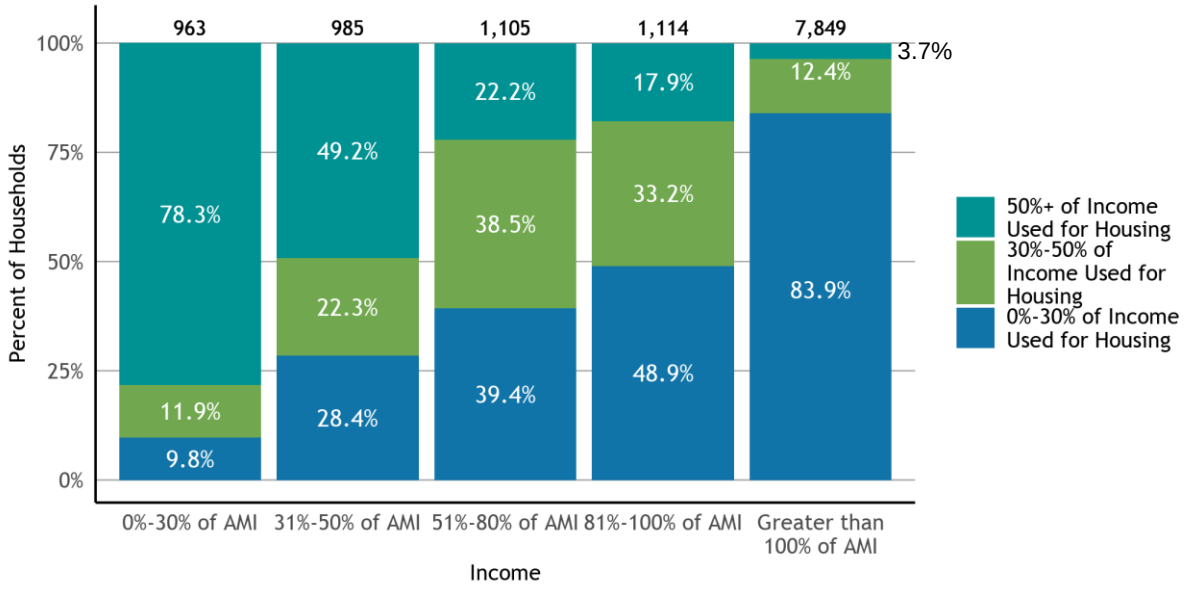
Figure B-27 Cost Burden by Tenure, Los Gatos



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25070, B25091. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-06.
NOTES: Universe: Occupied housing units. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30 percent of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50 percent of monthly income.

When one looks at both renters and owners together in the Town of Los Gatos, 15.6 percent of households spend 50 percent or more of their income on housing, while 17 percent spend 30 percent to 50 percent. However, these rates vary greatly across income categories. For example, 78.3 percent of Los Gatos households making less than 30 percent of AMI spend the majority of their income on housing. For Los Gatos residents making more than 100 percent of AMI, just 3.7 percent are severely cost-burdened, and 83.9 percent of those making more than 100 percent of AMI spend less than 30 percent of their income on housing. Figure B-28 shows cost burden by income level.

Figure B-28 Cost Burden by Income Level, Los Gatos



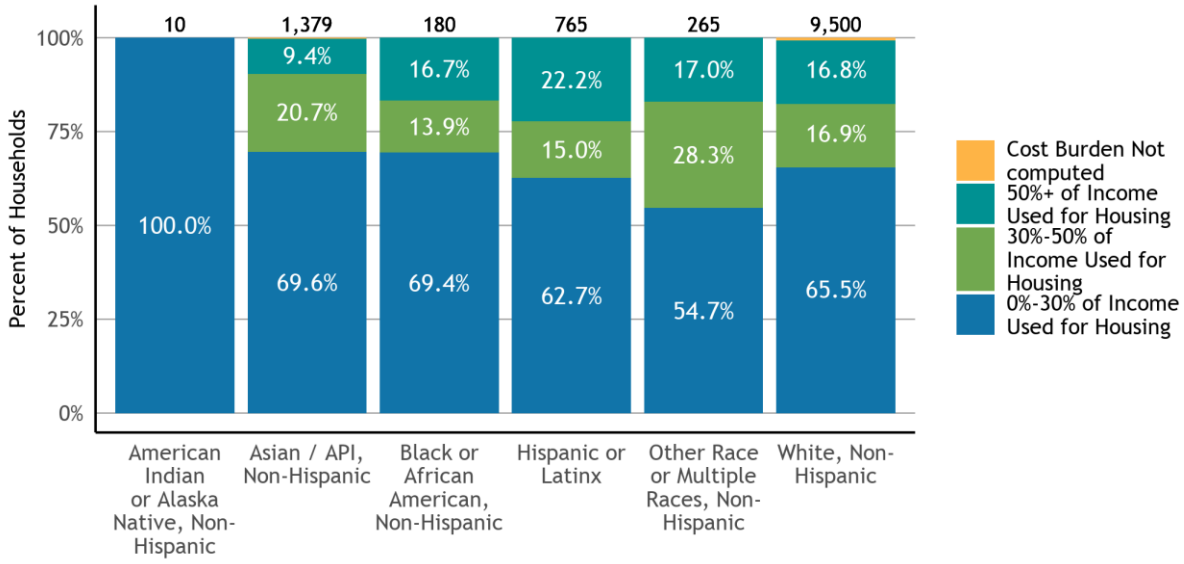
SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-05.
NOTES: Universe: Occupied housing units. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30 percent of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50 percent of monthly income. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Currently, people of color[19] are more likely to experience poverty and financial instability as a result of Federal, State, and local housing policies that have historically excluded them from the same opportunities extended to white residents. As a result, they often pay a greater percentage of their income on housing, and in turn, are at a greater risk of housing insecurity.

Hispanic or Latinx residents are the most severely cost burdened with 22 percent spending more than 50 percent of their income on housing. Figure B-29 shows cost burden by race.

[19] As before, this category as it is used here includes all non-White persons.

Figure B-29 Cost Burden by Race, Los Gatos

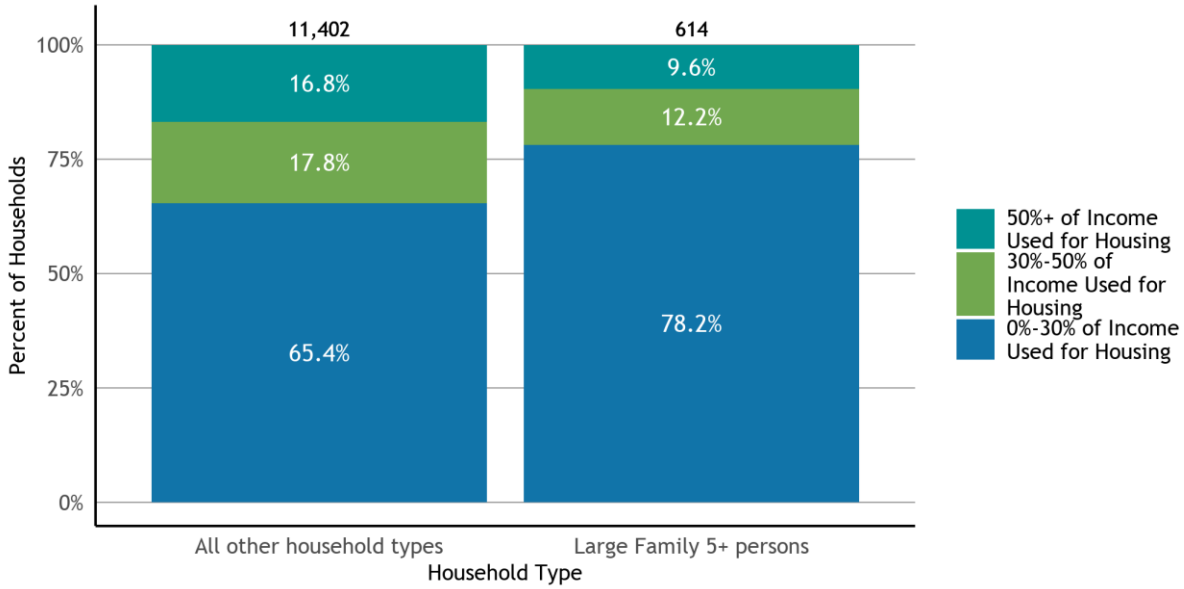


SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-08.
NOTES: Universe: Occupied housing units. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30 percent of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50 percent of monthly income. For the purposes of this graph, the "Hispanic or Latinx" racial/ethnic group represents those who identify as having Hispanic/Latinx ethnicity and may also be members of any racial group. All other racial categories on this graph represent those who identify with that racial category and do not identify with Hispanic/Latinx ethnicity.

Large family households often have special housing needs due to a lack of adequately sized affordable housing available. The higher costs required for homes with multiple bedrooms can result in larger families experiencing a disproportionate cost burden than the rest of the population and can increase the risk of housing insecurity.

In the Town of Los Gatos, 12.2 percent of large family households experience a cost burden of 30 to 50 percent, while 9.6 percent of households spend more than half of their income on housing. Some 17.8 percent of all other households have a cost burden of 30 percent to 50 percent, with 16.8 percent of households spending more than 50 percent of their income on housing. Figure B-30 shows cost burden by household size.

Figure B-30 Cost Burden by Household Size, Los Gatos

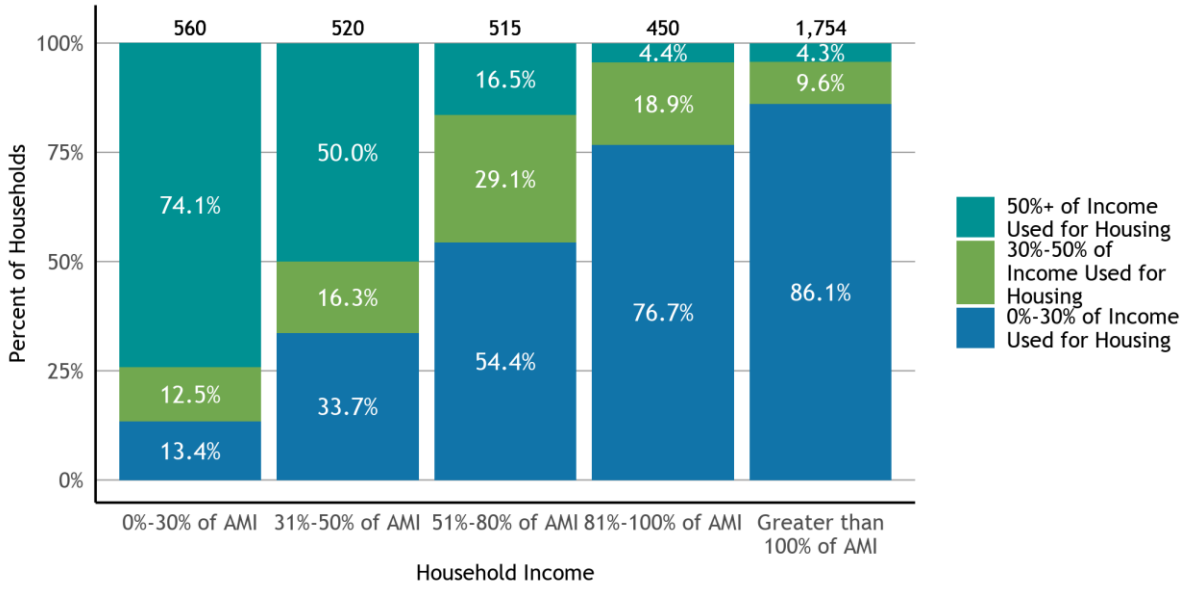


SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-09.
NOTES: Universe: Occupied housing units. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30 percent of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50 percent of monthly income.

When cost-burdened seniors are no longer able to make house payments or pay rents, displacement from their homes can occur, putting further stress on the local rental market or forcing residents out of the community they call home. Understanding how seniors might be cost-burdened is of particular importance due to their special housing needs, particularly for low-income seniors.

In the Town of Los Gatos, 74 percent of seniors making less than 30 percent of AMI are spending the majority of their income on housing. For seniors making more than 100 percent of AMI, only 4.3 percent are spending the majority of their income on housing. Figure B-31 shows cost-burdened senior households by income level.

Figure B-31 Cost-Burdened Senior Households by Income Level, Los Gatos

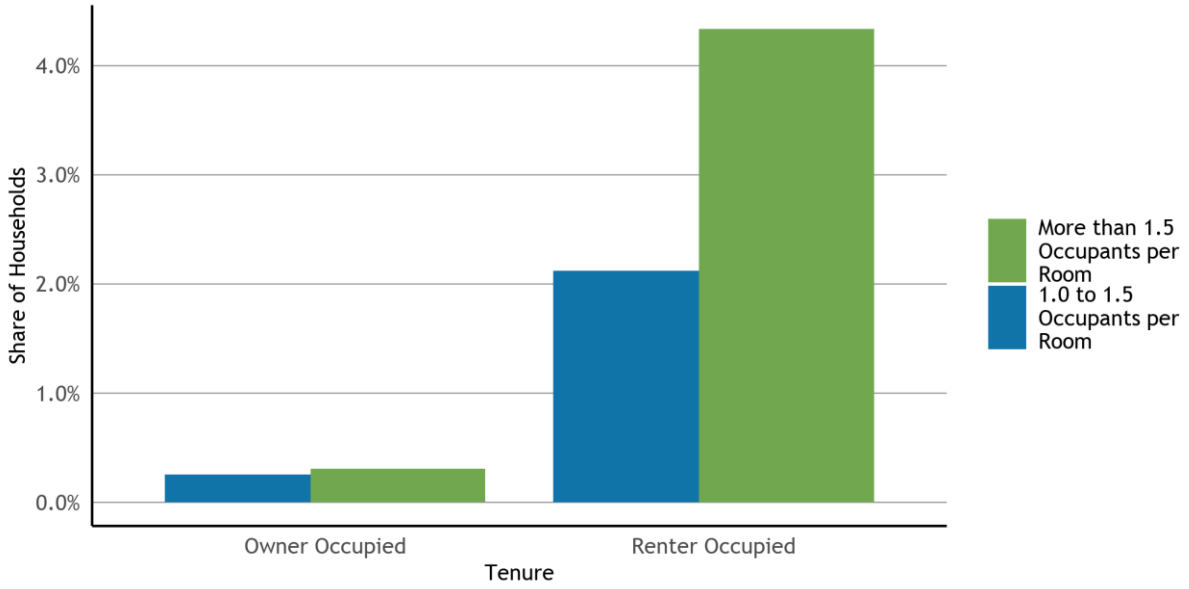


SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table SEN-03.
NOTES: Universe: Senior households. For the purposes of this graph, senior households are those with a householder who is aged 62 or older. Cost burden is the ratio of housing costs to household income. For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is "select monthly owner costs", which includes mortgage payment, utilities, association fees, insurance, and real estate taxes. HUD defines cost-burdened households as those whose monthly housing costs exceed 30 percent of monthly income, while severely cost-burdened households are those whose monthly housing costs exceed 50 percent of monthly income. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Overcrowding occurs when the number of people living in a household is greater than the home was designed to hold[20]. The Census Bureau considers units with more than 1.5 occupants per room to be severely overcrowded. Overcrowding is often related to the cost of housing and can occur when demand in a town, city, or region is high. In many towns and cities, overcrowding is seen more amongst those that are renting, with multiple households sharing a unit to make it possible to stay in their communities. In the Town of Los Gatos, 4.3 percent of households that rent are severely overcrowded (i.e., more than 1.5 occupants per room), compared to 0.3 percent of households that own. Figure B-32 shows overcrowding by tenure and severity.

[20] There are several different standards for defining overcrowding, but this report uses the Census Bureau definition, which is more than one occupant per room (not including bathrooms or kitchens).

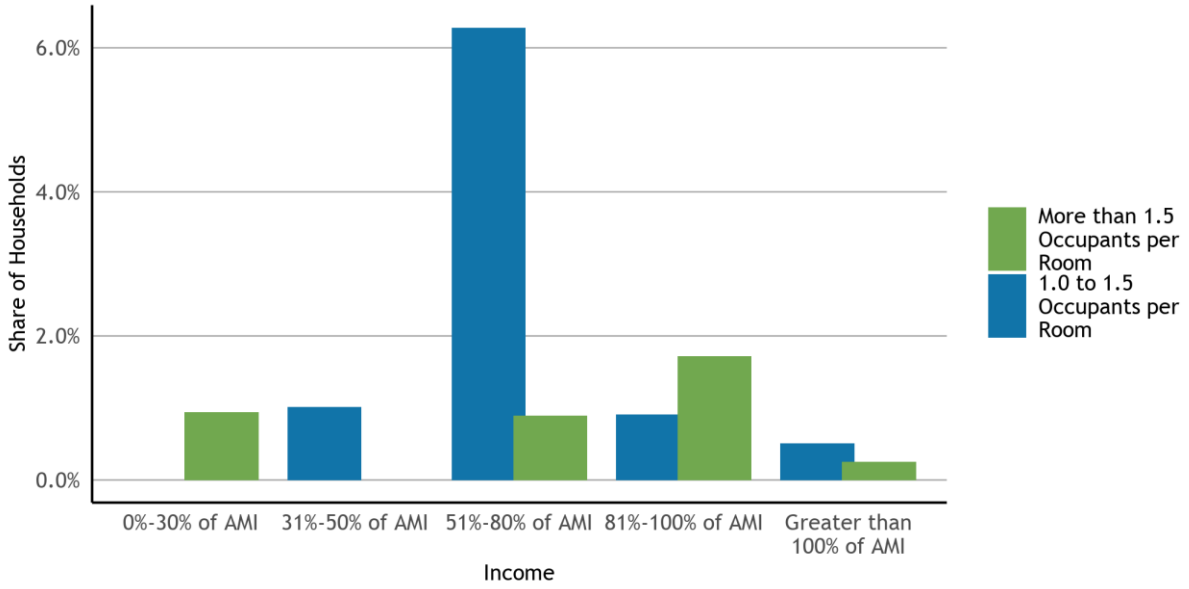
Figure B-32 Los Gatos Overcrowding by Tenure and Severity



SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-01.
NOTES: Universe: Occupied housing units. The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded.

Overcrowding often disproportionately impacts low-income households. In Los Gatos, less than one percent of very low-income households (i.e., below 50 percent AMI) experience severe overcrowding. The income group most experiencing severe overcrowding is the 81%-100% of AMI group. Figure B-33 shows overcrowding by income level and severity.

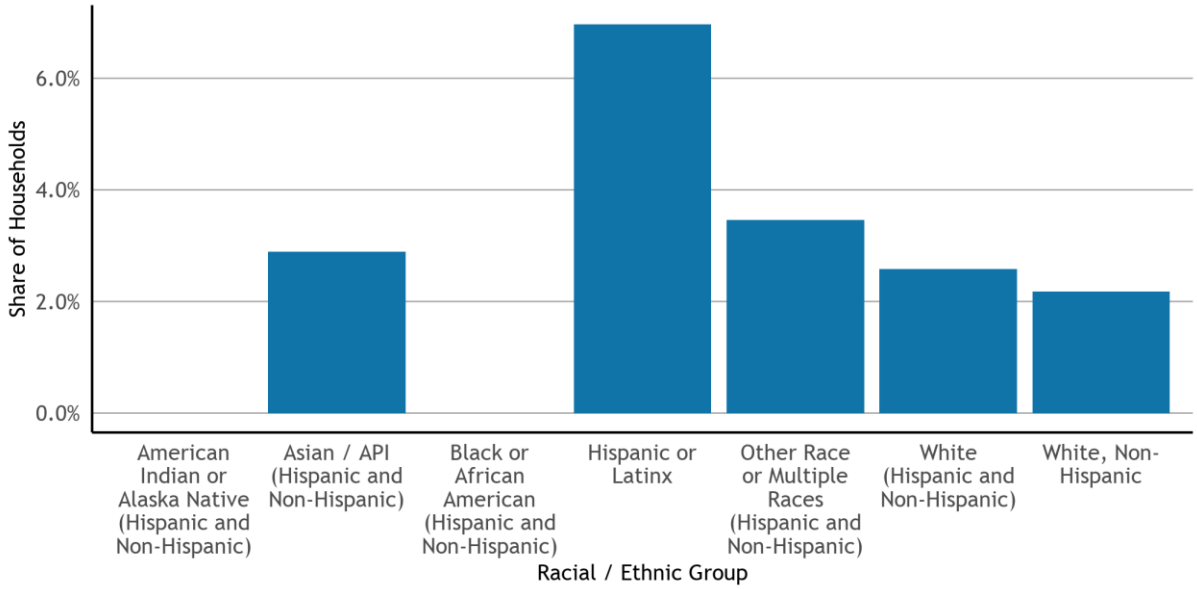
Figure B-33 Los Gatos Overcrowding by Income Level and Severity



SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-04.
NOTES: Universe: Occupied housing units. The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

Communities of color are more likely to experience overcrowding similar to how they are more likely to experience poverty, financial instability, and housing insecurity. People of color tend to experience overcrowding at higher rates than White residents. In Los Gatos, the racial group with the largest overcrowding rate is Hispanic or Latinx. Figure B-34 shows overcrowding by race.

Figure B-34 Overcrowding by Race, Los Gatos



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25014. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table OVER-03.
NOTES: Universe: Occupied housing units. The Census Bureau defines an overcrowded unit as one occupied by 1.01 persons or more per room (excluding bathrooms and kitchens), and units with more than 1.5 persons per room are considered severely overcrowded. For this table, the Census Bureau does not disaggregate racial groups by Hispanic/Latinx ethnicity. However, data for the white racial group is also reported for white householders who are not Hispanic/Latinx. Since residents who identify as white and Hispanic/Latinx may have very different experiences within the housing market and the economy from those who identify as white and non-Hispanic/Latinx, data for multiple white sub-groups are reported here. The racial/ethnic groups reported in this table are not all mutually exclusive. Therefore, the data should not be summed as the sum exceeds the total number of occupied housing units for this jurisdiction. However, all groups labelled "Hispanic and Non-Hispanic" are mutually exclusive, and the sum of the data for these groups is equivalent to the total number of occupied housing units.

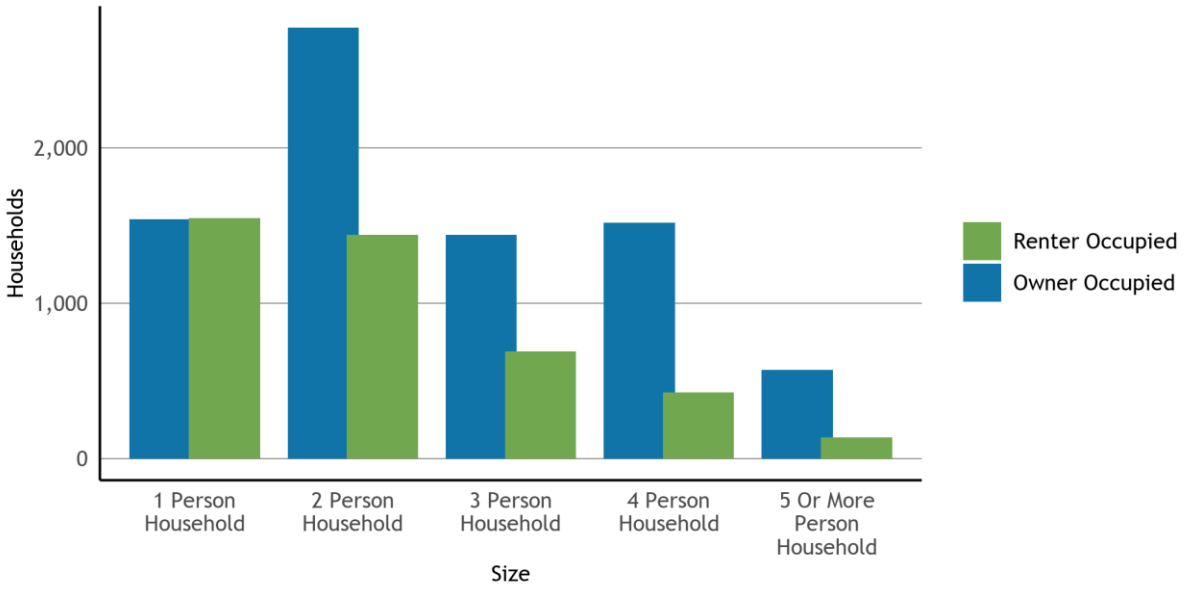
B.4 Special Housing Needs

Large Households

Large households often have different housing needs than smaller households. If the Town's rental housing stock does not include larger apartments, large households who rent could end up living in overcrowded conditions.

In Los Gatos, for large households with five or more persons, most units were owner occupied. Figure B-35 shows household size by tenure.

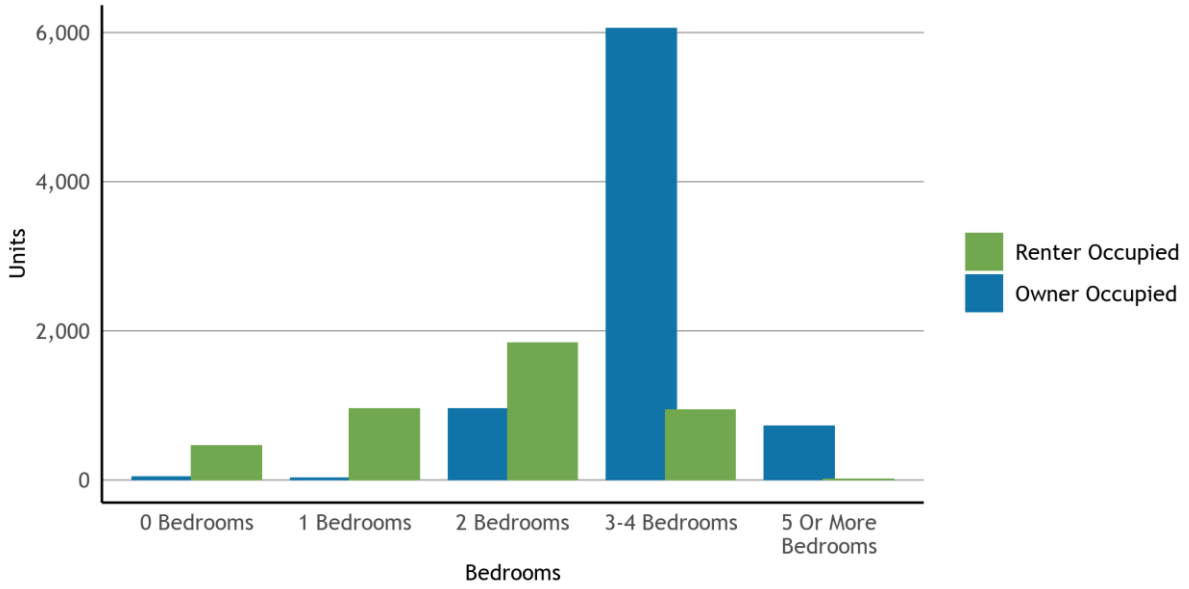
Figure B-35 Household Size by Tenure, Los Gatos



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25009. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table LGFEM-01.
NOTE: Universe: Occupied housing units.

The unit sizes available in a community affect the household sizes that can access that community. Large families are generally served by housing units with three or more bedrooms, of which there are 7,760 units in the Town of Los Gatos. Among these large units, most are owner occupied. Figure B-36 summarizes housing units by the number of bedrooms.

Figure B-36 Housing Units by Number of Bedrooms, Los Gatos



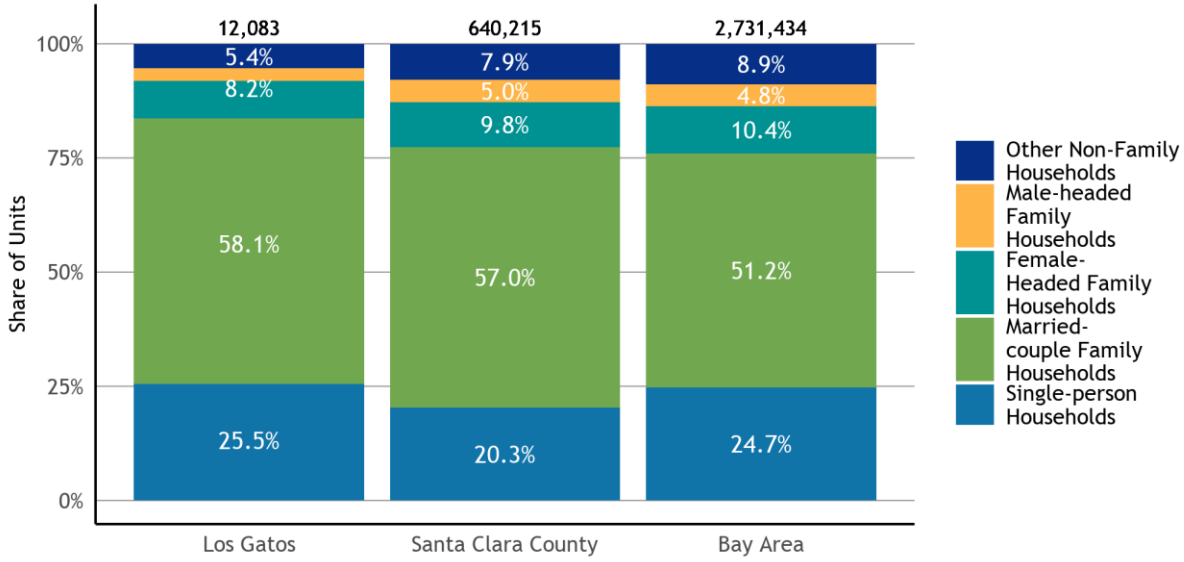
SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B25042. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HSG-05.
NOTE: Universe: Housing units.

Female-Headed Households

Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income.

In the Town of Los Gatos, the largest proportion of households is Married-Couple Family Households at 58.1 percent of the total, while Female-Headed Family Households make up 8 percent of all households. Figure B-37 provides information on household type in Los Gatos.

Figure B-37 Household Type

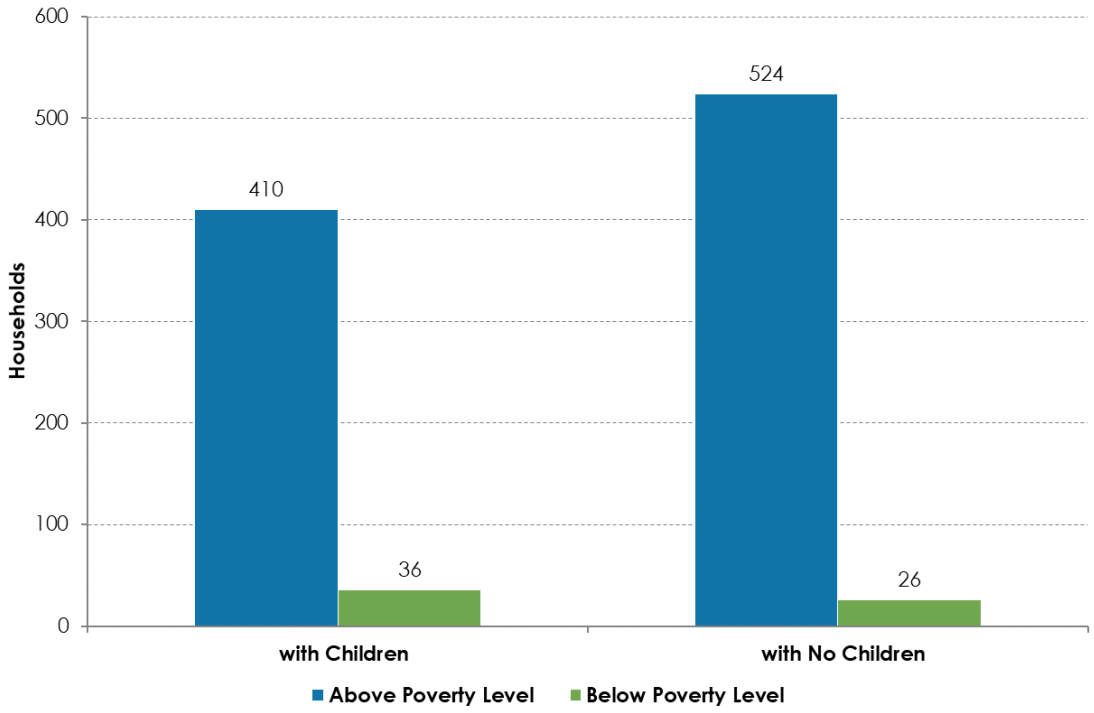


SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B11001. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table POPEMP-23.
NOTES: Universe: Households. For data from the Census Bureau, a "family household" is a household where two or more people are related by birth, marriage, or adoption. "Non-family households" are households of one person living alone, as well as households where none of the people are related to each other.

Female-headed households with children may face particular housing challenges, with pervasive gender inequality resulting in lower wages for women. Moreover, the added need for childcare can make finding a home that is affordable more challenging.

In Los Gatos, 36 female-headed households with children (eight percent) fell in the Below Poverty Level category, while 26 female-headed households without children (five percent) fell in the Below Poverty Level category. Figure B-38 shows female-headed households by poverty status.

Figure B-38 Female-Headed Households by Poverty Status, Los Gatos



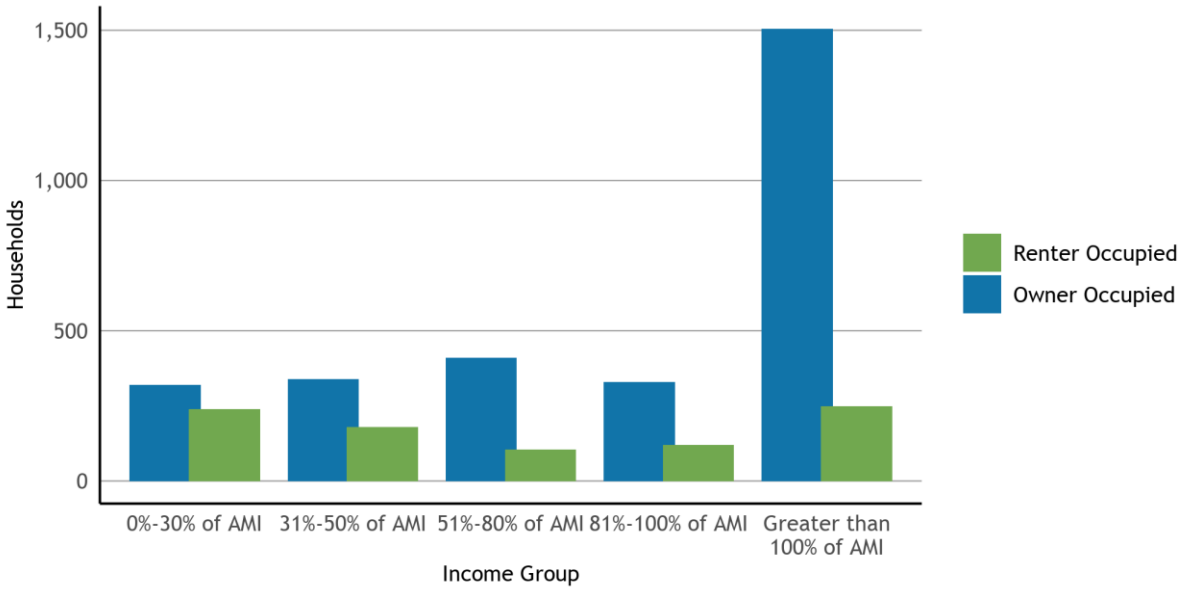
SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B17012. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table LGFEM-05.
NOTES: Universe: Female Households. The Census Bureau uses a federally defined poverty threshold that remains constant throughout the country and does not correspond to Area Median Income.

Seniors

Senior households often experience a combination of factors that can make accessing or keeping affordable housing a challenge. They often live on fixed incomes and are more likely to have disabilities, chronic health conditions, and/or reduced mobility. Seniors who rent may be at even greater risk for housing challenges than those who own, due to income differences between these groups.

In the Town of Los Gatos, the largest proportion of senior households who rent fell into one of the categories below the Greater than 100% AMI category, while the largest proportion of senior households who are homeowners fell in the Greater than 100% AMI category. Figure B-39 shows senior households by income and tenure.

Figure B-39 Senior Households by Income and Tenure, Los Gatos



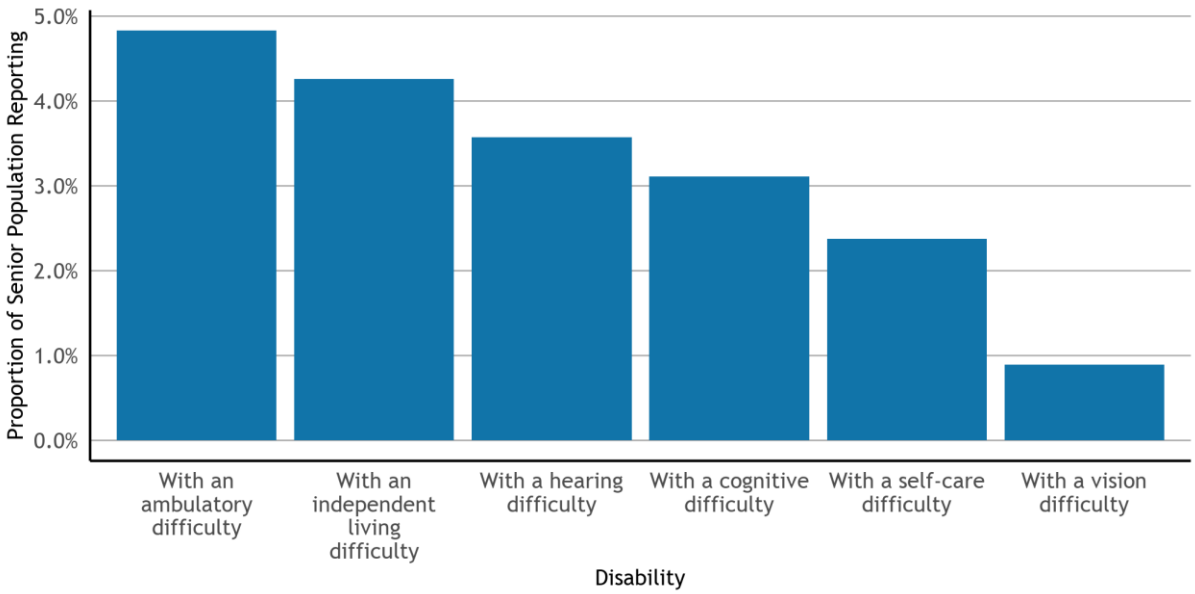
SOURCE: U.S. Department of Housing and Urban Development (HUD), Comprehensive Housing Affordability Strategy (CHAS) ACS tabulation, 2012-2017 release. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table SEN-01.
NOTES: Universe: Senior households. For the purposes of this graph, senior households are those with a householder who is aged 62 or older. Income groups are based on HUD calculations for Area Median Income (AMI). HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County). The AMI levels in this chart are based on the HUD metro area where this jurisdiction is located.

People with Disabilities

People with disabilities face additional housing challenges. Encompassing a broad group of individuals living with a variety of physical, cognitive, and sensory impairments, many people with disabilities live on fixed incomes and are in need of specialized care, yet often rely on family members for assistance due to the high cost of care. When it comes to housing, people with disabilities are not only in need of affordable housing, but accessibly designed housing, which offers greater mobility and opportunity for independence. Unfortunately, the need typically outweighs what is available, particularly in a housing market with such high demand. People with disabilities are at a high risk for housing insecurity, homelessness, and institutionalization, particularly when they lose aging caregivers.

Overall, 9 percent of people in Los Gatos have a disability of some kind.[21] Figure B-40 shows the rates at which different disabilities are present among residents of Los Gatos.

Figure B-40 Disability by Type, Los Gatos



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B18102, Table B18103, Table B18104, Table B18105, Table B18106, Table B18107. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table DISAB-01.
NOTES: Universe: Civilian noninstitutionalized population 18 years and over. These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed. The Census Bureau provides the following definitions for these disability types: Hearing difficulty: deaf or has serious difficulty hearing. Vision difficulty: blind or has serious difficulty seeing even with glasses. Cognitive difficulty: has serious difficulty concentrating, remembering, or making decisions. Ambulatory difficulty: has serious difficulty walking or climbing stairs. Self-care difficulty: has difficulty dressing or bathing. Independent living difficulty: has difficulty doing errands alone such as visiting a doctor's office or shopping.

State law also requires a Housing Element to examine the housing needs of people with developmental disabilities. Developmental disabilities are defined as severe, chronic, and attributed to a mental or physical impairment that begins before a person turns 18 years old. This can include Down's Syndrome, autism, epilepsy, cerebral palsy, and mild to severe intellectual disability. Some people with developmental disabilities are unable to work, rely on supplemental security income, and live with family members. In addition to their specific housing needs, they are at increased risk of housing insecurity after an aging parent or family member is no longer able to care for them[22].

In the Town of Los Gatos, there are 50 children under the age of 18 with a developmental disability (40.7 percent), while there are 73 adults with a developmental disability (60 percent). Table B-4 below shows the number of persons in Los Gatos with developmental disabilities by age.

[21] These disabilities are counted separately and are not mutually exclusive, as an individual may report more than one disability. These counts should not be summed.

[22] For more information or data on developmental disabilities in your jurisdiction, contact the Golden Gate Regional Center for Marin, San Francisco and San Mateo Counties; the North Bay Regional Center for Napa, Solano and Sonoma Counties; the Regional Center for the East Bay for Alameda and Contra Costa Counties; or the San Andreas Regional Center for Santa Clara County.

Table B-4 Los Gatos Population with Developmental Disabilities by Age

Age Group	Number
Age Under 18	50
Age 18+	73

SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Age Group (2020). This table is included in the Data Packet Workbook as Table DISAB-04.
NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were cross walked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

The most common living arrangement for individuals with disabilities is in Los Gatos is the home of parent/family/guardian. Table B-5 shows the Los Gatos population with developmental disabilities by residence.

Table B-5 Los Gatos Population with Developmental Disabilities by Residence

Residence Type	Number
Home of Parent/Family/Guardian	102
Foster/Family Home	9
Independent/Supported Living	7
Other	4
Community Care Facility	4
Intermediate Care Facility	0

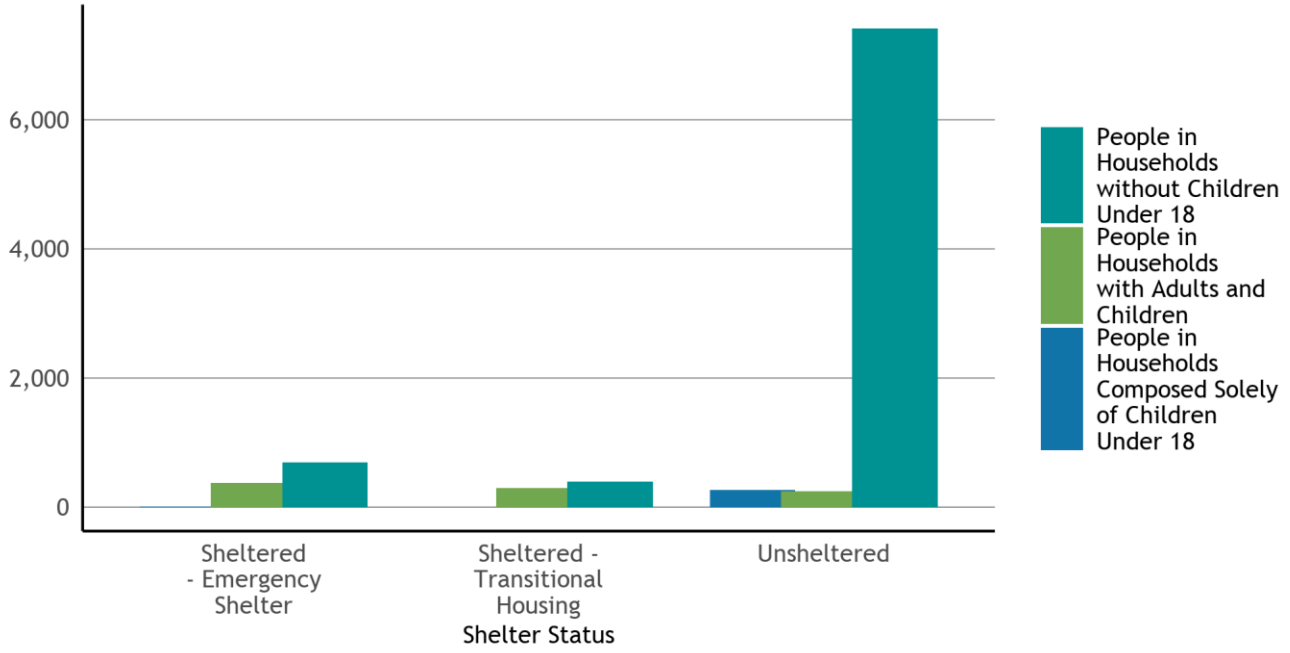
SOURCE: California Department of Developmental Services, Consumer Count by California ZIP Code and Residence Type (2020). This table is included in the Data Packet Workbook as Table DISAB-05.
NOTE: Universe: Population with developmental disabilities. Notes: The California Department of Developmental Services is responsible for overseeing the coordination and delivery of services to more than 330,000 Californians with developmental disabilities including cerebral palsy, intellectual disability, Down syndrome, autism, epilepsy, and related conditions. The California Department of Developmental Services provides ZIP code level counts. To get jurisdiction-level estimates, ZIP code counts were cross walked to jurisdictions using census block population counts from Census 2010 SF1 to determine the share of a ZIP code to assign to a given jurisdiction.

Homelessness

Homelessness remains an urgent challenge in many communities across the State, reflecting a range of social, economic, and psychological factors. Rising housing costs result in increased risks of community members experiencing homelessness. Many residents have found themselves housing insecure and ended up homeless in recent years, either temporarily or longer term. Addressing the specific housing needs for the unhoused population remains a priority throughout the region, particularly since homelessness is disproportionately experienced by people of color, people with disabilities, those struggling with addiction, and those dealing with traumatic life circumstances.

In Santa Clara County, the most common type of household experiencing homelessness are those without children in their care. Among households experiencing homelessness that do not have children, 87 percent are unsheltered. Of homeless households with children, most are sheltered in an emergency shelter. Figure B-41 shows household type and shelter status in Santa Clara County.

Figure B-41 Homelessness by Household Type and Shelter Status, Santa Clara County

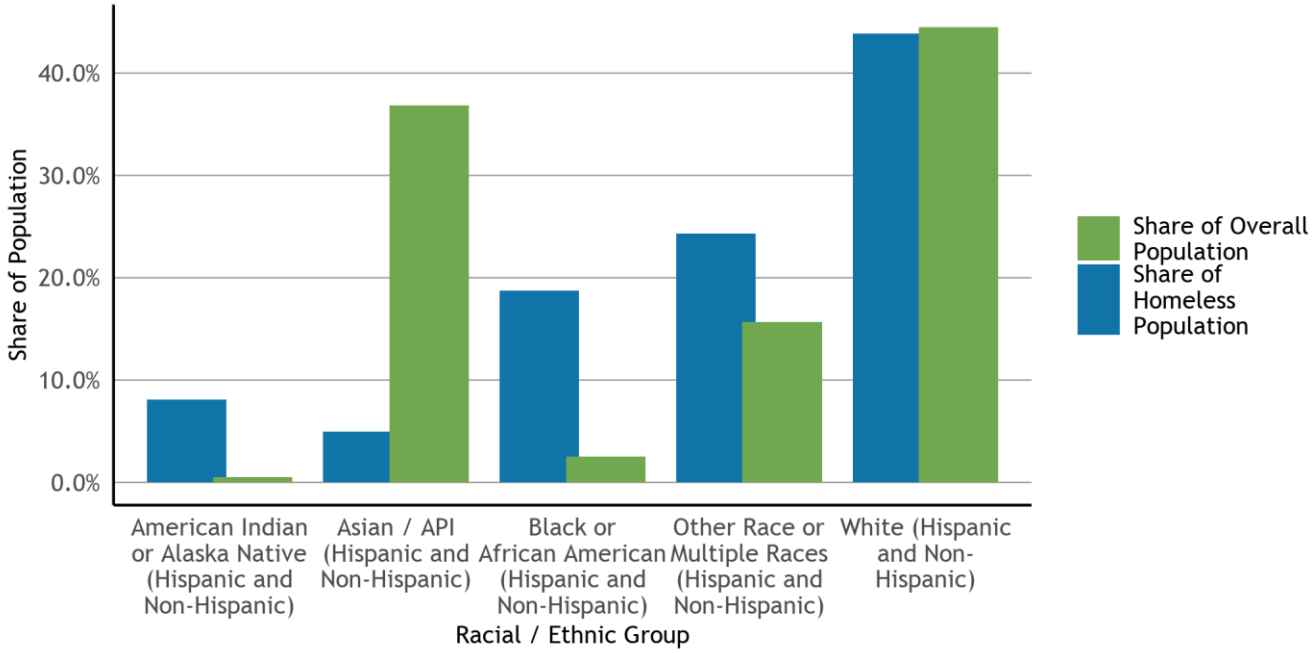


SOURCE: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HOMELS-01.
NOTES: Universe: Population experiencing homelessness. This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness.

People of color are more likely to experience poverty and financial instability as a result of federal and local housing policies that have historically excluded them from the same opportunities extended to White residents. Consequently, people of color are often disproportionately impacted by homelessness, particularly Black residents of the Bay Area.

In Santa Clara County, White (Hispanic and Non-Hispanic) residents represent the largest proportion of residents experiencing homelessness and account for 44 percent of the homeless population, while making up 45 percent of the overall population. Figure B-42 shows the racial group share of the homeless population.

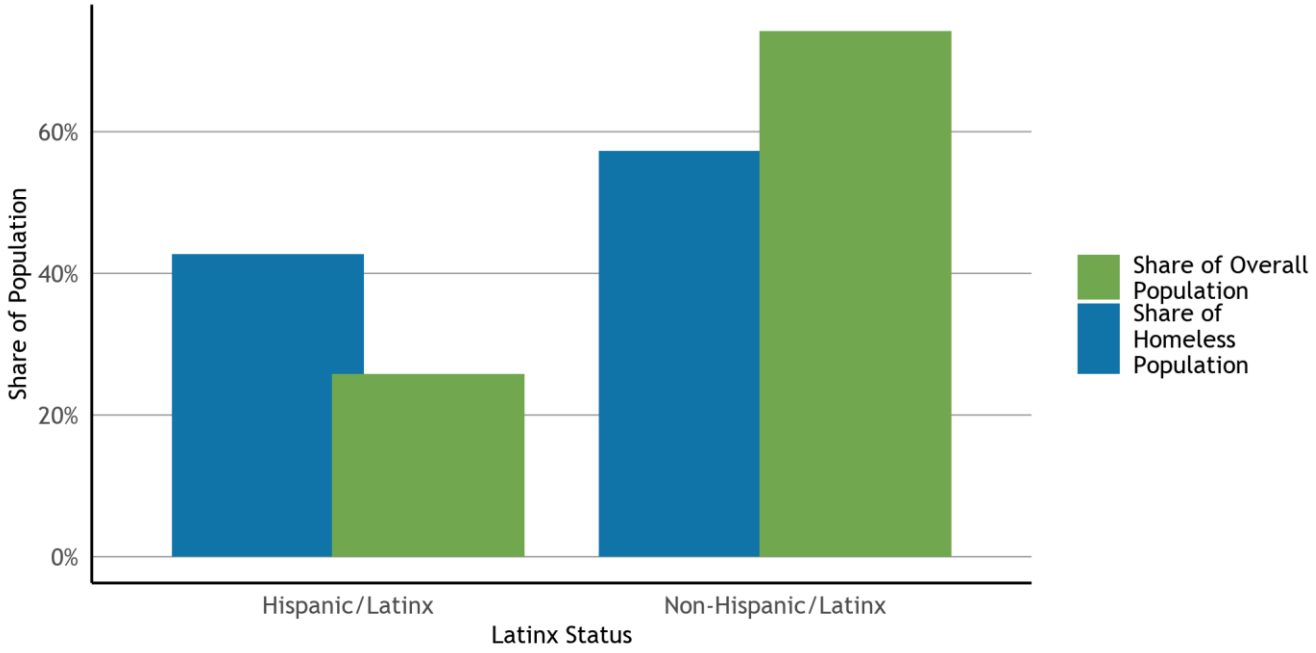
Figure B-42 Racial Group Share of General and Homeless Populations, Santa Clara County



SOURCE: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019); U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-I). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HOMELS-02.
NOTES: Universe: Population experiencing homelessness. This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness. HUD does not disaggregate racial demographic data by Hispanic/Latinx ethnicity for people experiencing homelessness. Instead, HUD reports data on Hispanic/Latinx ethnicity for people experiencing homelessness in a separate table. Accordingly, the racial group data listed here includes both Hispanic/Latinx and non-Hispanic/Latinx individuals.

In Santa Clara County, Latinx residents represent 42.7 percent of the population experiencing homelessness, while Latinx residents comprise 25.8 percent of the general population. Figure B-43 shows the Latinx share of the homeless population in Santa Clara County.

Figure B-43 Latinx Share of General and Homeless Populations, Santa Clara County

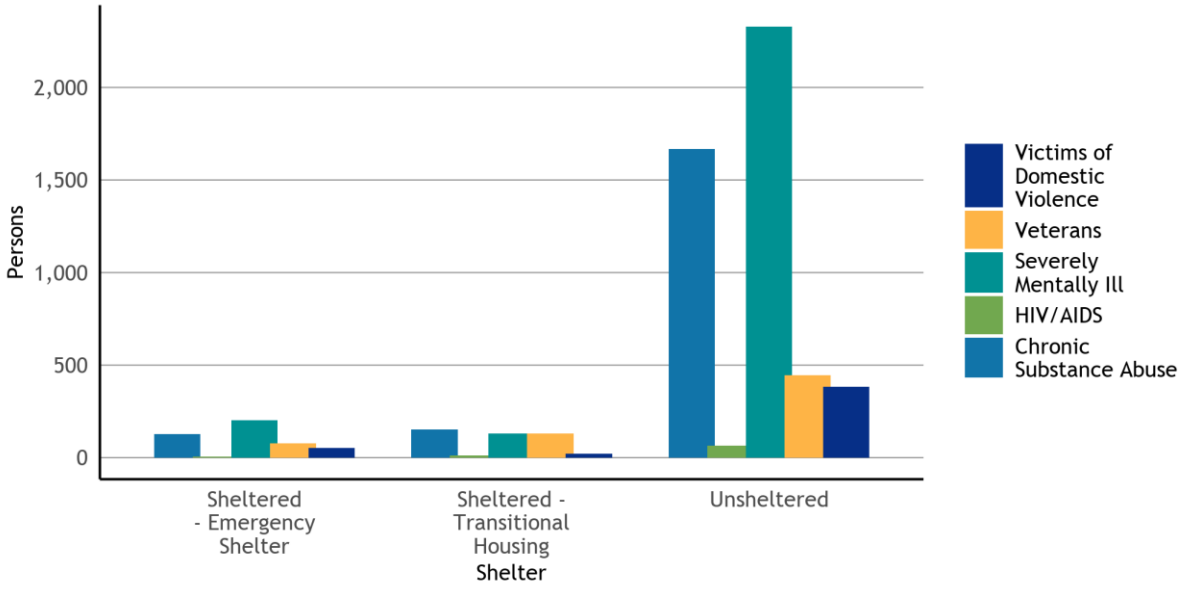


SOURCE: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019); U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B01001(A-I). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HOMELS-03.
NOTES: Universe: Population experiencing homelessness. This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness. The data from HUD on Hispanic/Latinx ethnicity for individuals experiencing homelessness does not specify racial group identity. Accordingly, individuals in either ethnic group identity category (Hispanic/Latinx or non-Hispanic/Latinx) could be of any racial background.

Many of those experiencing homelessness are dealing with severe issues, including mental illness, substance abuse, and domestic violence, which are potentially life threatening and require additional assistance.

In Santa Clara County, homeless individuals are commonly challenged by severe mental illness, with 2,659 reporting this condition. Of those, some 87.6 percent are unsheltered, further adding to the challenge of handling the issue. Figure B-44 shows selected characteristics of the homeless population in Santa Clara County.

Figure B-44 Characteristics for the Population Experiencing Homelessness, Santa Clara County



SOURCE: U.S. Department of Housing and Urban Development (HUD), Continuum of Care (CoC) Homeless Populations and Subpopulations Reports (2019). Data from ABAG/MTC Housing Needs Data Packet Workbook, Table HOMELS-04.
NOTES: Universe: Population experiencing homelessness. This data is based on Point-in-Time (PIT) information provided to HUD by CoCs in the application for CoC Homeless Assistance Programs. The PIT Count provides a count of sheltered and unsheltered homeless persons on a single night during the last ten days in January. Each Bay Area county is its own CoC, and so the data for this table is provided at the county-level. Per HCD's requirements, jurisdictions will need to supplement this county-level data with local estimates of people experiencing homelessness. These challenges/characteristics are counted separately and are not mutually exclusive, as an individual may report more than one challenge/characteristic. These counts should not be summed.

In the Town of Los Gatos, there were no reported students experiencing homeless in the 2019-20 school year. By comparison, Santa Clara County has seen a 3.5 percent increase in the population of students experiencing homelessness since the 2016-17 school year, and the Bay Area population of students experiencing homelessness decreased by 8.5 percent. During the 2019-2020 school year, there were still some 13,718 students experiencing homelessness throughout the region, adding undue burdens on learning and thriving, with the potential for longer term negative effects. Table B-6 summarizes students in public schools experiencing homelessness.

Table B-6 Students in Local Public Schools Experiencing Homelessness

Academic Year	Los Gatos	Santa Clara County	Bay Area
2016-17	0	2,219	14,990
2017-18	0	2,189	15,142
2018-19	0	2,405	15,427
2019-20	0	2,297	13,718

SOURCE: California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020). This table is included in the Data Packet Workbook as Table HOMELS-05.
NOTE: Universe: Total number of unduplicated primary and short-term enrollments within the academic year (July 1 to June 30), public schools. The California Department of Education considers students to be homeless if they are unsheltered, living in temporary shelters for people experiencing homelessness, living in hotels/motels, or temporarily doubled up and sharing the housing of other persons due to the loss of housing or economic hardship. The data used for this table was obtained at the school site level, matched to a file containing school locations, geocoded and assigned to jurisdiction, and finally summarized by geography.

Farmworkers

Across the State, housing for farmworkers has been recognized as an important and unique concern. Farmworkers generally receive wages that are considerably lower than other jobs and may have temporary housing needs. Finding affordable housing can be challenging, particularly in the current housing market.

In the Town of Los Gatos, there were no reported students of migrant workers in the 2019-20 school year. The trend for the region for the past few years has been a decline of 2 percent in the number of migrant worker students since the 2016-17 school year. The change at the county level is a 50 percent decrease in the number of migrant worker students since the 2016-17 school year. Table B-7 summarizes migrant worker student population in the Town of Los Gatos, Santa Clara County, and the Bay Area as a whole.

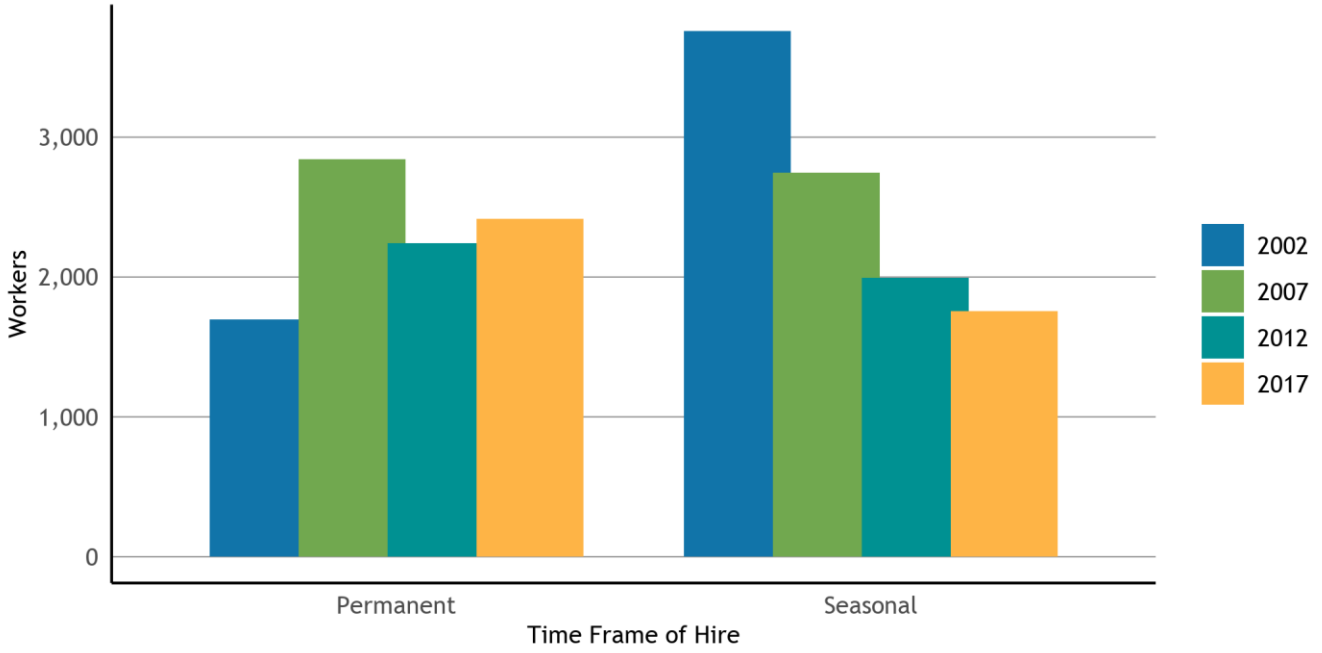
Table B-7 Migrant Worker Student Population

Academic Year	Los Gatos	Santa Clara County	Bay Area
2016-17	0	978	4,630
2017-18	0	732	4,607
2018-19	0	645	4,075
2019-20	0	492	3,976

SOURCE: California Department of Education, California Longitudinal Pupil Achievement Data System (CALPADS), Cumulative Enrollment Data (Academic Years 2016-2017, 2017-2018, 2018-2019, 2019-2020). This table is included in the Data Packet Workbook as Table FARM 01.
NOTES: Universe: Total number of unduplicated primary and short-term enrollments within the academic year (July 1 to June 30), public schools. The data used for this table was obtained at the school site level, matched to a file containing school locations, geocoded and assigned to jurisdiction, and finally summarized by geography.

According to the U.S. Department of Agriculture Census of Farmworkers, the number of permanent farm workers in Santa Clara County has increased since 2002, totaling 2,418 in 2017, while the number of seasonal farm workers has decreased, totaling 1,757 in 2017. Figure B-45 shows farm operation and labor in Santa Clara County.

Figure B-45 Farm Operations and Farm Labor by County, Santa Clara County



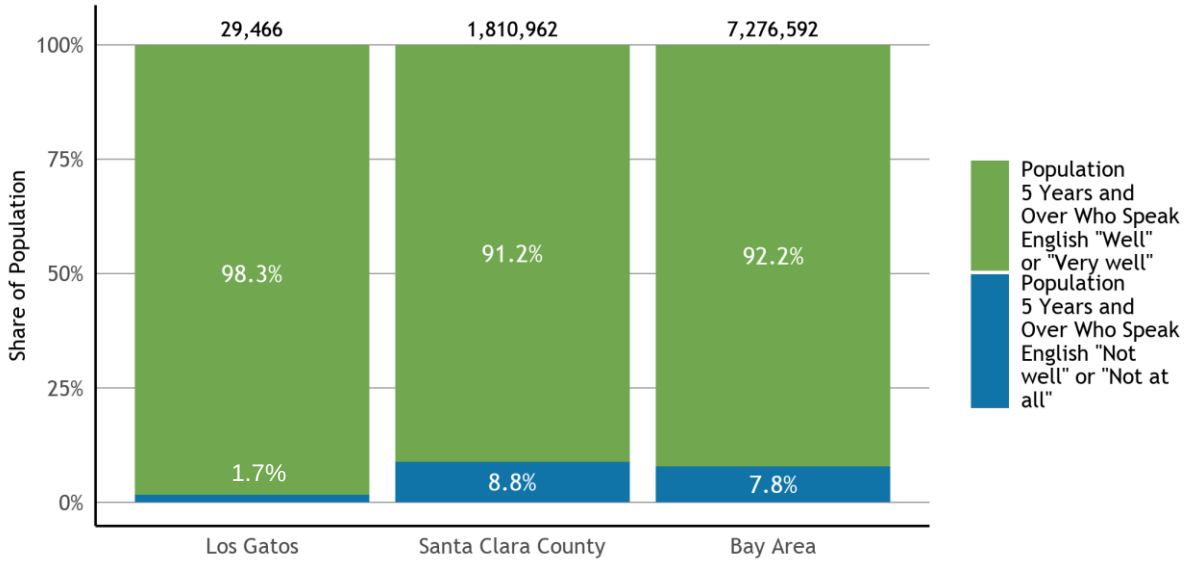
SOURCE: U.S. Department of Agriculture, Census of Farmworkers (2002, 2007, 2012, 2017), Table 7: Hired Farm Labor. For the data table behind this figure, please refer to the Data Packet Workbook, Table FARM-02.
NOTES: Universe: Hired farm workers (including direct hires and agricultural service workers who are often hired through labor contractors). Farm workers are considered seasonal if they work on a farm less than 150 days in a year, while farm workers who work on a farm more than 150 days are considered to be permanent workers for that farm.

Non-English Speakers

California has long been an immigration gateway to the United States, which means that many languages are spoken throughout the Bay Area. Since learning a new language is universally challenging, it is not uncommon for residents who have immigrated to the United States to have limited English proficiency. This limitation can lead to additional disparities if there is a disruption in housing, such as an eviction, because residents might not be aware of their rights or they might be wary to engage due to immigration status concerns.

In the Town of Los Gatos, 1.7 percent of residents five years and older identified as speaking English not well or not at all, which was below the proportion for Santa Clara County. Throughout the region the proportion of residents five years and older with limited English proficiency was eight percent. Figure B-46 shows population with limited English proficiency in the Town of Los Gatos, Santa Clara County, and the Bay Area as a whole.

Figure B-46 Population with Limited English Proficiency



SOURCE: U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B16005. Data from ABAG/MTC Housing Needs Data Packet Workbook, Table AFFH-03.
NOTE: Universe: Population 5 years and over.

Santa Clara County has approximately 23 emergency shelters, providing close to 800 beds year-round, with an additional 300 beds available during the winter months (November through March). There are also over 1,100 transitional housing beds throughout the County that offer a combination of stable housing and intensive, targeted support services for the mentally ill, those with chronic substance abuse, developmental disabilities, and other factors that prevent the homeless from returning to permanent housing situations. Transitional housing includes both single site and "scattered site" programs. Table B-8 below provides a summary of homeless facilities, emergency shelters and transitional housing near the Town of Los Gatos.

Table B-8 Homeless Facilities Near Los Gatos

Facility	Beds	Target Population	Location
Emergency Shelters			
Asian Americans for Community Involvement	12	Women with Children	San Jose
City Team Rescue Mission	52	Single men	San Jose
Hospitality House, Salvation Army	24	Single men	San Jose
Our House Youth Services HomeFirst	10	Homeless and run-away youth	San Jose
San Jose Family Shelter	143	Families	San Jose
Support Network for Battered Women	18	Domestic violence shelter- women and children	San Jose
Emergency Shelter/Transitional Housing			
InnVision	178	Working men, women & children, mentally ill men & women	San Jose
James Boccardo Reception Center	370	Families and single adults	San Jose
Transitional Housing			
Next Door- Women with Children	19	Domestic Violence Shelter -Women and children	San Jose
St. Josephs Cathedral	45	Worker housing- men, women and children	San Jose
YWCA- Villa Nueva	126	Women and children	San Jose

SOURCE: Santa Clara County Consolidated Plan, 2010-2015

Governmental and Non-Governmental Constraints

C

APPENDIX

C.1 Governmental Constraints

Potential governmental constraints that impact housing development in Los Gatos include land use and zoning regulations, building code standards and code compliance, Town design and development standards, governmental fees and exactions, processing and permitting time, and local housing programs.

This appendix provides a full discussion of both governmental and non-governmental constraints that affect housing in Los Gatos. Governmental constraints are policies, requirements, or other actions imposed by various levels of government on land and housing ownership and development. Federal and State agency regulations that may constrain development are beyond the control of the Town and are therefore not addressed in this document. Non-governmental constraints are other conditions that impact housing development such as market factors, environmental setting, and construction costs.

Land Use

On June 30, 2022, the Town Council adopted the 2040 General Plan and accompanying Environmental Impact Report (EIR). As of September 27, 2022, The Land Use and Community Design Elements of the 2040 General Plan are suspended pending the results of a referendum. In the interim, the Town's 2020 General Plan Land Use and Community Design Elements will govern during the suspension period.

Residential Designations

- *HR, Hillside Residential.* The purpose of this designation very low density single-family residential and accessory dwelling unit development on large lots or as part of a cluster development. This designation allows for development that is compatible with the unique mountainous terrain and rural nature of the hillside areas. Up to one dwelling unit per acre and maximum height of 25 feet.

- *LDR, Low Density Residential.* The purpose of this designation is to provide for accessory dwelling units and single-family residential purposes. It encourages single-family residential development in either the standard development established by standard zoning or by innovative forms obtained through a planned development. Densities range from 0 to five dwelling units per acre, a maximum height of 30 feet and up to 40 percent lot coverage.

- *MDR, Medium Density Residential.* The purpose of this designation is to provide for accessory dwelling units, multi-family residential, duplexes, and/or small lot single-family homes. Mixed-use developments are not permitted in this designation. Densities range from five to 12 units per acre, maximum height up to 30 feet or 35 feet when the building has below grade parking and lot coverage up to 40 percent.

- *HDR, High Density Residential*. The purpose of this designation is to provide for accessory dwelling units, and more dense multi-family residential development. Its objective is to provide quality housing in proximity to transit and/or commercial and business areas. Mixed-use developments are not permitted in this designation. Densities range from 12 to 20 units per acre, maximum height up to 30 feet or 35 feet when the building has below grade parking and lot coverage up to 40 percent.

Commercial Designations

- *MU, Mixed-Use.* The purpose of this designation is to provide a mixture of commercial uses (including retail, office, hotel/lodging) and residential, along with allowing stand-alone commercial uses (including retail, office, hotel/lodging, service uses, recreational uses, and restaurants). Residential is only allowed when developed in a mixed-use format with retail, office, or hotel/lodging components on the site. Projects developed under this designation shall maintain primary orientation to arterial street frontages and proper transitions and buffers to adjacent residential properties. Densities range up to 20 units per acre, with a maximum height up to 35 feet, and lot coverage up to 50 percent.

- *NC, Neighborhood Commercial.* The purpose of this designation is to provide for necessary day-to-day commercial goods and services required by the residents of the adjacent neighborhoods. This designation encourages concentrated and coordinated commercial development at easily accessible locations. Residential uses, developed using a mixed-use format, are allowed in the designation. Densities range up to 20 units per acre, with a maximum height up to 35 feet, and lot coverage up to 50 percent.

- *CDB, Central Business District*. The purpose of this designation is to encourage a mixture of community-orientated commercial goods and services within the Downtown CBD. This designation applies exclusively to the Downtown CBD, with the goal to accommodate and retain local merchants and preserve the Town's character. New development in the CBD shall integrate with existing structures of architectural and historical significance. Residential uses, developed using a mixed-use format, are allowed in the designation. Densities range up to 20 units per acre, maximum height up to 45 feet and a FAR up to 2.0.

Employment Center Designations

- *OP, Office Professional*. The purpose of this designation is to provide for professional and general business offices, incubator spaces, and innovation centers. This designation applies to various locations throughout the Town, often in proximity to neighborhood- or community-oriented commercial facilities, or as a buffer between commercial and residential uses. The intent of this designation is to satisfy the community's need for general business and professional services, and local employment. Residential uses, developed using a mixed-use format, are allowed in the designation. Densities range up to 20 units per acre, with a maximum height up to 35 feet and lot coverage up to 50 percent.

Specific Plan Designations

- *NF-SP, North Forty Specific Plan*. The purpose of this designation is to provide land for the North 40 Specific Plan, which includes the designation of mixed-use development (residential and commercial, open space amenities, and space for a hotel).

Town Code

The Town of Los Gatos Municipal Code provides zoning regulations that are more specific than the General Plan Land Use designations. This section describes residential development standards, including accessory dwelling units, overlay zones, and density bonuses. This section also analyzes constraints on housing for persons with disabilities.

Residential Development Standards

There are seven residential and five commercial zoning districts in Los Gatos that allow residential uses. Table C-1 provides the regulations for each zone.

- Resource Conservation (RC)
- Hillside Residential (HR)
- Single-Family Residential (R-1)
- Single-Family Residential Downtown (R-1 D)
- Duplex Residential (RD)
- Multi-family Residential (RM)
- Neighborhood Commercial (C-1)
- Central Business District (C-2)
- Highway Commercial (CH)
- Office (O)

- Commercial Industrial Zone (LM)

As shown in Table C-1, development standards for each residential district could impede a project's ability to develop housing at a density of at least 35 dwelling units per acre on a site. The 30-foot height limit for the majority of residential designations allows for up to three building stories and the maximum density of 20 dwelling units per acre in the RM zone limits development.

Table C-1 also provides the parking requirements for residential development in Los Gatos, by zoning district. Parking is often a significant component of the cost of residential development and can be viewed as a constraint to the provision of housing. The Town has provided some flexibility in its parking requirements, particularly for Planned Developments and for some developments providing affordable units for elderly and disabled persons, generally easing the constraint of parking requirements on the development of higher density and affordable units.

As part of the Housing Element Update, programs to amend the Zoning Code and General Plan to ensure adequate sites are available to accommodate the identified sites in the Sites Inventory are proposed and include

- Amending the Zoning Code to include a Housing Element Overlay Zone (HEOZ) to apply to the sites included in the Site Inventory to modify the development standards (i.e., density, lot coverage, floor area ratio, height) on those sites;
- Amending the Affordable Housing Overlay Zone to increase the maximum allowable density from 20 dwelling units per acre to 30 dwelling units per acre;
- Amending the North Forty Specific Plan to increase the maximum allowable density from 20 dwelling units per acre to more than 30 dwelling units per acre and increase the total number of dwelling units allowed in the Specific Plan;
- Clarifying the text of the non-residential zones that the housing sites contained in the inventory sites table that are in these zones must include housing;
- Rezoning the Caltrans ROW (Site E3) to allow for residential development; and
- Allowing for housing developments that are 100 percent affordable are allowed by-right in Mixed-Use General Plan designation.

Table C-1 Residential and Commercial Development Standards by Zoning District

Zoning District	Density	Minimum Lot Area	Maximum Height (Feet)	Front Yard Setback (Feet)	Side Yard Setback (Feet)	Rear Yard Setback (Feet)	Parking Per Unit (No. of Spaces)	Other
RC	1 unit per lot	20 acres	25	30	20	25	2	
HR	HR-1: 1-5 acres per unit HR-2.5: 2.5-10 acres per unit HR-5: 5-40 acres per unit HR-20: 20-160 acres per unit	40,000 sq. ft.	25	30	20	25	2	Density ranges are dependent on hillside slope calculations.
R-1	R-1:8	8,000 sq. ft.	30	25	8	20	2	
	R-1:10	10,000 sq. ft.	30	25	10	20	2	
	R-1:12	12,000 sq. ft.	30	25	10	20	2	
	R-1:15	15,000 sq. ft.	30	25	12	25	2	
	R-1:20	20,000 sq. ft.	30	30	15	25	2	
	R-1:30	30,000 sq. ft.	30	30	16	25	2	
R-1D		5,000 sq. ft. for single-family 8,000 sq. ft. for duplex	30	15	5	20	2 for single-family and two-family dwellings	Architecture & Site is required for all new primary buildings
R-D		8,000 sq. ft.	30	25	8	20	2	
R-M		8,000 sq. ft.	30	25	8-10	20	Resident: 1.5 per unit [a] Visitor: 1 per unit [b]	Maximum height is 30 feet, except when the building has below grade parking the maximum is 35 feet.
C-1	Up to20 units per acre	N/A	35	15	0	0 [c]	Dependent on unit size	Residential allowed with CUP
C-2	Up to 20 units per acre	N/A	45	15 [c]	0 [c]	0 [c]		Residential allowed with CUP.
CH	Up to 20 units per acre	N/A	35	25 [c]	15 [c]	20 [c]		Residential allowed with CUP
O	Up to 20 units per acre	8,000 sq. ft.	35	25	10	20		Residential allowed with CUP
LM	Up to 20 units per acre	8,000 sq. ft.	35	15 [c]	0 [c]	0 [c]		Live/work allowed with CUP

Notes: *[a] Single-family, residential condominiums, and two-family dwellings must provide two parking spaces for each living unit and one additional visitor space for each residential unit is required. See discussion below for information regarding required visitor spaces.*

[b] The Town requires 1.5 parking spaces per unit for multiple-unit dwellings in all zones and two-family dwellings in the R-1D zone. One visitor parking space for each residential unit other than a detached single-family or two-family dwelling shall be required, unless the Planning Commission makes a finding that more or less visitor parking is necessary due to the size or type of housing unit(s).

[c] Setbacks vary depending on adjacent uses and streets for commercial designations

Overlay Zones

Four overlay zones in the Town Code, the Planned Development (PD) zone, the Landmark and Historic Preservation (LHP) zone, the Affordable Housing Overlay Zone (AHOZ), and the Public School Zone (PS) that apply to housing development in Los Gatos.

Planned Development (PD)

The PD overlay zone was updated in 2018 and is intended to preserve, enhance, and/or promote development that highlights the Town's characteristics. This includes natural and historic resources, production of affordable housing, maximization of open space, and projects that provide a public benefit to the Town's citizens. As an incentive to housing development, the PD overlay provides alternative standards for housing developments with a minimum of 40 percent of the units affordable to households of very low, low, or moderate income.

Landmark and Historic Preservation (LHP)

The LHP overlay zone designation is applied to individual sites, structures, or areas deemed as architecturally or historically significant. There are five designated LHP overlay zones within the Town, including the Almond Grove, Downtown Commercial, Fairview Plaza, and University-Edelen districts. Existing and proposed structure(s) within these LHP overlay zones are subject to a special design standard and review process regarding their appearance, use, and maintenance before the Historic Preservation Committee.

Affordable Housing Overlay Zone (AHOZ)

The AHOZ is intended to increase the supply and variety of housing types to promote tenure and affordability. The AHOZ promotes densities, development standards and incentives that will encourage the production of housing affordable to all income levels of the Town's RHNA allocation. The properties can be developed consistent with the AHOZ development standards, densities and incentives or under the existing zoning requirements, but not both. The 2023-2031 Housing Element lists the one property, the Southbay Development located on Knowles Drive, east of Winchester Boulevard as a key housing opportunity site for a mixed income affordable housing project. The designation of this site will assist the Town in meeting its fair share of the regions housing needs required by the State.

The AHOZ permits development at a density of 20 units per acre by-right, with an Architecture and Site approval, for projects in which at least half of the units are affordable to lower or moderate-income households. The AHOZ provides a 30-foot building height with an automatic allowance for 35 feet for integrated (first floor) garage or podium parking. Additional height can be granted through the Architecture and Site Plan review process. The 40 percent lot coverage and parking reduction is consistent with the State Density Bonus maximum parking requirements. Further parking reductions are allowed for properties within a quarter mile of the planned Vasona Light Rail Station, for senior-only housing and housing for persons with disabilities. All other property development standards are consistent with the Town's R-M Standards.

The AHOZ also allows up to four automatic concessions. The concessions include reductions in:

- Parking: one space for studio and one-bedroom units, two spaces for three-to-four-bedroom units, 2.5 spaces for four or more-bedroom units, one space for units reserved for seniors or persons with disabilities, reduction to one space per unit for developments within one-quarter mile to the proposed Vasona Light Rail Station.
- Setbacks: Any two property setbacks may be reduced by up to 50 percent.
- Increase in lot coverage: The lot coverage may be increased up to 50 percent from 40 percent.
- Processing fees: The Town shall waive or defer planning, engineering, and building processing fees, except those that are paid directly to Town consultants or for technical studies.
  The developer can select one of the following types of fees to be waived as one of the four available concessions:
  a. Planning and engineering application fees (but not Town consultant fees).
  b. Building plan check and inspection fees.
  c. Construction mitigation fee.

- Priority processing: The Town gives projects the highest processing priority for planning entitlements, building plan check and building inspections.

The Valley Transportation Authority has deferred the development of the Vasona Light Rail Station indefinitely. Given this recent development, the Town will initiate a Code amendment to reduce parking within a quarter mile of transit stops as a further development incentive in the AHOZ.

Public School Zone (PS)

The PS Overlay Zone is intended to all school buildings to be used for community and educational purposes, such as museums, community centers, and nurseries, without extensive exterior modifications. Any land owned by a public school district may be designated as a PS overlay zone.

Multi-family Housing

Multi-family housing is permitted in a residential zone, including the R-M zone and is permitted in a mixed-use development with a Conditional Use Permit (CUP) in the following commercial zoning districts, C-1, C-2, and CH zones. One of the intents of these districts is to direct and facilitate housing of various density ranges. A permitting process that is more onerous or uncertain for multi-family units than for single-family presents a concern and could be considered a constraint on multi-family housing. In the R-M zone, the Town requires apartments include one and a half parking spaces per unit, regardless of the number of bedrooms in the unit, plus one visitor parking space for each apartment unit, unless the Planning Commission makes a finding that more or fewer visitor parking is necessary due to the size or type of housing unit(s).

A CUP can increase risk and costs associate with the planning entitlement process act as a deterrent to housing developers. Long permit processing times or permit processes that have a high degree of uncertainty (i.e., discretionary reviews or processes with multiple public meetings) increase the cost of housing for developers, either by increasing their carrying costs as they wait for permits, or by increasing the chance that a project will be rejected after a long wait. In either case, a developer working in a jurisdiction with an onerous permitting process will demand higher profits to account for the increased risk, thereby increasing the overall development costs. In order to remove this regulatory constraint, the Housing Element includes an Implementation Program to remove the requirement for a CUP for residential development in zoning districts that current allow multi-family uses with a CUP.

In Los Gatos, the predominant housing type in the Town is single family development which are allowed by right in the R-M zone. When single family residences are allowed in higher density residential zoning districts, the likelihood and ability of a developer constructing higher density residential units is diminished. Housing developers face higher risk, including neighborhood opposition, when single-family homes are present in multi-family zoning districts.

Manufactured Housing

Manufactured, otherwise known as prefabricated or factory-built, housing is constructed off-site and then transported to the property. It is allowed in all residential districts in Los Gatos subject to its compliance with Town regulations.

Transitional and Supportive Housing

According to California Health and Safety Code Section 50675.2, transitional housing is rental housing with, at most, a six-month limit on the length of stay for tenants. Transitional housing would be available to homeless individuals and/or families in need of temporary housing until they can secure more permanent housing. The Town of Los Gatos Zoning Code uses the State's definitions for transitional housing. Transitional housing is permitted as a residential use consistent with State law.

According to California Health and Safety Code Section 50675.14, supportive housing is housing that is linked to on- or off-site services and is occupied by low-income persons with mental disabilities, chronic health issues or substance abuse issues or persons with disabilities that were developed before age 18. Supportive housing has no limit on the length of stay for tenants. Supportive housing in Los Gatos consists of small family home

residential care facilities, which are permitted in all residential zoning districts except Mobile Home Residential (RMH). In Los Gatos, licensed residential care facilities for six or less persons are allowed by right in all residential districts consistent with California Health and Safety Code Section 1267.8.

Accessory Dwelling Unit (ADU)

Accessory dwelling units are complete independent housing units that can be either detached or attached from an existing single-family residence. Based on their relatively small size, and because they do not require paying for land or major new infrastructure, ADUs are considered affordable by design. ADUs can provide affordable housing options for family members, seniors, students, in-home health care providers, and other small household types. ADUs can also be useful to generate additional rental income for the homeowner, making homeownership more financially feasible.

In 2020 the Town adopted Ordinance 2307, amending the Town Code to further address barriers to the development of ADUs and to conform with a series of State bills aimed at encouraging single-family homeowners to add ADUs to their property. Permitted zones allowing the ADUs include the R-1, R-D, R-M, R-1D, RMH, HR and RC zones. The Town's ADU Ordinance allows a 10 percent increase in the floor area ratio standards for an ADU. All detached units must comply with lot coverage maximum of their designated zone. ADUs are not to exceed 1,200 square feet. One parking space is required per unit or bedroom, unless the ADU is located within half a mile of a transit stop.

A new ADU requires the submittal of an Accessory Dwelling Unit Application to the Community Development Department. Over the past three years, the Town has averaged 50 ADUs per year. In order to further incentivize production, a program to eliminate Building fees if the unit is deed restricted for very low- and low-income households is included in the Housing Element.

Building and Code Compliance

In addition to the General Plan land use designations and Town Code, Los Gatos has recently adopted updated building codes that enforce Town regulations with the purpose of protecting the lives, health, property, and public welfare of Los Gatos residents. Each Code is an enforcement of State and local standards and is not considered a constraint on housing production in Los Gatos. The following 2019 California Building Standards Codes have been adopted, as amended by the Town:

- Part 1 California Administrative Code.
- Part 2 California Building Code, Volumes 1 and 2, including Appendices B, I, and J.
- Part 2.5 California Residential Code including Appendices H, K, O, Q, S, V, and X.
- Part 3 California Electrical Code.
- Part 4 California Mechanical Code.
- Part 5 California Plumbing Code including Appendices A, B, D, G, I, K, and L.
- Part 6 California Energy Code.
- Part 8 California Historical Building Code including Appendices A.
- Part 9 California Fire Code.
- Part 10 California Existing Building Code including 20118 International Existing Building Code Chapters 9 and 14, as well as Appendices A2, A3, A4, and A5.
- Part 11 California Green Building Standards Code (CALGreen) Chapters 1 through8 only.
- Part 12 California Referenced Standards Code.
- 2018 International Property Maintenance Code.

The Town also has a Code Compliance Officer that enforces the Town's zoning regulations and building and safety codes. The program reviews and responds to code complaints. The Town has adopted the 2018

International Code for Property Maintenance and the 2019 California Existing Building Code, including 2018 International Existing Building Code Chapters 9, 14, and Appendices A2, A3, A4, and A5. Affordable units developed under the Below Market Price (BMP) Program must undergo an annual compliance audit.

On- and Off-Site Improvements

The Town requires standard on- and off-site improvements for development, which are intended to meet health and safety requirements of the community. These standard improvements are not considered a constraint on development because the Town does not include improvements beyond what is required to meet health and safety requirements. Subdivision design standards for the Town, described in the Town Code starting at Section 29.10.06701, include the following on- and off-site improvements:

- Parking bays may be required on narrow streets where parking may be prohibited on either or both sides of the street.
- Roadways must be paved with asphalt concrete.
- Sidewalks are required on all streets in a subdivision unless the lots will be 20,000 feet in size or more.
- Curbs and gutters must be constructed on all streets.
- Culverts, storm drains, and drainage structures will be required in a subdivision.
- Sanitary sewers with house service laterals are required to serve each lot, with some exceptions in hillside areas.
- Underground utilities with connections are required for each lot.
- Street lighting shall be installed in accordance with Town standards

Design Guidelines and Objective Design Standards

The Town has adopted Residential Design Guidelines for single-family and two-family dwelling units, which incorporate the Town's previous Residential Pre-1941 Design Guidelines for historically significant structures, sites, and historic districts in Los Gatos. The Town has also adopted Hillside Development Standards and Guidelines. These sets of development standards and design guidelines are used in the development and design review process for Los Gatos and complement the Town's zoning regulations. The Hillside Development Standards and Guidelines were adopted in January 2004 and modified in 2020. The Residential Design Guidelines were updated and adopted in 2008.

The Town of Los Gatos is developing Objective Design Standards for the review of multi-family housing and mixed-use development applications. This effort is in response to State legislation requiring jurisdictions to adopt objective standards and to implement them in a streamlined review of qualifying housing projects. Objective standards are defined under State law as "standards that involve no personal or subjective judgement by a public official and are uniformly verifiable by reference to an external and uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official prior to submittal" (California Government Code, Section 65913.4).

On September 14, 2022, the Planning Commission reviewed and recommended approval of the Draft Objective Design Standards with modifications. The Town Council is expected to consider the Draft Objective Design Standards in mid-November 2022.

Residential Design Guidelines

Residential Design Guidelines in Los Gatos address the following design characteristics for single-family and two-family dwelling units in all zoning districts except for the RC and HR zones:

- **Historic Designations.** When necessitated by the designating ordinance, Historic Preservation Committee review of a development is required for developments that affect a historically designated property or are located in a historic district.

- **Site Development**. This section focuses on the design and layout of the housing development in relation to its site. Site planning issues addressed include site design, solar orientation, shadow effect, and easements and dedications. This section provides information on landscaping requirements, sensitivity to adjacent neighbors, and conformity to neighborhood street and sidewalk edges.

- **Building Design.** This section focuses on the design and layout of development in relation to the surrounding neighborhood. Issues addressed include harmony and compatibility with the streetscape and surrounding structures; the scale and mass of the development including second-story additions, significant remodels, demolitions and replacement structures, exterior material and colors, building components, energy conservation, and privacy. Neighborhood compatibility for replacement structures shall be based on the following criteria:

    - Existing architectural style of surrounding neighborhood.
    - Size of the lot on which the development is located.
    - Size of homes adjacent to the development and along the street on which the development is located.
    - Transitioning neighborhood.
    - Impacts on the site and surrounding property.

- Landscaping/Open Space. This section addresses tree preservation in accordance with Division 2 of the Town Code for adherence to the Town's Tree Protection Ordinance.

The Los Gatos Residential Design Guidelines promote safe, compatible, and well-designed housing in Los Gatos. These standards are not a constraint on single-family and two-family housing development.

Hillside Development Standards and Guidelines

The Hillside Development Standards and Guidelines are consistent with the Town's policies and complement and coordinate with the Town's Hillside Specific Plan. These standards and guidelines apply to all areas zoned HR, RC, and some lots zoned R-1 as noted on the Town's Hillside Area Map. The goal of these standards and guidelines is to encourage high-quality design that incorporates sustainable development and open space preservation.

The following summarizes the Hillside Development Standards and Guidelines for Los Gatos:

- **Constraints Analysis and Site Selection.** Developers must conduct a constraints analysis as deemed necessary by the Town, consult with neighbors, meet with Town staff to discuss the development site, and conduct a view analysis for the development site. The constraints analysis, as required by the Town, requires that developers of hillside property identify the Least Restrictive Development Area (LRDA), or areas deemed most feasible for development on hillsides. For the view analysis, developers must analyze aesthetic impacts; preserve hillside and ridgeline views; and preserve natural features, riparian corridors, and wildlife.

- **Site Planning.** This section describes site planning standards and guidelines that minimize physical and aesthetic impacts to the site topography. Standards and guidelines discuss grading, drainage, driveways and parking, and safety regarding geologic and fire hazards.

- **Development Intensity.** This section outlines the maximum allowable floor area of development based on lot size.

- **Architectural Design.** The following architectural design characteristics are addressed in this section:

    - Neighbor-friendliness.

- Sustainability.
- Fire safety.
- Building height.
- Bulk and mass.
- Roofs.
- Architectural features and detailing.
- Materials and colors.

- **Site Elements.** The specific elements of a hillside development site are addressed:
  - Fences and walls.
  - Driveway entries.
  - Retaining walls.
  - Outdoor lighting.
  - Accessory buildings, swimming pools, and sport courts.
  - Impervious surfaces.

- **Landscape Design.** Because hillside sites are more prone to erosion, landslides, mudslides, and fire and water hazards than flatter sites in Los Gatos, the following concepts are addressed in the landscaping standards and guidelines for hillside development:
  - Fire safety.
  - Garden and turf locations and plant selection.
  - Irrigation.
  - Impervious surfaces.
  - Plant materials.
  - Tree preservation.

- **Planned Development Projects**. This section describes standards and guidelines that relate specifically to hillside Planned Developments (PDs) in Los Gatos. Additional restrictions are placed on the LRDA for PDs. This section includes standards and guidelines focusing on site preparation, drainage, lot configuration and building locations, street layout and driveways, and trail design.

Draft Objective Design Standards

The purpose of the Objective Design Standards is to ensure that new qualifying multi-family and mixed-use projects in Los Gatos provide high-quality architecture, integrate with surrounding development, and include well-designed amenities and open spaces. The Objective Design Standards will:

- Comply with recent State housing legislation.
- Implement streamlined and ministerial review processes for qualifying projects.
- Ensure that qualifying projects align with the Town's expectations and vision to maintain and support the character of the Town.
- Provide a set of clear criteria to guide development.
- Establish an objective framework by which a qualifying project will be evaluated.

The Draft Objective Design Standards are organized into two primary sections: Site Standards and Building Design. The Site Standards section includes objective standards for site layout and building placement, vehicular access and parking, and outdoor spaces and amenities. The Building Design section includes objective standards for building form and massing, façade articulation, materials, and roof design.

The Draft Objective Design Standards are intended to promote predictable, safe, and well-designed multi-family housing in Los Gatos. On September 14, 2022, the Planning Commission reviewed and recommended approval of the Draft Objective Design Standards with modifications. The Town Council is expected to consider the Draft Objective Design Standards in mid-November 2022.

Governmental Fees and Exactions

Government policy at both the State and jurisdictional levels play a major role in determining the costs of building new housing. Regulations and permitting processes that result in lengthy or uncertain development carry higher risk and increased financing. Additionally, frequent delays in the entitlement and approval process directly increase costs, such as additional architectural work, inspections, and community meetings.

Streamlining permitting processes, applying permit application processes consistently, increasing interdepartmental cooperation, having adequately funded and staffed planning departments, and increasing by-right housing are all actions jurisdictions can take to reduce the constraints represented by fees and permit processing times.

Governmental fees can be a significant portion of the cost of housing development and can therefore be considered a constraint to housing development. Table C-2 below provides all of the planning and development fees that may apply to residential development projects in Los Gatos. Fees are due at the time an application is accepted by the Town, except for projects in the Affordable Housing Overlay Zone, which can waive or defer their fees as a development incentive.

Development fees are a standard component of new construction. Although these fees can add to the cost of residential development, they are necessary for new development to pay its fair share of municipal services and infrastructure for new development. Without adequate development fees, the Town would be unable to serve future growth with adequate municipal services. According to the Town of Los Gatos' Community Development Department Planning Division, developing a new single-family home (non-hillside) in Los Gatos typically costs about $11,863.28 in planning fee plus an additional deposit of $2,750 for review by the Town's consulting architect and a deposit of $2,200 for a review by the Town's consulting arborist. The fee for a new two-family unit is $15,789.16. Multi-family units, three or more units typically cost $16,281.92 in planning fees and the same consulting architect and arborist fees are applicable. These fees include Planning Commission or Design Review Committee approval, fees associated with a Planned Development that does not require a General Plan or Specific Plan amendment, and fees related to finalizing the map and Certificate of Compliance.

On May 4, 2021, the Town Council adopted Ordinance 2318 amending Chapter 25 of the Town Code to establish a public art requirement for private developments. The requirement for public art will apply to following types of development:

(a) New commercial developments (including mixed-use projects), including new construction, and additions and remodels that add more than 50% square footage; and
(b) New residential projects of three or more units, including new construction, and additions and remodels that add more than 50% square footage.
(c) Notwithstanding subsections (a) and (b) above, this Chapter shall not apply to:
  (i) Affordable housing developments, or, if affordable housing is a part of the development, the affordable housing units shall be subtracted from the valuation of the project as in subsection (d) below;
  (ii) Historic renovations;
  (iii) Repair or reconstruction of structures damaged by flood, fire, wind, earthquake, or other disaster;
  (iv) Seismic retrofit projects;
  (v) Single family and two-family residential units;
  (vi) Accessory dwelling units or junior accessory dwelling units;
  (vii) Any project exempted by federal or state law;
  (viii) Municipal facilities; and
  (ix) Buildings or structures primarily used for religious worship.

A developer may satisfy the requirements of Chapter 25 of the Town Code by constructing or installing on-site public art valued at one percent of the building permit valuation.

Table C-2 Community Development Department Fees Effective July 1, 2022

		Application Fee	4% Permit Tracking Fee	10% General Plan Update	10% Advance Planning Special Project	Engineering Dev Review Services Fee	Total Fee
1	**ZONING APPROVALS**						
A	Architecture and Site Applications						
1	Development Review Committee (DRC) Approval						
	a. New single-family detached (HR & RC zone)	$9,508.00	$380.32	N/A	$950.80	$4,396.00	$15,235.12
	b. New single-family detached (HR & RC zones) per unit, as part of a Planned Development	$6,603.00	$264.12	N/A	$660.30	$4,393.00	$11,920.42
	c. New single-family or two-family units	$6,552.00	$262.08	N/A	$655.20	$4,394.00	$11,863.28
	d. New single-family or two-family (any other zone) per unit, as part of a Planned Development	$4,682.00	$187.28	N/A	$468.20	$4,398.00	$9,735.48
	e. Minor projects (a development proposal that does not significantly change the size, mass, appearance or neighborhood impact of a structure, property or parking lot)	$2,375.00	$95.00	N/A	$237.50	$3,374.00	$6,081.50
2	Planning Commission Approval						
	a. Supplemental fee for DRC applications as determined in Section 1.A.(1) or minor residential development applications that require Planning Commission approval	$3,355.00	$134.20	N/A	$335.50	$1,225.00	$5,049.70
	b. New two-family unit	$9,994.00	$399.76	N/A	$999.40	$4,396.00	$15,789.16
	c. New nonresidential	$11,471.00	$458.84	N/A	$1,147.10	$4,396.00	$17,472.94
	d. New multi-family	$10,428.00	$417.12	N/A	$1,042.80	$4,394.00	$16,281.92
	e. All other	$5,815.00	$232.60	N/A	$581.50	$4,396.00	$11,025.10
B	Conditional Use Permits						
1	Conditional Use Permit	$6,726.00	$296.04	N/A	$672.60	$1,431.00	$9,098.64
2	Conditional Use Permit (when consolidated with another application for new development)	$1,118.00	$44.72	N/A	$111.80	$820.00	$2,094.52
C	Variance	$4,947.00	$197.88	N/A	$494.70	$1,431.00	$7,070.58
D	Rezoning (other than Planned Development)						

		Application Fee	4% Permit Tracking Fee	10% General Plan Update	10% Advance Planning Special Project	Engineering Dev Review Services Fee	Total Fee
1	Without General Plan or Specific Plan Amendment	Actual Cost ($5,000 min.)	$200 (min.)	$500 (min.)	$500 (min.)	N/A	$6,200.00
2	With General Plan or Specific Plan Amendment	Actual Cost ($7,000 min.)	$280 (min.)	$700 (min.)	$700 (min.)	N/A	$8,680.00
E	Planned Development						
1	Without General Plan or Specific Plan Amendment	Actual Cost	YES	YES	YES	N/A	Varies
2	Without General Plan or specific Plan Amendment (HR or RC Underlying Zone)	Actual Cost	YES	YES	YES	N/A	Varies
3	With General Plan or Specific Plan Amendment	Actual Cost	YES	YES	YES	N/A	Varies
4	With General Plan or Specific Plan Amendment (HR or RC Underlying Zone)	Actual Cost	YES	YES	YES	N/A	Varies
5	Town Council Modification to a Planned Development	Actual Cost ($5,000 min.)	$200 (min.)	$500 (min.)	$500 (min.)	N/A	$6,200.00
6	DRC Modification to a Planned Development Zone	Actual Cost ($3,000 min.)	$120 (min.)	$300 (min.)	$300 (min.)	N/A	$3,720.00
7	Publication costs for the Planned Development Ordinance shall be paid by the applicant.						
F	Minor Residential Development	$2,375.00	$95.00	N/A	$237.50	N/A	$2707.50
G	Agricultural Preserve Withdrawal	$4,035.00	$161.40	N/A	$403.50	N/A	$4,599.90
H	Planning Division Certificates of Use and Occupancy						
1	Change of Use	$244.00	$9.76	N/A	$24.40	N/A	$278.16
2	Change of occupancy (excluding change of proprietor of a continuing business enterprise)	$164.00	$6.56	N/A	$16.40	N/A	$186.96
L	Accessory Dwelling Unit						
1	New or existing unit	$1,419.00	$56.76	N/A	$141.90	N/A	$1,617.66
M	Mobile Home Park Conversion Permit	Actual Cost ($5,000 deposit)	Varies	Varies	Varies	N/A	Varies
N	General Plan/Town Code Amendments	Actual Cost ($5,000 deposit)	N/A	N/A	N/A	N/A	Varies
2	**SUBDIVISIONS**						
A	Lot Line Adjustment (DRC Approval)	$2,254.00	$90.16	N/A	$225.40	$3,782.00	$6,351.56
B	4 Lots or Less (DRC Approval)	$9,081.00	$363.24	$908.10	$908.10	$4,194.00	$15,454.44
C	4 Lots or Less (as part of a Planned Development) (DRC Approval)	$3,750.00	$150.00	$375.00	$375.00	$4,398.00	$9,048.00
D	5 Lots or More	$10,230.00	$409.20	$1,023.00	$1,023.00	$5,420.00	$18,105.20
E	5 Lots or More (as part of a Planned Development) (DRC Approval)	$4,397.00	$175.88	$439.70	$439.70	$5,420.00	$10,872.28

		Application Fee	4% Permit Tracking Fee	10% General Plan Update	10% Advance Planning Special Project	Engineering Dev Review Services Fee	Total Fee
F	Vesting Tentative Map	Actual Cost ($500 deposit)	N/A	N/A	N/A	N/A	Varies
G	Lot Merger and Reversion to Acreage (DRC Approval)	$1,117.00	$44.68	$ N/A	$111.70	$3,781.00	$5,054.38
H	Condominium	$7,884.00	$315.36	$788.40	$788.40	N/A	$9,776.16
I	Condominium (as part of a Planned Development)	$3,750.00	$150.00	$375.00	$375.00	N/A	$4,650.00
J	Certificate of Compliance (DRC Approval)	$3,257.00	$130.28	N/A	$325.70	$2,350.00	$6,062.98
K	VTM applications that require Town Council approval and/or DRC applications that require Planning Commission approval. This fee supplements the above established fees.	$2,824.00	$112.96	N/A	$282.40	N/A	$3,219.36
3	**MISCELLANEOUS APPLICATION FEES**						
A	Time Extensions to Approved Applications	50% of Current Fee	Varies	Varies	Varies	Varies	Varies
B	Modification of Approved Application	75% of Current Fee	Varies	N/A	Varies	Varies	Varies
C	Conceptual Development Advisory Committee Review	$2,966.00	$118.64	N/A	$296.60	N/A	$3,381.24
4	**ENVIRONMENTAL ASSESSMENT FEES**						
A	Categorical Exemption	No Fee	N/A	N/A	N/A	N/A	No Fee
B	Initial Study (Deposit)*	$5,000.00	N/A	N/A	N/A	Yes	Varies
C	Draft Initial Study Review Fee (or actual cost if part of a Planned Development, General Plan and/or Town Code Amendment)	$2,950.00	N/A	N/A	N/A	$2,045.00	$4,995.00
D	Environmental Impact Report (EIR)	Consultant's Fee	N/A	N/A	N/A	N/A	Varies
E	Draft EIR Review Fee	$12,184 Plus 10% EIR Cost	N/A	N/A	N/A	Varies	Varies
F	Impact Monitoring Program (AB3180)	Actual Cost on an hourly basis plus cost of Consultant (if necessary)	N/A	N/A	N/A	N/A	Varies
5	**OTHER**						

		Application Fee	4% Permit Tracking Fee	10% General Plan Update	10% Advance Planning Special Project	Engineering Dev Review Services Fee	Total Fee
A	Pre-application Conference Fee	No fee	Varies	Varies	Varies	N/A	Varies
B	Fence Height Exceptions	$292.00	N/A	N/A	N/A	N/A	$292.00
C	Peer/Technical Review	Actual Cost ($2,000 deposit)	N/A	N/A	N/A	N/A	Varies
D	Fees for Additional Tech Review and/or DRC Review DRC beyond 3 meetings, Planning Commission hearing beyond 2 meetings, Town Council hearing beyond 1 meeting	Actual Cost	N/A	N/A	N/A	N/A	Varies
E	Request for Service Not Covered by Any Other Fee	Actual Cost	N/A	N/A	N/A	N/A	Varies
F	Building Permit Plan Check Fee	20% of Building Fee	N/A	N/A	N/A	N/A	Varies
G	Surcharges						
1	Permit Tracking Maintenance and Update Surcharge	4% of Development Application Fee	N/A	N/A	N/A	N/A	Varies
2	General Plan Update Surcharge	.5% of Bldg. Valuation for new construction and additions or 10% of zone change & subdivision fee		N/A	N/A	N/A	Varies
3	Advanced Planning Projects	10% of Development Application Fee	N/A	N/A	N/A	N/A	Varies
4	Route 85 Study Plan Surcharge **	10% of Development Application Fee for property in Route 85 Study Area Plan		N/A	N/A	N/A	Varies
M	Appeals						
1	Fee to Appeal Planning Commission Decision to Town Council	$464 per residential $1,867 per commercial, multi-family or tentative map	N/A	N/A	N/A	N/A	Varies
2	Fee to remand applications from Town Council to Planning Commission where no error was made by Planning Commission	Actual Cost	N/A	N/A	N/A	N/A	Varies

		Application Fee	4% Permit Tracking Fee	10% General Plan Update	10% Advance Planning Special Project	Engineering Dev Review Services Fee	Total Fee
3	Fee to Appeal Director of Community Development or Development Review Committee decision to Planning Commission	$234 per residential	N/A	N/A	N/A	N/A	Varies
4	Tree Appeals	$95.00	N/A	N/A	N/A	N/A	$95.00
5	Appeal Transcription fee of Planning Commission minutes	Actual Cost min. $500 deposit	N/A	N/A	N/A	N/A	Varies
L.	Research Services Minimum Charge	Actual Cost min. $100 deposit	N/A	N/A	N/A	N/A	Varies

Table C-3 Total Fees per Unit

Jurisdiction	Single-Family	Small Multi-family	Large Multi-family
Campbell	$72,556	$20,599	$18,541
Cupertino	$136,596	$77,770	$73,959
Gilroy	$69,219	$40,195	$39,135
Los Altos Hills	$146,631	N/A	N/A
Los Gatos	$11,202	$15,375	$15,375
Milpitas	$77,198	$74,326	$59,740
Monte Sereno	$33,445	$4,815	$4,156
Morgan Hill	$55,903	$41,374	$36,396
Mountain View	$90,423	$69,497	$82,591
San Jose	$9,919	$23,410	$23,410
Santa Clara	$72,034	$7,299	$3,048
Saratoga	$64,272	$17,063	$15,391
Sunnyvale	$133,389	$126,673	$98,292

Note: Inclusive of impact, building and entitlement fees. Source: SCCPC, 2022 citiesassociation.org/documents/constraints-survey-data-summary-2022 and Los Gatos staff.

Table C-4 Fees as a Percentage of Total Development Costs

Jurisdiction	Single-Family	Small Multi-family	Large Multi-family
Campbell	2.6%	2.7%	2.6%
Cupertino	2.9%	10.3%	10.5%
Gilroy	1.5%	5.3%	5.6%
Los Altos Hills	3.1%	N/A	N/A
Los Gatos	1.2%	0.8%	0.5%
Milpitas	2.8%	9.8%	8.5%
Monte Sereno	0.7%	0.6%	0.6%
Morgan Hill	2.0%	5.5%	5.2%
Mountain View	3.3%	9.2%	11.8%
San Jose	0.4%	3.1%	3.3%
Santa Clara	2.6%	1.0%	0.4%
Saratoga	1.4%	2.3%	2.2%
Sunnyvale	4.8%	16.8%	14.0%
Unincorporated County	0.9%	N/A	NA

Note: Calculation uses a county-wide average total development cost. Source: SCCPC, 2022 citiesassociation.org/documents/constraints-survey-data-summary-2022

Permit fees and processing times are not significant constraints to housing production in Los Gatos. In the Spring of 2022, the Santa Clara County Planning Collaborative conducted a survey of fees and permit processing times in Santa Clara County. Fourteen of fifteen jurisdictions completed the survey, an excellent response rate. The results indicate that Los Gatos has overall permit fees that are within the average range of Santa Clara County jurisdictions.

The Town's fees also represent a relatively low percentage of the overall cost to develop housing in Los Gatos. Based on the Santa Clara County Planning Collaborative survey results and an analysis on housing development costs performed by Century Urban, a San Francisco based real estate consulting firm, the fees represent approximately 1.2 percent of total development costs for a single-family home, 0.8 percent for a 10-unit multi-family development, and 0.5 percent for a 100-unit multi-family development. The fee structure does not disproportionally burden multi-family housing.

Processing and Permitting Time

Government policy at both the State and jurisdictional levels play a major role in determining the costs of building new housing. Regulations and permitting processes that result in lengthy or uncertain development carry higher risk and increased financing. Additionally, frequent delays in the entitlement and approval process directly increase costs, such as additional architectural work, inspections, and community meetings. Streamlining permitting processes, applying permit application processes consistently, increasing interdepartmental cooperation, having adequately funded and staffed planning departments, and increasing by-right housing are all actions jurisdictions can take to reduce the constraints represented by fees and permit processing times.

Each stage of the residential development process must go through some form of Town approval. On average, a single- or multi-family infill residential application typically processes in approximately three to six months, unless environmental review is required. Hillside residential applications on average take four to six months to process. Mixed-use projects are processed in approximately four to eight months, unless environmental review is required.

With environmental review, the process generally takes six to 18 months, depending on the size and complexity of the project.

Processing of a typical, market rate single- or multi-family housing application includes the following steps:

- Submission of an Architecture and Site Application.
- Distribution of the application to Planning, Building, Engineering, and the Santa Clara County Fire District departments.
- Staff review of application and staff conference with the applicant to resolve any concerns or plan deficiencies, including design issues.
- If deemed complete, staff continues processing the application and begins environmental review, if necessary.
- Completion of environmental review and traffic impact analysis, as appropriate. Arborist review, architectural review, and/or geotechnical review may be conducted during this time through the Architecture and Site application.

Approval is required by the following bodies:

- Development Review Committee (with appeal to the Planning Commission and further appeal to the Town Council) for projects that require no change in the General Plan or Zoning Code.
- For hillside development applications, Planning Commission approval may be required depending on the scope of the project.
- Town Council for projects that require a change in the General Plan or Zoning Code, and for Planned Developments.

Processing for a typical mixed-use housing project includes the following steps:

- Submission of application, including application for a Conditional Use Permit (CUP), and an Architecture and Site Application.
- Distribution of the application to Planning, Building Engineering, and the Santa Clara County Fire District departments.
- Staff review of application and staff conference with applicant to resolve any concerns or plan deficiencies, including design issues.
- If deemed complete, staff continues processing the application and begins environmental review, if necessary.
- Completion of environmental review and traffic impact analysis, as appropriate. Arborist review, architectural review, and/or geotechnical review may be conducted during this time through the Architecture and Site application.
- Approval is required by one or both of the following bodies:
    - ✓ Planning Commission (with appeal to the Town Council) for projects that require no change in the General Plan or Zoning Code, and for a CUP and Architecture and Site Application.
    - ✓ Town Council for projects that require a change in the General Plan or Zoning Code, and for Planned Developments.

Design and neighborhood compatibility issues also often lengthen the permitting and processing time. To address this problem, the Town contracts out to an architectural consultant to review plans and provide recommendations on development applications compliance with the Residential Design Guidelines or Hillside Development Standards and Guidelines.

Architectural, geotechnical, and arborist reviews are conducted early in the development application process. These reviews are conducted during the review of the Planned Development or Architecture and Site applications and do not lengthen the processing time. These reviews also streamline the public hearing process, allowing the

Planning Commission to rely on the recommendations of Town staff and the Town's consultants to receive qualified input from an architect, arborist, and geotechnical consultant, leading to a more efficient approval process.

Table C-5 Processing Times (in months)

Jurisdiction	ADU Process	Ministerial By-Right	Discretionary By-Right	Discretionary (Development Review Commitee)	Discretionary (Planning Commission)	Discretionary (Town Council)
Campbell	1	1	3	N/A	5	8
Cupertino	1 to 3	1 to 6	2 to 4	2 to 4	3 to 6	6 to 12
Gilroy	1 to 2	1 to 2	2 to 4	N/A	4 to 5	5 to 6
Los Altos Hills	1 to 2	0.5 to 2	2 to 3	3 to 4	4 to 6	5 to 8
Los Gatos	1 to 2	1 to 2	1 to 2	2 to 4	4 to 6	6 to 12
Milpitas	1 to 3	1 to 3	2 to 4	3 to 4	4 to 6	6 to 12
Monte Sereno	0.75	0.75	1	1 to 2	1 to 2	1 to 2
Morgan Hill	1 to 2	1 to 3	*2 to 3	2 to 3	4 to 6	4 to 6
Mountain View	3 to 5	4 to 6	2 to 3	*6 to 18	N/A	12 to 24
San Jose	2	1 to 3	7	7	7 to 11	5 to 12
Santa Clara	0 to 1	0 to 1	0 to 3	4 to 9	6 to 9	6 to 12
Saratoga	1	1 to 2	2 to 3	N/A	4 to 6	6 to 12
Sunnyvale	1 to 3	1 to 3	3 to 6	6 to 9	9 to 18	9 to 18
Unincorporated County	4 to 6	6 to 8	9 to 12	12 to 15	15 to 18	15 to 18

Entitlements Only. Source: SCCPC, 2022 citiesassociation.org/documents/constraints-survey-data-summary-2022

Jurisdictional permit processing procedures that are lengthy or uncertain can dissuade developers from building new housing or result in housing that is more expensive. Within Los Gatos, the permit processing times are within the average range for jurisdictions within Santa Clara County. The Town's permit process also does not disproportionally burden ADU applications or applications for multi-family housing.

SB 35 Streamlining

(Government Code section 65913.4) allows qualifying development projects with a specified proportion of affordable housing units to move more quickly through the local government review process and restricts the ability of local governments to reject these proposals. The bill creates a streamlined approval process for qualifying infill developments in localities that have failed to meet their RHNA, requiring a ministerial approval process, removing the requirement for CEQA analysis, and removing the requirement for discretionary entitlements granted by the Planning Commission.

Since the adoption of this section of the Government Code, the Town has received one application under these provisions. The Town has included Program AM in the Housing Element to prepare an SB35 checklist and written procedures for processing SB35 applications.

SB9 California Housing Opportunity and More Efficiency (HOME) Act

SB9, also known as the California Housing Opportunity and More Efficiency (HOME) Act, is a state bill that requires cities to allow one additional residential unit on parcels zoned for single-dwelling units. Since the adoption of this section of the Government Code, the Town has adopted an interim SB9 ordinance and is in the process of developing a permanent ordinance for adoption by the end of 2022.

Requests to Develop at Densities Below Those Permitted

New State Housing Element law now requires the non-governmental constraints analysis to evaluate developer requests to build at densities below the density identified in the Housing Element sites inventory. In Los Gatos, properties generally develop around the mid to high range of allowable densities. Requests to develop at densities below those permitted are not an issue in Los Gatos.

Length of time between Application Approval and Building Permit Issuance

New Housing Element law now also requires an examination of the length of time between receiving approval for a housing development and submittal of an application for building permits. The time between application approval and building permit issuance is influenced by a number of factors, none of which are directly impacted by the Town. Factors that may impact the timing of building permit issuance include: required technical or engineering studies; completion of construction drawings and detailed site and landscape design; securing construction and permanent financing; and retention of a building contractor and subcontractors.

The majority of residential permits in Los Gatos are for single-family homes, with building permit issuance generally taking eight to 14 months after Planning approvals. Hillside properties may take a few months longer due to the need for technical and engineering studies. Among the Town's recent multi-family developments, the time between approvals and permit issuance has averaged 12 to18 months. In Los Gatos, most approved projects are constructed in a reasonable time period

C.2 Local Housing Programs

State Housing Element law requires that an analysis of governmental constraints on housing production include local government programs that regulate housing development in any way, including imposing housing cost limitations or encouraging changes in density. Los Gatos has six local housing programs that are potential constraints on market-rate housing production in the Town. The Below Market Price Program, Affordable Housing Fund, Rental Dispute Resolution Program, Density Bonus Program, State Density Bonus Program, and the Affordable Housing Overlay are discussed below.

Below Market Price (BMP) Program

The BMP Program implements the Town of Los Gatos's inclusionary zoning ordinance, which requires that a portion of new residential construction in Los Gatos be dedicated to affordable housing. Los Gatos's inclusionary zoning ordinance was adopted in 1979 as one of the first of such programs in California.

The BMP Program promotes the development of affordable housing units by providing standards and guidelines that require the development of a certain number of quality affordable units per rental or owner development project, based on the size of the project. The BMP Program requires the development of affordable housing where sales and rents cannot be more than 80 percent of the current HUD Fair Market Rents (FMR) as determined by the Santa Clara County Housing Authority. The BMP Program allows low- and moderate-income households the opportunity to purchase low- and moderate-income housing in Los Gatos.

The BMP Program requirements apply to all residential development projects that include five or more residential units or parcels which involve:

- New construction of ownership or rental housing units, including mixed-use developments and addition of units to existing projects.
- Subdivision of property for single family or duplex housing development.
- Conversion of rental apartments to condominiums or other common interest ownership.
- Conversion of non-residential use to residential use.

The intent of the BMP Program is to provide a supply of affordable housing for households who work or currently reside in Los Gatos. However, there may be circumstances when the construction of a BMP unit is impractical. The Town will consider, at its discretion, a fee payment in-lieu of constructing BMP units for Planned Unit Developments with an underlying HR zone or for residential developments with five to nine units. The required in-lieu fee of six percent of the building permit valuation for the entire project must be paid to the Town prior to issuance of the certificate of occupancy for the market-rate units.

Additionally, the Town Council may consider off-site construction of BMP units for continuum of care facilities, residential developments in the HR zone, or residential developments with five to nine units provided that developers provide sufficient justification that an on-site BMP is infeasible.

The developer of "for sale" BMP units shall enter into an affordability agreement with the Town. The agreement will ensure that the BMP units are sold to qualified buyers and will be released by the Town through the escrow process once the BMP is sold to a qualified buyer. Because the BMP Program regulates the number of affordable units required as part of new residential construction in Los Gatos, the program could be considered a constraint on market-rate housing development. However, because the BMP Program requires the construction of affordable units with every new qualifying development, the Town sees this program as an opportunity to create and preserve affordable housing for the community. Based on a track record of successful development and preservation of affordable housing through the BMP Program, Los Gatos does not consider the program to be a constraint on affordable housing development; nevertheless, the Town proposes to study the BMP Program and implement recommendations to augment and improve it in order to facilitate the construction of more units.

Affordable Housing In-Lieu Fee Fund

In-lieu fees are paid into the Town's Affordable Housing Fund and are calculated as six percent of building permit valuation as determined by the Building Official. As previously noted, these fees may be paid by developers of new residential construction with five or more units but less than 10 units or new residential construction in a Planned Unit Development with an underlying zone of HR, instead of building an affordable housing unit(s) under the BMP Program. All residential construction over 10 units must build affordable units. Payment of in-lieu fees is required for the approval of Hillside Planned Developments with five or more residential sites. Use of the Affordable Housing Fund includes, but is not limited to:

- Subsidizing the cost of owner-occupied units to make them affordable to low and/or moderate-income households.
- Purchasing rental units to make them affordable to low and/or moderate-income households.
- Purchasing land for the future development of affordable housing.
- Developing affordable housing.
- Supplementing affordable housing projects developed through the Los Gatos Redevelopment Agency.
- Funding administration of the program, as approved by the Town Council in its annual budget process.

This additional fee levied on developers may be considered a constraint on housing development; however, the fees are paid into a fund that will be used to develop more affordable housing in Los Gatos. Given the low rate of construction of affordable units, the Town proposes to study the In-Lieu Fund Program and implement recommendations to augment and improve it in order to facilitate the construction of more units.

Rental Dispute Resolution Program

The Los Gatos Rental Dispute Resolution Program provides conciliation, mediation and arbitration services for both renters and landlords in Los Gatos. The program is administered by Project Sentinel, a local non-profit organization contracted by the Town. This program is not considered a constraint on housing development in Los Gatos. Los Gatos renters may also contact Neighborhood Housing Services Silicon Valley for assistance.

The Town helps preserve affordable rental housing costs through the Rental Mediation and Dispute Resolution Ordinance which applies to rental complexes of three or more units. The ordinance sets an annual limit on rent increased to five percent unless the landlord is able to demonstrate capital or financing costs to justify a greater increase. The Town has similar rent controls for mobile home units.

Mobile homes are an affordable housing resource in the Town of Los Gatos. They are often owned by seniors, households on fixed incomes, and households within the lower and moderate-income categories. Mobile home tenants are in the unique position of having made a substantial investment in a housing unit for which ground space is rented. The Mobile Home Ordinance establishes rent increase control within mobile home parks to ensure that a variety of housing types, including mobile homes, remain viable options to lower and moderate-income households in the community. Rents in mobile home parks cannot be increased by more than five percent annually unless operations and maintenance expenses significantly increased within the most recent year in comparison to the previous year.

Density Bonus Program

The Density Bonus Program allows qualified projects to add up to 100 percent of the units provided by the General Plan land use designation as long as these additional units are restricted to seniors, disabled persons, very low and/or low-income households.

Over the last Housing Element cycle, the Town approved the North 40 Phase One development which included 49 very-low income and one moderate-income manager unit as density bonus units.

The Density Bonus Program has the potential to provide additional opportunities to build more, affordable units in Los Gatos. The Town is including an Implementation Program to study the existing Density Bonus Ordinance and recommend changes to increase the number of units constructed. The study will include an evaluation of the implementation of the ordinance to date and actual construction of affordable housing units that utilized the Density Bonus Program.

State Density Bonus Program

The Town adopted the State Density Bonus Program in June 2012. The program allows densities, incentives, concessions and maximum parking standards consistent with State law. In addition, the Town modified the program to apply to senior and physically handicap populations.

The Town has not processed a request for a State Density Bonus since the ordinance was adopted in June 2012 because the Town's BMP Program and General Plan policies exempt affordable housing units from the calculated density in a project. The State Density Bonus Program provides opportunities to build additional, affordable units in Los Gatos; consequently, this program is not considered a constraint on housing development.

Affordable Housing Overlay Zone

The Town adopted the AHOZ, and it applies to one property in the Housing Sites Inventory (see Table 6-2). The AHOZ allows densities (up to 20 units per acre on designated sites), development standards, and concessions that will encourage affordable housing. The Housing Element includes a program to modify the affordability

requirements in the Town Code to require a minimum of 40 percent affordable units on the Southbay AHOZ site instead of the currently prescribed affordability levels. Affordability would be for low and very low-income households.

Constraints on Housing for Persons with Disabilities

State law requires that the Housing Element analyze governmental constraints to housing for persons with disabilities. How a jurisdiction defines "family" in its zoning regulations can be a potential constraint to facilitating housing for persons with disabilities. The existing definition of "family" in the Town Code is "one or more persons who comprise a single housekeeping unit" or "households of six or fewer persons living in a residential care facilities small family home as defined by the California Community Care Facilities Act."

In Los Gatos, group homes are defined by the Town Code as synonymous with small family home residential care facilities, which are defined by the Town Code as "a residential care facility in the dwelling of a licensee in which care or supervision is provided for six or fewer persons. Whether or not unrelated persons are living together, a residential facility that serves six or fewer persons shall be considered a residential use of property for the purposes of this article. In addition, the residents and operators of such a facility shall be considered a family for the purposes of any law or zoning ordinance which relates to the residential use of property." Group homes are permitted by right in all residential districts, consistent with State law, and are permitted with a CUP in the Office (O), Neighborhood Commercial (C-1), Central Business District (C-2), and Restricted Highway Commercial (CH) zones. The Town imposes no spacing or concentration requirements on any of the allowed residential care facilities. Large family home residential care facilities, which have a capacity for seven to 12 children or seven to 15 adults are allowed in all districts with a CUP, except where large family homes are prohibited in the RMH, LM, and CM districts.

Generally, the Town facilitates housing for persons with disabilities by following the accessibility requirements of the California Title 24 Multi-family Accessibility Regulations for multi-family housing of three or more units. Housing rehabilitation assistance and accessibility improvements are provided through the Town's Community Services and Community Development departments.

The Town encourages accessibility improvements by requiring that specific design features be incorporated into all new residential home projects as a condition of approval. These requirements include:

- A wooden backing that is no smaller than 2 inches by 8 inches in all bathroom walls, at water closets, showers, and bathtubs. It will be located 34 inches from the floor to the center of the backing, suitable for the installation of grab bars.
- All passage doors of at least 32 inches wide on the accessible floor.
- A primary entrance that is a 36-inch-wide door, including a five-foot by five-foot level landing, no more than one inch out of plane with the immediate interior floor level, with an 18-inch clearance.

In 2013, the Town adopted a procedure for requesting reasonable accommodation for persons with disabilities seeking equal housing access under the Federal Fair Housing Act and the California Fair Employment and Housing Act and in accordance with State housing law. A request for reasonable accommodation may include a modification or exception to the standards and practices for the siting, development, and use of housing or housing-related facilities that would eliminate regulatory barriers to accessible housing. Requests for reasonable accommodation shall be reviewed by the Planning Director within 45 days of the request. However, if the request is concurrent with a discretionary land use application, then the body overseeing the discretionary land use application will also make a determination on the reasonable accommodation request. There are seven mandatory criteria for granting a reasonable accommodation request:

- The housing will be used by an individual disabled under the Federal Fair Housing Act and the California Fair Employment and Housing Act.
- The request is necessary to make specific housing available to an individual with a disability.

- The request would not impose an undue financial or administrative burden on the Town.
- The request would not require a fundamental alteration in the nature of a Town program or law, including but not limited to land use and zoning.
- There would be no impact on surrounding uses.
- Due to physical attributes of the property or structures the request is necessary.
- There is no alternative reasonable accommodation which may provide an equivalent level of benefit.

By adopting a formal procedure, the Town has provided an objective process with clear directions for both the applicant and the decision makers. This is a benefit to persons with disabilities and is not a constraint on housing.

Low Barrier Navigation Centers

AB 101, adopted in 2019, requires approval 'by right' of low barrier navigation centers that meet the requirements of State law. A "Low Barrier Navigation Center" means a Housing First, low barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing. If the City receives applications for these uses, it will process them as required by State law. A program has been included in the Housing Element to develop by right procedures for processing low barrier navigation centers.

Employee Housing

California Health and Safety Code Section 17021.5 (Employee Housing Act) requires jurisdictions to permit employee housing for six or fewer employees as a single-family use. Employee housing shall not be included within the zoning definition of a boarding house, rooming house, hotel, dormitory, or other similar term that implies that the employee housing is a business run for profit or differs in any other way from a family dwelling. Jurisdictions cannot impose a CUP, variance, or other zoning clearance of employee housing that serves six or fewer employees that is not required of a family dwelling of the same type in the same zone. The Town's Zoning Code addresses small employee housing as a residential care facility.

Farm Employee Housing

The Town of Los Gatos does not currently have any identified farmworkers. Given the lack of farmworkers in the community, the Town has not identified a need for specialized farmworker housing beyond overall programs for housing affordability.

C.3 Non-Governmental Constraints to Housing Development

Market constraints to housing development in Los Gatos are the primary non-governmental impediment to housing production. The Town is located near Silicon Valley jobs and offers residents desirable amenities such as an historic downtown and a school district in which student performance ranks in the top four percent of the State.

Development Costs

In January 2022, the Santa Clara County Planning Collaborative distributed a survey to Santa Clara County jurisdictions to better understand the fees and processing times involved in the development of single-family and multi-family housing. Fourteen out of sixteen jurisdictions responded with locally collected data, which

Collaborative staff used to identify major trends and produce data tables[1]. Additionally, the real estate economics consulting firm Century Urban conducted independent research on land and development costs[2]. Data and preliminary reports can be found on the Collaborative website: citiesassociation.org/constraints.

The cost of development is generally high in Santa Clara County and represents a significant constraint on the production of both single-family and multi-family housing. According to analysis by Century Urban, average development costs for single-family homes in the county range from $1,667,000 to $5,910,000. The cost of land and the size of the units are the two factors causing the most variance. Multi-family development costs are also quite high, though lower on a per unit basis compared to single family homes. Based on a survey of local development costs, Century Urban estimates the average cost per unit for a 10-unit prototype at $726,000 to $846,000. The average cost per unit to develop a 100-unit building ranges from $672,000 to $792,000.

Jurisdictions were asked to estimate development fees based on the following hypothetical housing types and related detailed assumptions:

- Single-Family: A new single-family house on an empty lot, 2,600 square feet or 5,000 square feet, in an existing neighborhood with no significant grading or other complicating factors.
- Small Multi-family: A project that includes 10 units in one building on one acre, where no zoning changes are required and permitting is by-right with medium complexity.
- Large Multi-family: A project that is comprised of 100 units on two acres, 80,000 total square feet, with construction type V over a concrete podium.

Century | Urban was engaged by Baird + Driskell, hired by Association of Bay Area Governments (ABAG) Planning Collaborative to perform research on the development costs of certain residential prototypes in Santa Clara County. The estimates shown below are based on data and sources including but not limited to: similar projects Century | Urban has underwritten and/or priced; specific project economics Century | Urban has reviewed; direct conversations with developers and cost estimators; database research including CoStar, MLS, Redfin, and title databases; online research sources including municipality and project websites; market reports compiled by real estate sales and research organizations; and, Century | Urban's general experience assessing residential project feasibility in the San Francisco Bay Area.

Land Costs

The price of land also varies across the county based on site conditions and location, but land costs in Santa Clara County are notably higher than costs in neighboring counties. Century Urban estimates the average land price in Santa Clara County for single-family homes (based on sales within the last three years) at $1,320,000. Land costs are lower for multi-family developments, estimated at $600,000 for small developments and $6,000,000 for large developments, or $60,000 per unit. The data does not include properties with existing homes or infrastructure that were redeveloped as new single-family homes, and the data for some cities is limited.

As the data collected is not comprehensive, summaries and averages may be valuable for reaching overall conclusions about the range of land prices in the counties, but they may or may not be representative of a given city's average or median land price or the land price for a given parcel. The information should therefore be reviewed noting the limited number of data points for certain cities, including Los Gatos where only 15 data points were available. Land prices vary substantially by location, topography, site conditions, shape of the parcel, neighboring uses, access, noise, and many other factors. In addition, completed sales are necessarily past transactions and may not represent the current state of the market and expected future land sale prices.

[1] Santa Clara County Planning Collaborative, 2022. Summary of Constraints Survey Data. citiesassociation.org/documents/constraints-survey-data-summary-2022

[2] Century Urban, 2022. San Mateo and Santa Clara Counties Development Cost & San Mateo County Unit Mix Research. citiesassociation.org/documents/development-cost-data.

There are very few vacant parcels zoned for multi-family development, and such parcels demand premium prices because of the high demand to live in Los Gatos. Additionally, most parcels have existing improvements that increase acquisition costs. Countywide, the land costs for multi-family development sites cost approximately $60,000 per unit.

Hard and Soft Costs

Soft costs for housing development include the cost of architectural, engineering, accounting, legal and other professional services, as well as the cost of obtaining permits and paying government-imposed fees. Carrying costs and the cost of construction financing can also be considered soft costs. Century Urban's analysis finds that soft costs (such as impact fees and costs accumulated through permitting delays) are hard costs. Hard costs include the costs of labor and materials.

Hard costs are very high in Santa Clara County, and both the high cost of labor and the high cost of materials could be considered constraints on housing development. According to analysis by Century Urban, residential hard and soft costs do not vary significantly across Santa Clara County.

Hard and soft costs contribute significantly to the overall cost of developing new housing. Hard costs comprise over half of development costs for multi-family housing. Although hard costs are significant for single-family production as well, they comprise a lower percentage of overall costs because of the larger role of land costs in single-family construction. High hard costs are difficult for individual jurisdiction to mitigate.

- Single-family detached ~2,660 square feet: $81 to $965 per square foot.
- Single-family detached ~5,000 square feet: $714 to $1,174 per square foot.
- Multi-family apartments/condominiums less than 10 units on one acre: $726,500 to $846,500 per unit.
- Three- to four-story 100-unit multi-family apartment/condominiums with type V construction over a concrete podium parking: $672,500 to $792,500 per unit.

Availability of Financing

The residential real estate market is strong in the Town of Los Gatos. Local realtors and developers have noted that Los Gatos was affected by the home mortgage foreclosure crisis that plagued many communities in the last fifteen years. Adjustable-rate mortgages, jumbo loans (those above $417,000), and Government-insured Federal Housing Administration home purchase loans, in addition to all-cash offers, are common in Los Gatos. Adequate financing through local banks is available to the Los Gatos community.

The Housing Trust of Santa Clara County offer three low-interest, down payment or closing cost loan programs for income qualified buyers in Los Gatos. Participation in this program includes homebuyer education classes. The County of Santa Clara Office of Affordable Housing administers three homebuyer assistance programs. The Home Investment Partnerships Program offers down payment assistance for first-time buyers. The Mortgage Credit Certificate Program reduces the federal income taxes of qualified borrowers purchasing qualified homes, thus acting like a mortgage subsidy. The Down payment Assistance Program for First-time Buyers offers a subsidy for borrowers meeting a maximum income limit and maximum purchase price limit.

The Home Mortgage Disclosure Act (HMDA) requires the reporting of data on residential loan applications, which provides insight into the availability of financing in the community. Table C-6 summarizes HMDA data for the San Jose, Sunnyvale, Santa Clara MSA. As shown in the table below, approximately 25 percent of all loan applications for the lowest income group are denied.

Table C-6 Home Purchase and Improvement Loans

Income Group	Loan Applications	Loans Approved (Originated)		Loans Denied	
		#	%	#	%
>50% of MSA AMI	9,757	4,518	46.3%	2,550	26.1%
50-79% of MSA AMI	19,780	12,673	64.1%	2,683	13.6%
80-99% of MSA AMI	8,535	5,775	67.7%	852	10.0%
100-119% of MSA AMI	28,507	20,122	70.6%	2,361	8.3%
≥120 of MSA AMI	87,715	59,930	68.3%	6,951	7.9%
TOTAL	**154,294**	**103,018**	**66.8%**	**15,397**	**10.0%**

SOURCE: Home Mortgage Disclosure Act (HMDA), 2020
MSA – Metropolitan Statistical Area
AMI – Area Median Income

Environmental Constraints

The environmental setting affects the feasibility and cost of residential development. These areas contain environmental constraints on development, such as steep slopes, landslide hazards, fire hazards, or flood hazards, and therefore, much of the undeveloped land has been set aside as open space. The Town is adjacent to other built out communities and nestled against the Santa Cruz Mountains, limiting opportunities for expansion. The following are environmental constraints and hazards that affect, in varying degrees, existing and future residential developments.

Urban and Wildland Fire Hazards

Wildfires are becoming an all too regular event in California, and both urban and wildland fires are a threat to the Town of Los Gatos. Wildfires that burn exclusively in uninhabited natural areas generally pose little risk to lives or property, although the smoke from such fires may cause respiratory problems for people nearby. Fires that occur along the wildland-urban interface (WUI) are much more of a hazard, as they can spread into urbanized areas. Wildfire risk is dependent on several factors, including the amount and type of vegetation in the area, weather, and local topography. Factors such as narrow, winding roads and vegetation also slow response to fires, increasing the risk of spread.

Based on the increased potential for devasting wildfires in Santa Clara County and the Town of Los Gatos, CAL FIRE developed and adopted "Fire Hazard Severity Zone" maps. These maps highlight that most of the County is located within the "high" fire severity zone, with smaller portions of the County within the "moderate" and "very high" fire severity zones. More than half of the southern portion of the Town is in the Very High Fire Hazard Severity Zone, with most of the areas to the south in the High or Moderate zones. The Town must therefore strongly incorporate fire hazard mitigation into its land use decisions and requirements to protect residents and property. Potential impacts are mitigated by policies in the 2040 General Plan Hazards and Safety Element including the following:

- Require new development, including additions to existing structures, located in or adjacent to fire hazard areas to minimize hazards to life and property, by using fire preventive site design, access, fire-safe landscaping, building materials, and incorporating defensible space and other fire suppression techniques.
- Minimize exposure to wildland and urban fire hazards through proactive code enforcement, public education programs, use of modern fire prevention measures, quick and safe access for emergency equipment and evacuation, and emergency management preparation.
- Restrict development in areas with inadequate water flow or emergency access.

- Monitor and remove excessive buildup of flammable vegetative materials on Town properties and along critical ingress/egress routes in the WUI.

Geological and Seismic Hazards

The San Francisco Bay Area is in one of the most active seismic regions in the United States. Los Gatos is near several active faults including the San Andreas, Hayward, and Calaveras Faults. Ground shaking is the primary risk in an earthquake and can set off a chain reaction of secondary landslides and liquefaction, or loss of soil strength. The region around the Lexington Reservoir also has higher risk of ground shaking should an earthquake occur. Implementation of applicable building codes and geotechnical investigations will minimize potential loss of life and damage to property from primary and secondary seismic hazards and siting essential structures and services outside high-risk areas will enable faster emergency response after an earthquake.

Seismic activity within or near the Santa Clara County region has historically caused significant damage to buildings and infrastructure in the Town of Los Gatos due to ground shaking and landslides. Five earthquakes have affected Los Gatos in the 20th century, with the 1906 San Francisco and 1989 Loma Prieta earthquakes having the highest magnitude. Potential impacts are mitigated by policies in the Draft 2040 General Plan Hazards and Safety including the following:

- Require new development to be sited away from high risk geologic and seismic hazard zones or, if located in a high-risk zone, incorporate construction techniques or specialized technologies to reduce risk. Restrict new development and redevelopment based on the levels of risk and potential severity of geologic hazards.
- Require geotechnical reports analyzing seismic hazards, grading, and construction methods.
- Require that a licensed geologic/geotechnical engineer complete the Town Geologic Hazards Checklist for all new proposed development to demonstrate that potential hazards have been identified and that proposed structures, including grading cuts and fills, will be designed to resist potential earthquake effects.
- Implement the Hillside Development Standards and Guidelines.

Flood and Inundation Hazards

Flooding can threaten life, safety, and property and can occur in a number of ways. The level in a body of water, such as a lake or creek, can rise higher than the water body's banks, causing it to overflow into nearby areas. Heavy precipitation can overwhelm the ability of soil to absorb water or storm drains to carry it away, causing water to build up on the surface. Localized flooding may also occur as a result of infrastructure failure, such as a burst water tank or pipe. In Los Gatos, the floods that are of most concern are from heavy rainfall causing local flooding or flash floods. Flooding puts various populations in Town at risk. A 500-year flood could affect upwards of 28,000 people and cause $10 billion of structural damage.

Beyond localized flooding, Los Gatos faces a flood threat from dam inundation. While less common, dam inundation is recognized in both the Town Emergency Operations Plan and Santa Clara County OAHMP. The Lexington Reservoir as contained by the James J. Lenihan Dam is the largest concern for dam inundation. Lexington Reservoir is the third largest reservoir in Santa Clara County storing 19,044 acre-feet of water. The potential inundation zone in the event of failure is significant, with the potential to affect over 3,000 people and damage over 1,000 structures. As future climate change-related impacts increase, localized flooding will become more common due to more extreme storms increasing the potential for more frequent and severe riverine flooding. Potential impacts are mitigated by policies in the Draft 2040 General Plan Hazards and Safety including the following:

- Require site planning and building design to mitigate identified flood and inundation hazards.
- Require that new development and substantial improvements to existing structures meet Federal and State standards when located within FEMA Flood Insurance Rate Maps (FIRMs) designated 100-year flood zones, as designated by current FEMA mapping.

- Cooperate with the Santa Clara Valley Water District to develop and maintain additional stormwater retention facilities in areas where they are needed or where the design capacity of existing retention facilities cannot be restored.

Hazards and Hazardous Materials

The use, manufacture, production, transportation, storage, treatment, disposal, and clean-up of hazardous materials and hazardous wastes present a potential threat to the health and safety of those who are using the materials and those who could be affected by improper or accidental release or disposal. Hazardous materials include all toxic, flammable, combustible, corrosive, poisonous, and radioactive substances that possess the potential to bring harm to the public or the environment. The Town maintains a comprehensive list of Hazardous Waste and Substance sites where hazardous materials are present and cleanup activities are or may be necessary. Potential impacts are mitigated by policies in the 2040 General Plan Hazards and Safety Element.

Noise and Air Quality

Noise and air quality impacts associated with Highways 17 and 85, other high-volume arterial roadways, and the Union Pacific Railroad line parallel to and south of Highway 85 could potentially impact housing. The California Building Code and the Noise Element of the Los Gatos General Plan contain policies and standards that mitigate noise impacts, and the regulations of the Bay Area Air Quality Management District require careful study and mitigation of health risks from poor air quality. Potential impacts are mitigated by policies in the Draft 2040 General Plan Environment and Sustainability Element.

Environmental constraints to housing development are mitigated where public health, safety, and welfare can be protected.

Sites Inventory Analysis

D

APPENDIX

EXHIBIT 4

D.1 Vacant and Available Sites

The *Plan Bay Area 2050 Final Blueprint*[1] forecasts that the nine-county Bay Area will add 1.4 million new households between 2015 and 2050. For the eight-year time frame covered by this Housing Element Update, the Department of Housing and Community Development (HCD) has identified the region's housing need as 441,176 units. The total number of housing units assigned by HCD is separated into four income categories that cover housing types for all income levels, from very low-income households to market rate housing. This calculation, known as the Regional Housing Needs Allocation (RHNA), is based on population projections produced by the California Department of Finance as well as adjustments that incorporate the region's existing housing need. The adjustments result from recent legislation requiring HCD to apply additional adjustment factors to the baseline growth projection from California Department of Finance, in order for the regions to get closer to healthy housing markets. The adjustments focus on the region's vacancy rate, level of overcrowding, and the share of cost burdened households and seek to bring the region more in line with comparable areas. The new laws governing the methodology for how HCD calculates the RHNA resulted in a significantly higher number of housing units for which the Bay Area must plan compared to previous cycles.

D.2 Regional Housing Needs Allocation

In December 2021, ABAG adopted a Final Regional Housing Needs Allocation (RHNA) Methodology. For Los Gatos, the RHNA required to be planned for the 6th cycle Housing Element Update is 1,993 units, an increase of 322 percent from the last cycle.

RHNA Summary

Los Gatos' share of the regional housing need for the eight-year period from 2023 to 2031 is 1,993 units, which is a 322 percent increase over the 619 units required by the 2015 to 2023 RHNA. The housing need is divided into the four income categories of housing affordability. Table D-1 shows Los Gatos' RHNA for the planning period 2023 through 2031 in comparison to the RHNA distributions for Santa Clara County and the Bay Area region. With an update required every eight years by the State of California, this Housing Element covers a planning period from January 31, 2023, to January 31, 2031 (also referred to as the "6th cycle").

Table D-1 Los Gatos' Regional Housing Needs Allocation: 2023–2031

Income Group	Los Gatos Units	Percent	Santa Clara County Units	Percent	Bay Area Units	Percent
Very Low Income (<50% of AMI)	537	26.9%	32,316	24.9%	114,442	25.9%
Low Income (50%-80% of AMI)	310	15.6%	18,607	14.4%	65,892	14.9%
Moderate Income (80%-120% of AMI)	320	16.1%	21,926	16.9%	72,712	16.5%
Above Moderate Income (>120% of AMI)	826	41.4%	56,728	43.8%	188,130	42.6%
Total	1,993	100.0%	129,577	100.0%	441,176	100.0%

Source: ABAG 2021

[1] Plan Bay Area 2050 is a long-range plan charting the course for the future of the nine-county San Francisco Bay Area. It covers four key issues: the economy, the environment, housing and transportation

D.3 Site Inventory

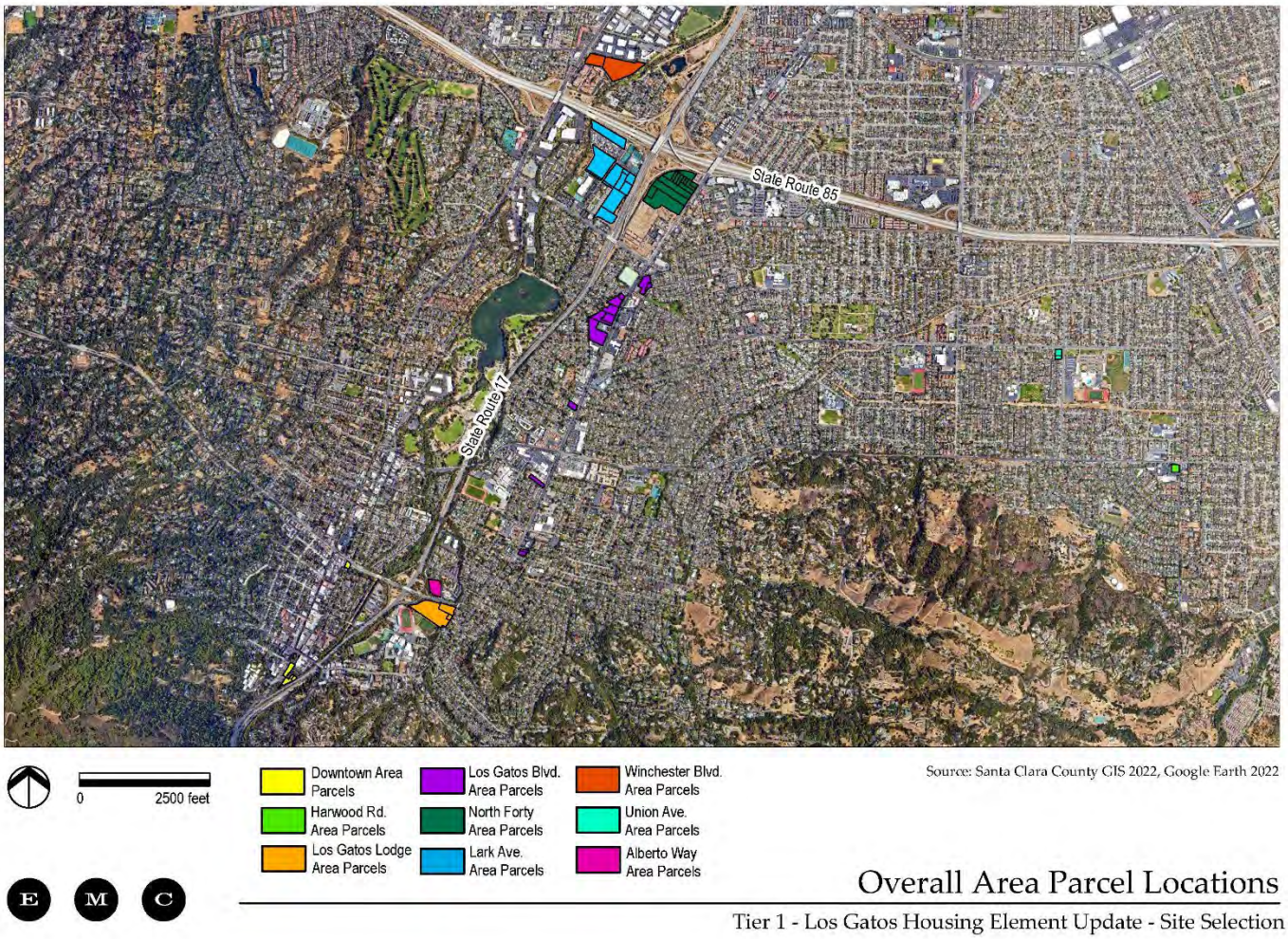
The purpose of the sites inventory is to identify and analyze specific sites that are available and suitable for residential development during the planning period between 2023-2031 in order to accommodate Los Gatos' assigned 1,993 housing units. The Town does not build the housing but rather creates the implementation programs and policies to plan for where the housing can be located and how many units could be built on potential sites.

In 2017, Senate Bill (SB) 166 was signed into law and included new "no net loss" provisions that require communities to provide an ongoing, adequate supply of land resources for housing development during the entirety of the housing element update planning period. These provisions mean communities face risks of non-compliance should a housing site be developed with non-residential uses, lower residential densities, or residential uses at affordability levels higher than anticipated by the Housing Element. To avoid noncompliance, HCD advises communities to "buffer" their assigned RHNA numbers. The Site Inventory includes 48 sites in order to have enough capacity for the RHNA and recommended buffer of at least 15 percent. These sites, in addition to Accessory Dwelling Unit (ADU) Projections, Senate Bill (SB) 9 Projections, and Pipeline Projects have a total capacity of 2,312 units (1,993 units plus a 16 percent buffer).

Overview of Selected Sites

This section provides information on the current list of potential sites that show how the Town will accommodate the State's required minimum of 1,993 housing units. Please note that the site numbers listed here are added only as a way to reference the site and label it on a map. The site number is not an indication of preference or priority. Figure D-1 shows an overview of the potential sites inventory map developed for Los Gatos' 6th cycle Housing Element Update. The following sites make up the Site Inventory, which is available as Appendix H.

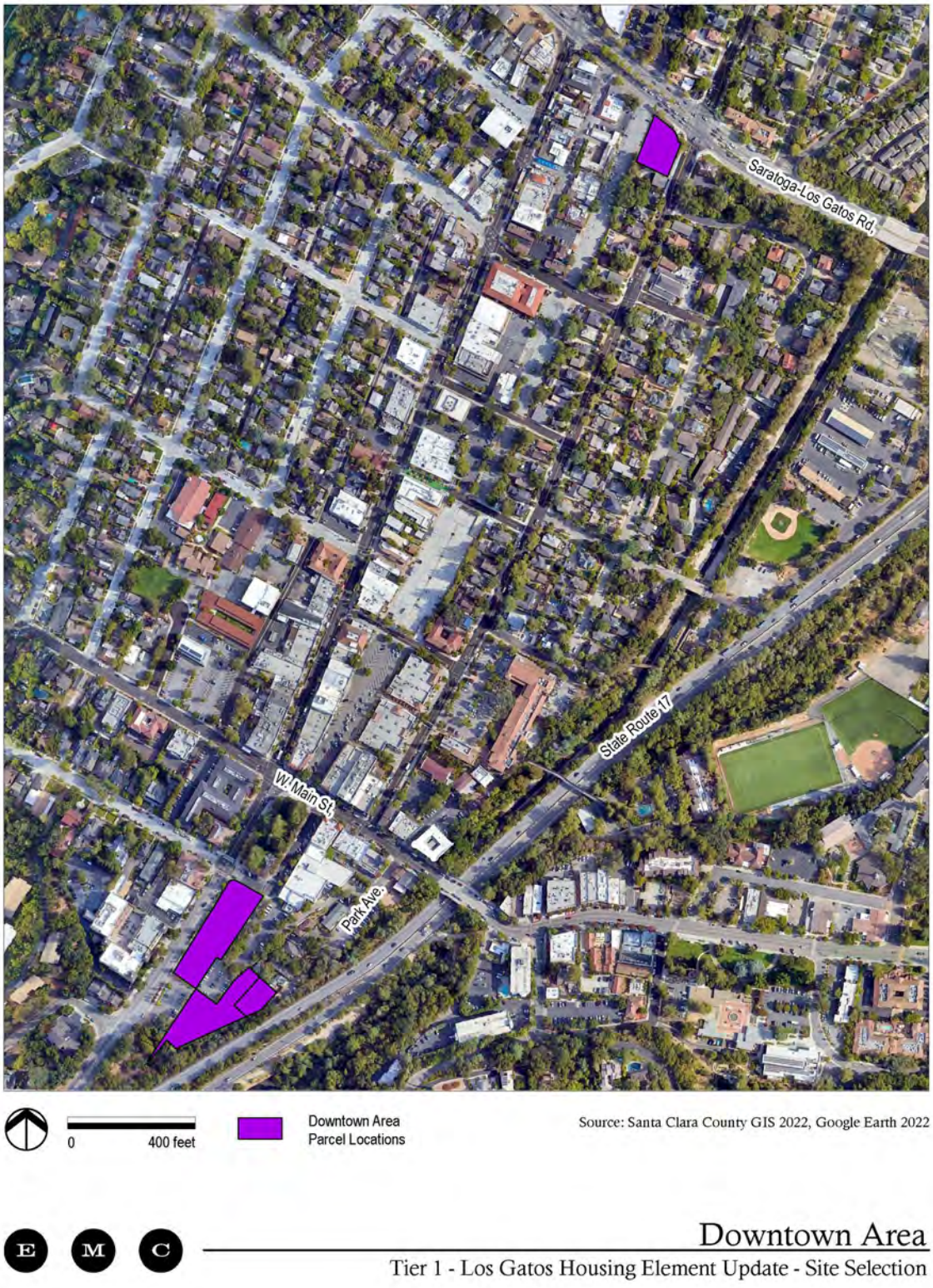
Figure D-1 Overall Area Parcel Locations



Sites Details

This section provides information on each of the sites selected for inclusion in the site inventory of vacant and available sites.

Figure D-2 Downtown Area



Site A-1 Park Avenue

Addresses: 50 Park Avenue and 61 Montebello Way

Number of Housing Units: 5

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Park Avenue Site (A-1) is located in the Downtown Area on the southwest end of Town on a wooded parcel that is currently identified as Very High Fire Risk. The site is triangular in shape with parking lots and South Santa Cruz Avenue on one side, Highway 17 on a second side, and Downtown Los Gatos forming the third side. Proximity to Downtown Los Gatos ensures that this site provides pedestrian access to urban services. This site currently is developed with residential units and is designated Medium Density Residential. The site is zoned R-1D and would allow five housing units developed at a minimum density of five du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Very high fire hazard; existing residential dwelling units would require demolition.

Figure D-3 Park Avenue (Site A-1)



Site A-2 South Santa Cruz Avenue

Address: 101 South Santa Cruz Avenue

Number of Housing Units: 16

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The South Santa Cruz Avenue Site (A-2) is located in the Downtown Area on the southwest end of Town along South Santa Cruz Avenue on an occupied commercial parcel in Downtown Los Gatos. The site is currently identified as Medium Density Residential. Proximity to Downtown Los Gatos ensures that this site provides pedestrian access to urban services. This site is designated as Central Business District and zoned C-2, which would allow 16 housing units developed at a minimum density of 20 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Very high fire hazard; the existing commercial use would require demolition.

Figure D-4 South Santa Cruz Avenue (Site A-2)



Site A-3 University Avenue

Address: 165 Los Gatos-Saratoga Road

Number of Housing Units: 7

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The University Avenue Site (A-3) is located in the Downtown Area at the corner of Los Gatos-Saratoga Road and University Avenue on an occupied commercial site. Proximity to Downtown Los Gatos ensures that this site would provide pedestrian access to urban services. This site is designated as Central Business District and zoned C-2, which would allow seven housing units developed at a minimum density of 20 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-5 University Avenue (Site A-3)

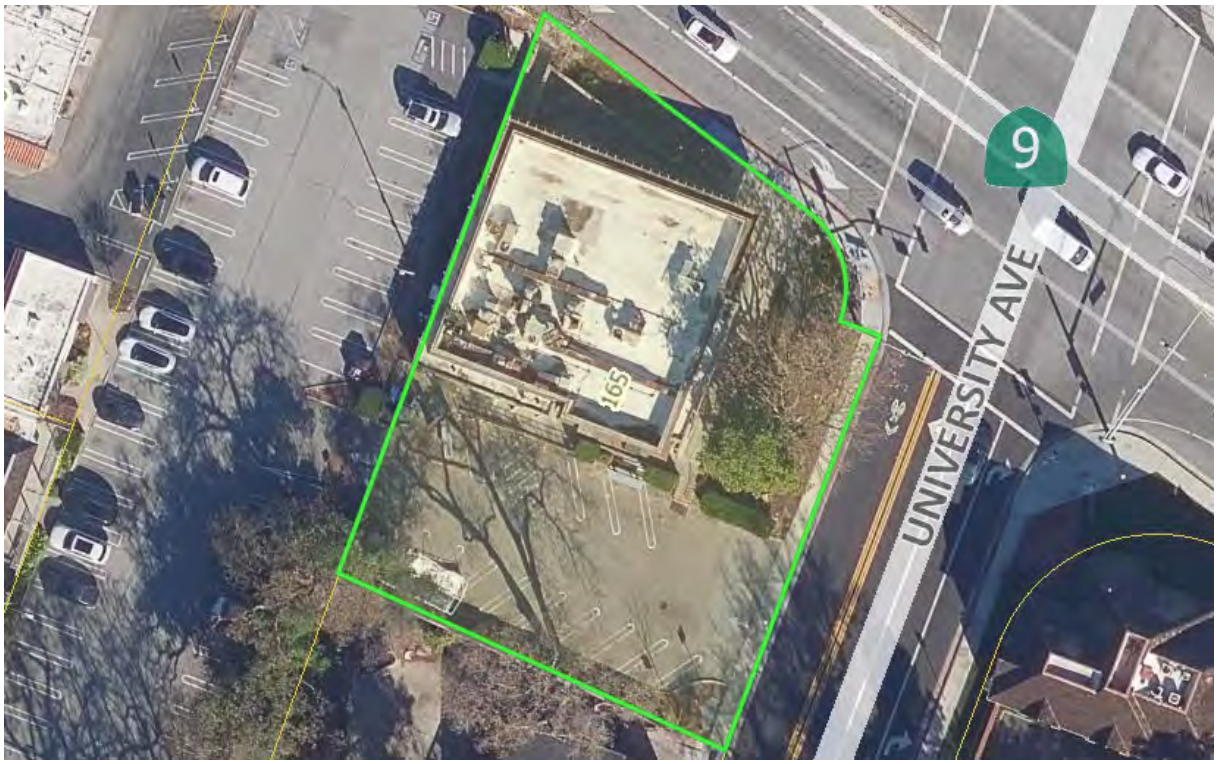


Figure D-6 Los Gatos Lodge Area



Site B-1 Los Gatos Lodge

Address: 50 Los Gatos-Saratoga Road

Number of Housing Units: 264

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Lodge Site (B-1) is located in the Los Gatos Lodge Area immediately adjacent to the interchange of Highway 9 and Highway 17, east of Downtown Los Gatos. The site is the current location of the Los Gatos Lodge, with the Los Gatos High School sports fields to the south, lower-density residential uses across Bella Vista Avenue to the east, and Best Western Inn across Highway 9 on the north. This site is designated as Mixed-Use Commercial and zoned CH:PD, which would allow 264 housing units developed at a minimum density of 30 du/ac.

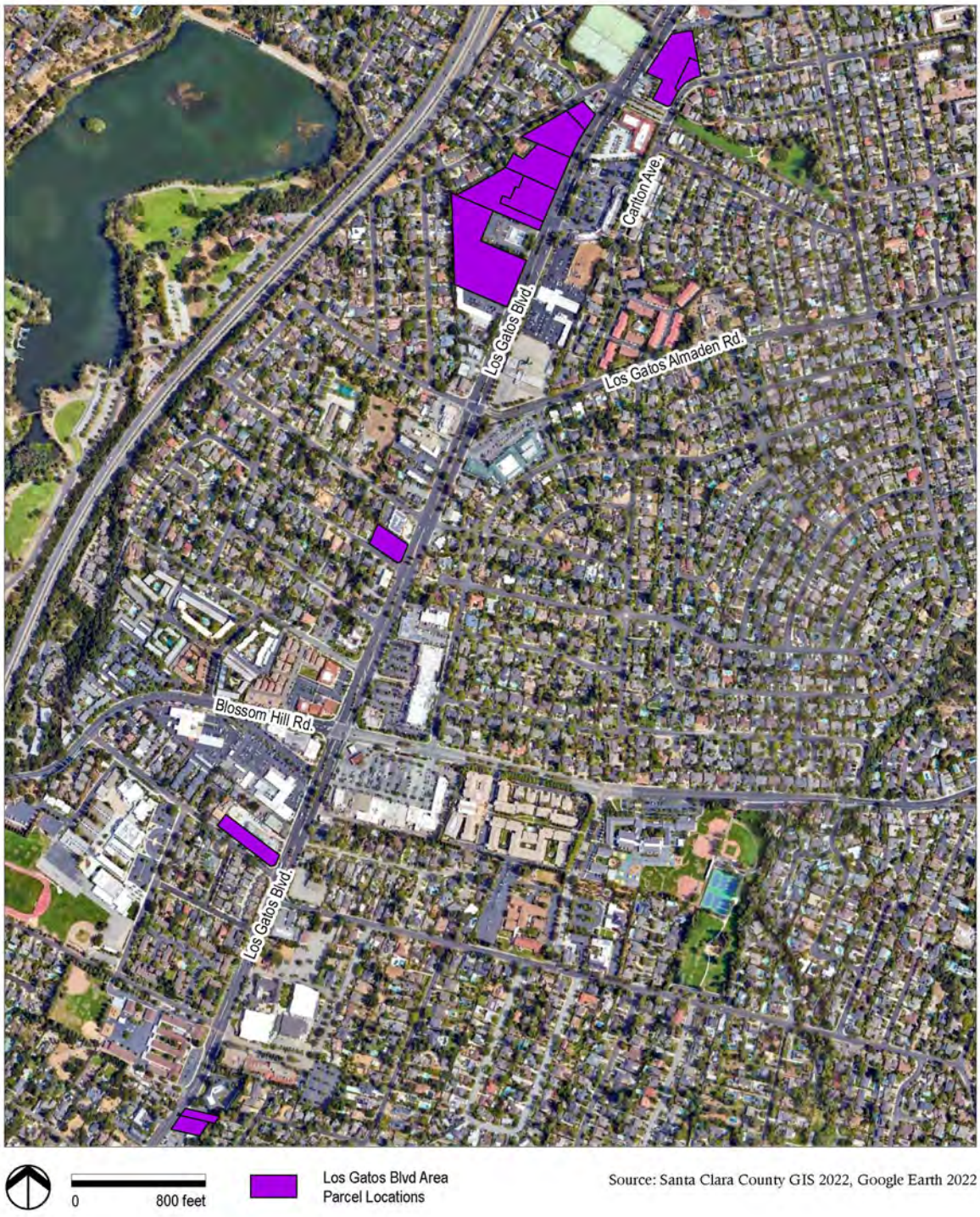
Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial buildings would require demolition and removal or modification of the existing Planned Development Overlay to accommodate residential.

Figure D-7 Los Gatos Lodge (Site B-1)



Figure D-8 Los Gatos Boulevard Area



Site C-1 Ace Hardware

Address: 15300 Los Gatos Boulevard

Number of Housing Units: 48

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Ace Hardware Site (C-1) is located in the Los Gatos Boulevard Area on the east side of Los Gatos Boulevard and north of Gateway Drive. The site is the current location of Ace Hardware, with commercial uses to the north, south, and west, and lower-density residential uses to the east. The site is designated as Mixed-Use Commercial and zoned C-1, which would accommodate 48 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-9 Ace Hardware (Site C-1)



Site C-2 Los Gatos Boulevard

Address: 15349, 15367, and 15405 Los Gatos Boulevard

Number of Housing Units: 86

"By Right" + 20% Affordable: Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-2) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard, and south of Garden Lane. The site is the current location of multiple commercial uses, with commercial uses to the north, south, and east, and lower-density residential uses to the west. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 86 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-10 Los Gatos Boulevard (Site C-2)



Site C-3 Los Gatos Boulevard

Address: 15425 Los Gatos Boulevard

Number of Housing Units: 33

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-3) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard and east of Garden Lane. The site is the current location of office and commerical uses, with commercial uses located on all sides. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 33 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-11 Los Gatos Boulevard (Site C-3)



Site C-4 Affordable Treasures

Address: 15795 Los Gatos Boulevard

Number of Housing Units: 19

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Affordable Treasures Site (C-4) is located in the Los Gatos Boulevard Area at the northwest corner of Los Gatos Boulevard and Farley Lane. The site is the current location of Affordable Treasures Party Store with commercial uses located to the north, south, and east and lower-density residential uses located to the west. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 19 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing commercial building would require demolition.

Figure D-12 Affordable Treasures (Site C-4)



Site C-5 Los Gatos Boulevard

Address: 16203 Los Gatos Boulevard

Number of Housing Units: 24

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-5) is located in the Los Gatos Boulevard Area at the northwest corner of Los Gatos Boulevard and Roberts Road. The site is the current location of NC Boardshop skateboard shop and Autobahn Los Gatos, with commercial uses located to the north, east, and west and medium-density residential uses located to the south. The site is designated as Mixed-Use Commercial and zoned CH, which would accommodate 24 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, a Conceptual Development Advisory Committee application for a mixed-use development was submitted on November 17, 2020 pending an anticipated density increase as part of the General Plan and Housing Element Updates.

Constraints: Existing commercial buildings would require demolition.

Figure D-13 Los Gatos Boulevard (Site C-5)



Site C-6 Los Gatos Boulevard

Address: 16492 Los Gatos Boulevard

Number of Housing Units: 6

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-6) is located in the Los Gatos Boulevard Area on the east side of Los Gatos Boulevard, north of Spencer Avenue. The site is the current location of LG Wines and Liquors and Happy Cleaners, with commercial uses located to the north, south, and west and low-density residential uses located to the east. The site is designated as Low Density Residential but zoned C-1, which would accommodate six housing units developed at a minimum density of 10 du/ac.

Property Owner Interest Form Submitted: Yes, and the owner has submitted written interest in changing the land use designation to Neighborhood Commercial.

Constraints: Existing commercial use would require demolition.

Figure D-14 Los Gatos Boulevard (Site C-6)



Site C-7 Los Gatos Boulevard

Address: 15495 Los Gatos Boulevard

Number of Housing Units: 116

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-7) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard and east of Garden Lane. The site is comprised of three separate commercial buildings, with commercial uses located to the north, south, and east. Low-density residential uses are located to the west. The site is designated as Mixed- Use Commercial but zoned CH, which would accommodate 116 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, a property owner has contacted staff with an inquiry for residential development of the site.

Constraints: Existing commercial buildings would require demolition.

Figure D-15 Los Gatos Boulevard (Site C-7)



Site C-8 Los Gatos Boulevard

Address: 15445 Los Gatos Boulevard

Number of Housing Units: 46

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos Boulevard Site (C-8) is located in the Los Gatos Boulevard Area on the west side of Los Gatos Boulevard and east of Garden Lane. The site is the current location of Virtus Performance Club, with commercial uses located to the east and south. Low-density residential uses are located to the north and west. The site is designated as Mixed-Use Commercial but zoned CH, which would accommodate 46 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the site is adjacent to other sites within the Site Inventory.

Constraints: Existing commercial building would require demolition.

Figure D-16 Los Gatos Boulevard (Site C-8)

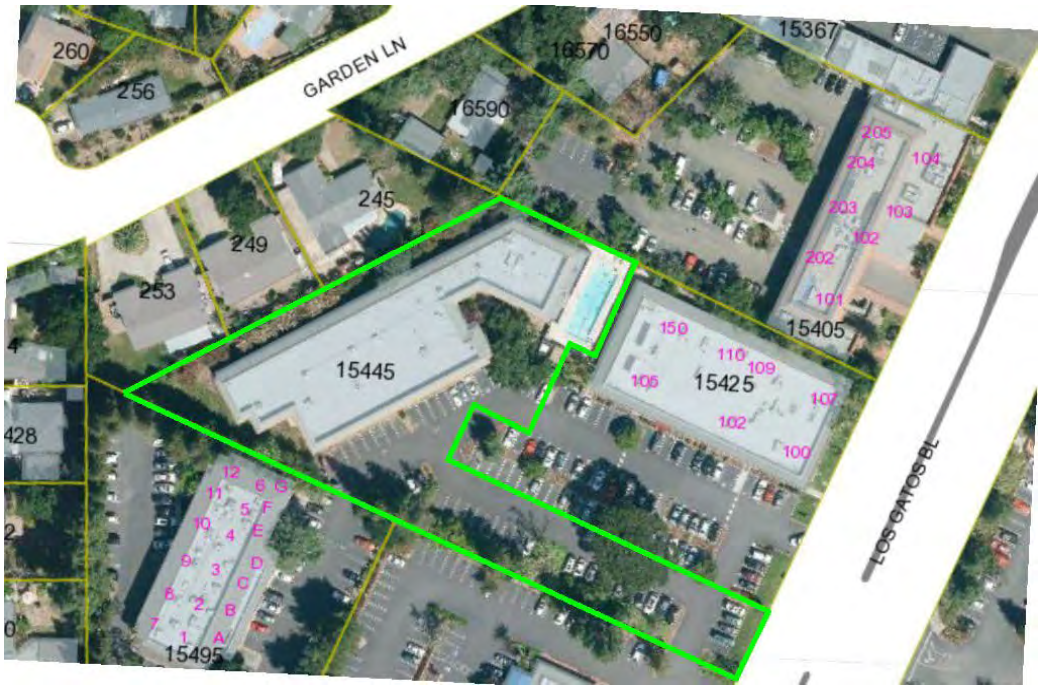


Figure D-17 North Forty Area



Site D-1 North Forty Phase II

Address: 14859 Los Gatos Boulevard, et. al.

Number of Housing Units: 461

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-1) is located in the North Forty Area on the west side of Los Gatos Boulevard, south of Burton Road. The site contains existing single-family residences and agriculture uses. Commercial uses are located to the south and west and arterial highways located to the north and east. The site is designated and zoned as North Forty Specific Plan, which would accommodate 461 units at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the property owner has been involved in attending Housing Element Advisory Board (HEAB) meetings and submitted written public comments regarding intent and interest in residential development on the site.

Constraints: Existing buildings would require demolition.

Figure D-18 North Forty Phase II (Site D-1)



Site D-2 North Forty Phase II

Address: 16245 Burton Road

Number of Housing Units: 38

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-2) is located in the North Forty Area at the terminus of Burton Road, on the west side of Los Gatos Boulevard. The site is underutilized with a single-family residence. Commercial uses are located to the east and arterial highways located to the north and west. The site is designated and zoned as North Forty Specific Plan, which would accommodate 38 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-19 North Forty Phase II (Site D-2)



Site D-3 North Forty (Phase II)

Address: 16240 Burton Road

Number of Housing Units: Eight

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-3) is located in the North Forty Area along Burton Road and adjacent to the Highway 17/Highway 85 interchange. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site. The site is designated and zoned as North Forty Specific Plan, which would accommodate eight housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-20 North Forty Phase II (Site D-3)



Site D-4 North Forty Phase II

Address: 16270 Burton Road

Number of Housing Units: 13

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-4) is located in the North Forty Area at the end of Burton Road and immediately adjacent to the Highway 17/Highway 85 interchange. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site. The site is designated and zoned as North Forty Specific Plan, which would accommodate 13 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-21 North Forty Phase II (Site D-4)



Site D-5 North Forty Phase II

Address: 16210 Burton Road

Number of Housing Units: 25

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-5) is located in the North Forty Area along Burton Road and on the west side of Los Gatos Boulevard. The site contains single-family residences. Other North Forty Specific Plan properties surround the site. The site is designated and zoned as North Forty Specific Plan, which would accommodate 25 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-22 North Forty Phase II (Site D-5)



Site D-6 North Forty Phase II

Address: 14849 Los Gatos Boulevard

Number of Housing Units: 28

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-6) is located in the North Forty Area on the west side of Los Gatos Boulevard, south of Burton Road. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site on the north, south, and west. East of the site, across Los Gatos Boulevard there are commercial uses. The site is designated and zoned as North Forty Specific Plan, which would accommodate 28 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-23 North Forty Phase II (Site D-6)



Site D-7 North Forty Phase II

Address: 14823 Los Gatos Boulevard

Number of Housing Units: 11

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The North Forty Phase II Site (D-7) is located in the North Forty Area at the southwest corner of Burton Road and Los Gatos Boulevard. The site contains a single-family residence. Other North Forty Specific Plan properties surround the site on the south and west. North of the site, across Burton Road, and east of the site, across Los Gatos Boulevard, there are commercial uses. The site is designated and zoned as North Forty Specific Plan, which would accommodate 11 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway.

Constraints: Existing residential building would require demolition.

Figure D-24 North Forty Phase II (Site D-7)



Figure D-25 Lark Avenue Area



Site E-1 Oka Road

Address: Oka Road

Number of Housing Units: 124

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The Oka Road Site (E-1) is located in the Lark Avenue Area on the east side of Oka Road, north of Lark Avenue. The site contains residential and agricultural uses. Major arterial highways are located north and east of the site, with the Los Gatos Swim and Racquet Club immediately north. Agricultural and commercial uses are located across Oka Road. The site is designated as Low-Density Residential and Medium-Density Residential. Parcels within the site are zoned R-1-8 and R-M:5-12, which would allow 124 housing units developed at a typical density of four du/ac for parcels designated as Low-Density Residential and at a minimum density of 14 du/ac for parcels designated as Medium-Density Residential.

Property Owner Interest Form Submitted: No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.

Constraints: Existing buildings would require demolition.

Figure D-26 Lark Avenue (Site E-1)



Site E-2 Oka Lane

Address: Oka Lane

Number of Housing Units: 26

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The Oka Lane Site (E-2) is located in the Lark Avenue Area on the west side of Oka Road, north of Lark Avenue. The site contains agricultural uses. Major arterial highways are located north and east of the site, with the Bonnie View mobile home park to the north. Agricultural and commercial uses are located across Oka Road. The site is designated as Low-Density Residential. The site is zoned R-1:8, which would allow 26 housing units developed at a typical density of 4 du/ac.

Property Owner Interest Form Submitted: No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.

Constraints: Proximity to adjacent highways.

Figure D-27 Oka Lane (Site E-2)



Site E-3 Caltrans Right of Way

Address: Caltrans Right of Way

Number of Housing Units: 69

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Caltrans Right of Way Site (E-3) is located in the Lark Avenue Area south and west of the Highway 17/Highway 85 interchange. The site is currently vacant. Major arterial highways are located north and east of the site. Commercial uses are located west of the site across Oka Road, and the Bonnie View mobile home park is located immediately south of the site. Should the site be annexed by the Town, it is designated as Medium-Density Residential and zoned as R-M:5-12, which would accommodate 69 housing units developed at a minimum density of 14 du/ac.

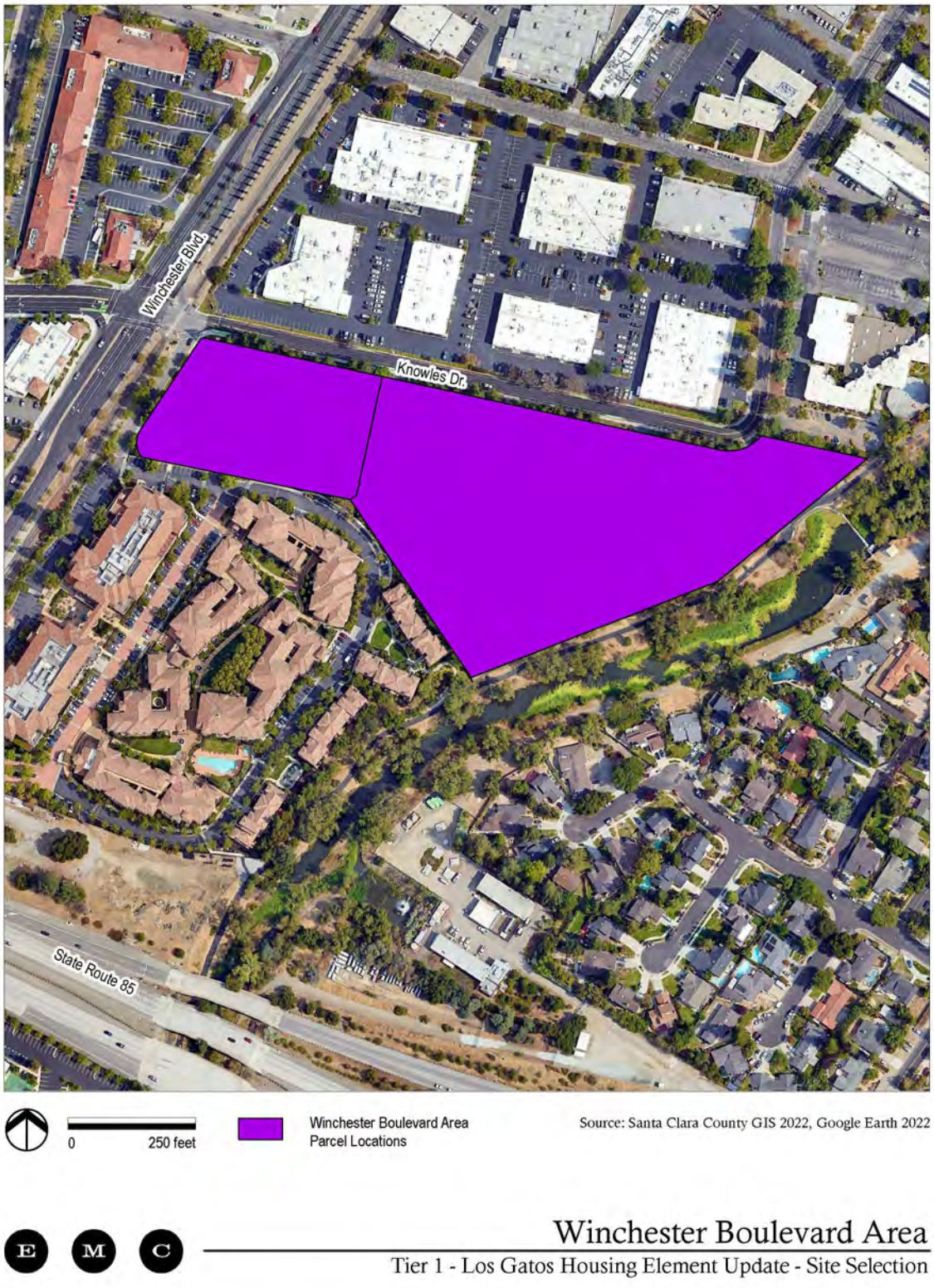
Property Owner Interest Form Submitted: No, the Town has yet to reach out to Caltrans regarding future development of the site.

Constraints: Consultation with Caltrans for future development.

Figure D-28 Caltrans Right of Way (Site E-3)



Figure D-29 Winchester Boulevard Area



Site F-1 Knowles Drive

Address: 110 Knowles Drive

Number of Housing Units: 220

"By Right" + 20% Affordable: Required – Used in previous cycle.

Description: The Knowles Drive Site (F-1) is located in the Winchester Boulevard Area north and west of the Highway 17/Highway 85 interchange. The site contains industrial uses. Los Gatos Creek is immediately south and east of the site, with low-density residential uses located beyond. High-density residential uses are located south and west of the site. Commercial/industrial uses are located north of the site across Knowles Drive. The site is designated as High-Density Residential and zoned CM:AHOZ, which would accommodate 220 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however the site is located within the Affordable Housing Overlay Zone.

Constraints: Existing buildings would require demolition and adjacency to the Los Gatos Creek Trail.

Figure D-30 Knowles Drive (Site F-1)



Site F-2 Winchester Boulevard

Address: 206 Knowles Drive

Number of Housing Units: 72

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Winchester Boulevard Site (F-2) is located in the Winchester Boulevard Area at the northeast intersection of A Street and Knowles Drive. The site contains office uses. Multi-family residential is located to the south and office uses are located to the north, south, and west of the site. The site is designated as High-Density Residential and zoned CM, which would accommodate 72 housing units developed at a minimum density of 30 du/ac.

Property Owner Interest Form Submitted: No; however, the site is located immediately adjacent to 110 Knowles Drive (Site F-1), which has an Affordable Housing Overlay Zone.

Constraints: Existing buildings would require demolition and adjacency to the Los Gatos Creek Trail.

Figure D-31 Winchester Boulevard (Site F-2)



Figure D-32 Union Avenue Area



Site G-1 Los Gatos-Almaden Road

Address: 440 Los Gatos Almaden Road

Number of Housing Units: 8

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Los Gatos-Almaden Road Site (G-1) is located in the Union Avenue Area at the northwest corner of Leigh Avenue and Los Gatos-Almaden Road. The site contains a gas station and commercial building. Low-density residential are located north, south, and west of the site. Leigh High School is located east of the site across Leigh Avenue. The site is designated as Neighborhood Commercial and zoned C-1, which would accommodate eight housing units developed at a minimum density of 10 du/ac.

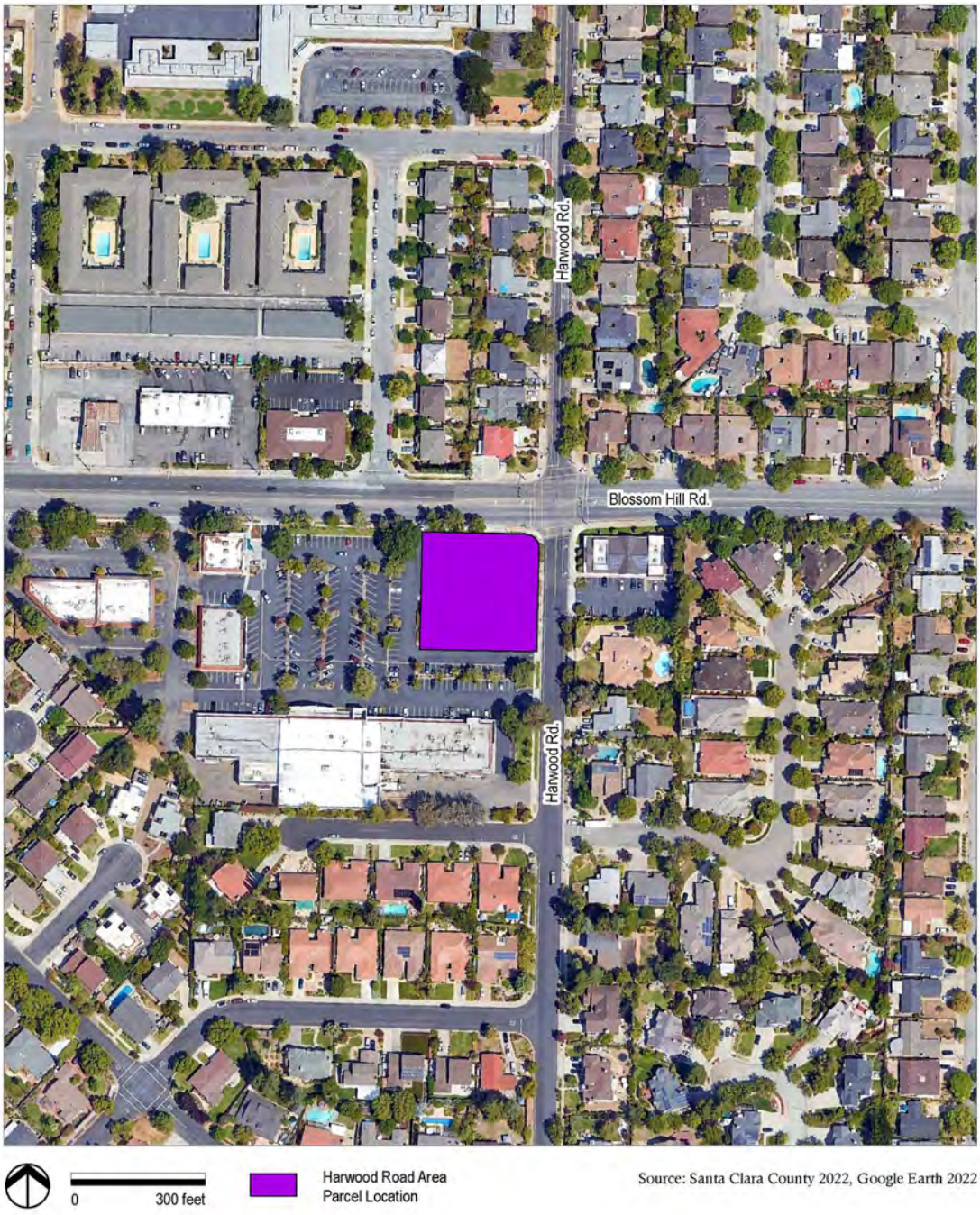
Property Owner Interest Form Submitted: Yes

Constraints: Existing gas station and commercial building would require demolition.

Figure D-33 Los Gatos-Almaden Road (Site G-1)



Figure D-34 Harwood Road Area



Site H-1 Valero

Address: 14000 Blossom Hill Road

Number of Housing Units: 7

"By Right" + 20% Affordable: Not Required – Not used in previous cycle

Property Owner Interest Form Submitted:

Description: The Valero Site (H-1) is located in the Harwood Road Area at the southwest corner of Blossom Hill Road and Harwood Road. The site contains a gas station. Low-density residential are located north, south, and east of the site. Commercial uses are located immediately west of the site. The site is designated as Neighborhood Commercial and zoned C-1, which would accommodate seven housing units developed at a minimum density of 10 du/ac.

Property Owner Interest Form Submitted: Yes

Constraints: Existing gas station and commercial building would require demolition.

Figure D-35 Valero (Site H-1)



Figure D-36 Alberto Way Area



Site I-1 Alberto Way

Address: 401-409 Alberto Way

Number of Housing Units: 60

"By Right" + 20% Affordable: Not Required – Not used in previous cycle.

Description: The Alberto Way Site (I-1) is located in the Alberto Way Area, located at the intersection of Alberto Way and Los Gatos-Saratoga Road. The site is currently vacant. Multi-family residential are located north and east of the site. Commercial uses are located immediately south and east of the site with Highway 17 to the west. The site is designated as Mixed Use Commercial and zoned CH, which would accommodate 60 housing units developed at a density of 27 du/ac based on a development application submitted by the properyt owner to the Town on December 6, 2022.

Property Owner Interest Form Submitted: Yes

Constraints: Proximity to adjacent Highway 17 onramp.

Figure D-37 Alberto Way (Site I-1)



Accessory Dwelling Unit (ADUs and Junior ADUs) Projections

Address: Various Locations

Number of Housing Units: 200

"By Right" + 20% Affordable: Not required, instead a formula exists for projecting the next eight-year cycle, along with assumptions of 30 percent very-low income units, 30 percent low income units, 30 percent moderate income units, and 10 percent above moderate categories.

Description: Accessory dwelling units according to ADU Ordinance.

Constraints: To have HCD consider 200 units as a reasonable expectation for construction in this eight-year cycle, the Town is reliant upon the averaging of previous ADU permit submittals.

Senate Bill 9 (SB 9) Projections

Address: Various Locations

Minimum Number of Housing Units: 96

"By Right" + 20% Affordable: Not required – Instead, formula exists for projecting the next eight-year cycle.

Description: New housing units generated from the SB 9 Ordinance.

Constraints: To have HCD consider SB 9 units as a reasonable expectation for construction in this eight-year cycle, the Town is reliant upon the averaging of previous SB 9 permit submittals.

Pipeline Projects

Address: Addresses listed below:

105 Newell Avenue – net four units
20101 Foster Road – net one unit
North Forty Phase I – net 14 units
465 North Santa Cruz Avenue – net one unit
16195 George Street – net three units
144 Wood Road – net one unit
16100 Greenridge Terrace – net seven units
15215 Shannon Road – net four units
17200 Los Robles – net two units
400 Surmont Drive – net two units
14915 Shannon Road – net 10 units
16220 Hardwood – net two units
14926 Los Gatos Boulevard – net five units
15415 National Avenue – net one unit
45 Reservoir Road – net one unit
200 Happy Acres – net one unit
15343 Santella Court – net one units
15415 Santella Court – net one unit
15365 Santella Court – net one unit
15860 Winchester Boulevard – net 113 units
120 Oak Meadow Drive – net one unit

Number of Housing Units: 176

"By Right" + 20% Affordable: Not required

Description: New housing units generated from projects with Planning entitlements and Planning applications currently under Town review.

Constraints: None

Inventory of Vacant and Available Sites

This section provides the formal inventory of sites that the Town of Los Gatos will rely on in the 6th Housing Element planning cycle. Per State law and Housing Policy, the Town is required to maintain "no net loss" of the housing capacity represented by this list of parcels and the sites they comprise. To facilitate this, the inventory presented in Appendix H has been designed with excess capacity. This allows some degree of flexibility in decision making for individual development projects as they come forward for approval.

In short, with some limited flexibility, the Town is committed to permitting housing on each of the parcels listed in the table below, and in so doing ensuring that the number of units listed for each parcel in the table "planned capacity" is achieved. Should the Town approve development that is inconsistent with the parcel's planned capacity, it is then required as part of that approval to:

1. Find, based on quantitative evidence, that the remaining inventory of housing sites is still sufficient to meet the Town's 6th cycle RHNA; or
2. Identify one or more available sites with the realistic development capacity to replace the housing that would have otherwise been developed had consistency with planned capacity been achieved.

Appendix H provides details and capacity estimates for each of the parcels that comprise the Site Inventory as identified in the section above.

D. 4 Summary and Conclusions

The sites identified in this report are sufficient to accommodate Los Gatos' Regional Housing Needs Allocation for the 6th cycle planning period. This number accommodates a buffer of approximately 16 percent above RHNA, which would equal capacity of approximately 319 additional units. These sites, in addition to Accessory Dwelling Units Projections, Senate Bill 9 Projections, and Pipeline Projects have a total capacity of 2,312 units. This "cushion" for capacity above the base RHNA number is highly recommended because of the State's no-net-loss policy, which precludes jurisdictions from approving development that results in an overall housing site deficit. The "cushion" essentially provides a degree of flexibility for policy makers as they make development decisions. Many of the sites identified in this report have existing uses that would need to be demolished before new housing could be constructed.

For communities like Los Gatos that are largely built out and surrounded by other communities and undevelopable hillsides, redevelopment and densification is the only practical solution to providing a fair share of future housing for the San Francisco Bay Area. By its nature, such redevelopment is more costly and more time consuming than building new units on vacant land. To offset these constraints, higher densities are proposed in some areas. These higher densities act as a market incentive to offset the added cost and time required build new housing on redeveloped sites. Property owner interest will be pivotal for facilitating single-family site opportunities to add housing through construction of ADUs and use of SB 9 processes, which allow for up to four units on a property zoned for a single house.

Review of Previous Housing Element

E

APPENDIX

E.1 Introduction

In order to effectively plan for the future, it is important to reflect back on the goals of the previous Housing Element and to identify those areas where progress was made and those areas where continued effort is needed. State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of the Element.
- Progress on Implementation.
- Appropriateness in Goals, Objectives, and Policies.

E.2 Effectiveness of the Element

The Town of Los Gatos' 2015 Housing Element identified the following goals:

- Expand the choice of housing opportunities for all economic segments of the community by supporting the development of affordable housing in a variety of types and sizes, including a mixture of ownership and rental housing.
- Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing that is compatible with the neighborhood and the community.
- Preserve existing residential opportunities, including the existing affordable housing stock.
- Ensure that all persons have equal access to housing opportunities.
- Retain and expand affordable housing opportunities for seniors.
- Mitigate Town governmental constraints to affordable and special needs housing development.
- Encourage residential construction that promotes green building and energy conservation practices.
- Ensure that the Town has sufficient resources and takes appropriate measures to implement the Housing Element.
- Maintain the Town's 2005 jobs-to-household ratio of 1.5 jobs per household.

In order to achieve these goals, the 2015 Housing Element listed a series of policies and programs. The policies covered a range of housing concerns, including appropriate zoning for lower and moderate-income households, assisting in developing affordable housing, removing governmental constraints, conserving the existing affordable housing stock, preventing the conversion of affordable units to market rate, and promoting equal housing opportunities for all persons. The policies comply with State housing law guidelines.

E.3 Progress on Implementation

To assess the Town's progress on implementing the 2015 Housing Element, the following key areas were reviewed:

- Adopted Programs;
- Production of Housing;
- Preservation of "At Risk" Units; and
- Rehabilitation of Existing Units.

Each of these areas is discussed in detail below.

Overview of Adopted Programs

Table E-1 below identifies all of the actions the Town committed to in the 2015 Housing Element. The table also includes a description of the progress that was made during the 2015 to 2023 planning period.

Table E-1 Overview of Adopted Programs

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
Goal HOU-1	**Expand the choice of housing opportunities for all economic segments of the community by supporting the development of affordable housing in a variety of types and sizes, including a mixture of ownership and rental housing.**		**Modify**
Policy HOU-1.1	Develop and utilize all available housing funding resources in order to provide the maximum amount of affordable housing as feasible.		Modify
Policy HOU-1.2	Work with nonprofit agencies and housing developers to plan and develop a mix of affordable housing opportunities in Los Gatos.		Modify
	Actions		
1.1	Continue to implement the Below Market Price (BMP) program and evaluate it annually to ensure it is not a constraint to development.	BMP Program is implemented on all residential projects that meet the criteria.	Modify
1.2	Amend the Town Code to allow new deed restricted Accessory Dwelling Units (ADU) to be affordable to lower income households on non-conforming residential lots over 10,000 square feet and in the Hillside Residential Zone on sites that are larger than 5 acres.	Town Code has been amended to address this.	Modify
1.3	Continue to provide up to a 100 percent density bonus for developments that include housing for elderly, handicapped, and/or very low and low-income households.	This is an incentive that is provided to projects that meet the criteria.	Modify
1.4	Using BMP in-lieu fees, implement the proposed programs and initiatives of the Town's Affordable Housing Strategies to increase and preserve affordable housing, such as purchasing affordability covenants in existing apartments.	Use of BMP in-lieu fees will be considered as opportunities arise.	Modify
1.5	Hold a periodic outreach meeting with affordable housing developers to discuss the development of housing affordable to extremely low-income households.	The Town will consider incentives when projects of this nature are proposed.	Modify
1.6	Encourage the creation of housing that is affordable to extremely low-income households by considering allocating a percentage of the Town's Affordable Housing (Below Market Price) fund to subsidize housing for extremely low-income households.	Use of BMP in-lieu fees will be considered as opportunities arise.	Modify
1.7	The Town will rezone 13.5 acres within the North 40 Specific Plan area within three years of Housing Element adoption at minimum a density of 20 dwelling units per acre to facilitate affordable housing production.	Complete	Delete

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
1.8	To assist the development of housing for lower income households on sites larger than ten acres, the Town will facilitate land divisions and lot line adjustments to result in parcels sizes between one to ten acres that facilitate multiple-family developments affordable to lower income households in light of state, federal and local financing programs.	Projects are given priority.	Continue
Goal HOU-2	**Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing that is compatible with the neighborhood and the community.**		**Modify**
Policy HOU-2.1	Continue to designate sufficient, residentially zoned land at appropriate densities to provide adequate sites to accommodate Los Gatos's RHNA for 2015–2023.		Continue
Policy HOU-2.2	Ensure that the Town will provide sufficient land at appropriate zoning categories to meet its RHNA for very low-, and moderate-income households, as demonstrated in the Housing Sites Inventory analysis in Chapter 6 of the Housing Element Technical Appendix.		Modify
Policy HOU-2.3	Encourage mixed–use developments that provide affordable housing close to employment centers and/or transportation facilities, particularly along Los Gatos Boulevard and within a ½-mile radius of the future Vasona light rail station.		Modify
Policy HOU-2.4	Demonstrate that all new residential development is sufficiently served by public services and facilities, including pedestrian and vehicular circulation, water and wastewater services, police, fire, schools, and parks.		Continue
Policy HOU-2.5	New single-family, multi-family, and mixed-use developments shall be compatible with the character of the surrounding neighborhood.		Modify
Policy HOU-2.6	Strive to ensure that at least 30 percent of the housing stock is rental units.		Modify
Policy HOU-2.7	Create new affordable housing opportunities through acquisition using Affordable Housing Funds.		Delete
	Actions		
2.1	Continue to implement the minimum density and affordable housing incentives within the AHOZ	This will be implemented when a project in the AHOZ is considered.	Modify
2.2	For multiple-family residential development within the North 40 and the Southbay AHOZ site, subject to by right development, the Town will amend the Town Code to add by right development findings.	This has not yet been completed.	Modify
2.3	The Town Code (Zoning Regulations) will be amended to clarify that Transitional and Supportive Housing is permitted in all residential zones by right.	The Town will comply with State Law and SB 743 if a project is proposed before the Town Code is amended.	Delete

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
2.4	For multiple family residential development within the North 40 and the Southbay AHOZ site subject to by right development, the Town will amend the Town Code to add by right development findings.	This has not yet been completed.	Modify
2.5	To ensure adequate residential capacity to accommodate the RHNA for each income category, the Town will develop and implement an ongoing formal evaluation procedure (project-by-project) of sites identified in the Sites Inventory.	If this situation arises the Town will comply with this requirement.	Modify
Goal HOU-3	**Preserve existing residential opportunities, including the existing affordable housing stock.**		**Modify**
Policy HOU-3.1	Encourage the maintenance and improvement of existing housing units.		Modify
Policy HOU-3.2	Support the preservation and conservation of existing housing units that provide affordable housing opportunities for Town residents and workers.		Modify
Policy HOU-3.3	Improve the quality of rental housing by acquisition and/or rehabilitation using Affordable Housing Fund.		Modify
Policy HOU-3.4	Preserve the affordability of units affordable to very low-, low-, and moderate-income households in Bonnie View Park, and enforce zoning regulations regarding conversion of mobile home parks in Los Gatos.		Continue
	Actions		
3.1	Continue to monitor affordable, multi-family housing units in the Town to ensure that they retain their affordability status.	No units have been converted to market rate rents.	Continue
3.2	The Town will continue to implement Section 29.20.155 of the Town Code that addresses conversions of residential use, specifically Section 29.20.155(a)(2) that requires that any proposed conversion satisfy the housing goals and policies as set forth in the General Plan.	This will be considered if a conversion of residential uses is proposed.	Continue
3.3	Continue to participate in the County of Santa Clara Community Development Block Grant Joint Powers Authority so Town residents can participate in County CDBG Housing Rehabilitation programs.	The Town still participates in these programs.	Continue
3.4	Continue to support countywide programs that provide assistance with minor home repairs and accessibility improvements for lower-income households, including special needs households.	The Town supports these programs.	Continue
Goal HOU-4	**Ensure that all persons have equal access to housing opportunities.**		
Policy HOU-4.1	Support housing programs that protect individuals' rights.		Modify

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
Policy HOU-4.2	Continue to provide assistance to service providers who support special needs households such as seniors, persons with disabilities (including developmental challenges), and the homeless, such as Project Sentinel, Santa Clara County Housing Authority, and Santa Clara County Office of Supportive Housing.		Modify
Policy HOU-4.3	Continue to encourage Los Gatos households to participate in financial assistance programs provided in the County of Santa Clara.		Continue
	Actions		
4.1	Continue to provide a guide to developments that include affordable housing units as part of the Housing Resources Guide posted on the Town's website.	Town Housing Resources Guide is updated when necessary.	Modify
4.2	Continue the administration of the Rental Dispute Resolution Program and consider revisions as necessary to make the program as effective as possible in protecting both tenants and landlords' rights.	The Town continues to use Project Sentinel to administer a Rental Dispute Resolution Program.	Continue
4.3	Continue to allow for an emergency shelter as a by-right permitted use in the Controlled Manufacturing (CM) zoning district, subject to appropriate development standards.	Town Code has been amended to address this.	Delete
4.4	Continue to provide support for community and non-profit organizations providing supportive services for homeless persons in Los Gatos.	The Town continues to support organizations that provide supportive services for homeless persons.	Continue
4.5	Support the efforts of the Santa Clara County Fair Housing Consortium. Continue to make referrals through Project Sentinel and provide updated fair housing information on the Town's website and at public locations through the Town, such as the Adult Recreation Center and public kiosks.	Project Sentinel is a member of the Santa Clara County Fair Housing Consortium and administers the Town's Rental Dispute Resolution Program.	Modify
4.6	Support the efforts of non-profit affordable housing organizations that provide housing services in Los Gatos.	The Town has met with affordable housing organizations regarding potential development in Town.	Modify
4.7	Continue to support the County of Santa Clara's Continuum of Care plan, as well as the "Housing 1000" campaign by Destination: Home.	The Town continues to support Santa Clara County's Continuum of Care Plan.	Continue
4.8	The Town shall amend the Town Code within one year of the Housing Element adoption to be consistent with the Employee Housing Act.	The Town will comply with State Law if a project is proposed, or an issue comes up before the Town Code is amended.	Delete

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
Goal HOU-5	**Retain and expand affordable housing opportunities for seniors.**		Modify
Policy HOU-5.1	Promote the Town's Housing Conservation Program to assist low-income seniors with basic home repairs and maintenance.		Modify
Policy HOU-5.2	Allow and encourage small-scale living facilities of two to six seniors that may include nursing care services that can be integrated into existing neighborhoods as infill development.		Delete
Policy HOU-5.3	Work with existing senior lifestyle living and assisted living facilities in Los Gatos, and support the development of new senior housing that includes continuum of care facilities within the Town.		Modify
	Actions		
5.1	Provide regularly updated senior housing resource materials at the Adult Recreation Center.	Senior resource materials are updated when necessary.	Modify
Goal HOU-6	**Mitigate Town governmental constraints to affordable and special needs housing development.**		Modify
Policy HOU-6.1	Continue expediting the permit processing system for affordable residential development applications.		Modify
Policy HOU-6.2	Encourage universal design features in all new residential developments, to supplement the Title 24 requirements.		Modify
Policy HOU-6.3	Support the rehabilitation and modification of housing to allow accessible to people of all abilities.		Modify
Policy HOU-6.4	Support the provision of permanent, affordable, and accessible housing that allows persons with special needs to live independent lives. For the purposes of this Housing Element "persons with special needs" include extremely low-income households, the elderly, overcrowded and large-family households, the homeless population, those in need of emergency shelter, youth aging out of foster care, female-headed or single-parent households, and persons with disabilities, including developmental challenges.		Continue
Policy HOU-6.5	Support efforts to provide coordinated services for persons with special needs in the Town.		Modify
	Actions		
6.1	Regularly review Town planning and zoning regulations and remove affordable housing development constraints as appropriate.	The Town's Housing Element contains a number of items that limit or remove constraints.	Modify

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
6.2	Continue to enforce Section 29.10.505–530 of the Town Code to ensure equal access to housing for persons with disabilities under the Fair Housing Act and provide specific procedures for requesting and granting reasonable accommodations.	This has not yet been completed.	Continue
6.3	Remove constraints to housing for persons with disabilities and encourage accessible housing in new residential developments.	Removal of constraints is considered when necessary.	Modify
6.4	Give priority to special needs housing by allowing for reduced processing time and streamlined procedures for such appropriate zoning/land use applications.	If a project of this nature is submitted it will be given priority.	Modify
6.5	Include preferential handling of special needs populations in management plans and regulatory agreements of funded projects.	Will be considered when plans are adopted, and projects are funded.	Modify
6.6	Explore opportunities to work with local and/or regional partners to provide rental assistance for persons with developmental challenges.	The Town will explore opportunities with local and/or regional partners during the Housing Element update process.	Modify
6.7	Consider development of universal design enhancements to existing design guidelines and standards to encourage the inclusion of universal design features in new construction. Periodically study every two years and adopt as appropriate specific revisions or amendments to the Town's development documents as part of the Town Building Code.	The Town considers enhancements to universal design and the Town requires universal design features in new construction consistent with Building Code requirements.	Delete
6.8	Increase awareness of universal design principles by periodically educating the Town Council, Commissions, and Boards about universal design and making information available to residents and builders at the Community Development Counter.	The Town takes appropriate actions to increase awareness of universal design principles.	Delete
6.9	Continue to work with the local California Department of Developmental Services Regional Center to continue to inform families within Los Gatos on housing and services available for persons with developmental challenges.	The Town works with the California Department of Developmental Services to inform citizens of available services.	Modify
6.10	On a biannual basis, continue to review, evaluate, update, and streamline as necessary, the development process for housing developments that will guarantee affordable units on a long-term basis for very low-, low-, and moderate-income households.	The Town considers improvements to the development review process for affordable housing projects when they are proposed.	Delete

No.	Programs (The text provided in this column is a synopsis only; for complete program language refer to the 2015 Housing Element)	Achievements/Effectiveness	Continue/Modify/ Delete
Goal HOU-7	**Encourage residential construction that promotes green building and energy conservation practices.**		Modify
Policy HOU-7.1	Encourage sustainable housing development throughout the Town using the Town's voluntary green building program by continuing to require that all residential development applications complete the Build It Green GreenPoint Rated Checklist as part of the development application package.		Modify
Policy HOU-7.2	Promote the construction of energy efficient new homes utilizing the Energy Star Homes Program.		Delete
7.1	Continue to enforce State of California Title 24 requirements for energy conservation.	The Town enforces Title 24 requirements.	Continue
Goal HOU-8	**Ensure that the Town has sufficient resources and takes appropriate measures to implement the Housing Element.**		Modify
Policy HOU-8.1	All approvals of residential developments of three or more units shall include a finding that the proposed development is consistent with the Town's Housing Element and addresses the Town's housing needs as identified in the Housing Element.		Delete
Policy HOU-8.2	Provide adequate management and staffing of affordable housing funds and programs.		Continue
8.1	Prepare an annual housing report for the review of the Town Council including information on progress made towards achieving new construction need, affordable housing conserved/developed, effectiveness of existing programs and recommendations for improvement.	The Town prepares an annual housing report.	Continue
8.2	Continue to fund staff for the management and planning of housing programs and funding for the Town.	The Town has contracted with HouseKeys to administer our affordable housing program and has staff that dedicate time to the Town's affordable housing program.	Delete
8.3	Deliver the adopted Housing Element to the San Jose Water Company and the West Valley Sanitation District.	Town staff regularly work with the San Jose Water Company and West Valley Sanitation District on upgrades to their infrastructure and they are involved in development applications and environmental review.	Modify

Production of Housing

The 2015 Housing Element identified a Regional Housing Needs Allocation (RHNA) of 619 housing units in Los Gatos between January 1, 2015, and June 30, 2023. The RHNA was divided into the following income categories:

- 100 units affordable to extremely low-income households.
- 101 units affordable to very low-income households.
- 112 units affordable to low-income households.
- 132 units affordable to moderate-income households.
- 174 units affordable to above moderate-income households.

As shown in Table A5-2, during the 2015–2023 planning period, 511 new units were added to the Town's housing stock, achieving approximately 83 percent of the Town's RHNA. Units affordable to moderate- and lower-income households that were created during the planning period include density bonus senior rental units (North Forty Phase I), an attached condominium (Union Avenue) and detached townhomes (Knowles Avenue) produced through the BMP program and accessory dwelling units.

Table E-2 Housing Units Produced, January 1, 2015, to June 30, 2023

Affordability	New Construction Need	Housing Units Produced	Percent Achieved
Extremely Low	100	0	*
Very Low	101	49	24.4%
Low	112	3	2.7%
Moderate	132	120	90.9%
Above Moderate	174	339	194.8%
Total	**619**	**511**	82.5%

Source: HCD Annual Progress Report Dashboard (as of August 5, 2022).
Note: This table and text will be updated prior to finalization to account for units through January 1, 2023.

Preservation of "At Risk" Units

According to the 2015 Housing Element, there were no affordable units at risk of converting to market rate within 10 years from the beginning of the 2015 to 2023 planning period.

Rehabilitation of Existing Units

The Town did not rehabilitate any housing units between 2015 and 2023.

E.4 Appropriateness of Goals, Objectives, and Policies

The goals, objectives, and policies identified in the 2015 Housing Element were appropriate for the 2015 to 2023 timeframe because they directly relate to the program requirements listed by the California Department of Housing and Community Development.

As for new construction, the greatest progress was made in producing housing in the moderate income and above moderate-income categories, where the Town permitted approximately 62 percent and 80 percent of the needed units, respectively. The Town permitted only about a quarter of its needed very low-income units and less than three percent of its low-income units. As was the case in the in prior years, the cost of housing continued to

be high in Los Gatos, making affordable housing difficult to develop in the Los Gatos market. The Town successfully provided the governmental framework to encourage and facilitate affordable housing through a continuation of its BMP program and enhanced Accessory Dwelling Unit Ordinance.

E.5 Summary

Like many communities, the Town of Los Gatos experienced less development than expected in its 2015–2023 planning period. Of the 630 units it identified in its table of quantified housing objectives (Table H-3 on page 47 of the 2015 Housing Element), the Town permitted 511 units (approximately 81 percent), most of them for above moderate-income households.

Nonetheless, the goals, objectives, policies, and actions in the 2015 to 2023 Housing Element complied with State housing law that was in effect at the time and provided proper guidance for housing development in the Town. In the 2023 to 2031 Housing Element update, objectives for each of the goals will be modified as appropriate to more specifically respond to the current housing environment in Los Gatos. Policies will also be modified as needed to respond to current Housing Element law and existing and anticipated residential development conditions.

List of Organizations Contacted

APPENDIX F

F.1 List of Organizations Contacted

1	Native American Heritage Commission Tribal Consultation List Santa Clara County 07/22/2020

1 Amah Mutsun Tribal Band
Valentin Lopez, Chairperson
P.O. Box 5272
Galt, CA 95632
Phone number (916) 743-5833
vlopez@amahmutsun.org

2 Amah Mutsun Tribal Band of Mission San Juan Bautista
Irenne Zwierlein, Chairperson
789 Canada Road
Woodside, CA 94062
Phone: (650) 851-7489
Fax: (650) 332-1526
amahmutsuntribal@gmail.com

3 Indian Canyon Mutsun Band of Costanoan
Ann Marie Sayers, Chairperson
P.O. Box 28
Hollister, CA 95024
Phone number (831) 637-4238
ams@indiancanyon.org

4 Muwekma Ohlone Indian Tribe of the SF Bay Area
Charlene Mijmeh, Chairperson
20885 Redwood Road, Suite 232
Castro Valley, CA 94546
Phone: (408) 464-2892
cnijmeh@muwekma.org

5 Muwekma Ohlone Indian Tribe of the SF Bay Area
Monica Arellano
20885 Redwood Road, Suite 232
Castro Valley, CA 94546
marellano@muwekma.org

6 North Valley Yokuts Tribe
Timothy Perez, MLD Contact
P.O. Box 717
Linden, CA 95236
Phone: (209) 662-2788
huskanam@gmail.com

7 **North Valley Yokuts Tribe**
Katherine Perez, Chairperson
P.O. Box 717
Linden, CA 95236
Phone: (209) 887-3415
canutes@verizon.net

8 **The Ohlone Indian Tribe**
Andres Galvan
P.O. Box 3388
Fremont, CA 94539
Phone: (510) 882-0527
Fax: (510) 687-9393
chochenyo@aol.com

9 **The Confederated Villages of Lisjan**
Corrina Gould, Chairperson
10926 Edes Avenue
Oakland, CA 94603
Phone: (510) 882-027
cvltribe@gmail.com

2 Additional List of Contacted Organizations

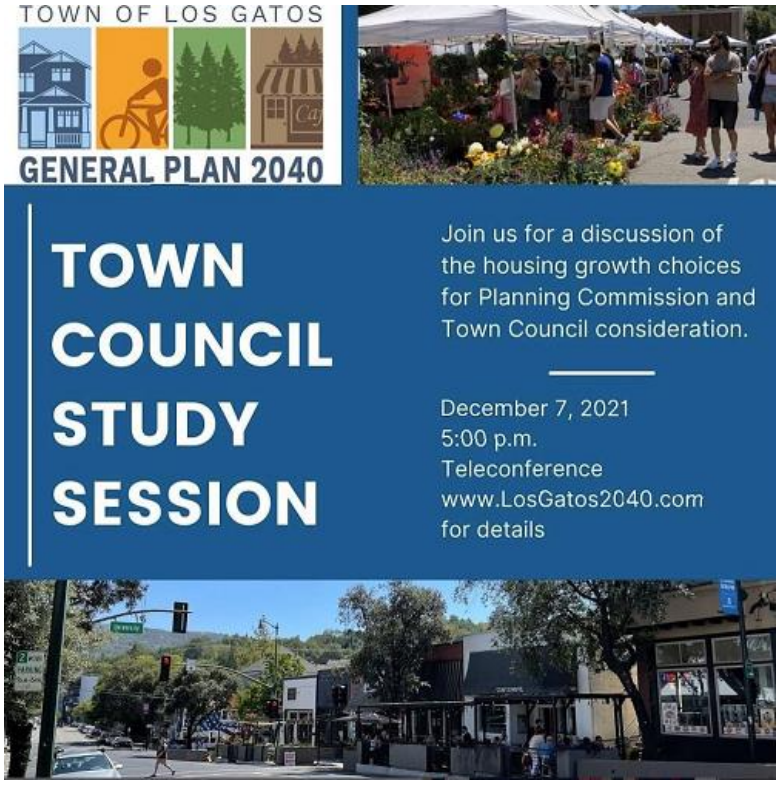
1 **Santa Clara County Social Services Agency**
353 West Julian Street
San Jose, CA 95110
clientcomments@ssa.sccgov.org
(408) 755-7100

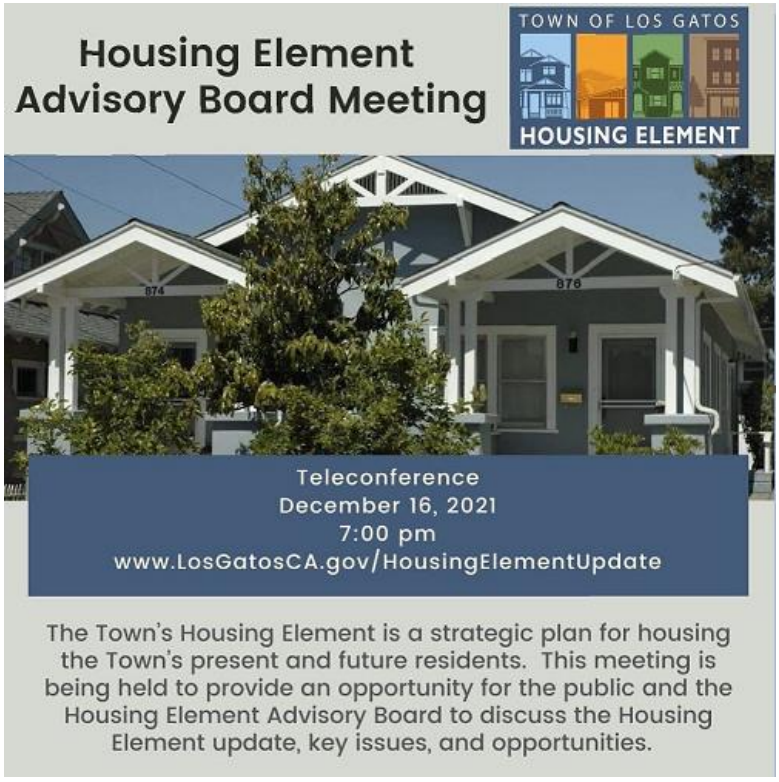
2 **Pancho Guevara**
Executive Director
Sacred Heart Community Service
1381 South First Street
San Jose, CA 95110
(408) 278-2160

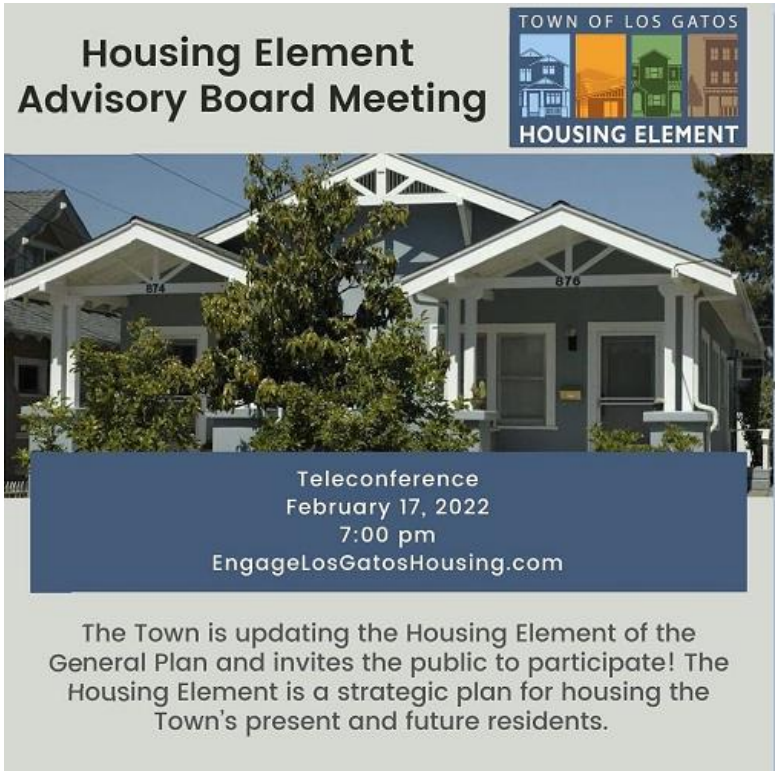
3 **United Way Bay Area**
1400 Parkmoor Avenue San Jose, Ca 95126
(408) 345-4300

3	Engage Los Gatos Housing

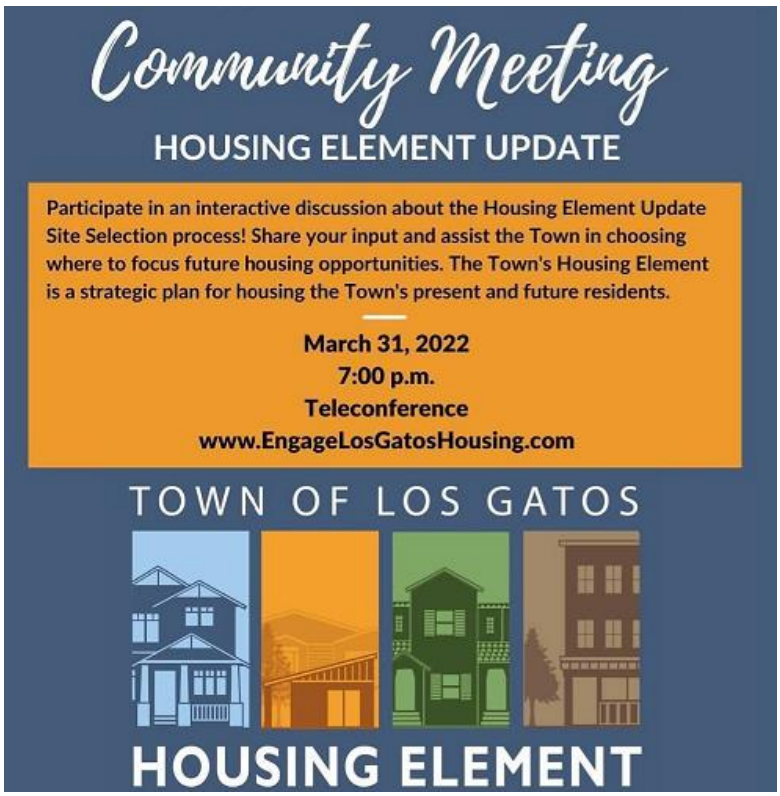





Housing Element
Advisory Board Meeting
TOWN OF LOS GATOS
HOUSING ELEMENT
Teleconference
December 16, 2021
7:00 pm
www.LosGatosCA.gov/HousingElementUpdate
The Town's Housing Element is a strategic plan for housing the Town's present and future residents. This meeting is being held to provide an opportunity for the public and the Housing Element Advisory Board to discuss the Housing Element update, key issues, and opportunities.


Housing Element
Advisory Board Meeting
TOWN OF LOS GATOS
HOUSING ELEMENT
Teleconference
February 17, 2022
7:00 pm
EngageLosGatosHousing.com
The Town is updating the Housing Element of the General Plan and invites the public to participate! The Housing Element is a strategic plan for housing the Town's present and future residents.

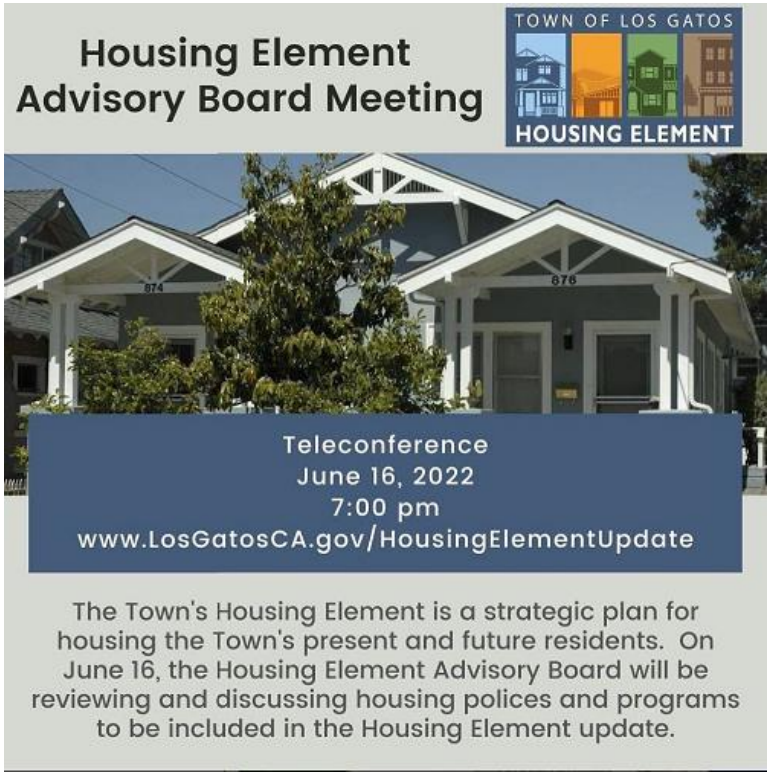

MARCH
2
WVCS Presents Envisioning an Inclusive Los Gatos: Housing Element 101
HOUSING ELEMENT
The Housing Element, part of a city's General Plan, shapes the future of the city by deciding what housing should look like for the next 8 years. With the Housing Element, Los Gatos has the opportunity to improve the community for everyone, ensuring an inclusive, diverse, and affordable Town.
Join community members, Housing Element experts, nonprofits, housing developers, and clients with lived experience in homelessness and affordable housing for a participatory conversation about the future of Los Gatos.
Featuring Panelists:
– Ande Flower, Principal Planner at EMC Planning
– Alison Cingolani, Policy & Research Associate at SV@Home
– Housing Developer
– Two WVCS Clients
MARCH 2, 6:00PM, ONLINE EVENT


Community Meeting
HOUSING ELEMENT UPDATE
Participate in an interactive discussion about the Housing Element Update Site Selection process! Share your input and assist the Town in choosing where to focus future housing opportunities. The Town's Housing Element is a strategic plan for housing the Town's present and future residents.
March 31, 2022
7:00 p.m.
Teleconference
www.EngageLosGatosHousing.com
TOWN OF LOS GATOS
HOUSING ELEMENT


SAVE THE DATE
SUNDAY
APRIL 24
TOWN PLAZA PARK
10:00AM - 1:00PM
Spring into Green
Celebrate Keep Los Gatos Beautiful Month and Earth day with hands-on activities for all ages, eco-educational exhibitors, live entertainment, and more!
TOWN OF LOS GATOS
CALIFORNIA


Housing Element
Advisory Board Meeting
TOWN OF LOS GATOS
HOUSING ELEMENT
Teleconference
May 19, 2022
7:00 pm
www.LosGatosCA.gov/HousingElementUpdate
The Town's Housing Element is a strategic plan for housing the Town's present and future residents. An inventory of land adequately zoned or planned to be zoned to accommodate its fair share of housing allocation is a required part of a Housing Element. The Housing Element Advisory Board will be reviewing and discussing the Draft Site Inventory and the income category distribution associated with each of the sites.


This Sunday, stop by the
2040 GENERAL PLAN UPDATE BOOTH AT THE LOS GATOS FARMERS' MARKET
Town staff will be available to chat, answer questions, and provide information regarding the 2040 General Plan Update.
TOWN OF LOS GATOS
GENERAL PLAN 2040
LOSGATOS2040.COM
GENERAL PLAN 2040
Sunday
May 22, 2022
Los Gatos Farmers' Market
Town Plaza Park


Housing Element Advisory Board Meeting
TOWN OF LOS GATOS
HOUSING ELEMENT
Teleconference
June 16, 2022
7:00 pm
www.LosGatosCA.gov/HousingElementUpdate
The Town's Housing Element is a strategic plan for housing the Town's present and future residents. On June 16, the Housing Element Advisory Board will be reviewing and discussing housing polices and programs to be included in the Housing Element update.


Housing Element
Advisory Board Meeting
TOWN OF LOS GATOS
HOUSING ELEMENT
Teleconference
September 15, 2022
7:00 pm
www.LosGatosCA.gov/HousingElementUpdate
On September 15, the Housing Element Advisory Board will receive public comments on the Initial Public Review Draft of the Housing Element (available at EngageLosGatosHousing.com).


THIS SUNDAY, STOP BY THE
Housing Element Update
BOOTH AT THE FARMERS' MARKET
Town staff will be available to chat, answer questions, and provide information regarding the Draft Housing Element.
SUNDAY, OCTOBER 9, 2022
LOS GATOS FARMERS' MARKET
TOWN PLAZA PARK
TOWN OF LOS GATOS
HOUSING ELEMENT
FARMERS' MARKET
EVERY SUNDAY

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AFFH Segregation Report Los Gatos

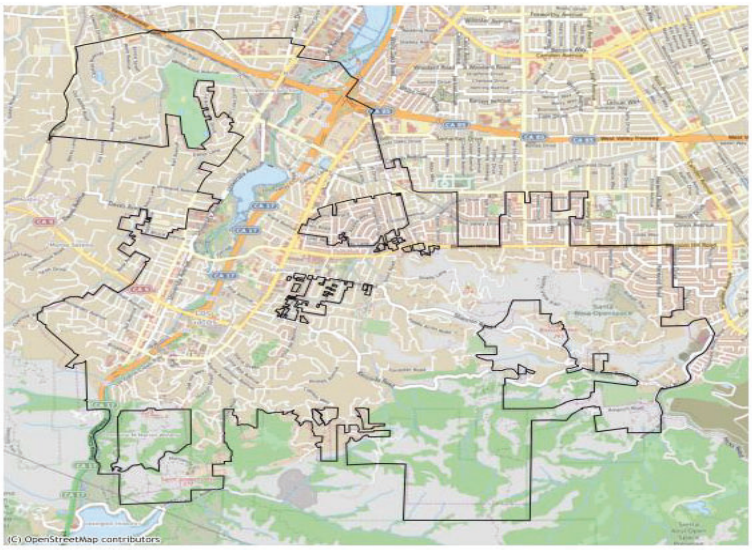
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APPENDIX

AFFH SEGREGATION REPORT: LOS GATOS

UC Merced Urban Policy Lab and ABAG/MTC Staff

Version of Record: March 06, 15:57:57



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1 INTRODUCTION

The requirement to Affirmatively Further Fair Housing (AFFH) is derived from The Fair Housing Act of 1968, which prohibited discrimination concerning the sale, rental, and financing of housing based on race, color, religion, national origin, or sex—and was later amended to include familial status and disability.[1] The 2015 U.S. Department of Housing and Urban Development (HUD) Rule to Affirmatively Further Fair Housing and California Assembly Bill 686 (2018) mandate that each jurisdiction takes meaningful action to address significant disparities in housing needs and access to opportunity.[2][3] AB 686 requires that jurisdictions incorporate AFFH into their Housing Elements, which includes inclusive community participation, an assessment of fair housing, a site inventory reflective of AFFH, and the development of goals, policies, and programs to meaningfully address local fair housing issues. ABAG and UC Merced have prepared this report to assist Bay Area jurisdictions with the Assessment of Fair Housing section of the Housing Element.

Assessment of Fair Housing Components

The Assessment of Fair Housing includes five components, which are discussed in detail on pages 22-43 of HCD's AFFH Guidance Memo:

A: Summary of fair housing enforcement and outreach capacity

B: Integration and segregation patterns, and trends related to people with protected characteristics

C: Racially or ethnically concentrated areas of poverty

D: Disparities in access to opportunity

E: Disproportionate housing needs, including displacement risk

1.1 Purpose of this Report

This report describes racial and income segregation in Bay Area jurisdictions. Local jurisdiction staff can use the information in this report to help fulfill a portion of the second component of the Assessment of Fair Housing, which requires analysis of integration and segregation patterns and trends related to people with protected characteristics and lower incomes. Jurisdictions will still need to perform a similar analysis for familial status and populations with disability.

This report provides segregation measures for both the local jurisdiction and the region using several indices. For segregation between neighborhoods within a city (intra-city segregation), this report includes isolation indices, dissimilarity indices, and Theil's-H index. The isolation index measures

[1] https://www.justice.gov/crt/fair-housing-act-2
[2] HCD AFFH Guidance Memo
[3] The 2015 HUD rule was reversed in 2020 and partially reinstated in 2021.

segregation for a single group, while the dissimilarity index measures segregation between two groups. The Theil's H-Index can be used to measure segregation between all racial or income groups across the city at once. HCD's AFFH guidelines require local jurisdictions to include isolation indices and dissimilarity indices in the Housing Element. Theil's H index is provided in addition to these required measures. For segregation between cities within the Bay Area (inter-city segregation), this report includes dissimilarity indices at the regional level as required by HCD's AFFH guidelines. HCD's AFFH guidelines also require jurisdictions to compare conditions at the local level to the rest of the region; and this report presents the difference in the racial and income composition of a jurisdiction relative to the region as a whole to satisfy the comparison requirement.

1.2 Defining Segregation

Segregation is the separation of different demographic groups into different geographic locations or communities, meaning that groups are unevenly distributed across geographic space. This report examines two spatial forms of segregation: neighborhood level segregation *within* a local jurisdiction and city level segregation *between* jurisdictions in the Bay Area.

Neighborhood level segregation (*within* a jurisdiction, or *intra-city*): Segregation of race and income groups can occur from neighborhood to neighborhood *within* a city. For example, if a local jurisdiction has a population that is 20% Latinx, but some neighborhoods are 80% Latinx while others have nearly no Latinx residents, that jurisdiction would have segregated neighborhoods.

City level segregation (*between* jurisdictions in a region, or *inter-city*): Race and income divides also occur *between* jurisdictions in a region. A region could be very diverse with equal numbers of white, Asian, Black, and Latinx residents, but the region could also be highly segregated with each city comprised solely of one racial group.

There are many factors that have contributed to the generation and maintenance of segregation. Historically, racial segregation stemmed from explicit discrimination against people of color, such as restrictive covenants, redlining, and discrimination in mortgage lending. This history includes many overtly discriminatory policies made by federal, state, and local governments (Rothstein 2017). Segregation patterns are also affected by policies that appear race-neutral, such as land use decisions and the regulation of housing development.

Segregation has resulted in vastly unequal access to public goods such as quality schools, neighborhood services and amenities, parks and playgrounds, clean air and water, and public safety (Trounstine 2015). This generational lack of access for many communities, particularly people of color and lower income residents, has often resulted in poor life outcomes, including lower educational attainment, higher morbidity rates, and higher mortality rates (Chetty and Hendren 2018, Ananat 2011, Burch 2014, Cutler and Glaeser 1997, Sampson 2012, Sharkey 2013).

1.3 Segregation Patterns in the Bay Area

Across the San Francisco Bay Area, white residents and above moderate-income residents are significantly more segregated from other racial and income groups (see Appendix 2). The highest levels of racial segregation occur between the Black and white populations. The analysis completed for this report indicates that the amount of racial segregation both *within* Bay Area cities and *across* jurisdictions in the region has decreased since the year 2000. This finding is consistent with recent research from the Othering and Belonging Institute at UC Berkeley, which concluded that "[a]lthough 7

of the 9 Bay Area counties were more segregated in 2020 than they were in either 1980 or 1990, racial residential segregation in the region appears to have peaked around the year 2000 and has generally declined since."[4] However, compared to cities in other parts of California, Bay Area jurisdictions have more neighborhood level segregation between residents from different racial groups. Additionally, there is also more racial segregation *between* Bay Area cities compared to other regions in the state.

1.4 Segregation and Land Use

It is difficult to address segregation patterns without an analysis of both historical and existing land use policies that impact segregation patterns. Land use regulations influence what kind of housing is built in a city or neighborhood (Lens and Monkkonen 2016, Pendall 2000). These land use regulations in turn impact demographics: they can be used to affect the number of houses in a community, the number of people who live in the community, the wealth of the people who live in the community, and where within the community they reside (Trounstine 2018). Given disparities in wealth by race and ethnicity, the ability to afford housing in different neighborhoods, as influenced by land use regulations, is highly differentiated across racial and ethnic groups (Bayer, McMillan, and Reuben 2004).[5] ABAG/MTC plans to issue a separate report detailing the existing land use policies that influence segregation patterns in the Bay Area.

[4] For more information, see https://belonging.berkeley.edu/most-segregated-cities-bay-area-2020.
[5] Using a household-weighted median of Bay Area county median household incomes, regional values were $61,050 for Black residents, $122,174 for Asian/Pacific Islander residents, $121,794 for white residents, and $76,306 for Latinx residents. For the source data, see U.S. Census Bureau, American Community Survey 5-Year Data (2015-2019), Table B19013B, Table B19013D, B19013H, and B19013I.

Definition of Terms - Geographies

Neighborhood: In this report, "neighborhoods" are approximated by tracts.[6] Tracts are statistical geographic units defined by the U.S. Census Bureau for the purposes of disseminating data. In the Bay Area, tracts contain on average 4,500 residents. Nearly all Bay Area jurisdictions contain at least two census tracts, with larger jurisdictions containing dozens of tracts.

Jurisdiction: Jurisdiction is used to refer to the 109 cities, towns, and unincorporated county areas that are members of ABAG. Though not all ABAG jurisdictions are cities, this report also uses the term "city" interchangeably with "jurisdiction" in some places.

Region: The region is the nine-county San Francisco Bay Area, which is comprised of Alameda County, Contra Costa County, Marin County, Napa County, San Francisco County, San Mateo County, Santa Clara County, Solano County, and Sonoma County.

[6] Throughout this report, neighborhood level segregation measures are calculated using census tract data. However, the racial dot maps in Figure 1 and Figure 5 use data from census blocks, while the income group dot maps in Figure 8 and Figure 12 use data from census block groups. These maps use data derived from a smaller geographic scale to better show spatial differences in where different groups live. Census block groups are subdivisions of census tracts, and census blocks are subdivisions of block groups. In the Bay Area, block groups contain on average 1,500 people, while census blocks contain on average 95 people.

2 RACIAL SEGREGATION IN TOWN OF LOS GATOS

Definition of Terms - Racial/Ethnic Groups

The U.S. Census Bureau classifies racial groups (e.g. white or Black/African American) separately from Hispanic/Latino ethnicity.[7] This report combines U.S. Census Bureau definitions for race and ethnicity into the following racial groups:

White: Non-Hispanic white

Latinx: Hispanic or Latino of any race[8]

Black: Non-Hispanic Black/African American

Asian/Pacific Islander: Non-Hispanic Asian or Non-Hispanic Pacific Islander

People of Color: All who are not non-Hispanic white (including people who identify as "some other race" or "two or more races")[9]

2.1 Neighborhood Level Racial Segregation (*within* Town of Los Gatos)

Racial dot maps are useful for visualizing how multiple racial groups are distributed within a specific geography. The racial dot map of Los Gatos in Figure 1 below offers a visual representation of the spatial distribution of racial groups within the jurisdiction. Generally, when the distribution of dots does not suggest patterns or clustering, segregation measures tend to be lower. Conversely, when clusters of certain groups are apparent on a racial dot map, segregation measures may be higher.

[7] More information about the Census Bureau's definitions of racial groups is available here: https://www.census.gov/topics/population/race/about.html.
[8] The term Hispanic has historically been used to describe people from numerous Central American, South American, and Caribbean countries. In recent years, the term Latino or Latinx has become preferred. This report generally uses Latinx to refer to this racial/ethnic group.
[9] Given the uncertainty in the data for population size estimates for racial and ethnic groups not included in the Latinx, Black, or Asian/Pacific Islander categories, this report only analyzes these racial groups in the aggregate People of Color category.

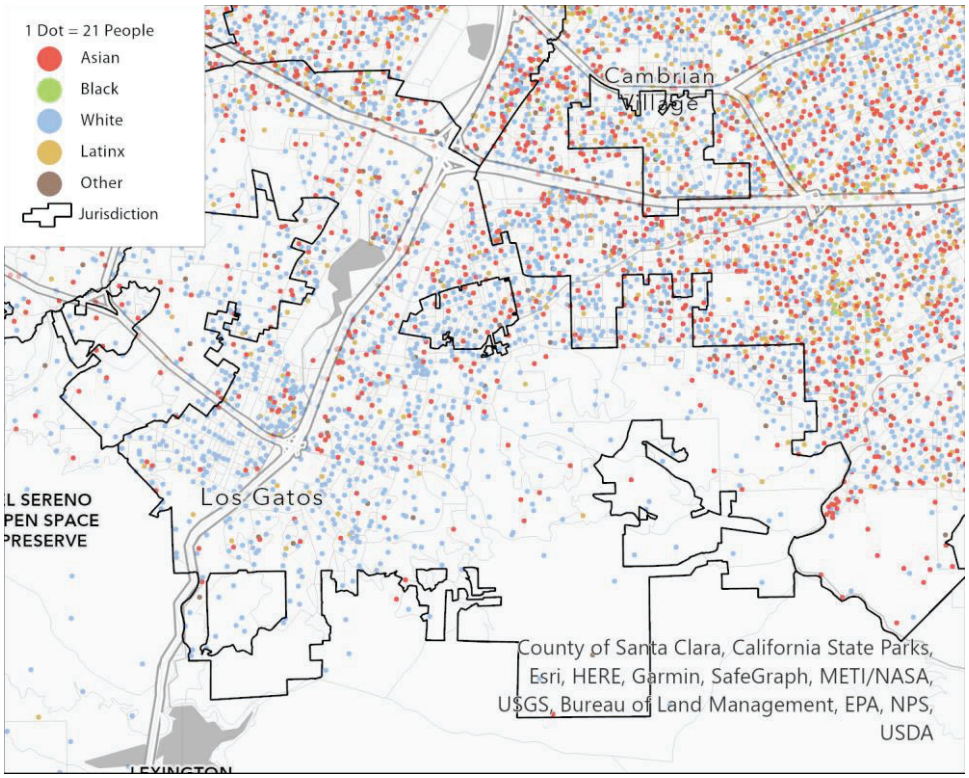


Figure 1: Racial Dot Map of Los Gatos (2020)

Universe: Population. Source: U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.
Note: The plot shows the racial distribution at the census block level for Town of Los Gatos and vicinity. Dots in each census block are randomly placed and should not be construed as actual placement of people.

There are many ways to quantitatively measure segregation. Each measure captures a different aspect of the ways in which groups are divided within a community. One way to measure segregation is by using an **isolation index**:

- The isolation index compares each neighborhood's composition to the jurisdiction's demographics as a whole.
- This index ranges from 0 to 1. Higher values indicate that a particular group is more isolated from other groups.
- Isolation indices indicate the potential for contact between different groups. The index can be interpreted as the experience of the average member of that group. For example, if the isolation index is .65 for Latinx residents in a city, then the average Latinx resident in that city lives in a neighborhood that is 65% Latinx.

Within Town of Los Gatos the most isolated racial group is white residents. Los Gatos's isolation index of 0.663 for white residents means that the average white resident lives in a neighborhood that is 66.3% white. Other racial groups are less isolated, meaning they may be more likely to encounter other racial groups in their neighborhoods. The isolation index values for all racial groups in Los Gatos for the years 2000, 2010, and 2020 can be found in Table 1 below. Among all racial groups in this jurisdiction, the white population's isolation index has changed the most over time, becoming less segregated from other racial groups between 2000 and 2020.

The "Bay Area Average" column in this table provides the average isolation index value across Bay Area jurisdictions for different racial groups in 2020.[10] The data in this column can be used as a comparison to provide context for the levels of segregation experienced by racial groups in this jurisdiction. For example, Table 1 indicates the average isolation index value for white residents across all Bay Area jurisdictions is 0.491, meaning that in the average Bay Area jurisdiction a white resident lives in a neighborhood that is 49.1% white.

Table 1: Racial Isolation Index Values for Segregation within Los Gatos

	Los Gatos			Bay Area Average
Race	**2000**	**2010**	**2020**	**2020**
Asian/Pacific Islander	0.079	0.118	0.197	0.245
Black/African American	0.009	0.012	0.022	0.053
Latinx	0.059	0.082	0.104	0.251
White	0.838	0.774	0.663	0.491

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, Census 2010, Table P4. Data for 2000 is standardized to 2010 census tract geographies and is from U.S. Census Bureau, Census 2000, Table P004.

Figure 2 below shows how racial isolation index values in Los Gatos compare to values in other Bay Area jurisdictions. In this chart, each dot represents a Bay Area jurisdiction. For each racial group, the spread of dots represents the range of isolation index values among Bay Area jurisdictions. Additionally, the black line within each racial group notes the isolation index value for that group in Town of Los Gatos, and each dashed red line represents the Bay Area average for the isolation index for that group. Local staff can use this chart to contextualize how segregation levels for racial groups in their jurisdiction compare to other jurisdictions in the region.

[10] This average only includes the 104 jurisdictions that have more than one census tract, which is true for all comparisons of Bay Area jurisdictions' segregation measures in this report. The segregation measures in this report are calculated by comparing the demographics of a jurisdiction's census tracts to the jurisdiction's demographics, and such calculations cannot be made for the five jurisdictions with only one census tract (Brisbane, Calistoga, Portola Valley, Rio Vista, and Yountville).

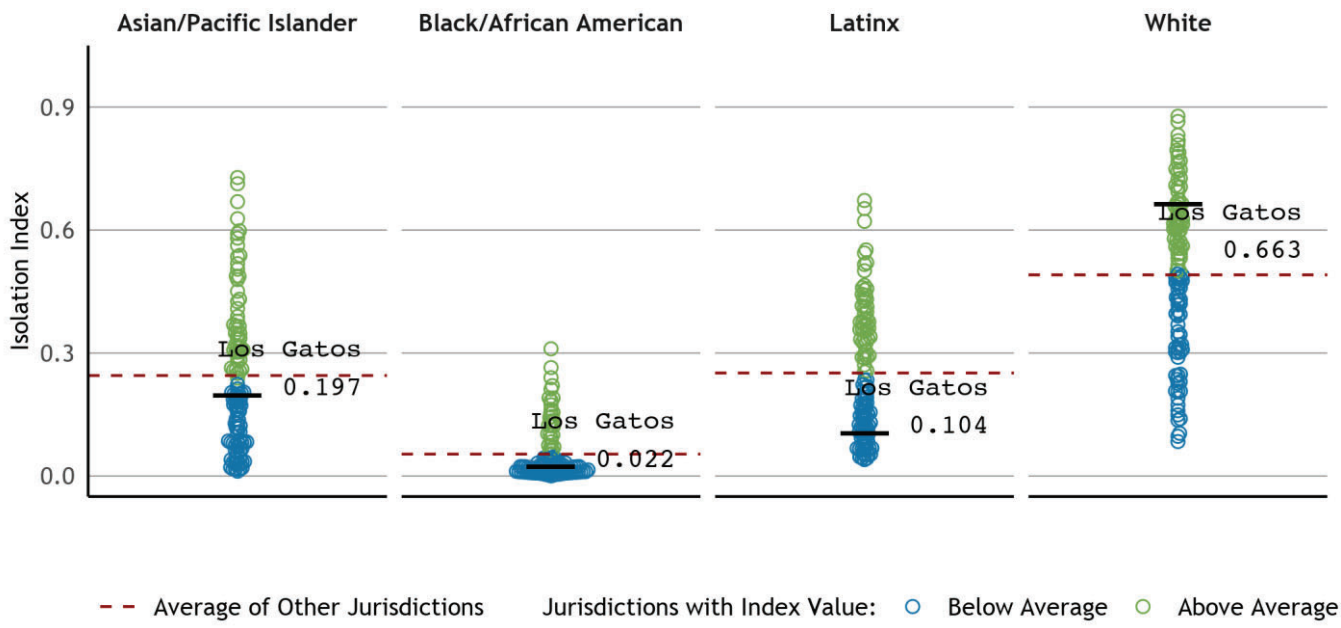


Figure 2: Racial Isolation Index Values for Los Gatos Compared to Other Bay Area Jurisdictions (2020)

Universe: Bay Area Jurisdictions.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.

Another way to measure segregation is by using a **dissimilarity index**:

- This index measures how evenly any two groups are distributed across neighborhoods relative to their representation in a city overall. The dissimilarity index at the jurisdiction level can be interpreted as the share of one group that would have to move neighborhoods to create perfect integration for these two groups.
- The dissimilarity index ranges from 0 to 1. Higher values indicate that groups are more unevenly distributed (e.g. they tend to live in different neighborhoods).

Dissimilarity Index Guidance for Cities with Small Racial Group Populations

The analysis conducted for this report suggests that dissimilarity index values are unreliable for a population group if that group represents approximately less than 5% of the jurisdiction's total population.

HCD's AFFH guidance requires the Housing Element to include the dissimilarity index values for racial groups, but also offers flexibility in emphasizing the importance of various measures. ABAG/MTC recommends that when cities have population groups that are less than 5% of the jurisdiction's population (see Table 4), jurisdiction staff use the isolation index or Thiel's H-Index to gain a more accurate understanding of their jurisdiction's neighborhood-level segregation patterns (*intra*-city segregation).

If a jurisdiction has a very small population of a racial group, this indicates that segregation between the jurisdiction and the region (*inter*-city segregation) is likely to be an important feature of the jurisdiction's segregation patterns.

In Town of Los Gatos, the Black/African American group is 0.9 percent of the population - so staff should be aware of this small population size when evaluating dissimilarity index values involving this group.

Table 2 below provides the dissimilarity index values indicating the level of segregation in Los Gatos between white residents and residents who are Black, Latinx, or Asian/Pacific Islander. The table also provides the dissimilarity index between white residents and all residents of color in the jurisdiction, and all dissimilarity index values are shown across three time periods (2000, 2010, and 2020).

In Los Gatos the highest segregation is between Black and white residents (see Table 2). Los Gatos's Black /white dissimilarity index of 0.369 means that 36.9% of Black (or white) residents would need to move to a different neighborhood to create perfect integration between Black residents and white residents. However, local jurisdiction staff should note that this dissimilarity index value is not a reliable data point due to small population size. See callout box above for more information.

The "Bay Area Average" column in this table provides the average dissimilarity index values for these racial group pairings across Bay Area jurisdictions in 2020. The data in this column can be used as a comparison to provide context for the levels of segregation between communities of color are from white residents in this jurisdiction.

For example, Table 2 indicates that the average Latinx/white dissimilarity index for a Bay Area jurisdiction is 0.207, so on average 20.7% of Latinx (or white residents) in a Bay Area jurisdiction would need to move to a different neighborhood within the jurisdiction to create perfect integration between Latinx and white residents in that jurisdiction.

Table 2: Racial Dissimilarity Index Values for Segregation within Los Gatos

	Los Gatos			Bay Area Average
Race	**2000**	**2010**	**2020**	**2020**
Asian/Pacific Islander vs. White	0.106	0.145	0.182	0.185
Black/African American vs. White	0.223*	0.246*	0.369*	0.244
Latinx vs. White	0.119	0.143	0.179	0.207
People of Color vs. White	0.093	0.124	0.157	0.168

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, Census 2010, Table P4. Data for 2000 is standardized to 2010 census tract geographies and is from U.S. Census Bureau, Census 2000, Table P004.
Note: If a number is marked with an asterisk (*), it indicates that the index is based on a racial group making up less than 5 percent of the jurisdiction population, leading to unreliable numbers.

Figure 3 below shows how dissimilarity index values in Town of Los Gatos compare to values in other Bay Area jurisdictions. In this chart, each dot represents a Bay Area jurisdiction. For each racial group pairing, the spread of dots represents the range of dissimilarity index values among Bay Area jurisdictions. Additionally, the black line within each racial group pairing notes the dissimilarity index value in Los Gatos, and each dashed red line represents the Bay Area average for the dissimilarity index for that pairing. Similar to Figure 2, local staff can use this chart to contextualize how segregation levels between white residents and communities of color in their jurisdiction compare to the rest of the region. However, staff should be mindful of whether a racial group in their jurisdiction has a small population (approximately less than 5% of the jurisdiction's population), as the dissimilarity index value is less reliable for small populations.

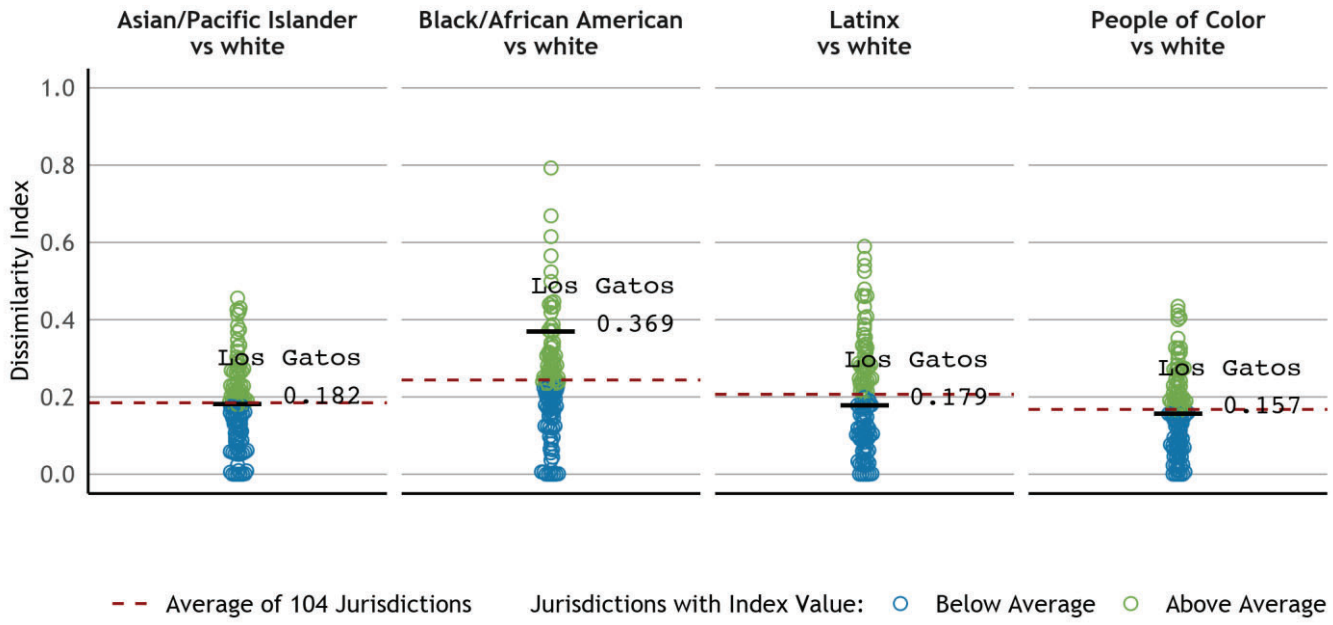


Figure 3: Racial Dissimilarity Index Values for Los Gatos Compared to Other Bay Area Jurisdictions (2020)

Universe: Bay Area Jurisdictions.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.
Note: The analysis conducted for this report suggests that dissimilarity index values are unreliable for a population group if that group represents approximately less than 5% of the jurisdiction's total population. ABAG/MTC recommends that when cities have population groups that are less than 5% of the jurisdiction's population (see Table 4), jurisdiction staff could focus on the isolation index or Thiel's H-Index to gain a more accurate understanding of neighborhood-level racial segregation in their jurisdiction.

The **Theil's H Index** can be used to measure segregation between all groups within a jurisdiction:

- This index measures how diverse each neighborhood is compared to the diversity of the whole city. Neighborhoods are weighted by their size, so that larger neighborhoods play a more significant role in determining the total measure of segregation.
- The index ranges from 0 to 1. A Theil's H Index value of 0 would mean all neighborhoods within a city have the same demographics as the whole city. A value of 1 would mean each group lives exclusively in their own, separate neighborhood.
- For jurisdictions with a high degree of diversity (multiple racial groups comprise more than 10% of the population), Theil's H offers the clearest summary of overall segregation.

The Theil's H Index values for neighborhood racial segregation in Los Gatos for the years 2000, 2010, and 2020 can be found in Table 3 below. The "Bay Area Average" column in the table provides the average Theil's H Index across Bay Area jurisdictions in 2020. Between 2010 and 2020, the Theil's H Index for racial segregation in Los Gatos increased, suggesting that there is now more neighborhood level racial segregation within the jurisdiction. In 2020, the Theil's H Index for racial segregation in Los

Gatos was lower than the average value for Bay Area jurisdictions, indicating that neighborhood level racial segregation in Los Gatos is less than in the average Bay Area city.

Table 3: Theil's H Index Values for Racial Segregation within Los Gatos

	Los Gatos			Bay Area Average
Index	**2000**	**2010**	**2020**	**2020**
Theil's H Multi-racial	0.011	0.015	0.023	0.042

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, Census 2010, Table P4. Data for 2000 is standardized to 2010 census tract geographies and is from U.S. Census Bureau, Census 2000, Table P004.

Figure 4 below shows how Theil's H index values for racial segregation in Los Gatos compare to values in other Bay Area jurisdictions in 2020. In this chart, each dot represents a Bay Area jurisdiction. Additionally, the black line notes the Theil's H index value for neighborhood racial segregation in Los Gatos, and the dashed red line represents the average Theil's H index value across Bay Area jurisdictions. Local staff can use this chart to compare how neighborhood racial segregation levels in their jurisdiction compare to other jurisdictions in the region.

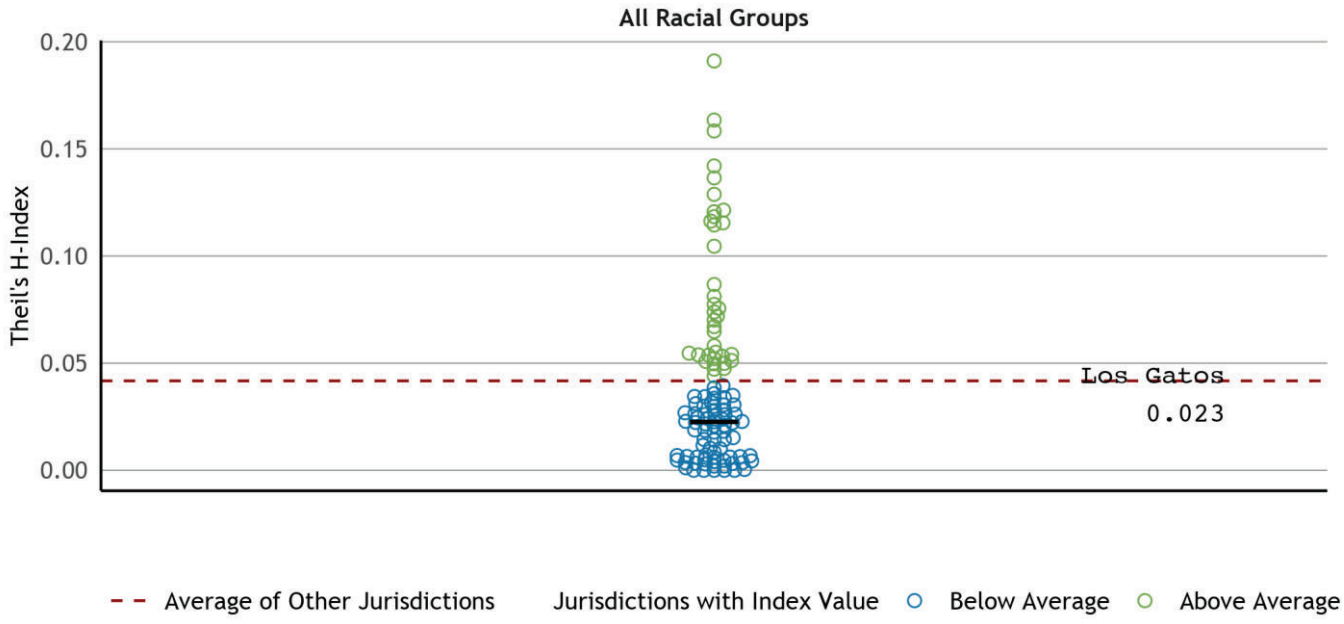


Figure 4: Theil's H Index Values for Racial Segregation in Los Gatos Compared to Other Bay Area Jurisdictions (2020)

Universe: Bay Area Jurisdictions.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.

2.2 Regional Racial Segregation (*between* Los Gatos and other jurisdictions)

At the regional level, segregation is measured between *cities* instead of between *neighborhoods*. Racial dot maps are not only useful for examining neighborhood racial segregation within a jurisdiction, but these maps can also be used to explore the racial demographic differences between different jurisdictions in the region. Figure 5 below presents a racial dot map showing the spatial distribution of racial groups in Los Gatos as well as in nearby Bay Area cities.

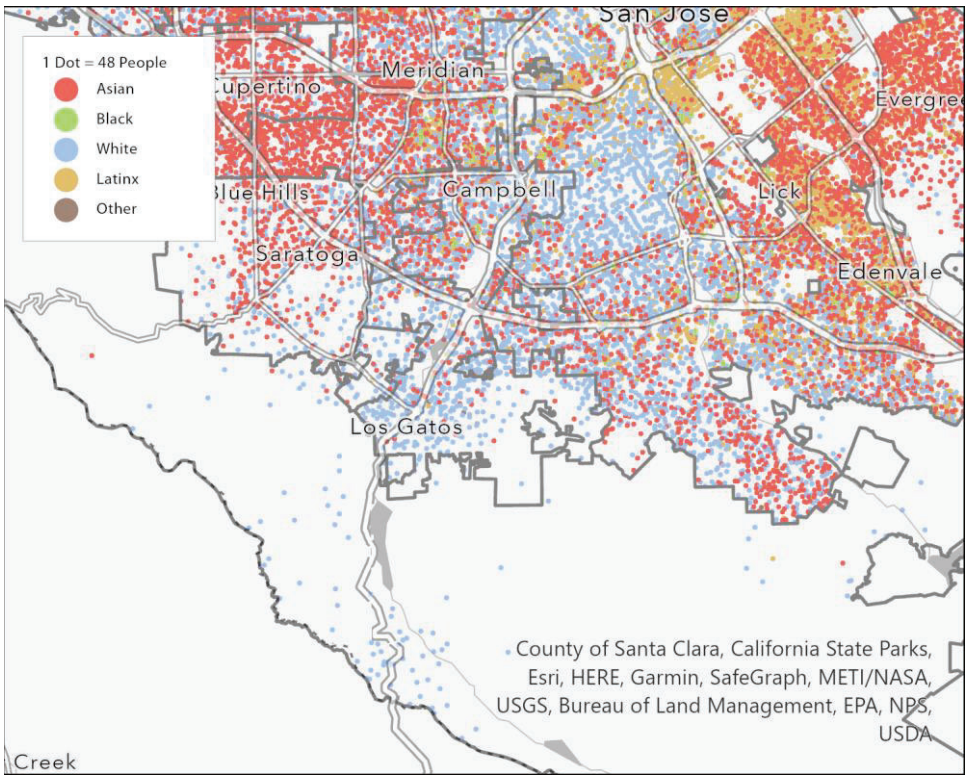


Figure 5: Racial Dot Map of Los Gatos and Surrounding Areas (2020)

Universe: Population.
Source: U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.
Note: The plot shows the racial distribution at the census block level for Town of Los Gatos and vicinity. Dots in each census block are randomly placed and should not be construed as actual placement of people.

To understand how each city contributes to the total segregation of the Bay Area, one can look at the difference in the racial composition of a jurisdiction compared to the racial composition of the region as a whole. The racial demographics in Los Gatos for the years 2000, 2010, and 2020 can be found in Table 4 below. The table also provides the racial composition of the nine-county Bay Area. As of 2020, Los Gatos has a higher share of white residents than the Bay Area as a whole, a lower share of Latinx residents, a lower share of Black residents, and a lower share of Asian/Pacific Islander residents.

Table 4: Population by Racial Group, Los Gatos and the Region

	Los Gatos			Bay Area
Race	**2000**	**2010**	**2020**	**2020**
Asian/Pacific Islander	7.6%	10.9%	18.3%	28.2%
Black/African American	0.8%	0.9%	0.9%	5.6%
Latinx	5.2%	7.2%	9.0%	24.4%
Other or Multiple Races	3.2%	4.0%	6.5%	5.9%
White	83.3%	77.0%	65.3%	35.8%

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, Census 2010, Table P4. Data for 2000 is standardized to 2010 census tract geographies and is from U.S. Census Bureau, Census 2000, Table P004.

Figure 6 below compares the racial demographics in Los Gatos to those of all 109 Bay Area jurisdictions.[11] In this chart, each dot represents a Bay Area jurisdiction. For each racial group, the spread of dots represents the range of that group's representation among Bay Area jurisdictions. Additionally, the black line within each racial group notes the percentage of the population of Town of Los Gatos represented by that group and how that percentage ranks among all 109 jurisdictions. Local staff can use this chart to compare the representation of different racial groups in their jurisdiction to those groups' representation in other jurisdictions in the region, which can indicate the extent of segregation between this jurisdiction and the region.

[11] While comparisons of segregation measures are made only using the 104 jurisdictions with more than one census tract, this comparison of jurisdiction level demographic data can be made using all 109 jurisdictions.

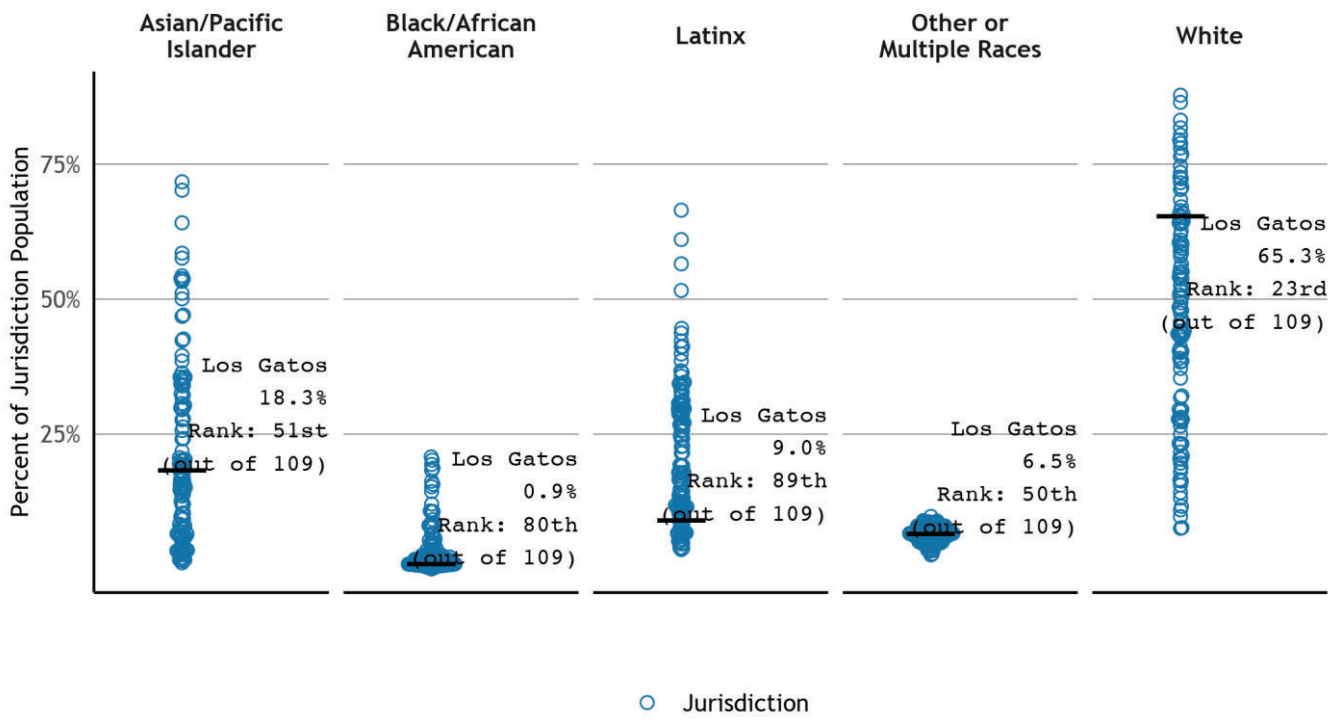


Figure 6: Racial Demographics of Los Gatos Compared to All Bay Area Jurisdictions (2020)

Universe: Bay Area Jurisdictions.
Source U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.

The map in Figure 7 below also illustrates regional racial segregation between Los Gatos and other jurisdictions. This map demonstrates how the percentage of people of color in Los Gatos and surrounding jurisdictions compares to the Bay Area as a whole:

- Jurisdictions shaded orange have a share of people of color that is less than the Bay Area as a whole, and the degree of difference is greater than five percentage points.
- Jurisdictions shaded white have a share of people of color comparable to the regional percentage of people of color (within five percentage points).
- Jurisdictions shaded grey have a share of people of color that is more than five percentage points greater than the regional percentage of people of color.

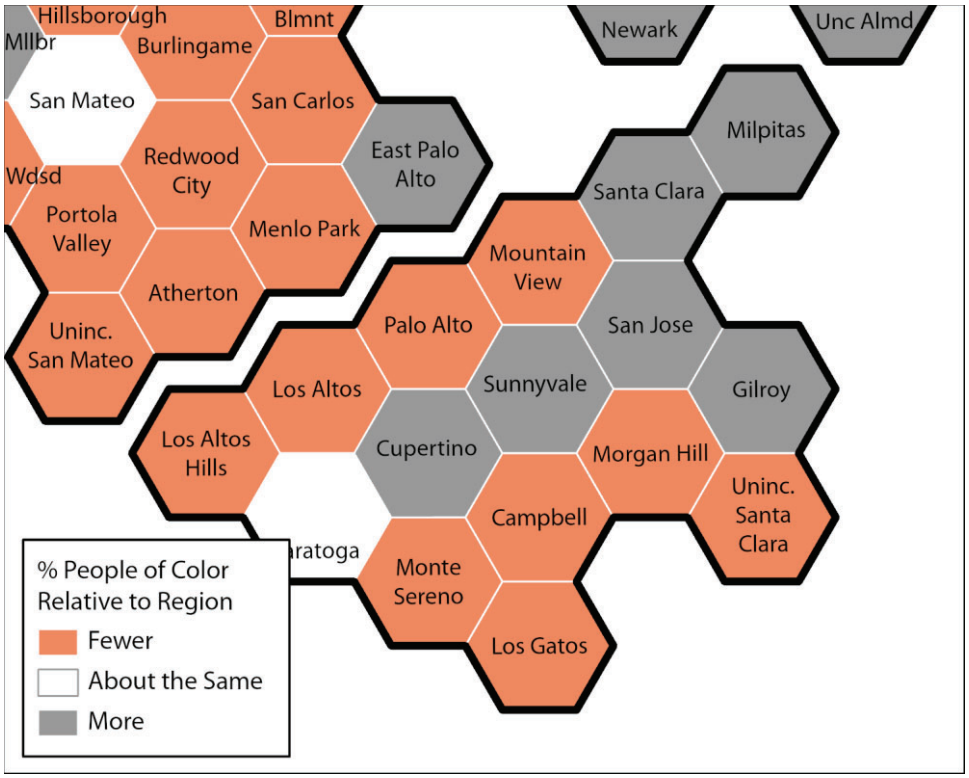


Figure 7: Comparing the Share of People of Color in Los Gatos and Vicinity to the Bay Area (2020)

Universe: Population.
Source: U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002.
Note: People of color refer to persons not identifying as non-Hispanic white. The nine-county Bay Area is the reference region for this map.

Segregation between jurisdictions in the region can also be analyzed by calculating regional values for the segregation indices discussed previously. Table 5 presents dissimilarity index, isolation index, and Theil's H index values for racial segregation for the entire nine-county Bay Area in 2010 and 2020. In the previous section of this report focused on neighborhood level racial segregation, these indices were calculated by comparing the racial demographics of the census tracts within a jurisdiction to the demographics of the jurisdiction as a whole. In Table 5, these measures are calculated by comparing the racial demographics of local jurisdictions to the region's racial makeup. For example, looking at the 2020 data, Table 5 shows the white isolation index value for the region is 0.429, meaning that on average white Bay Area residents live in a jurisdiction that is 42.9% white in 2020. An example of regional dissimilarity index values in Table 5 is the Black/white dissimilarity index value of 0.459, which means that across the region 45.9% of Black (or white) residents would need to move to a different jurisdiction to evenly distribute Black and white residents across Bay Area jurisdictions. The dissimilarity index values in Table 5 reflect recommendations made in HCD's AFFH guidance for calculating dissimilarity at the region level.[12] The regional value for the Theil's H index measures how

[12] For more information on HCD's recommendations regarding data considerations for analyzing integration and segregation patterns, see page 31 of the AFFH Guidance Memo.

diverse each Bay Area jurisdiction is compared to the racial diversity of the whole region. A Theil's H Index value of 0 would mean all *jurisdictions* within the Bay Area have the same racial demographics as the entire region, while a value of 1 would mean each racial group lives exclusively in their own separate jurisdiction. The regional Theil's H index value for racial segregation decreased slightly between 2010 and 2020, meaning that racial groups in the Bay Area are now slightly less separated by the borders between jurisdictions.

Table 5: Regional Racial Segregation Measures

Index	Group	2010	2020
Isolation Index Regional Level	Asian/Pacific Islander	0.317	0.378
	Black/African American	0.144	0.118
	Latinx	0.283	0.291
	White	0.496	0.429
	People of Color	0.629	0.682
Dissimilarity Index Regional Level	Asian/Pacific Islander vs. White	0.384	0.369
	Black/African American vs. White	0.475	0.459
	Latinx vs. White	0.301	0.297
	People of Color vs. White	0.296	0.293
Theil's H Multi-racial	All Racial Groups	0.103	0.097

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, 2010 Census of Population and Housing, Table P4.

3 INCOME SEGREGATION IN TOWN OF LOS GATOS

Definition of Terms - Income Groups

When analyzing segregation by income, this report uses income group designations consistent with the Regional Housing Needs Allocation and the Housing Element:

Very low-income: individuals earning less than 50% of Area Median Income (AMI)

Low-income: individuals earning 50%-80% of AMI

Moderate-income: individuals earning 80%-120% of AMI

Above moderate-income: individuals earning 120% or more of AMI

Additionally, this report uses the term "lower-income" to refer to all people who earn less than 80% of AMI, which includes both low-income and very low-income individuals.

The income groups described above are based on U.S. Department of Housing and Urban Development (HUD) calculations for AMI. HUD calculates the AMI for different metropolitan areas, and the nine county Bay Area includes the following metropolitan areas: Napa Metro Area (Napa County), Oakland-Fremont Metro Area (Alameda and Contra Costa Counties), San Francisco Metro Area (Marin, San Francisco, and San Mateo Counties), San Jose-Sunnyvale-Santa Clara Metro Area (Santa Clara County), Santa Rosa Metro Area (Sonoma County), and Vallejo-Fairfield Metro Area (Solano County).

The income categories used in this report are based on the AMI for the HUD metro area where this jurisdiction is located.

3.1 Neighborhood Level Income Segregation (*within* Los Gatos)

Income segregation can be measured using similar indices as racial segregation. Income dot maps, similar to the racial dot maps shown in Figures 1 and 5, are useful for visualizing segregation between multiple income groups at the same time. The income dot map of Los Gatos in Figure 8 below offers a visual representation of the spatial distribution of income groups within the jurisdiction. As with the racial dot maps, when the dots show lack of a pattern or clustering, income segregation measures tend to be lower, and conversely, when clusters are apparent, the segregation measures may be higher as well.

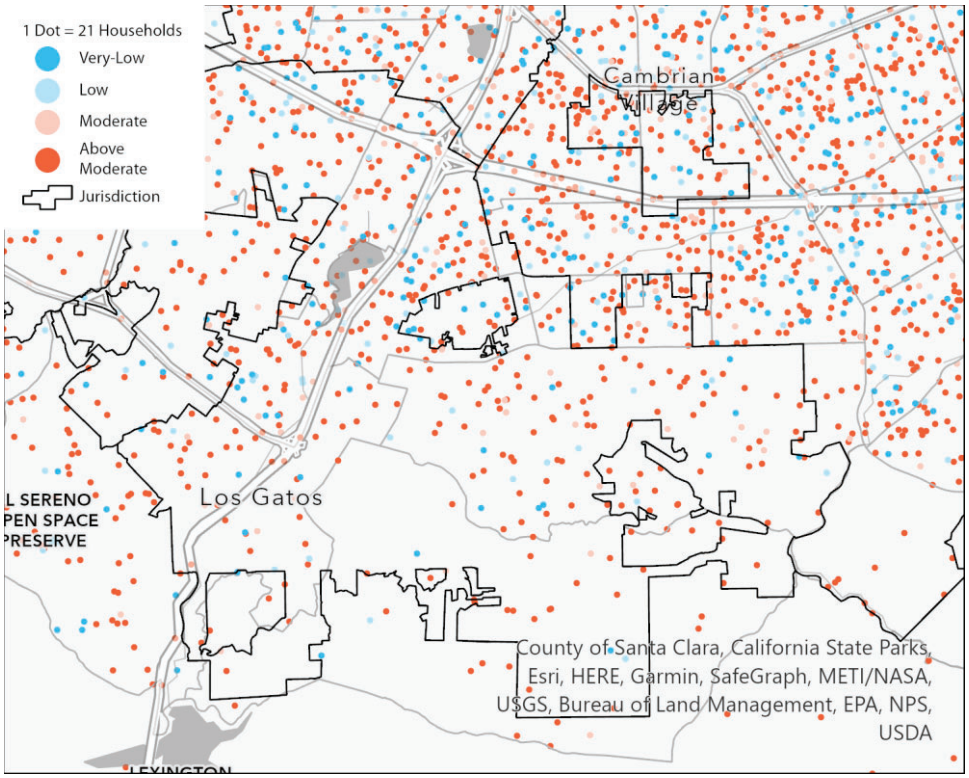


Figure 8: Income Dot Map of Los Gatos (2015)

Universe: Population.
Source: U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data.
Note: The plot shows the income group distribution at the census block group level for Town of Los Gatos and vicinity. Dots in each block group are randomly placed and should not be construed as actual placement of individuals.

The isolation index values for all income groups in Los Gatos for the years 2010 and 2015 can be found in Table 6 below.[13] Above Moderate-income residents are the most isolated income group in Los Gatos. Los Gatos's isolation index of 0.619 for these residents means that the average Above Moderate-income resident in Los Gatos lives in a neighborhood that is 61.9% Above Moderate-income. Among all income groups, the Above Moderate-income population's isolation index has changed the most over time, becoming less segregated from other income groups between 2010 and 2015.

Similar to the tables presented earlier for neighborhood racial segregation, the "Bay Area Average" column in Table 6 provides the average isolation index value across Bay Area jurisdictions for different income groups in 2015. The data in this column can be used as a comparison to provide context for the levels of segregation experienced by income groups in this jurisdiction. For example, Table 6 indicates the average isolation index value for very low-income residents across Bay Area jurisdictions is 0.269,

[13] This report presents data for income segregation for the years 2010 and 2015, which is different than the time periods used for racial segregation. This deviation stems from the data source recommended for income segregation calculations in HCD's AFFH Guidelines. This data source most recently updated with data from the 2011-2015 American Community Survey 5-year estimates. For more information on HCD's recommendations for calculating income segregation, see page 32 of HCD's AFFH Guidelines.

meaning that in the average Bay Area jurisdiction a very low-income resident lives in a neighborhood that is 26.9% very low-income.

Table 6: Income Group Isolation Index Values for Segregation within Los Gatos

	Los Gatos		Bay Area Average
Income Group	**2010**	**2015**	**2015**
Very Low-Income (<50% AMI)	0.125	0.162	0.269
Low-Income (50%-80% AMI)	0.067	0.115	0.145
Moderate-Income (80%-120% AMI)	0.135	0.166	0.183
Above Moderate-Income (>120% AMI)	0.728	0.619	0.507

Universe: Population.
Source: Data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

Figure 9 below shows how income group isolation index values in Los Gatos compare to values in other Bay Area jurisdictions. In this chart, each dot represents a Bay Area jurisdiction. For each income group, the spread of dots represents the range of isolation index values among Bay Area jurisdictions. Additionally, the black line within each income group notes the isolation index value for that group in Los Gatos, and each dashed red line represents the Bay Area average for the isolation index for that group. Local staff can use this chart to contextualize how segregation levels for income groups in their jurisdiction compare to the rest of the region.

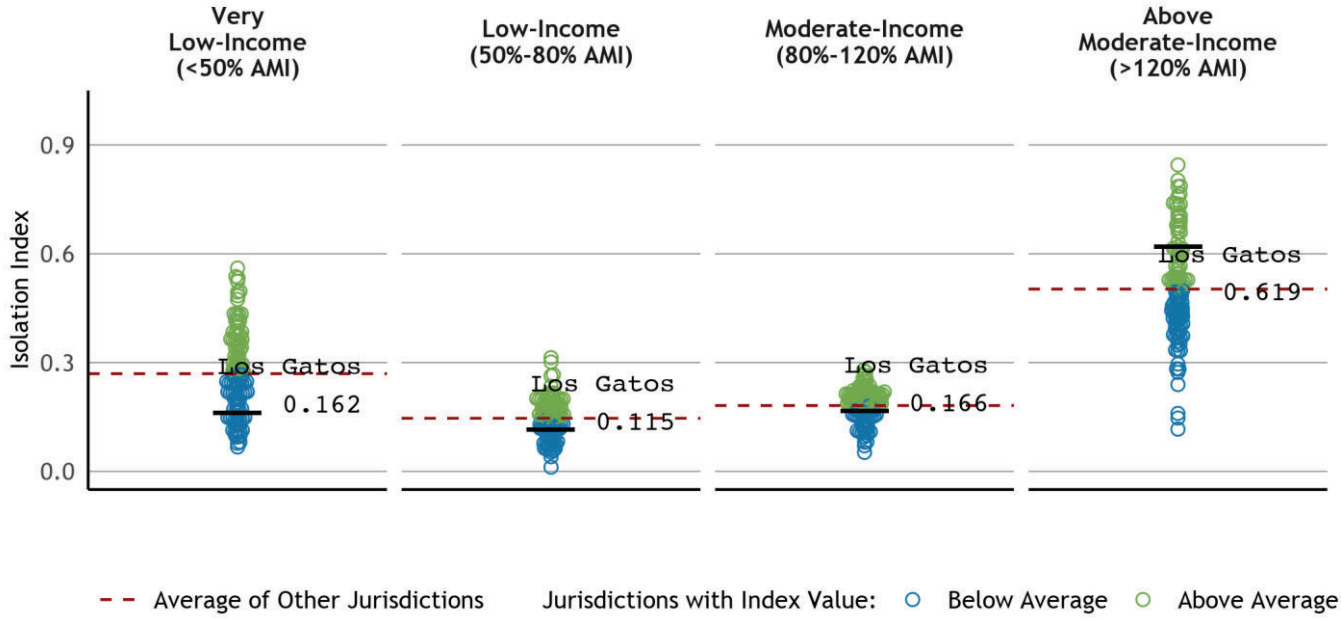


Figure 9: Income Group Isolation Index Values for Los Gatos Compared to Other Bay Area Jurisdictions (2015)

Universe: Bay Area Jurisdictions.
Source: U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data.

Table 7 below provides the dissimilarity index values indicating the level of segregation in Los Gatos between residents who are lower-income (earning less than 80% of AMI) and those who are not lower-income (earning above 80% of AMI). This data aligns with the requirements described in HCD's AFFH Guidance Memo for identifying dissimilarity for lower-income households.[14] Segregation in Los Gatos between lower-income residents and residents who are not lower-income increased between 2010 and 2015. Additionally, Table 7 shows dissimilarity index values for the level of segregation in Albany between residents who are very low-income (earning less than 50% of AMI) and those who are above moderate-income (earning above 120% of AMI). This supplementary data point provides additional nuance to an analysis of income segregation, as this index value indicates the extent to which a jurisdiction's lowest and highest income residents live in separate neighborhoods.

Similar to other tables in this report, the "Bay Area Average" column shows the average dissimilarity index values for these income group pairings across Bay Area jurisdictions in 2015. For example, Table 7 indicates that the average dissimilarity index between lower-income residents and other residents in a Bay Area jurisdiction is 0.198, so on average 19.8% of lower-income residents in a Bay Area jurisdiction would need to move to a different neighborhood within the jurisdiction to create perfect income group integration in that jurisdiction.

[14] For more information, see page 32 of HCD's AFFH Guidance Memo.

In 2015, the income segregation in Los Gatos between lower-income residents and other residents was higher than the average value for Bay Area jurisdictions (See Table 7). This means that the lower-income residents are more segregated from other residents within Los Gatos compared to other Jurisdictions in the region.

Table 7: Income Group Dissimilarity Index Values for Segregation within Los Gatos

	Los Gatos		Bay Area Average
Income Group	**2010**	**2015**	**2015**
Below 80% AMI vs. Above 80% AMI	0.142	0.226	0.198
Below 50% AMI vs. Above 120% AMI	0.194	0.234	0.253

Universe: Population.
Source: Data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

Figure 10 below shows how dissimilarity index values for income segregation in Los Gatos compare to values in other Bay Area jurisdictions. In this chart, each dot represents a Bay Area jurisdiction. For each income group pairing, the spread of dots represents the range of dissimilarity index values among Bay Area jurisdictions. Additionally, the black line within each income group pairing notes the dissimilarity index value in Los Gatos, and each dashed red line represents the Bay Area average for the dissimilarity index for that pairing. Local staff can use this chart to contextualize how segregation levels between lower-income residents and wealthier residents in their jurisdiction compared to the rest of the region.

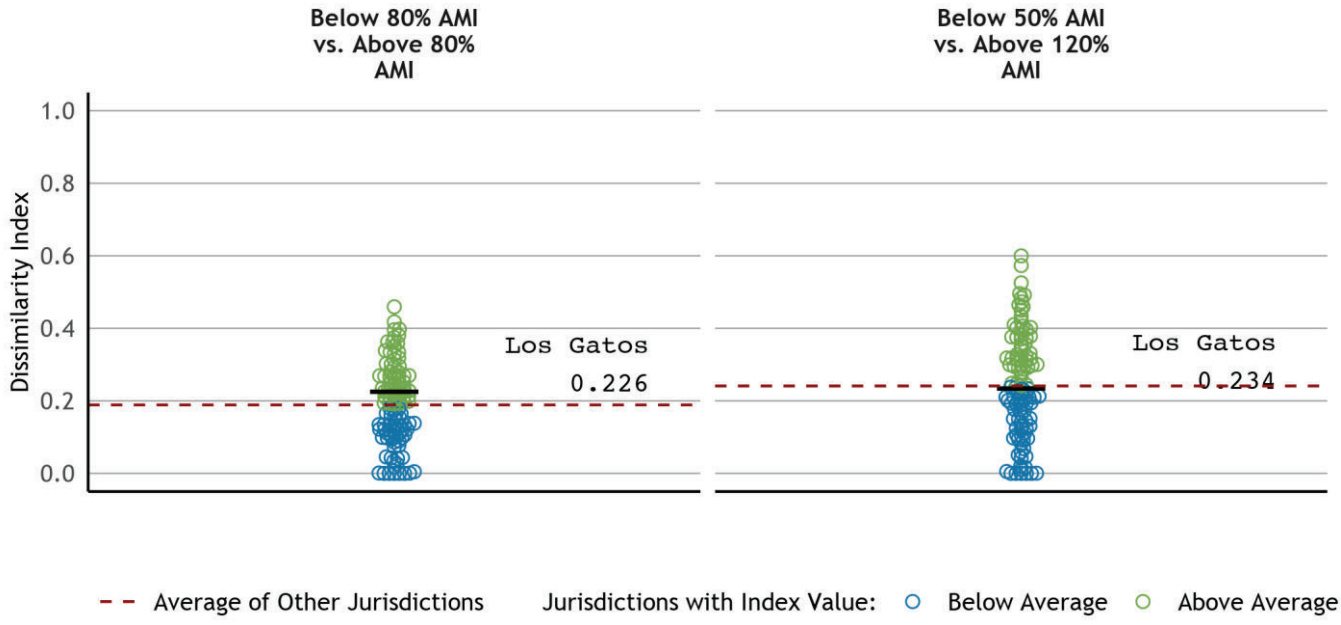


Figure 10: Income Group Dissimilarity Index Values for Los Gatos Compared to Other Bay Area Jurisdictions (2015)

Universe: Bay Area Jurisdictions.
Source: U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data.

The Theil's H Index values for neighborhood income group segregation in Los Gatos for the years 2010 and 2015 can be found in Table 8 below. The "Bay Area Average" column in this table provides the average Theil's H Index value across Bay Area jurisdictions for different income groups in 2015. By 2015, the Theil's H Index value for income segregation in Los Gatos was about the same amount as it had been in 2010. In 2015, the Theil's H Index value for income group segregation in Los Gatos was lower than the average value for Bay Area jurisdictions, indicating there is less neighborhood level income segregation in Los Gatos than in the average Bay Area city.

Table 8: Theil's H Index Values for Income Segregation within Los Gatos

	Los Gatos		Bay Area Average
Index	**2010**	**2015**	**2015**
Theil's H Multi-income	0.030	0.028	0.043

Universe: Population.
Source: Data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

Figure 11 below shows how Theil's H index values for income group segregation in Los Gatos compare to values in other Bay Area jurisdictions in 2015. In this chart, each dot represents a Bay Area jurisdiction. Additionally, the black line notes the Theil's H index value for income group segregation in Los Gatos, and the dashed red line represents the average Theil's H index value across Bay Area jurisdictions. Local staff can use this chart to compare how neighborhood income group segregation levels in their jurisdiction compare to other jurisdictions in the region.

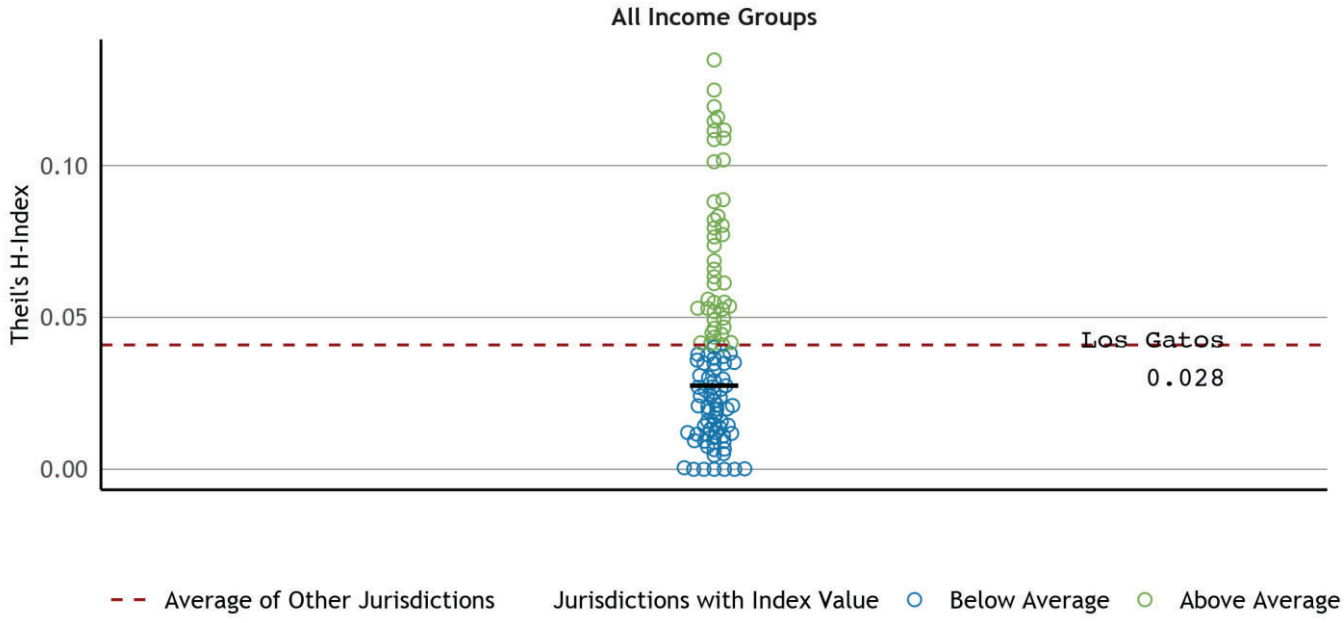


Figure 11: Income Group Theil's H Index Values for Los Gatos Compared to Other Bay Area Jurisdictions (2015)

Universe: Bay Area Jurisdictions.
Source: U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data.

3.2 Regional Income Segregation (*between* Los Gatos and other jurisdictions)

At the regional level, segregation is measured between jurisdictions instead of between neighborhoods. Income dot maps are not only useful for examining neighborhood income segregation within a jurisdiction, but these maps can also be used to explore income demographic differences between jurisdictions in the region. Figure 12 below presents an income dot map showing the spatial distribution of income groups in Los Gatos as well as in nearby Bay Area jurisdictions.

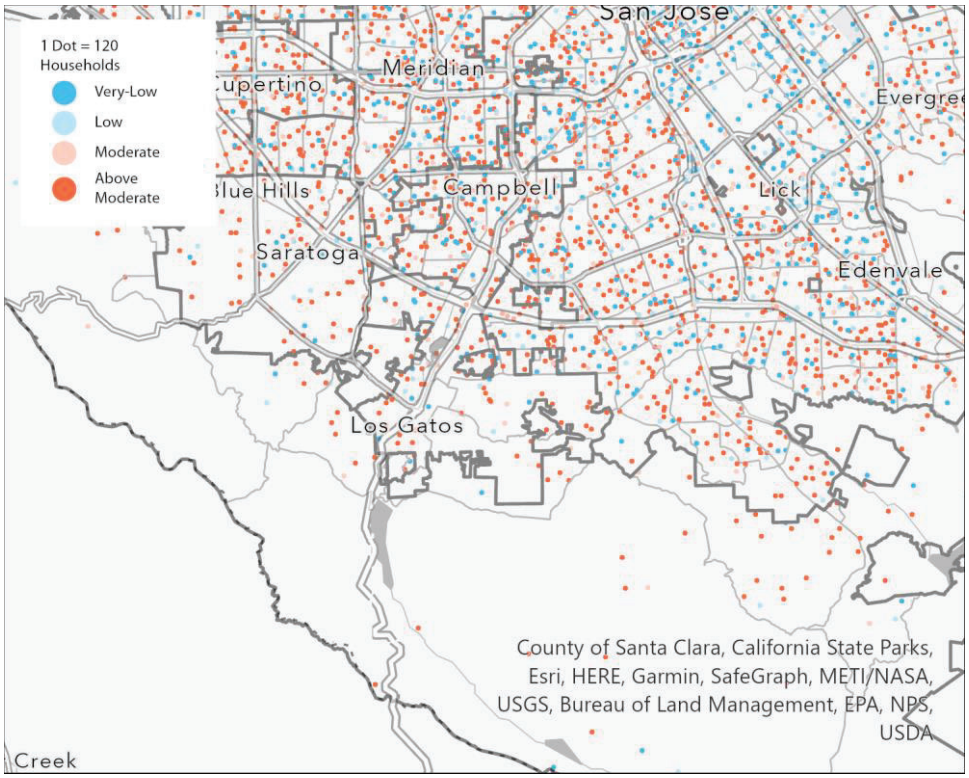


Figure 12: Income Dot Map of Los Gatos and Surrounding Areas (2015)

Universe: Population.
Source: U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data.
Note: The plot shows the income group distribution at the census block group level for Town of Los Gatos and vicinity. Dots in each block group are randomly placed and should not be construed as actual placement of individuals.

When looking at income segregation between jurisdictions in the Bay Area, one can examine how Los Gatos differs from the region. The income demographics in Los Gatos for the years 2010 and 2015 can be found in Table 9 below. The table also provides the income composition of the nine-county Bay Area in 2015. As of that year, Los Gatos had a lower share of very low-income residents than the Bay Area as a whole, a lower share of low-income residents, a lower share of moderate-income residents, and a higher share of above moderate-income residents.

Table 9: Population by Income Group, Los Gatos and the Region

	Los Gatos		Bay Area
Income Group	**2010**	**2015**	**2015**
Very Low-Income (<50% AMI)	10.83%	14.29%	28.7%
Low-Income (50%-80% AMI)	6.56%	10.57%	14.3%
Moderate-Income (80%-120% AMI)	11%	16.34%	17.6%
Above Moderate-Income (>120% AMI)	71.62%	58.8%	39.4%

Universe: Population.
Source: Data for 2015 is from Housing U.S. Department of and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

Figure 13 below compares the income demographics in Los Gatos to other Bay Area jurisdictions.[15] Like the chart in Figure 3, each dot represents a Bay Area jurisdiction. For each income group, the spread of dots represents the range of that group's representation among Bay Area jurisdictions. The smallest range is among jurisdictions' moderate-income populations, while Bay Area jurisdictions vary the most in the share of their population that is above moderate-income. Additionally, the black lines within each income group note the percentage of Los Gatos population represented by that group and how that percentage ranks among other jurisdictions. Local staff can use this chart to compare the representation of different income groups in their jurisdiction to those groups' representation in other jurisdictions in the region, which can indicate the extent of segregation between this jurisdiction and the region.

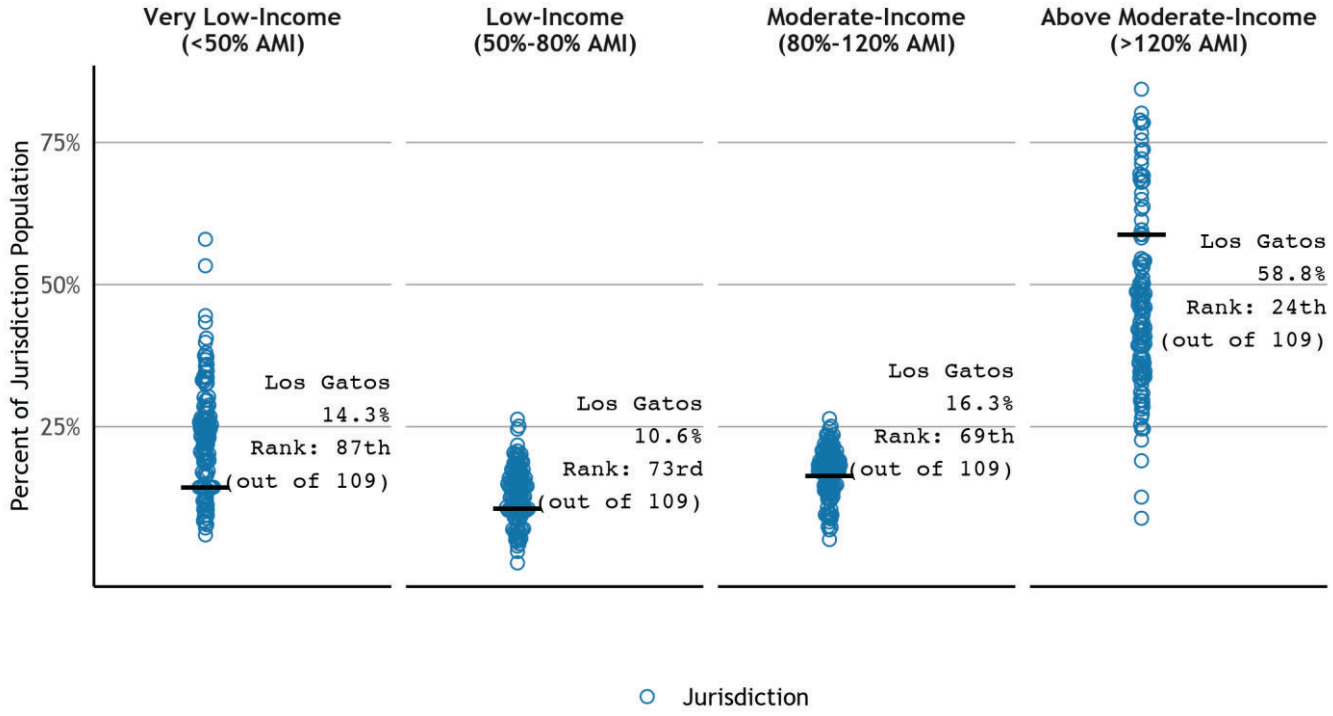


Figure 13: Income Demographics of Los Gatos Compared to Other Bay Area Jurisdictions (2015)

Universe: Bay Area Jurisdictions.
Source: U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data.

[15] While comparisons of segregation measures are made only using the 104 jurisdictions with more than one census tract, this comparison of jurisdiction level demographic data can be made using all 109 jurisdictions.

Income segregation between jurisdictions in the region can also be analyzed by calculating regional values for the segregation indices discussed previously. Similar to the regional racial segregation measures shown in Table 5, Table 10 presents dissimilarity index, isolation index, and Theil's H index values for income segregation for the entire nine-county Bay Area in 2010 and 2015. In the previous section of this report focused on neighborhood level income segregation, segregation indices were calculated by comparing the income demographics of the census tracts within a jurisdiction to the demographics of the jurisdiction as a whole. In Table 10, these measures are calculated by comparing the income demographics of local jurisdictions to the region's income group makeup. For example, looking at 2015 data, Table 10 shows the regional isolation index value for very low-income residents is 0.315 for 2015, meaning that on average very low-income Bay Area residents live in a jurisdiction that is 31.5% very low-income. The regional dissimilarity index for lower-income residents and other residents is 0.194 in 2015, which means that across the region 19.4% of lower-income residents would need to move to a different jurisdiction to create perfect income group integration in the Bay Area as a whole. The regional value for the Theil's H index measures how diverse each Bay Area jurisdiction is compared to the income group diversity of the whole region. A Theil's H Index value of 0 would mean all jurisdictions within the Bay Area have the same income demographics as the entire region, while a value of 1 would mean each income group lives exclusively in their own separate jurisdiction. The regional Theil's H index value for income segregation decreased slightly between 2010 and 2015, meaning that income groups in the Bay Area are now slightly less separated by the borders between jurisdictions.

Table 10: Regional Income Segregation Measures

Index	Group	2010	2015
Isolation Index Regional Level	Very Low-Income (<50% AMI)	0.277	0.315
	Low-Income (50%-80% AMI)	0.157	0.154
	Moderate-Income (80%-120% AMI)	0.185	0.180
	Above Moderate-Income (>120% AMI)	0.467	0.435
Dissimilarity Index Regional Level	Below 80% AMI vs. Above 80% AMI	0.186	0.194
	Below 50% AMI vs. Above 120% AMI	0.238	0.248
Theil's H Multi-income	All Income Groups	0.034	0.032

Universe: Population.
Source: Data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

4 APPENDIX 1: SUMMARY OF FINDINGS

4.1 Segregation in Town of Los Gatos

- The isolation index measures the segregation of a single group, and the dissimilarity index measures segregation between two different groups. The Theil's H-Index can be used to measure segregation between all racial or income groups across the city at once.
- As of 2020, white residents are the most segregated compared to other racial groups in Los Gatos, as measured by the isolation index. White residents live in neighborhoods where they are less likely to come into contact with other racial groups.
- Among all racial groups, the white population's isolation index value has changed the most over time, becoming less segregated from other racial groups between 2000 and 2020.
- According to the dissimilarity index, within Los Gatos the highest level of racial segregation is between Black and white residents.[16] However, local jurisdiction staff should note that this dissimilarity index value is not a reliable data point due to small population size.
- According to the Theil's H-Index, neighborhood racial segregation in Los Gatos increased between 2010 and 2020. Neighborhood income segregation stayed about the same between 2010 and 2015.
- Above Moderate-income residents are the most segregated compared to other income groups in Los Gatos. Above Moderate-income residents live in neighborhoods where they are less likely to encounter residents of other income groups.
- Among all income groups, the Above Moderate-income population's segregation measure has changed the most over time, becoming less segregated from other income groups between 2010 and 2015.
- According to the dissimilarity index, segregation between lower-income residents and residents who are not lower-income has increased between 2010 and 2015. In 2015, the income segregation in Los Gatos between lower-income residents and other residents was higher than the average value for Bay Area jurisdictions.

4.2 Segregation Between Town of Los Gatos and Other jurisdictions in the Bay Area Region

- Los Gatos has a higher share of white residents than other jurisdictions in the Bay Area as a whole, a lower share of Latinx residents, a lower share of Black residents, and a lower share of Asian/Pacific Islander residents.

[16] The analysis conducted for this report suggests that dissimilarity index values are unreliable for a population group if that group represents approximately less than 5% of the jurisdiction's total population. ABAG/MTC recommends that when cities have population groups that are less than 5% of the jurisdiction's population (see Table 15 in Appendix 2), jurisdiction staff could focus on the isolation index or Thiel's H-Index to gain a more accurate understanding of neighborhood-level racial segregation in their jurisdiction.

- Regarding income groups, Los Gatos has a lower share of very low-income residents than other jurisdictions in the Bay Area as a whole, a lower share of low-income residents, a lower share of moderate-income residents, and a higher share of above moderate-income residents.

5 APPENDIX 2: SEGREGATION DATA

Appendix 2 combines tabular data presented throughout this report into a more condensed format. This data compilation is intended to enable local jurisdiction staff and their consultants to easily reference this data and re-use the data in the Housing Element or other relevant documents/analyses.

Table 11 in this appendix combines data from Table 1, Table 2, and Table 3 in the body of the report. Table 12 in this appendix combines data from Table 6, Table 7, and Table 8 in the body of the report. Table 13 represents a duplication of Table 5 in the body of the report; Table 14 represents a duplication of Table 10 in the body of the report; Table 15 in this appendix represents a duplication of Table 4 in the body of the report, while Table 16 represents a duplication of Table 9 in the body of the report.

Table 11: Neighborhood Racial Segregation Levels in Los Gatos

		Los Gatos			Bay Area Average
Index	**Race**	**2000**	**2010**	**2020**	**2020**
Isolation	Asian/Pacific Islander	0.079	0.118	0.197	0.245
	Black/African American	0.009	0.012	0.022	0.053
	Latinx	0.059	0.082	0.104	0.251
	White	0.838	0.774	0.663	0.491
Dissimilarity	Asian/Pacific Islander vs. White	0.106	0.145	0.182	0.185
	Black/African American vs. White	0.223*	0.246*	0.369*	0.244
	Latinx vs. White	0.119	0.143	0.179	0.207
	People of Color vs. White	0.093	0.124	0.157	0.168
Theil's H Multi-racial	All	0.011	0.015	0.023	0.042

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, 2010 Census of Population and Housing, Table P4. Data for 2000 is standardized to 2010 census tract geographies and is from U.S. Census Bureau, Census 2000, Table P004.
Note: If a number is marked with an asterisk (*), it indicates that the index is based on a racial group making up less than 5 percent of the jurisdiction population, leading to unreliable numbers.

Table 12: Neighborhood Income Segregation Levels in Los Gatos

		Los Gatos		Bay Area Average
Index	**Income Group**	**2010**	**2015**	**2015**
Isolation	Very Low-Income (<50% AMI)	0.125	0.162	0.269
	Low-Income (50%-80% AMI)	0.067	0.115	0.145
	Moderate-Income (80%-120% AMI)	0.135	0.166	0.183
	Above Moderate-Income (>120% AMI)	0.728	0.619	0.507
Dissimilarity	Below 80% AMI vs. Above 80% AMI	0.142	0.226	0.198
	Below 50% AMI vs. Above 120% AMI	0.194	0.234	0.253
Theil's H Multi-racial	All	0.030	0.028	0.043

Universe: Population.
Source: Income data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

Table 13: Regional Racial Segregation Measures

Index	Group	2010	2020
Isolation Index Regional Level	Asian/Pacific Islander	0.317	0.378
	Black/African American	0.144	0.118
	Latinx	0.283	0.291
	White	0.496	0.429
	People of Color	0.629	0.682
Dissimilarity Index Regional Level	Asian/Pacific Islander vs. White	0.384	0.369
	Black/African American vs. White	0.475	0.459
	Latinx vs. White	0.301	0.297
	People of Color vs. White	0.296	0.293
Theil's H Multi-racial	All Racial Groups	0.103	0.097

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, 2010 Census of Population and Housing, Table P4.

Table 14: Regional Income Segregation Measures

Index	Group	2010	2015
Isolation Index Regional Level	Very Low-Income (<50% AMI)	0.277	0.315
	Low-Income (50%-80% AMI)	0.157	0.154
	Moderate-Income (80%-120% AMI)	0.185	0.180
	Above Moderate-Income (>120% AMI)	0.467	0.435
Dissimilarity Index Regional Level	Below 80% AMI vs. Above 80% AMI	0.186	0.194
	Below 50% AMI vs. Above 120% AMI	0.238	0.248
Theil's H Multi-income	All Income Groups	0.034	0.032

Universe: Population.
Source: Data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

Table 15: Population by Racial Group, Los Gatos and the Region

	Los Gatos			Bay Area
Race	**2000**	**2010**	**2020**	**2020**
Asian/Pacific Islander	7.55%	10.95%	18.28%	35.8%
Black/African American	0.76%	0.86%	0.89%	5.6%
Latinx	5.21%	7.21%	9%	28.2%
Other or Multiple Races	3.16%	3.95%	6.55%	24.4%
White	83.31%	77.03%	65.29%	5.9%

Universe: Population.
Source: IPUMS National Historical Geographic Information System (NHGIS). U.S. Census Bureau, 2020 Census State Redistricting Data (Public Law 94-171) Summary File, 2020 Census of Population and Housing, Table P002. Data from 2010 is from U.S. Census Bureau, 2010 Census of Population and Housing, Table P4. Data for 2000 is standardized to 2010 census tract geographies and is from U.S. Census Bureau, Census 2000, Table P004.

Table 16: Population by Income Group, Los Gatos and the Region

	Los Gatos		Bay Area
Income Group	**2010**	**2015**	**2015**
Very Low-Income (<50% AMI)	10.83%	14.29%	28.7%
Low-Income (50%-80% AMI)	6.56%	10.57%	14.3%
Moderate-Income (80%-120% AMI)	11%	16.34%	17.6%
Above Moderate-Income (>120% AMI)	71.62%	58.8%	39.4%

Universe: Population.
Source: Data for 2015 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2011-2015 Low- and Moderate-Income Summary Data. Data for 2010 is from U.S. Department of Housing and Urban Development, American Community Survey 5-Year 2006-2010 Low- and Moderate-Income Summary Data.

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Sites Inventory Form

H

APPENDIX

EXHIBIT 5

Please Start Here, Instructions in Cell A2, Table in A3:B17	Form Fields
Site Inventory Forms must be submitted to HCD for a housing element or amendment adopted on or after January 1, 2021. The following form is to be used for satisfying this requirement. To submit the form, complete the Excel spreadsheet and submit to HCD at sitesinventory@hcd.ca.gov. Please send the Excel workbook, not a scanned or PDF copy of the tables.	
General Information	
Jurisidiction Name	LOS GATOS
Housing Element Cycle	6th
Contact Information	
First Name	Joel
Last Name	Paulson
Title	Community Development Director
Email	Jpaulson@losgatosca.gov
Phone	4083546879
Mailing Address	
Street Address	110 East Main Street
City	Los Gatos
Zip Code	94538
Website	
	https://www.losgatosca.gov/897/Planning

Table A: Housing Element Sites Inventory, Table Starts in Cell A2 For Santa Clara County jurisdictions, please format the APNs as follows: 999-99-999

Jurisdiction Name	Site Address/Intersection	5 Digit ZIP Code	Assessor Parcel Number	Consolidated Sites	General Plan Designation (Current)	Zoning Designation (Current)	Minimum Density Allowed (units/acre)	Maximum Density Allowed (units/acre)	Parcel Size (Acres)	Existing Use/Vacancy	Infrastructure	Publicly-Owned	Site Status	Identified in Last/Last Two Planning Cycle(s)	Lower Income Capacity	Moderate Income Capacity	Above Moderate Income Capacity	Total Capacity	Optional Information1	Optional Information2	Optional Information3
LOS GATOS	50 Park Avenue	95030	529-01-040	A	Medium Density Residential	R-1D	5	12	0.18	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	1	1	Site A-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	61 Montebello Way	95030	529-01-041	A	Medium Density Residential	R-1D	5	12	0.69	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	4	4	Site A-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	101 South Santa Cruz Avenue	95030	529-01-022		Central Business District	C-2	20	30	0.8	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	16	16	Site A-2	Property Owner Interest Form Submitted	
LOS GATOS	165 Los Gatos Saratoga Road	95030	529-04-083		Central Business District	C-2	20	30	0.37	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	7	7	Site A-3	Property Owner Interest Form Submitted	
LOS GATOS	50 Los Gatos Saratoga Road	95030	529-24-032	B	Mixed Use Commercial	CH:PD	30	40	7.04	Hotel/motel	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	151	51	9	211	Site B-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Saratoga Road	95030	529-24-001	B	Mixed Use Commercial	CH:PD	30	40	1.49	Hotel/motel	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	18	9	18	45	Site B-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Saratoga Road	95030	529-24-003	B	Mixed Use Commercial	CH:PD	30	40	0.28	Hotel/motel	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	3	2	3	8	Site B-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	15300 Los Gatos Boulevard	95032	424-17-036		Mixed Use Commercial	C-1	30	40	1.6	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	33	9	6	48	Site C-1	Property Owner Interest Form Submitted	
LOS GATOS	15349 Los Gatos Boulevard	95032	424-19-049	C	Mixed Use Commercial	CH	30	40	0.34	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	7	2	1	10	Site C-2 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Boulevard	95032	424-19-048	C	Mixed Use Commercial	CH	30	40	1.2	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	26	8	2	36	Site C-2 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Boulevard	95032	424-19-069	C	Mixed Use Commercial	CH	30	40	1.34	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	28	8	4	40	Site C-2 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	15425 Los Gatos Boulevard	95032	424-19-067		Mixed Use Commercial	CH	30	40	1.09	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	23	7	3	33	Site C-3	Property Owner Interest Form Submitted	
LOS GATOS	15975 Los Gatos Boulevard	95032	529-15-059		Mixed Use Commercial	CH	30	40	0.64	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	13	4	2	19	Site C-4	Property Owner Interest Form Submitted	
LOS GATOS	16203 Los Gatos Boulevard	95032	529-16-069		Mixed Use Commercial	CH	30	40	0.79	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	17	5	2	24	Site C-5	Conceptual Development Advisory Committee application for a mixed-use development submitted on 11/17/2020 anticipating for increased density per the General Plan update	
LOS GATOS	16492 Los Gatos Boulevard	95032	532-07-086	D	Low Density Residential	C-1	10	20	0.23	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	2	2	Site C-6 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	Los Gatos Boulevard	95032	532-07-085	D	Low Density Residential	C-1	10	20	0.38	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	4	4	Site C-6 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	15495 Los Gatos Boulevard	95032	424-22-030		Mixed Use Commercial	CH	30	40	3.85	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	81	23	12	116	Site C-7	Property Owner contacted staff with inquiry on residential development	
LOS GATOS	15445 Los Gatos Boulevard	95032	424-19-068		Mixed Use Commercial	CH	30	40	1.53	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	32	9	5	46	Site C-8	Adjacent to sites within the Site Inventory	
LOS GATOS	14859 Los Gatos Boulevard	95032	424-07-094	E	North Forty Specific Plan	North Forty Specific Plan	30	30	2.9	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	57	13	17	87	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16392 Los Gatos Boulevard	95032	424-07-095	E	North Forty Specific Plan	North Forty Specific Plan	30	30	0.78	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	15	3	5	23	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16260 Burton Road	95032	424-07-053	E	North Forty Specific Plan	North Forty Specific Plan	30	30	0.44	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	8	2	3	13	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16250 Burton Road	95032	424-07-009	E	North Forty Specific Plan	North Forty Specific Plan	30	30	0.44	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	8	2	3	13	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	14917 Los Gatos Boulevard	95032	424-07-081	E	North Forty Specific Plan	North Forty Specific Plan	30	30	3.74	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	73	17	22	112	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	14925 Los Gatos Boulevard	95032	424-07-115	E	North Forty Specific Plan	North Forty Specific Plan	30	30	6.07	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	118	27	37	182	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	Los Gatos Boulevard	95032	424-07-116	E	North Forty Specific Plan	North Forty Specific Plan	30	30	1.02	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	20	5	6	31	Site D-1 consolidated parcels	Property Owner has been involved in submitting public comments on the Housing Element Update regarding residential development on the site	
LOS GATOS	16245 Burton Road	95032	424-06-115		North Forty Specific Plan	North Forty Specific Plan	30	30	1.17	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	23	5	7	35	Site D-2 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	Burton Road	95032	424-06-116		North Forty Specific Plan	North Forty Specific Plan	30	30	0.11	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	2	0	1	3	Site D-2 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	16240 Burton Road	95032	424-07-010		North Forty Specific Plan	North Forty Specific Plan	30	30	0.26	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	5	1	2	8	Site D-3	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	16270 Burton Road	95032	424-07-052		North Forty Specific Plan	North Forty Specific Plan	30	30	0.43	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	8	2	3	13	Site D-4	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	16210 Burton Road	95032	424-07-054		North Forty Specific Plan	North Forty Specific Plan	30	30	0.26	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	5	1	2	8	Site D-5 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14831 Los Gatos Boulevard	95032	424-07-063		North Forty Specific Plan	North Forty Specific Plan	30	30	0.56	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	11	3	3	17	Site D-5 consolidated parcels	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14849 Los Gatos Boulevard	95032	424-07-064		North Forty Specific Plan	North Forty Specific Plan	30	30	0.93	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	18	4	6	28	Site D-6	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14823 Los Gatos Boulevard	95032	424-07-065		North Forty Specific Plan	North Forty Specific Plan	30	30	0.37	Residential	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	6	1	4	11	Site D-7	No; however, the parcel is located within Phase II of the North 40 Specific Plan Area where recent significant housing development is underway	
LOS GATOS	14800 Oka Road	95032	424-08-057		Low Density Residential	R-1:8	0	5	2.97	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	0	1	11	12	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-029		Low Density Residential	R-1:8	0	5	0.31	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	1	1	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-059		Low Density Residential	R-1:8	0	5	1.01	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	4	4	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-060		Low Density Residential	R-1:8	0	5	1.29	Vacant	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	5	5	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	14800 Oka Road	95032	424-08-058		Low Density Residential	R-1:8	0	5	1.41	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	6	6	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	16603 Lark Avenue	95032	424-08-017		Medium Density Residential	R-M:5-12	14	22	2.48	Residential	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	3	3	29	35	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	14840 Oka Road	95032	424-08-021		Medium Density Residential	R-M:5-12	14	22	4.32	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	6	6	49	61	Site E-1 consolidated parcels	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Lane	95032	424-08-074		Low Density Residential	R-1:8	0	5	6.41	Vacant	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	2	1	23	26	Site E-2	No; however the property owner has submitted a public comment to the HEAB regarding future development of the site.	
LOS GATOS	Oka Road (Cal Trans ROW)	95032	000-00-000		Medium Density Residential	R-1:8	14	22	4.9	Vacant	YES - Current	YES - State-Owned	Available	Not Used in Prior Housing Element	7	7	55	69	Site E-3		
LOS GATOS	110 Knowles Drive	95032	424-32-077		High Density Residential	CM:AHOZ	30	40	7.34	Commercial	YES - Current	NO - Privately-Owned	Available	Used in Prior Housing Element - Non-Vacant	106	79	35	220	Site F-1	No; however the site is located within the Affordable Housing Overlay Zone.	
LOS GATOS	206 Knowles Drive	95032	424-32-076		High Density Residential	CM	30	40	2.41	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	35	26	11	72	Site F-2	No; however, the site is located immediately adjacent to 110 Knowles Drive (Site F-1), which has an Affordable Housing Overlay Zone.	
LOS GATOS	440 Los Gatos Almaden Road	95032	527-49-048		Neighborhood Commercial	C-1	10	20	0.52	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	5	5	Site G-1 consolidated parcels	Property Owner Interest Form Submitted	
LOS GATOS	445 Leigh Avenue	95032	527-49-049		Neighborhood Commercial	C-1	10	20	0.29	Commercial	YES - Current	NO - Privately-Owned	Available	Not Used in Prior Housing Element	0	0	3	3	Site G-1 consolidated parcels	Property Owner Interest Form Submitted	

Table B: Candidate Sites Identified to be Rezoned to Accommodate Shortfall Housing Need, Table Starts in Cell A2

For Santa Clara County jurisdictions, please format the APNs as follows: 999-99-999

Jurisdiction Name	Site Address/Intersection	5 Digit ZIP Code	Assessor Parcel Number	Very Low-Income	Low-Income	Moderate-Income	Above Moderate-Income	Type of Shortfall	Parcel Size (Acres)	Current General Plan Designation	Current Zoning	Proposed General Plan (GP) Designation	Proposed Zoning	Minimum Density Allowed	Maximum Density Allowed	Total Capacity	Vacant/ Nonvacant	Description of Existing Uses	Infrastructure	Optional Information1	Optional Information2	Optional Information3
LOS GATOS	50 Park Avenue	95030	529-01-040	0	0	0	1	Shortfall of Sites	0.18	Medium Density Resi	R-1D	Medium Density Resi	R-1D	5	12	1	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	61 Montebello Way	95030	529-01-041	0	0	0	4	Shortfall of Sites	0.69	Medium Density Resi	R-1D	Medium Density Resi	R-1D	5	12	4	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	101 S. Santa Cruz Avenue	95030	529-01-022	0	0	0	16	Shortfall of Sites	0.8	Central Business Dist	C-2	Central Business Dist	C-2	20	30	16	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	165 Los Gatos-Saratoga Road	95030	529-04-083	0	0	0	7	Shortfall of Sites	0.37	Central Business Dist	C-2	Central Business Dist	C-2	20	30	17	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	50 Los Gatos-Saratoga Road	95030	529-24-032	76	75	51	9	Shortfall of Sites	7.04	Mixed Use Commerci	CH:PD	Mixed Use Commerci	CH:PD	30	40	211	Non-Vacant	Hotel/motel	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos-Saratoga Road	95030	529-24-001	9	9	9	18	Shortfall of Sites	1.49	Mixed Use Commerci	CH:PD	Mixed Use Commerci	CH:PD	30	40	45	Non-Vacant	Hotel/motel	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos-Saratoga Road	95030	529-24-003	1	2	2	3	Shortfall of Sites	0.28	Mixed Use Commerci	CH:PD	Mixed Use Commerci	CH:PD	30	40	8	Non-Vacant	Hotel/motel	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15300 Los Gatos Boulevard	95032	424-17-036	24	9	9	6	Shortfall of Sites	1.6	Mixed Use Commerci	C-1	Mixed Use Commerci	C-1	30	40	48	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15349 Los Gatos Boulevard	95032	424-19-049	5	2	2	1	Shortfall of Sites	0.34	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	10	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15367 Los Gatos Boulevard	95032	424-19-048	18	8	8	2	Shortfall of Sites	1.2	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	36	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15405 Los Gatos Boulevard	95032	424-19-069	20	8	8	4	Shortfall of Sites	1.34	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	40	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15425 Los Gatos Boulevard	95032	424-19-067	16	7	7	3	Shortfall of Sites	1.09	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	33	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15795 Los Gatos Boulevard	95032	529-15-059	9	4	4	2	Shortfall of Sites	0.64	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	19	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16203 Los Gatos Boulevard	95032	529-16-069	12	5	5	2	Shortfall of Sites	0.79	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	24	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16492 Los Gatos Boulevard	95032	532-07-086	0	0	0	2	Shortfall of Sites	0.23	Low Density Resident	C-1	Low Density Resident	C-1	10	20	2	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos Boulevard	95032	532-07-085	0	0	0	4	Shortfall of Sites	0.38	Neighborhood Comm	C-1	Neighborhood Comm	C-1	10	20	4	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15495 Los Gatos Bouelvard	95032	424-22-030	58	23	23	12	Shortfall of Sites	3.85	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	116	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	15445 Los Gatos Bouelvard	95032	424-19-068	23	9	9	5	Shortfall of Sites	1.53	Mixed Use Commerci	CH	Mixed Use Commerci	CH	30	40	46	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14859 Los Gatos Boulevard	95032	424-07-094	44	13	13	17	Shortfall of Sites	2.9	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	87	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16392 Los Gatos Boulevard	95032	424-07-095	12	3	3	5	Shortfall of Sites	0.78	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	23	Non-Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16260 Burton Road	95032	424-07-053	6	2	2	3	Shortfall of Sites	0.44	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	13	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16250 Burton Road	95032	424-07-009	6	2	2	3	Shortfall of Sites	0.44	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	13	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14917 Los Gatos Boulevard	95032	424-07-081	56	17	17	22	Shortfall of Sites	3.74	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	112	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14925 Los Gatos Boulevard	95032	424-07-115	91	27	27	37	Shortfall of Sites	6.07	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	182	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Los Gatos Boulevard	95032	424-07-116	15	5	5	6	Shortfall of Sites	1.02	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	31	Non-Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16245 Burton Road	95032	424-06-115	18	5	5	7	Shortfall of Sites	1.17	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	35	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Burton Road	95032	424-06-116	2	0	0	1	Shortfall of Sites	0.11	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	3	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16240 Burton Road	95032	424-07-010	4	1	1	2	Shortfall of Sites	0.26	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	8	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16270 Burton Road	95032	424-07-052	6	2	2	3	Shortfall of Sites	0.43	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	13	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16210 Burton Road	95032	424-07-054	4	1	1	2	Shortfall of Sites	0.26	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	8	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14831 Los Gatos Boulevard	95032	424-07-063	8	3	3	3	Shortfall of Sites	0.56	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	17	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14849 Los Gatos Boulevard	95032	424-07-064	14	4	4	6	Shortfall of Sites	0.93	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	28	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14823 Los Gatos Boulevard	95032	424-07-065	5	1	1	4	Shortfall of Sites	0.37	North Forty Specific F	North Forty Specific F	North Forty Specific F	North Forty Specific F	30	30	11	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14800 Oka Road	95032	424-08-057	0	0	1	11	Shortfall of Sites	2.97	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	12	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-029	0	0	0	1	Shortfall of Sites	0.31	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	1	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-059	0	0	0	4	Shortfall of Sites	1.01	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	4	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-060	0	0	0	5	Shortfall of Sites	1.29	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	5	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14800 Oka Road	95032	424-08-058	0	0	0	6	Shortfall of Sites	1.41	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	6	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	16603 Lark Avenue	95032	424-08-017	0	3	3	29	Shortfall of Sites	2.48	Medium Density Resi	R-M:5-12	Medium Density Resi	R-M:5-12	14	22	35	Non-Vacant	Residential	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	14840 Oka Road	95032	424-08-021	0	6	6	49	Shortfall of Sites	4.32	Medium Density Resi	R-M:5-12	Medium Density Resi	R-M:5-12	14	22	61	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Lane	95032	424-08-074	0	2	1	23	Shortfall of Sites	6.41	Low Density Resident	R-1:8	Low Density Resident	R-1:8	0	5	26	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	Oka Road (Cal Trans ROW)	95032	000-00-000	0	7	7	55	Shortfall of Sites	4.9	Medium Density Resi	R-1:8	Medium Density Resi	R-1:8	14	22	69	Vacant	Vacant	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	110 Knowles Drive	95032	424-32-077	66	40	79	35	Shortfall of Sites	7.34	High Density Residen	CM:AHOZ	High Density Residen	CM:AHOZ	30	40	220	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	206 Knowles Drive	95032	424-32-076	22	13	26	11	Shortfall of Sites	2.41	High Density Residen	CM	High Density Residen	CM	30	40	72	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	440 Los Gatos Almaden Road	95032	527-49-048	0	0	0	5	Shortfall of Sites	0.52	Neighborhood Comm	C-1	Neighborhood Comm	C-1	10	20	5	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		
LOS GATOS	445 Leigh Avenue	95032	527-49-049	0	0	0	3	Shortfall of Sites	0.29	Neighborhood Comm	C-1	Neighborhood Comm	C-1	10	20	3	Non-Vacant	Commercial	YES - Current	Housing Element Overlay Zone (HEOZ) implementation program		

Table C: Land Use, Table Starts in A2

Zoning Designation From Table A, Column G and Table B, Columns L and N (e.g., "R-1")	General Land Uses Allowed (e.g., "Low-density residential")
R-1D	Single-family dwelling, provided that there is not more than one principal residential structure on a lot, two-family dwelling, provided that there is not more than one principal residential structure on a lot, family daycare home, and residential care facility, small family home.
C-1	Retailing, including formula retail up to six thousand (6,000) square feet, Personal service businesses and service businesses necessary for the conduct of households, Office activities, Limited manufacturing activities when a majority of sales are made, on site, to the ultimate consumer, Activities permitted in the LM zone which were approved on or before February 1, 1993, provided any change of use must be a conforming use in the C-1 zone, and Group classes, and single-family, two-family, and multi-family in a mixed-use project through a CUP.
C-2	Retailing, including formula retail up to six thousand square feet, Office activities subject to subsection (c), Limited manufacturing activities when a majority of sales are made, on site, to the ultimate consumer, Wholesaling without warehousing on the premises, Single-family and two-family uses, in conjunction with the other uses permitted in this section and multi-family in a mixed-use project through a CUP
CH	Retailing, including formula retail up to six thousand square feet, Personal service businesses and service businesses necessary for the conduct of households, Office activities, Limited manufacturing activities when a majority of sales are made on site to the ultimate consumer, Group classes, and single-family, two-family, and multi-family in a mixed-use project through a CUP
CH:PD	Hotel up to 300 rooms, a conference facility containing approximately 10,000 square feet, and an underground parking facility
North Forty Specific Plan	Retail, Restaurant, Personal Service, Office, Hotel, Townhomes, Rowhouses, Multi-Family, Condominiums, Live/Work Lofts, Park, Public Transpiration and Parking Facilities, Small Family Daycare, Alternating Use/Shared Parking, and Botanical Nursery
R-1:8	Single-family dwelling, provided that there is not more than one principal residential structure on a lot, raising of trees, vegetables and horticultural specialties, but not including commercial greenhouses, retail nurseries, or storage of landscaping equipment, products or supplies for commercial uses, family daycare home, and residential care facility, small family home.
R-M:5-12	Single-family dwelling, two-family dwelling, family daycare home, residential care facility, small family home, multi-family dwelling, and a transitional Housing facility as defined by Health and Safety Code section 50675.2
CM	Activities involving controlled manufacturing, research and development, wholesaling, warehousing, and other light industrial uses, Sales to the ultimate consumer of articles manufactured on the premises to the customer's order, Professional and administrative offices, Emergency shelters as defined by Health and Safety Code section 50801
CM:AHOZ	Multifamily dwellings, Two-family dwellings, and Single-family dwellings.
HEOZ	Housing Element Overlay Zone Implementation Program BF to apply to the sites included in the Site Inventory to modify the development standards (i.e., density, lot coverage, FAR, height) on those sites

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Environmental Analysis

Los Gatos 6th Cycle Housing Element

2023-2031 Planning Period

December 22, 2022





TOWN OF LOS GATOS

HOUSING ELEMENT

Prepared by

EMC Planning Group

Exhibit 2

ENVIRONMENTAL ANALYSIS

LOS GATOS 6TH CYCLE HOUSING ELEMENT

2023-2031 PLANNING PERIOD

PREPARED FOR

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December 22, 2022

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A. BACKGROUND

Project Title	Los Gatos 6th Cycle Housing Element
Lead Agency Contact Person and Phone Number	Joel Paulson, Community Development Director 408-354-6879
Date Prepared	December 22, 2022
Study Prepared by	EMC Planning Group Inc. 601 Abrego Street Monterey, CA 93940
Project Location	Town of Los Gatos
Project Sponsor Name and Address	Town of Los Gatos 110 E. Main Street Los Gatos CA 95030
General Plan Designation	Various
Zoning	Various

Setting

The Town of Los Gatos is located within Santa Clara County, south of the San Francisco Bay. It's surrounded by the City of Campbell to the north, the cities of Saratoga and Monte Sereno to the west, the City of San Jose to the east, and unincorporated land (i.e., the Santa Cruz Mountains) to the south. The incorporated area of Los Gatos covers approximately 11.5 square miles and is almost entirely built-out, with its sphere of influence encompassing approximately 18 square miles. Primary access is provided by State Route 17 from the north and south, which is the main roadway linking the Bay Area to Santa Cruz and the northern Monterey Bay region, and from State Route 85 from the west and east. Los Gatos can also be accessed from the west by State Route 9, also known as Los Gatos-Saratoga Road. Figure 1, Location Map, presents the relationship between the Town of Los Gatos and nearby cities, as well as the state highway system.

Background

The Town of Los Gatos (Town) has prepared a draft 6th cycle Housing Element that covers the planning period 2023 through 2031 consistent with the requirements under California state law. Part of the Housing Element Update requires that the Town identify adequate housing sites to accommodate the Regional Housing Needs Allocation (RHNA) assigned to the Town by the California Department of Housing and Development (HCD) and the Association of Bay Area Governments/Metropolitan Transportation Commission (ABAG/MTC). The RHNA identified for the Town's 6th cycle Housing Element is 1,993 units.

Methodology

The Town received a referendum to repeal the Land Use and Community Design Elements of the adopted *Town of Los Gatos California 2040 General Plan* (General Plan). In October 2022, the Town Council adopted a resolution to provide that the *Town of Los Gatos 2020 General Plan's* Land Use and Community Design Elements will govern during the period of suspension. Therefore, when the term "General Plan" is used in this environmental analysis, it is the General Plan in effect that is being referenced (i.e., the *Town of Los Gatos California 2040 General Plan* with the *Town of Los Gatos 2020 General Plan's* Land Use and Community Design Elements).

The Town's *2040 General Plan Final Environmental Impact Report SCH#2020070175* (General Plan Final EIR) (Town of Los Gatos June 2022a) (chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://losgatos2040.com/images/docs/5_LG_2040_GP_FEIR_RTC_June_2022.pdf) was certified in June 2022, with the following documents making up the entirety of the General Plan Final EIR:

- *2040 General Plan Final Environmental Impact Report Addenda and Errata for Town Council SCH#2020070175* dated June 2022 (chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://losgatos2040.com/images/docs/6_LG_2040_GP_FEIR_RTC_Addenda_Errata_for_Town_Council.pdf);
- *2040 General Plan Revised Sections of Draft Environmental Impact Report* dated November 2021 (chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.losgatosca.gov/DocumentCenter/View/29410/Revised-Sections-of-Draft-EIR); and
- *2040 General Plan Draft Environmental Impact Report* (General Plan EIR) dated July 2021 (chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://losgatos2040.com/images/docs/2040-General-Plan-DEIR-with-Appendices.pdf).

Some of the timing of preparation of the 6th cycle Housing Element Update overlapped with the preparation of the General Plan EIR, allowing for the two documents to work together on topics such as allowable density, floor area ratio, and height to assist in meeting the Town's RHNA requirement. The General Plan EIR evaluated the potential growth for up to 3,738 dwelling units, has already evaluated the housing and population growth projections identified within the 6th cycle Housing Element Update.

This environmental analysis relies on the earlier analyses in the General Plan Program EIR (against which no timely lawsuit challenging its adequacy under CEQA was filed), pursuant to CEQA Guidelines section 15168(c). Section 15168(c) provides that "later activities [here, the Housing Element Update] in the program [here, the General Plan] must be examined in light of the program EIR to determine whether an additional environmental document must be prepared." Section 15168(c)(2) provides: "If the agency finds that pursuant to Section 15162, no subsequent EIR would be required, the agency can approve the activity as being within the scope of the project covered by the program EIR, and no new environmental document would be required." The section further explains that the "within the scope" inquiry is a factual question that the agency determines based on substantial evidence. While no specific format is required to document the agency's determination, an initial study checklist provides a useful, familiar format

to explain the agency's reasoning and evidence. As explained in detail for each environmental resource area herein, there is no evidence that development under the Housing Element Update would result in any new or more severe significant environmental impacts than previously determined in the General Plan EIR. Therefore, this analysis supports a determination under CEQA Guidelines section 15162 that no subsequent or supplemental EIR is necessary for the Housing Element Update.

The analysis in this initial study contains a brief discussion identifying the following:

a. "Earlier Analysis Used" identifies and states where the General Plan EIR is available for review (see above).

b. "Impact Adequately Addressed" identifies which effects from the checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and states whether such effects were addressed by mitigation measures based on the earlier analysis.

c. "Mitigation Measures"—For effects that are "Less-Than-Significant Impact with Mitigation Measures Incorporated," mitigation measures are described which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project. This mitigation generally takes the form of General Plan policies.

Description of Proposal

The proposal includes the update and preparation of the Town's 6th Cycle 2023-2031 Housing Element in order to comply with the state's housing goals set forth in the Government Code, and adopting this element as an amendment to the Town's General Plan. The Town is currently proposing a total of 2,312 housing units. Appendix H of the Town's 2023-2031 Housing Element provides details and capacity estimates for each of the parcels that comprise the Town's housing Sites Inventory. Figure 2, Site Inventory Location Areas, shows an overview of the proposed sites inventory map with the sites combined into various areas of the Town. The total number of housing units in the Draft Site Inventory is subject to change; however, the total number of units will not exceed the maximum of 3,738 units that were considered under the 2040 General Plan Environmental Impact Report (EIR). Development of these housing units would result in a population increase of approximately 5,780 (California Department of Finance 2022). The Housing Element Update may require the demolition of existing commercial structures on some of the individual sites, but would not result in a net increase in commercial square footage to the Town of Los Gatos compared to existing conditions. The assumption in the General Plan was that there would not be any additional commercial beyond what would already be allowed by the previous, *Town of Los Gatos 2020 General Plan*.

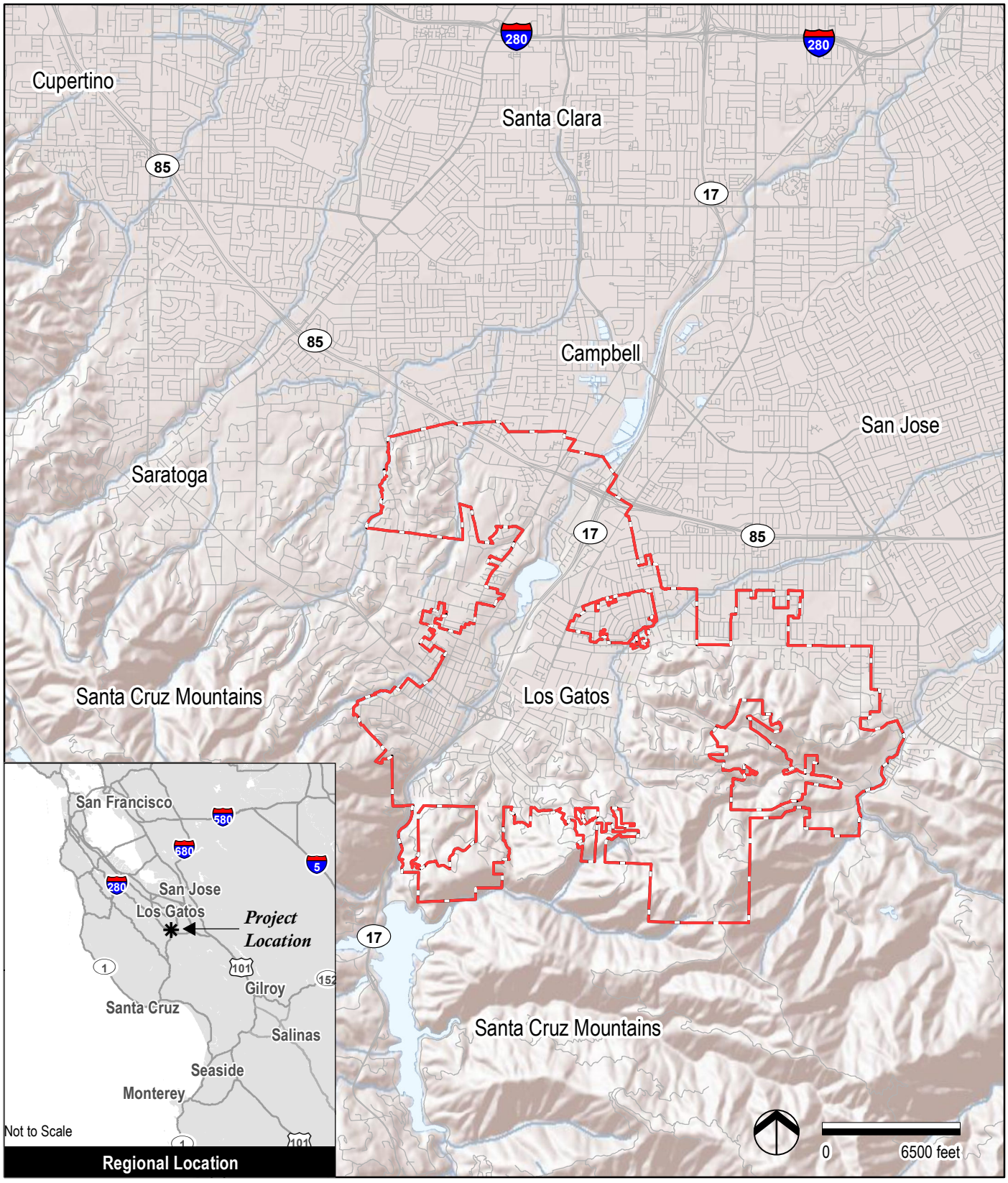
Other Public Agencies Whose Approval is Required

- California Department of Housing and Community Development

Have California Native American tribes traditionally and culturally affiliated with the project area requested consultation pursuant to Public Resources Code section 21080.3.1? If so, is there a plan for consultation that includes, for example, the determination of significance of impacts to tribal cultural resources, procedures regarding confidentiality, etc.?

The Town did not receive any requests from California Native American tribes requesting consultation under Assembly Bill 52 for the Housing Element Update or for the General Plan EIR.

Note: Conducting consultation early in the CEQA process allows tribal governments, lead agencies, and project proponents to discuss the level of environmental review, identify and address potential adverse impacts to tribal cultural resources, and reduce the potential for delay and conflict in the environmental review process. (See Public Resources Code section 21080.3.2.) Information may also be available from the California Native American Heritage Commission's Sacred Lands File per Public Resources Code section 5097.96 and the California Historical Resources Information System administered by the California Office of Historic Preservation. Please also note that Public Resources Code section 21082.3(c) contains provisions specific to confidentiality.



Source: ESRI 2014

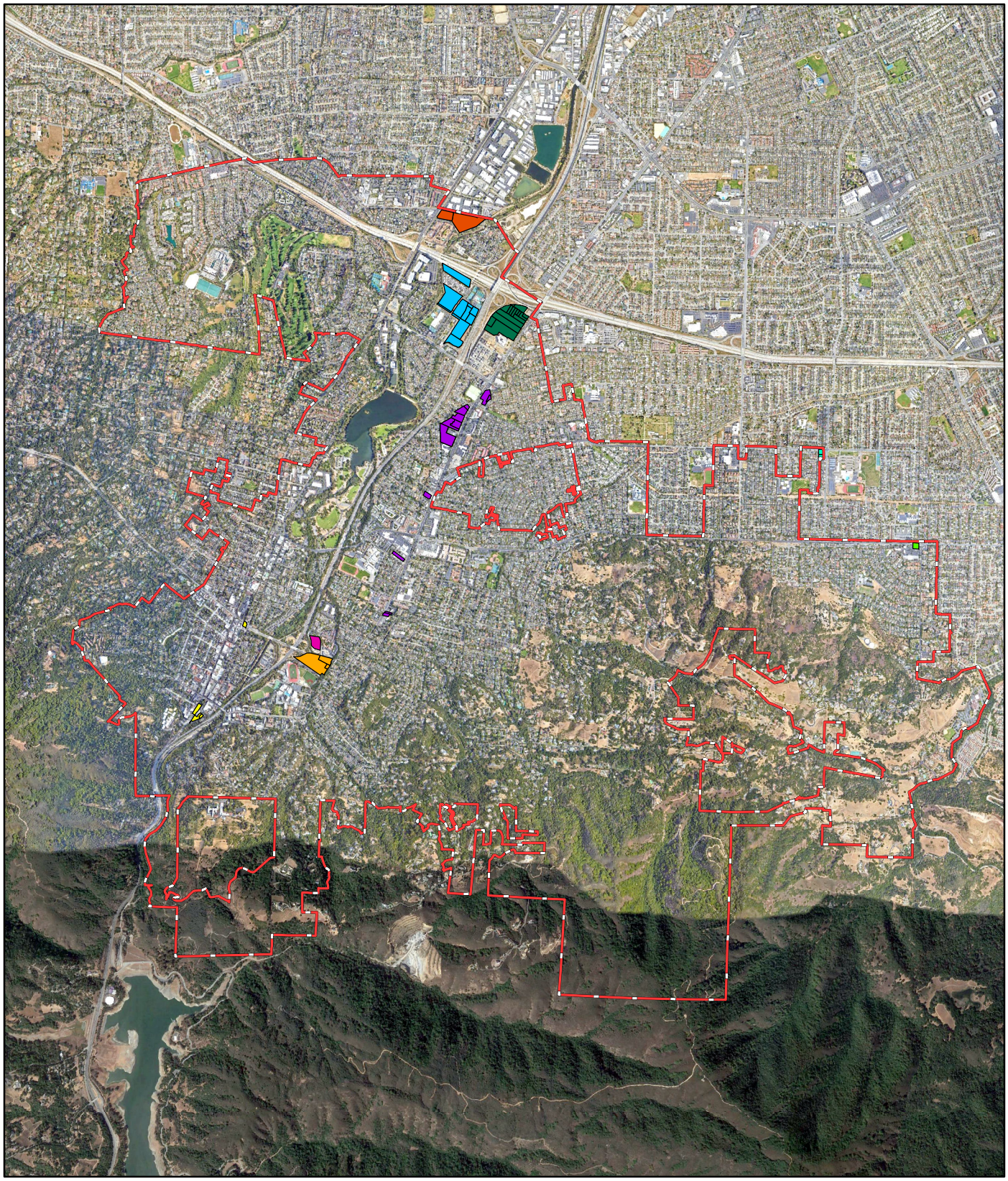
Los Gatos Town Limits

Figure 1

Location Map

Los Gatos 6th Cycle Housing Element Environmental Analysis

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Source: Santa Clara County GIS 2022, Google Earth 2022

Figure 2

Site Inventory Location Areas

Los Gatos 6th Cycle Housing Element Environmental Analysis

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B. DETERMINATION

On the basis of this initial evaluation:

☐ I find that the Housing Element Update COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

☐ I find that although the Housing Element Update could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the Housing Element Update have been made by or agreed to by its proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

☐ I find that the Housing Element Update MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

☐ I find that the Housing Element Update MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

☒ I find that although the Housing Element Update could have a significant effect on the environment, because all potentially significant effects have been analyzed adequately in Town of Los Gatos General Plan 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, nothing further is required.



Joel Paulson, Community Development Director

01/17/2023

Date

C. Evaluation of Environmental Impacts

Notes

1. All answers take account of the whole action involved, including off-site as well as on-site, cumulative as well as project-level, indirect as well as direct, and construction as well as operational impacts.
2. Once it has been determined that a particular physical impact may occur, then the checklist answers indicate whether the impact is potentially significant, less than significant with mitigation, or less than significant. "Potentially Significant Impact" is appropriate if there is substantial evidence that an effect may be significant. If there are one or more "Potentially Significant Impact" entries when the determination is made, an EIR is required.
3. "Negative Declaration: Less-Than-Significant Impact with Mitigation Measures Incorporated" applies where the incorporation of mitigation measures has reduced an effect from "Potentially Significant Impact" to a "Less-Than-Significant Impact." The lead agency must describe the mitigation measures and briefly explain how they reduce the effect to a less-than-significant level (mitigation measures from section XVII, "Earlier Analyses," may be cross-referenced).
4. Earlier analyses are used where, pursuant to the tiering, program EIR, or other CEQA process, an effect has been adequately analyzed in an earlier EIR or negative declaration. [Section 15063(c)(3)(D)] In this case, a brief discussion would identify the following:
    a. "Earlier Analysis Used" identifies and states where such document is available for review.
    b. "Impact Adequately Addressed" identifies which effects from the checklist were within the scope of and adequately analyzed in an earlier document pursuant to applicable legal standards, and states whether such effects were addressed by mitigation measures based on the earlier analysis.
    c. "Mitigation Measures"—For effects that are "Less-Than-Significant Impact with Mitigation Measures Incorporated," mitigation measures are described which were incorporated or refined from the earlier document and the extent to which they address site-specific conditions for the project.
5. Checklist references to information sources for potential impacts (e.g., general plans, zoning ordinances, etc.) are incorporated. Each reference to a previously prepared or outside document, where appropriate, includes a reference to the page or pages where the statement is substantiated.
6. "Supporting Information Sources"—A source list is attached, and other sources used or individuals contacted are cited in the discussion.
7. The explanation of each issue identifies:
    a. The significance criteria or threshold, if any, used to evaluate each question; and
    b. The mitigation measure identified, if any to reduce the impact to less than significant.

1. AESTHETICS

Except as provided in Public Resources Code Section 21099 (Modernization of Transportation Analysis for Transit-Oriented Infill Projects), would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Have a substantial adverse effect on a scenic vista?	☐	☐	☒	☐
b.	Substantially damage scenic resources, including but not limited to trees, rock outcroppings, and historic buildings within a state scenic highway?	☐	☐	☐	☒
c.	In non-urbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage points.) If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality?	☐	☐	☐	☒
d.	Create a new source of substantial light or glare, which would adversely affect day or nighttime views in the area?	☐	☐	☒	☐

Comments:

a. As identified in the General Plan EIR (Section 4.1, Aesthetics), scenic vistas in Los Gatos include the hillside area of the Santa Cruz Mountains and open space areas on the edges of the Town. New development facilitated by the Town, including the housing units proposed by the Housing Element Update, would be in the existing urbanized area and generally would not affect views of the hillside areas or other scenic vistas. The General Plan EIR states that new development in the urbanized area may be visible from ridges in the hillside area or from isolated locations in other open space areas of the Town, but would appear similar to existing surrounding urban development. However, new structures could be oriented or scaled in such a way that views of the hillside area are blocked from isolated locations in the Town.

The General Plan's Community Design Element contains goals and policies to minimize potential visual impacts on scenic vistas from future development such as Goal CD-16 and its associated policies, which promote and protect scenic resources through design of new structures or remodels that allow scenic views to all affected properties.

The General Plan EIR concludes (p. 4.1-16) that the General Plan's goals and policies would minimize visual intrusion and assist in reducing obstructions of view of the scenic vistas associated with the open space areas of the Town. Because development facilitated by the General Plan would occur in existing urbanized areas of the Town, and implementation of these policies would encourage vistas and visibility of scenic open space, impacts of the General Plan would be less than significant.

The Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. Therefore, development consistent with the Housing Element Update would be required to implement the General Plan's applicable goals and policies to reduce impacts on scenic vistas thereby ensuring its impact would be less than significant. The General Plan EIR adequately addressed the Housing Element Update's potential impacts on scenic vistas.

b. According to the General Plan EIR (Section 4.1, Aesthetics), there are no state designated scenic highways within the Town limits and there would be no impacts on scenic resources within a state scenic highway (Town of Los Gatos 2021, p. 4.1-17)

The sites nearest to the officially designated portion of State Route 9, associated with the Housing Element Update, are located approximately 0.60 miles east. Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would not facilitate new development adjacent to the officially designated portion of State Route 9. The General Plan EIR adequately addressed the Housing Element Update's potential impacts on scenic resources within a state scenic highway.

c. As discussed in the General Plan EIR (Section 4.1, Aesthetics), the General Plan would facilitate incremental change in the visual character of the Town through development and redevelopment of land. Implementation of the Housing Element Update, consistent with the growth projections evaluated in the General Plan EIR, would include the reuse of existing urbanized lands and infill development on vacant parcels to meet the housing needs of the growing community.

New development would not substantially degrade the visual character or quality of the Town by complying with existing design guidelines as well as with General Plan policies. Impacts would be less than significant (Town of Los Gatos 2021, p. 4.1-24).

Some applicable General Plan policies from the *Town of Los Gatos 2020 General Plan's* Land Use Element are presented below:

- Policy LU-7.2 - To ensure compatibility with surrounding neighborhoods, infill projects shall demonstrate that the development meets the criteria contained in the Development Policy for In-Fill Projects and the deciding body shall make findings consistent with this policy.;
- Policy LU-7.3 - Infill projects shall contribute to the further development of the surrounding neighborhood (e.g., improve circulation, contribute to or provide

neighborhood unity, eliminate a blighted area) and shall not detract from the existing quality of life.

- Policy LU-7.4 - Infill projects shall be designed in context with the neighborhood and surrounding zoning with respect to the existing scale and character of surrounding structures, and should blend rather than compete with the established character of the area; and
- Policy LU-1.4 - Infill projects shall be designed in context with the neighborhood and surrounding zoning with respect to the existing scale and character of surrounding structures, and should blend rather than compete with the established character of the area.

The Housing Element Update would adhere to the applicable General Plan policies and the Town's existing design guidelines to ensure that development facilitated by the Housing Element Update does not substantially degrade visual character and quality of Los Gatos. As previously stated, the General Plan EIR concluded that new development would result in less than significant impacts associated with degrading the visual character or quality of the Town. Given that the Housing Element Update is consistent with the growth evaluated in the General Plan EIR, the Housing Element Update would result in less than significant impacts on scenic quality.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on scenic quality.

d. As identified in the General Plan EIR (Section 4.1, Aesthetics), new development facilitated under the General Plan would increase the development intensity throughout the Town, thereby introducing new sources of light. Potential sources of new nighttime light from new development include light spillover from the windows of residences and businesses, outdoor security lighting, lighted signs, and streetlights. New development could also produce glare from sunlight reflecting off windows, reflective surfaces, etc.

The development that would be facilitated by the General Plan, such as the housing sites associated with the Housing Element Update, would occur in already-urbanized areas of the Town, where existing lights and surfaces with glare are common. As a result, the General Plan EIR concluded that additional light and glare created under the General Plan, which includes the Housing Element Update, would not illuminate or contribute to light pollution in currently dark or unlit areas without reflective or glaring surfaces (p. 4.1-25).

The Housing Element Update would also be required to comply with General Plan Policy CD-3.2, which requires that street and structure lighting minimize its visual impacts by preventing glare, limiting the amount of light that falls on neighboring properties, and avoiding light pollution of the night sky. In addition, safety lighting that may be implemented with the Housing Element Update would be required to conform to Town-prescribed lighting regulations provided in Section 29.10.09015, Residential Outdoor Lighting, of the Los Gatos Municipal Code.

According to the General Plan EIR, new sources would not substantially increase the amount of nighttime lighting or glare in the already urbanized Town. The General Plan has an overall intent to improve the visual quality of Los Gatos and considers light and glare impacts from new development in the Town; therefore, the General Plan EIR concludes that impacts associated with light and glare would be less than significant (p. 4.1-25). The Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would result in be less than significant impacts associated with light and glare. The General Plan EIR adequately addressed the Housing Element Update's potential impacts on light and glare.

2. AGRICULTURE AND FOREST RESOURCES

In determining whether impacts on agricultural resources are significant environmental effects and in assessing impacts on agriculture and farmland, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. In determining whether impacts to forest resources, including timberland, are significant environmental effects, lead agencies may refer to information compiled by the California Department of Forestry and Fire Protection regarding the state's inventory of forest land, including the Forest and Range Assessment Project and the Forest Legacy Assessment project; and forest carbon measurement methodology provided in Forest Protocols adopted by the California Air Resources Board. Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to nonagricultural use?	☐	☐	☒	☐
b.	Conflict with existing zoning for agricultural use, or a Williamson Act contract?	☐	☐	☐	☒
c.	Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?	☐	☐	☐	☒
d.	Result in the loss of forest land or conversion of forest land to non-forest use?	☐	☐	☐	☒
e.	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use or conversion of forest land to non-forest use?	☐	☐	☐	☒

Comments:

a. According to the General Plan EIR (Section 4.2, Agriculture and Forest Resources), the General Plan does not propose new or expanded conversion of Important Farmland or forestland to new uses and the Town prioritizes infill development and maximizing the underutilized parcels in the Town while maintaining existing community character. Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and the housing sites associated with the Housing Element Update would occur as infill development or on underutilized parcels in the Town.

Some of the sites associated with the Housing Element Update's Lark Avenue Area are identified as Prime and Unique Farmland by the Farmland Mapping and Monitoring Program (California Department of Conservation 2018). Conversion of Important Farmland-designated lands to non-agricultural uses is considered an environmental impact. However, the Lark Avenue Area sites have been anticipated for residential uses since the previous general plan in 2011 (Town of Los Gatos 2011, Figure LU-3), are zoned for residential uses (Town of Los Gatos 2019), and are surrounded by urban uses (Google Earth 2022). Therefore, development associated with the Housing Element Update would result in less than significant impacts related to the conversion of Important Farmlands to non-agricultural uses and would not involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland to nonagricultural use.

b. None of the housing sites are zoned for agricultural use or are in a Williamson Act contract. See General Plan EIR Figure 4.2-2, Important Farmlands and Williamson Act Contracts in Los Gatos and SOI, within Section 4.2, Agriculture and Forest Resources. Therefore, the Housing Element Update would not conflict with land currently zoned for agricultural use or with a Williamson Act contract.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on Williamson Act contracted land and conversion of land zoned for agricultural use.

c-e. The Town does not contain forest lands (Section 4.18, Effects Found Not to be Significant, Town of Los Gatos 2021, p. 4.18-1); therefore, development consistent with the growth projections evaluated in the General Plan EIR, such as the Housing Element Update, would not facilitate new or additional development that would conflict with existing zoning of or result in the loss of forest land to non-forest uses. In addition, the land throughout the southern and eastern portions of Los Gatos are no longer used as a source of timber for logging (Section 4.2, Agriculture and Forest Resources, p. 4.2-9). No impact would occur associated with the availability of forestry resources within the Town (Town of Los Gatos 2021, p. 4.18-1), or involve other changes in the existing environment which, due to their location or nature, could result in conversion of forest land to non-forest use.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on forest lands.

3. AIR QUALITY

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations. Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Conflict with or obstruct implementation of the applicable air quality plan?	☐	☐	☐	☒
b.	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is nonattainment under an applicable federal or state ambient air quality standard?	☐	☒	☐	☐
c.	Expose sensitive receptors to substantial pollutant concentrations?	☐	☐	☒	☐
d.	Result in other emissions, such as those leading to odors adversely affecting a substantial number of people?	☐	☒	☐	☐

Comments:

a. The most recently adopted air quality plan applicable to the Town of Los Gatos is the Bay Area Air Quality Management District's *Final 2017 Clean Air Plan*, which describes how the San Francisco Bay Area will achieve compliance with the state's one-hour ozone standard as expeditiously as practicable, and how the region will reduce transport of ozone and ozone precursors to neighboring air basins. As discussed in the General Plan EIR (Section 4.3, Air Quality), some of the General Plan policies within the Environment and Sustainability Element and the Mobility Element are aimed at reducing vehicle emissions and energy use, which are two major drivers of criteria air pollutant emissions. General Plan Policy ENV-11.2 requires the increase in energy efficiency in municipal facilities; Policy ENV-11.4 promotes the use of efficient energy in new residences, businesses, and municipal buildings; and Policies ENV-11.5 and ENV-11.6 support the use of solar and organic waste recycling. Development projected by the General Plan would also be designed to promote active transportation and reduce vehicle miles traveled (VMT) in the Town, further reducing vehicle emissions through Policies ENV-8.3, MOB-1.1, MOB-1.2, MOB-2.2, MOB-2.3, and MOB-2.11.

Implementation of these General Plan policies would ensure that development under the General Plan would not result in significant criteria pollutant emissions or other significant air quality impacts. Therefore, the General Plan would be consistent with the goals of the *Final 2017 Clean Air Plan* (Town of Los Gatos 2021, p. 4.3-9). The General Plan EIR also concluded that the General Plan would be consistent with applicable

control measures identified within the *Final 2017 Clean Air Plan* because it would implement similar measures through specific goals and policies that would reduce criteria pollutant emissions (p. 4.3-14). Additionally, it was concluded that buildout of the General Plan would not preclude planned transit or bike pathways and would not otherwise disrupt regional planning efforts to reduce VMT and meet federal and state air quality standards (Town of Los Gatos 2021, p. 4.3-14).

The Bay Area Air Quality Management District's *2017 CEQA Air Quality Guidelines* threshold for criteria air pollutants and precursors includes an assessment of the rate of increase of VMT and population. According to the General Plan EIR, because of the Town's geographic and socioeconomic context, the rate of increase of service population is a more appropriate indicator than typical population as to whether the increase in VMT would be considered significant. It was determined that because VMT associated with buildout of the General Plan would increase by approximately 25 percent (General Plan's 507,845 daily VMT/existing conditions 2,044,937 daily VMT), it would not exceed the rate of increase from the forecast population of approximately 29 percent (General Plan's population increase of 8,971/Town's population of 30,832). Therefore, impacts concerning criteria pollutants would be less than significant (Town of Los Gatos 2021, p. 4.3-14).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would be required to implement the applicable goals and policies of the Environment and Sustainability Element and the Mobility Element mentioned previously to ensure that development of the individual sites would not result in significant criteria pollutant emissions or other significant air quality impacts. Additionally, because many of the General Plan goals and policies are similar to the control measures outlined in the *Final 2017 Clean Air Plan*, implementation of them by the Housing Element Update would reduce criteria pollutant emissions. The Housing Element Update would also be required to promote active transportation through implementation of the applicable policies identified in the Mobility Element and stated above, reducing vehicle emissions.

The proposed population increase under the Housing Element Update is less than what was considered under the General Plan's total buildout population and was evaluated by the General Plan EIR. Therefore, development associated with the Housing Element Update would not involve a VMT increase that exceeds the rate of the forecasted population.

For these reasons, the Housing Element Update, consistent with the growth projections evaluated in the General Plan EIR, would not conflict with or obstruct implementation of the applicable air quality plan. The General Plan EIR adequately addressed the Housing Element Update's potential impact related to the conflict with an applicable air quality plan.

b. Development under the General Plan would involve construction activities that may result in air pollutant emissions such as demolition, grading, construction worker travel,

delivery hauling of construction supplies and debris, and fuel combustion by onsite construction equipment. Construction activities would temporarily create emissions of dust, fumes, equipment exhaust, and other air contaminants during site preparation and grading, but the extent of daily emissions is unknown as it depends on the quantity of equipment and the hours of operation for each project.

The Bay Area Air Quality Management District's *2017 CEQA Air Quality Guidelines* do not have plan-level significance thresholds for construction air pollutant emissions that would apply to the General Plan. However, there are project-level thresholds for construction emissions that determine if a project's construction emissions would be individually and cumulatively less than significant (i.e., if the construction emissions fall below the project-level thresholds). The Bay Area Air Quality Management District also identifies feasible fugitive dust control measures for construction activities that are recommended for all projects. Additionally, the Bay Area Air Quality Management District and California Air Resources Board have regulations that address the handling of hazardous air pollutants such as lead and asbestos, which could be aerially disbursed during demolition activities.

Section 4.3, Air Quality, of the General Plan EIR determined that construction associated with development under the General Plan would temporarily increase air pollutant emissions and possibly create localized areas of unhealthy air pollution concentrations or air quality nuisances. The General Plan's goals and policies do not include implementation of feasible measures to reduce construction emissions associated with development and, therefore, the following mitigation would be required by all development under the General Plan to reduce temporary construction air quality impacts to a less-than-significant level (Town of Los Gatos 2021, p. 4.3-16 and -17).

Mitigation Measure

AQ-1 New discretionary projects in the General Plan Area that exceed the construction screening criteria of the Bay Area Air Quality Management District shall be conditioned to reduce construction emissions of reactive organic gases, nitrogen oxides, and particulate matter (PM_{10} and $PM_{2.5}$) by implementing the Bay Area Air Quality Management District's Basic Construction Mitigation Measures (described below) or equivalent, expanded, or modified measures based on project and site-specific conditions.

Basic Construction Mitigation Measures:

1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day, with priority given to the use of recycled water for this activity when feasible.

2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.

3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping shall be prohibited.

4. All vehicle speeds on unpaved roads shall be limited to 15 mph.

5. All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.

6. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne toxics control measure Title 13, Section 2485 of California Code of Regulations). Clear signage shall be provided for construction workers at all access points.

7. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.

8. A publicly visible sign shall be posted with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Bay Area Air Quality Management District's phone number shall also be visible to ensure compliance with applicable regulations.

Implementation of the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and may result in the generation of air pollutant emissions during construction activities. As discussed above, there are no thresholds for construction-related air pollutant emissions that would apply to the Housing Element Update because specific developments are unknown at this time. Therefore, individual development associated with the Housing Element Update would be required to implement Mitigation Measure AQ-1 in order to reduce temporary construction air quality impacts and ensure that the Housing Element Update's potential increase of criteria pollutants, for which the region is in nonattainment, would be less than cumulatively considerable.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to the increase of any criteria pollutant for which the region is nonattainment under an applicable federal or state ambient air quality standard.

c. Sensitive receptors include residences, schools, and hospitals and are located throughout the Town. Pursuant to the Bay Area Air Quality Management District's *2017 CEQA Air Quality Guidelines* when assessing community risk and hazards for siting a new receptor, sources such as freeways or high-volume roadways within a 1,000-foot radius of a project

site are typically considered. As discussed in the General Plan EIR (Section 4.3, Air Quality), development projected by the General Plan could result in additional sources of toxic air contaminants through its commercial uses and, therefore, could increase the number of stationary or permitted sources that emit toxic air contaminants in the Town of Los Gatos. There are also several high-volume roadways within and around Los Gatos, such as State Routes 17 and 85, Los Gatos Boulevard, and Winchester Boulevard. Areas of high traffic volumes typically result in elevated concentrations of carbon monoxide as the major source is automobile traffic.

The Bay Area Air Quality Management District's *2017 CEQA Air Quality Guidelines* have established preliminary screening criteria in determining whether a project would have a significant impact to localized carbon monoxide concentrations. It is noted that the screening criteria is not a threshold of significance, but is designed to provide the Town and project applicants with a conservative indication of whether a project would result in potentially significant air quality impacts. Using the screening criteria, the General Plan EIR determined that the highest traveled intersection in the Town (Los Gatos Boulevard at Lark Avenue) does not exceed traffic volumes for intersections affected by carbon monoxide and the General Plan would not substantially contribute to or result in the creation of carbon monoxide hotspots.

However, development under the General Plan may result in sensitive receptors placed in the proximity to high-volume roadways and freeways, which could expose sensitive receptors to pollutant concentrations. Development under the General Plan would be required to comply with General Plan Policy ENV-8.7, which requires that developments incorporate site planning techniques that reduce exposure of people to the impacts of high air pollutants from adjacent high-volume roadways. The General Plan EIR, therefore, concluded that impacts related to exposing sensitive receptors to pollutant concentrations would be less than significant (p. 4.3-18).

Development associated with the Housing Element Update could place sensitive receptors (i.e., residences) adjacent to high-volume roadways. The Housing Element Update does not, however, involve the increase in commercial development over existing conditions. Therefore, the Housing Element Update would not result in additional sources of toxic air contaminants through commercial uses increasing the number of stationary or permitted sources that emit toxic air contaminants in the Town. The Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would be required to comply with General Plan Policy ENV-8.7.

Because the Housing Element Update was evaluated in the General Plan EIR and anticipated by the General Plan, development associated with the Housing Element Update would result in less than significant impacts related to exposing sensitive receptors to pollutant concentrations.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to sensitive receptors.

d. The Bay Area Air Quality Management District's *CEQA Air Quality Guidelines* state that the land uses that typically produce objectionable odors include agricultural uses, wastewater treatment plants, food manufacturing plants, chemical plants, composting, refineries, landfills, and confined animal facilities. The General Plan would intermix industrial land uses with residential areas, which could have the potential to expose sensitive receptors (such as residents) to odors. Therefore, according to the General Plan EIR's Section 4.3, Air Quality, the General Plan's anticipated industrial development in these areas may result in objectionable odors that may affect a substantial number of people.

Construction associated with implementation of the General Plan could also emit odors from the construction vehicles and engine exhaust and idling, which may affect nearby receptors. Mitigation Measure AQ-1 would reduce construction air quality impacts to a less-than-significant level by reducing idling times and making sure that construction equipment is in proper working order (Town of Los Gatos 2021, p. 4.3-18).

The Housing Element Update does not involve the increase in any use other than residential, which the Bay Area Air Quality Management District determines as not typically producing objectionable odors. Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. Therefore, the Housing Element Update would not result in the development of land uses that may expose sensitive receptors to objectionable odors. However, development associated with the Housing Element Update would involve construction activities, the equipment of which could emit odors that are objectionable to nearby sensitive receptors. Therefore, the Housing Element Update would be required to implement Mitigation Measure AQ-1 to reduce construction air quality impacts and their effect on nearby sensitive receptors.

The General Plan EIR adequately addressed the Housing Element Update's potential to impact sensitive receptors with the creation of objectionable odors.

4. BIOLOGICAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, regulations, or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	☐	☐	☒	☐
b.	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife or US Fish and Wildlife Service?	☐	☐	☒	☐
c.	Have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.), through direct removal, filing, hydrological interruption, or other means?	☐	☐	☒	☐
d.	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?	☐	☐	☒	☐
e.	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?	☐	☐	☐	☒
f.	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?	☐	☐	☒	☐

Comments:

a. Table 4.4-1 of the General Plan EIR (within Section 4.4, Biological Resources) illustrates that almost half of the Town is developed or an urban land use and does not provide habitat for the special-status species reported or known to occur in or near the Town of Los Gatos. Areas that may provide habitat for special-status species are primarily located in the open space and undeveloped hillside areas of the planning area and the waterways and wetlands adjacent to the waterways in the planning area, such as Los Gatos Creek and Ross Creek (Town of Los Gatos 2021, p. 4.4-12). As discussed throughout the

General Plan EIR, the General Plan focuses on infill development and redevelopment within the Town limits, which do not provide habitat suitable for special-status species. Urban development is not allowed in areas of open space and the General Plan would not change these existing land use designations in order to prevent substantial development of the Town's chaparral and scrubland habitats. The General Plan would also not facilitate permanent development in the riparian vegetation along the Town's creeks and adjoining riparian areas.

Although development under the General Plan would occur in urban areas where infrastructure is already in place, the General Plan facilitates the increase in allowable density that could occur on some of the infill and redevelopment sites within the Town, which could require the upgrading of infrastructure facilities within riparian vegetation along creeks and waterways. Additionally, development within proximity to vegetation cover could result in new sources of light that affect nesting patterns or wildlife behavior. This would result in potential temporary riparian and aquatic habitat impacts that support special-status species. Further, development facilitated by the General Plan could impact isolated trees and pockets of vegetation in the urbanized areas of Los Gatos. These trees and isolated pockets could provide habitat for special-status species, including migratory nesting birds, the disturbance or potential loss of which would be considered a significant, adverse impact.

Development under the General Plan would be subject to the provisions of various federal and state natural resources regulations and their respective permitting processes and would be required to implement the list of various goals and policies of the General Plan to help prevent loss of special-status species habitat in the Town. Specifically General Plan Policies ENV-5.2 and ENV-7.1, which would protect special-status plants and wildlife species and their habitats from adverse impacts of public and private projects, and Policies ENV-6.1 and ENV-16.2, which would protect aquatic habitat and adjacent riparian habitat. General Plan Policy ENV-7.11 would also be applicable and require implementation by development as it reduces indirect impacts to wildlife from light spill or light trespass from nearby development. Policy ENV-7.5 and ENV-7.10 would also prevent direct impacts to migratory nesting birds. Implementation of the General Plan's applicable goals and policies, as well as compliance with state and federal regulations related to special-status species and their habitats, would ensure that impacts to special-status species and their habitats would be less than significant (Town of Los Gatos 2021, p. 4.4-16).

Development associated with the Housing Element Update would involve infill or the redevelopment of sites. No sites under the Housing Element Update are located within the Town's hillside or open space areas that could contain habitats for special-status species. However, some of the sites associated with the Housing Element Update (within the Winchester Boulevard Area and Lark Avenue Area) are adjacent to the Los Gatos Creek. Development at these sites could result in indirect impacts on potential special-status species that are present in this riparian area through the creation of new light

sources that may affect the nesting patterns or behavior. Other impacts that could occur by development include the removal of or disturbance to isolated trees and pockets of vegetation that could provide habitat to nesting birds.

Development associated with the Housing Element Update would be required to comply with applicable policies of the General Plan such as Policy CD-3.2 and the Town-prescribed lighting regulations provided in Town Code Section 29.10.09015, which are described further in Section 1.0, Aesthetics, checklist question "d;" Policy LU-1.3, which promotes high quality, well-designed, environmental sensitive, and diverse landscaping in new and existing developments and the preservation of existing trees, natural vegetation, natural topography, riparian corridors and wildlife habitats; Policy ENV-5.1, which requires that all development use native plants or appropriate non-invasive plants that are indigenous to Los Gatos and Santa Clara County to reduce disturbance of adjacent natural habitat; Policies ENV-5.2, -5.3, and -5.4, which all require that development protect special-status native plant species by way of prohibiting development that depletes or damages existing native plant species and prohibiting the use of invasive plant species; and Policies ENV-6.1, ENV-7.1, and ENV-16.2 mentioned previously. Implementation of the General Plan's applicable goals and policies, as well as compliance with state and federal regulations related to special-status species and their habitats, would ensure that impacts to special-status species and their habitats by development associated with the Housing Element Update would be less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential to impact special-status species and their habitats.

b. The General Plan would facilitate infill development and redevelopment within existing urbanized areas of the Town and, therefore, is unlikely to contain surface waters and associated riparian vegetation zones. However, Section 4.4, Biological Resources, of the General Plan EIR explains that it is possible that the infill development facilitated by the General Plan would increase density in some areas, which could require upgraded utilities or stormwater drainage in areas of riparian habitat and streams, the construction of which could cause adverse, environmental impacts.

The General Plan's applicable goals and policies would require conservation of existing creeks and avoidance of disturbing creeks as well as requiring setbacks and measures to protect riparian areas. Implementation of the General Plan's goals and policies would ensure that development under the General Plan would result in less than significant impacts on riparian habitats (Town of Los Gatos 2021, p. 4.4-17).

Some of the sites associated with the Housing Element Update's Winchester Boulevard Area and Lark Avenue Area are located adjacent to the Los Gatos Creek. Development of these sites could result in ground disturbance that adversely impacts the adjacent riparian habitat. However, the Housing Element Update would be required to comply with General Plan Policy ENV-6.1, preventing development from damaging riparian areas; ENV-6.2, requiring that riparian corridors, among other water courses, be retained

in their natural condition; ENV-6.3, which requires that setbacks and measures are implemented to protect riparian corridors; ENV-6.4, promoting the planting of local naïve trees and shrubs where development occurs on land surrounding streams; and ENV-16.4, which requires the conservation of existing creeks and the avoidance of disturbances to these areas.

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and the sites were evaluated with residential land uses in the General Plan EIR. Therefore, implementation of the applicable General Plan policies identified above would ensure that impacts on riparian habitats by development under the Housing Element Update would be reduced to a less-than-significant level.

The General Plan EIR adequately addressed the Housing Element Update's potential to impact on riparian habitats or other sensitive natural communities.

c. The General Plan would facilitate infill development and redevelopment within existing urbanized areas of the Town and, therefore, is unlikely to contain jurisdictional wetlands. However, Section 4.4, Biological Resources, of the General Plan EIR explains that it is possible that the infill development facilitated by the General Plan would increase density in some areas, which could require upgraded utilities or stormwater drainage in areas of jurisdictional wetlands and streams, the construction of which could cause adverse, environmental impacts

Detailed wetland delineations would be needed to determine the extent of any jurisdictional wetlands and other waters at specific locations and the U.S. Army Corps of Engineers is responsible for making a final determination for a particular site. Compliance with the requirements of the Clean Water Act would be required for any project proposed under the General Plan as well as compliance with the goals and policies from the Environment and Sustainability Element and the Open Space, Parks, and Recreation Element of the General Plan; specifically General Plan Policy ENV-6.1, which would prevent development within wetlands. Implementation and compliance with state and federal regulations and the General Plan's goals and policies promoting restoration of wetland and riparian habitat, impacts from development under the General Plan on wetlands would be less than significant (Town of Los Gatos 2021, p. 4.4-17).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR; therefore, the Housing Element Update would not propose residences on land with jurisdictional wetlands. The Housing Element Update would be required to comply with the requirements of the Clean Water Act and implement all applicable General Plan policies whose purpose is to protect wetlands within the Town (e.g., the policies associated with General Plan Goals ENV-6 and ENV-16). Compliance with state and federal regulations and implementation of applicable General Plan goals and policies would ensure that the Housing Element Update's potential impact on wetlands would be less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on wetlands.

d. The General Plan promotes redevelopment and infill development, which would occur in the developed portions of the Town. The developed areas of Los Gatos would not provide for wildlife movement corridors because the areas are developed with buildings and roads. Wildlife movements in the Town are generally limited to the hillside areas to the south and east, and the creeks, such as the Los Gatos Creek. However, Section 4.4, Biological Resources, of the General Plan EIR states that infill development under the General Plan could require construction of upgraded utilities and infrastructure that are near stream corridors (such as stormwater outfalls that are typically near riparian areas adjacent to creeks), which may result in significant environmental effects.

Development under the General Plan would be required to implement applicable General Plan goals and policies that would encourage wildlife movements and migration, such as Policy ENV-7.3, which directs the Town to maintain wildlife habitat and movement corridors for native wildlife species. Because the General Plan would not facilitate development in open space areas, including stream corridors, and contains policies to reduce impacts to stream corridors and protect wildlife movement corridors, the General Plan EIR concluded that impacts would be less than significant (Town of Los Gatos 2021, p. 4.4-20).

Some of the sites associated with the Housing Element Update (within the Winchester Boulevard Area and Lark Avenue Area) are located adjacent to the Los Gatos Creek. However, development at these sites, among the others associated with the Housing Element Update, would be required to implement General Plan Policy ENV-6.1, requiring that developments do not damage riparian areas, wetlands, and intermittent or ethereal [sic] streams; Policy ENV-6.2, which requires that creek beds, riparian corridors, water courses, and associated vegetation are retained in their natural state; and Policy ENV-6.3, which requires that setbacks and measures are implemented to protect riparian corridors.

Consistent with the General Plan, the Housing Element Update would not facilitate development in open space areas, including stream corridors, and would implement all applicable General Plan policies to reduce impacts to stream corridors and protect wildlife movement corridors and open space. The sites associated with the Housing Element Update are not likely to facilitate major wildlife movement due to current active disturbance. As such, the Housing Element Update would have a less than significant impact on wildlife movement.

The General Plan EIR adequately addresses the Housing Element Update's potential to interfere with the movement of migratory species.

e. Development under the General Plan could remove trees or substantially prune trees for construction. As discussed in the General Plan EIR (Section 4.4, Biological Resources),

development would be subject to all applicable local policies and regulations related to the protection of important biological resources such as the Town Municipal Code Chapter 29, Division 2 – Tree Protection. In addition to the Town Municipal Code, development under the General Plan would be required to comply with the policies associated with General Plan Goal ENV-2, such as Policy ENV-2.1, which requires that tree removal and replacement during development is consistent with the latest in tree conservation standards. Adherence to the tree protection requirements in the Town Municipal Code and implementation of the applicable General Plan policies would ensure that development under the General Plan would result in less than significant impacts related to local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance (Town of Los Gatos 2021, p. 4.4-21).

Most of the sites associated with the Housing Element Update contain trees and development may result in their removal or substantial pruning. However, the Housing Element Update would be required to comply with the Town Municipal Code's Tree Protection standards for the preservation, protection, and maintenance of protected trees, including Section 29.10.1000 of the Town Municipal Code, which requires that a tree preservation report be prepared prior to construction on parcels with protected trees. The Housing Element Update would also comply with all applicable General Plan policies related to the protection of biological resources. Compliance with the Town Municipal Code's Tree Protection standards and applicable General Plan policies would ensure that development associated with the Housing Element Update would not conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.

The General Plan EIR adequately addressed the Housing Element Update's potential to conflict with local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance.

f. The *Final Santa Clara Valley Habitat Plan* (habitat plan) (Santa Clara Valley Habitat Agency 2012) covers approximately 62 percent of Santa Clara County and only a small portion of this total involves the Town of Los Gatos. The Vasona Lake County Park and the riparian area on either side of Los Gatos Creek make up the portions of Los Gatos that are under the habitat plan's coverage. The General Plan maintains a designation of Open Space for these areas and would not conflict with the habitat plan. There are no other adopted Habitat Conservation Plans or Natural Community Conservation Plans applicable to the planning area and, therefore, the General Plan EIR concluded that the General Plan would have no impact (Section 4.4, Biological Resources, p. 4.4-21).

Some of the sites associated with the Housing Element Update (the Winchester Boulevard Area and Lark Avenue Area) are adjacent to the Los Gatos Creek, which is within the habitat plan's coverage area. Some portions of these sites are also themselves located within coverage of the habitat plan (Santa Clara Valley Habitat Agency 2022). Therefore, pursuant to the provisions of the habitat plan, development within these areas

would be required to prepare and submit a habitat plan screening form. Development may also be required to apply for an exemption.

Because the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR, development at the Winchester Boulevard Area and Lark Avenue Area would prepare and submit habitat screening forms reducing its potential to result in conflict with the provisions of the habitat plan to a less-than-significant level.

The General Plan EIR adequately addresses the Housing Element Update's potential to conflict with the provisions of the habitat plan.

5. CULTURAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Cause a substantial adverse change in the significance of a historical resource pursuant to section 15064.5?	☐	☒	☐	☐
b.	Cause a substantial adverse change in the significance of an archaeological resource pursuant to section 15064.5?	☐	☒	☐	☐
c.	Disturb any human remains, including those interred outside of dedicated cemeteries?	☐	☐	☒	☐

Comments:

a, b. According to the General Plan EIR (Section 4.5, Cultural and Tribal Cultural Resources), effects on cultural resources are only knowable once a specific project has been proposed because the effects are dependent on the individual project site conditions, project activities that may alter the character of an environment's resources, and/or the characteristics of the proposed ground-disturbing activity (p. 4.5-10). Ground-disturbing activities associated with development under the General Plan have the potential to damage or destroy previously unknown historic or prehistoric archaeological resources that may be present on or below the ground surface. In addition to compliance with applicable General Plan policies, development consistent with the General Plan would be required to complete a Phase I Cultural Resources Inventory of the site, as discussed under Mitigation Measure CR-1 below (Town of Los Gatos 2021, p. 4.5-12).

None of the sites associated with the Housing Element Update are located within the Town's Historic Districts (Town of Los Gatos 2022d); however, because development at each of the individual sites has not yet been proposed, construction activities could occur in areas that have not been previously developed with urban uses, have not been studied through a cultural resources investigation, or the excavation activities could reach depths that exceed those previously attained. Therefore, in order to ensure that development within the Town does not have detrimental effects on cultural resources, each individual project would need to be assessed as it is proposed.

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would be required to comply with General Plan Policy ENV-12.1, which requires that archaeological and/or cultural resources are evaluated early in the development review process through consultation and use of contemporary professional techniques and Policy ENV-12.5, requiring that if cultural resource, including archaeological or paleontological resources, are uncovered during ground-disturbing activities, construction will stop until appropriate

mitigation is implemented. In addition to compliance with General Plan policies, the Housing Element Update would be required to implement Mitigation Measure CR-1 in order to reduce impacts to a less-than-significant level.

Mitigation Measure

CR-1 If a project requires activities that have the potential to impact cultural resources, the Town shall require the project applicant or proponent to retain a qualified archaeologist meeting the Secretary of the Interior's (SOI) Professional Qualification Standards (PQS) in archaeology and/or an architectural historian meeting the SOI PQS standards in architectural history to complete a Phase 1 cultural resources inventory of the project site (NPS 1983). A Phase 1 cultural resources inventory shall include a pedestrian survey of the project site and sufficient background archival research and field sampling to determine whether subsurface prehistoric or historic remains may be present. Archival research shall include a records search conducted at the Northwest Information Center (NWIC) and a Sacred Lands File (SLF) search conducted with the Native American Heritage Commission (NAHC). The technical report documenting the Phase 1 cultural resources inventory shall include recommendations to avoid or reduce impacts to cultural resources. These recommendations shall be implemented and incorporated in the project.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on historic and archaeological resources.

c. As discussed in the General Plan EIR (Section 4.5, Cultural and Tribal Cultural Resources), the potential to discover human burials within the Town exists even though much of the Town is built out. Excavation during construction activities would have the potential to disturb these resources. Therefore, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, has the potential to disturb these unknown Native American burials.

The General Plan EIR determined that development under the General Plan (inclusive of the Housing Element Update) would be required to comply with existing regulations relating to the treatment of human remains in General Plan Goal ENV-12: Protect the Town's archaeological and cultural resources to maintain and enhance a unique sense of place.

Development associated with the Housing Element Update would also be required to comply with General Plan Policy 12.4, which states that any human remains discovered during implementation of public or private projects within the Town shall be treated with respect and dignity, and Policy ENV-12.6, which encourages development to avoid impacts to burial sites by designing or clustering development to avoid archaeological deposits that may contain human remains.

As concluded in the General Plan EIR, implementation of these General Plan policies would help ensure that development carried out under the General Plan (including the Housing Element Update) would have a less than significant impact from potential disturbance of human remains, including those interred outside of formal cemeteries (p. 4.5-13).

The General Plan EIR adequately addressed the Housing Element Update's potential to disturb human remains, including those interred outside of formal cemeteries.

6. ENERGY

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Result in a potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation?	☐	☐	☒	☐
b.	Conflict with or obstruct a state or local plan for renewable energy or energy efficiency?	☐	☐	☐	☒

Comments:

a. **Construction Energy Demand**. The General Plan EIR (Section 4.6, Energy) discusses the energy use during construction activities associated with implementation of the General Plan. It notes that construction would be temporary in nature and the construction equipment used would be typical of similar-sized construction projects in the region. Construction contractors would be required to comply with the provisions of the California Code of Regulations Title 13 Sections 2449 and 2485, which prohibit diesel-fueled commercial motor vehicles and off-road diesel vehicles from idling for more than five minutes and would minimize unnecessary fuel consumption. Development under the General Plan would also be required to comply with construction waste management practices to divert a minimum of 65 percent of construction debris, pursuant to the applicable regulatory requirements found in the California Green Building Standards Code. Compliance with these practices would result in efficient use of energy necessary to construct development under the General Plan. Therefore, the General Plan EIR concluded that the General Plan would not involve the inefficient, wasteful, and unnecessary use of energy during construction, and construction impacts related to energy consumption would be less than significant (p. 4.6-14).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, developers would be required to comply with the provisions of the California Code of Regulations Title 13 Sections 2449 and 2485 and the applicable regulatory requirements related to diversion of construction debris associated with the California Green Building Standards Code in order reduce unnecessary fuel consumption. The Housing Element Update would result in the development of residential uses. The Housing Element Update's energy demand would not be excessive relative to total Santa Clara County-wide demand or relative to other land use projects and would not inherently be a source of wasteful energy demand. Development associated with the Housing Element Update would consume energy, but it would not be inefficient, wasteful, or unnecessary. Therefore, the impact would be less than significant.

Operational Energy Demand. *Transportation Fuel Consumption* - As discussed in the General Plan EIR (Section 4.6, Energy), operation of the development under the General Plan would contribute to regional energy demand by consuming electricity, natural gas, and gasoline and diesel fuels. The General Plan EIR states that fuel consumption is closely associated with vehicle miles traveled (VMT); the more miles a vehicle travels, the more fuel that is required and consumed by that vehicle. However, the General Plan EIR discusses how the VMT generated by the General Plan would not increase boundary VMT per capita (the VMT within a specific geographic region) in Santa Clara County and, therefore, the effects from VMT would be localized and not have regional impacts. This is related to energy because it suggests that fuel consumption resulting from the General Plan would be consistent with regional trends and would not be wasteful or inefficient. In addition, this encourages high-density and mixed-use infill developments with project design that support multi-modal transportation, which improve energy efficiency because it places residents closer to places of employment. These factors would help minimize the potential for the General Plan to result in the wasteful, inefficient, or unnecessary consumption of vehicle fuels.

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, its VMT generation would not increase boundary VMT per capita in Santa Clara County suggesting that its fuel consumption, like the General Plan's consumption, would be consistent with regional trends and would not be wasteful or inefficient. Implementation of the Housing Element Update would also involve high-density and mixed-use infill developments thereby improving energy efficiency.

Natural Gas and Electricity - Development under the General Plan would consume natural gas and electricity for building heating and power, lighting, and water conveyance, among other operational requirements. Implementation of the policies associated with General Plan Goal PFS-6, encouraging development that reduces the use of non-renewable energy resources and expands the use of renewable resources and alternative fuels, and those associated with General Plan Goal PFS-7, which promotes green buildings that minimizes consumption of energy and natural resources, would offset some of the overall energy demand facilitated by buildout under the General Plan. In addition, developments under the General Plan would be subject to the energy conservation requirements of the California Energy Code and the California Green Building Standards Code. In 2018, the California Building Standards Commission began to require that solar photovoltaic panels be installed on new low-rise residential buildings (i.e., single-family homes and multi-family buildings of three stories or less). Because this requirement would involve applicable new residential development under the General Plan, the operational energy demand would be supplemented with renewable energy sources to a greater degree. Therefore, residential development facilitated by the General Plan would, in general, be less dependent on fossil fuels than previous development.

In addition, the General Plan EIR indicated that a greater proportion of electricity supplied for operational power needs in Los Gatos through 2040 would be sourced from

renewables. Renewable energy sources generally result in reduced long-term environmental impacts compared to non-renewables because renewable sources do not require combustion of coal or natural gas to generate electricity, which avoids environmental impacts associated with air pollution and greenhouse gas emissions.

The General Plan EIR concluded that development under the General Plan would not result in potentially significant environmental effects from wasteful, inefficient, or unnecessary consumption of energy and this impact would be less than significant (p. 4.6-14).

Development associated with the Housing Element Update would be required to comply with the above-mentioned goals and policies located with the Public Facilities, Services, and Infrastructure Element of the General Plan in order to reduce energy consumption by development. The Housing Element Update would also be subject to the energy conservation requirements of the California Energy Code and the California Green Building Standards Code, which would help offset some of the overall energy demand by the Housing Element Update. Development associated with the Housing Element Update would involve new single-family and multi-family structures three stories or less (i.e., low-rise residential buildings) and, therefore, would be required to install solar photovoltaic panels pursuant to the adopted 2018 modifications to Title 24 of the California Energy Code. Therefore, residential development facilitated by the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would be less dependent on fossil fuels than existing development.

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would result in less than significant environmental impacts due to wasteful, inefficient, or unnecessary consumption of energy resources, during construction or operation. The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to energy demand during construction and operation.

b. Section 4.6, Energy, of the General Plan EIR discussed the General Plan's consistency with state plans (California Green Building Standards Code and Title 24 of the California Energy Code) and a local plan (*Los Gatos Sustainability Plan*) for renewable energy or energy efficiency.

State. Any newly constructed buildings under the General Plan would be required to comply with all building design standards set in the California Building Code's Title 24 (the California Green Building Standards Code is Part 11 of Title 24). Title 24 requires the implementation of energy efficient light fixtures and building materials into the design of new construction projects. The standards identified in Title 24 are updated every three years and each iteration is more energy efficient than the previous standards. Development under the General Plan would also be required to comply with Senate Bill 100, which mandates 100 percent clean electricity for California by 2045. Impacts related to consistency of the General Plan with applicable state plans for increased energy efficiency and renewable energy use would be less than significant (p. 4.6-15).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would also be required to comply with all applicable building design standards identified above and within Title 24. Compliance with these standards would allow development under the Housing Element Update to result in more efficient consumption of energy through design features such as efficient light fixtures and building materials. Additionally, because development associated with the Housing Element Update would be powered by the existing electricity grid, it would be powered by renewable energy mandated by Senate Bill 100. The Housing Element Update, therefore, would not conflict with or obstruct a state plan for renewable energy or energy efficiency.

Local. The *Los Gatos Sustainability Plan* was adopted as a long-term strategy to reduce greenhouse gas emissions in the Town and further implement sustainability measures from the previous general plan. The document focuses on five sectors, providing specific measures to reduce greenhouse gas emissions from each sector in order to achieve the Town's reduction target of reducing greenhouse gas emissions 15 percent below baseline emissions (2008 or earlier) by 2020. The sectors covered in this plan are Transportation and Land Use, Energy, Water, Solid Waste, and Open Space.

The General Plan EIR evaluates the General Plan's consistency against the *Los Gatos Sustainability Plan* in Table 4.6-5, and concludes that the General Plan would be consistent with the plan and the energy efficiency strategies contained therein. Impacts related to consistency of the General Plan with applicable local plans for increased energy efficiency and renewable energy use would be less than significant (p. 4.6-21).

Development associated with the Housing Element Update would be consistent with the growth projections evaluated in the General Plan EIR and, therefore, would implement those applicable General Plan goals and policies identified in the consistency analysis (Table 4.6-5 of the General Plan EIR) in order to comply with the sustainability measures of the *Los Gatos Sustainability Plan*. For these reasons, the Housing Element Update would not conflict with applicable local plans for increased energy efficiency and renewable energy use.

The General Plan EIR adequately addresses the Housing Element Update's potential to conflict with or obstruct a state or local plan for renewable energy or energy efficiency.

7. GEOLOGY AND SOILS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:				
	(1) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42?	☐	☐	☐	☒
	(2) Strong seismic ground shaking?	☐	☐	☒	☐
	(3) Seismic-related ground failure, including liquefaction?	☐	☐	☒	☐
	(4) Landslides?	☐	☐	☐	☒
b.	Result in substantial soil erosion or the loss of topsoil?	☐	☐	☒	☐
c.	Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?	☐	☐	☒	☐
d.	Be located on expansive soil, creating substantial direct or indirect risks to life or property?	☐	☐	☒	☐
e.	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?	☐	☐	☐	☒
f.	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?	☐	☒	☐	☐

Comments:

a. **Earthquake Rupture**. No known fault crosses any one of the sites associated with the Housing Element Update and the sites are not located in an Alquist-Priolo Earthquake Zone; the nearest Alquist-Priolo Earthquake Zone is approximately three miles southwest of the southernmost site associated with the Housing Element Update (California

Department of Conservation 2022). Further, Section 4.7, Geology and Soils, of the General Plan EIR states that fault rupture is unlikely to affect new or existing structures in the Town because the only Alquist-Priolo Earthquake Zone is located west of the Town's western limits (p. 4.7-19). Therefore, development associated with the Housing Element Update would also not exacerbate impacts related to earthquake rupture for faults in an Alquist-Priolo Earthquake Zone.

The General Plan EIR adequately addressed the Housing Element Update's potential to directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving rupture of a known earthquake fault.

Seismic Ground-Shaking. The Town is located in an active seismic region with three faults running through it (Blossom Hill Fault, Shannon Fault, and Berrocal Fault), which would subject the Town to very strong ground shaking. According to the General Plan EIR (Section 4.7, Geology and Soils), ground shaking risk would be primarily in the northern portion of the Town.

Development under the General Plan would result in additional residential and nonresidential development within the Town, which would potentially expose people and structures to the effects of seismic ground shaking events. However, the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would involve infill development, which would in many cases replace older structures subject to seismic damage with newer structures built to current seismic standards that could better withstand the adverse effects of strong ground shaking (p. 4.7-19). Potential structural damage and the exposure of people to the risk of injury or death from structural failure would be minimized by compliance with the California Building Code engineering design and construction measures. Foundations and other structural support features for development consistent with the General Plan would be designed to resist or absorb damaging forces from strong ground shaking.

The Housing Element Update would be required to comply with General Plan Policy HAZ-4.1, which requires new development to be sited away from high risk geologic and seismic hazard zones or, if located in a high-risk zone, incorporate construction techniques to reduce risk; Policy HAZ-4.2, which requires a geotechnical report to be prepared for new development proposed in hazard zones mapped by the state or the Town; Policies HAZ-4.3 and HAZ-4.4, which both require, respectively, that a geotechnical report is prepared for development with significant grading, potential erosion, and sedimentation hazards and for developments proposed in areas with identified geologic hazards; and Policy HAZ-4.8, which requires that a licensed geologic/geotechnical engineer complete the Town Geologic Hazards Checklist to demonstrate that potential hazards have been identified and that proposed structures will be designed to resist potential earthquake effects (Town of Los Gatos June 2022a). The General Plan EIR concludes that implementation of the mandatory California Building Code requirements and the General Plan's goals and policies would reduce the potential for loss, injury, or death following a seismic event to a less-than-significant level.

The housing sites associated with the Housing Element Update are located in areas of medium to high ground-shaking intensity, according to the General Plan EIR's Figure 4.7-4. However, development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would not exacerbate seismic hazards associated with seismic ground shaking. The Housing Element Update would be required to implement the requirements of the California Building Code and applicable General Plan policies to ensure that impacts related to seismic ground-shaking are less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential to directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving seismic ground-shaking.

Liquefaction. According to the California Department of Conservation's mapping, the Town includes areas susceptible to liquefaction located generally in the center of the Town and along State Route 17 (California Department of Conservation 2022). Most, if not all, of the sites associated with the Housing Element Update are in areas of liquefaction susceptibility. According to the General Plan EIR (Section 4.7, Geology and Soils), foundations and other structural support features for development under the General Plan, including the Housing Element Update, would be designed to resist or absorb damaging forces from liquefaction (p. 4.7-20). The Housing Element Update would be required to comply with General Plan policies identified under the discussion for Seismic Ground-Shaking, above.

Implementation of General Plan policies, in addition to compliance with applicable laws and regulations, would minimize the potential for loss, injury, or death following a seismic event and would reduce impacts to a less-than-significant level (Town of Los Gatos 2021, p. 4.7-21). Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would comply with the General Plan policies listed above and applicable laws and regulations of the California Building Code to ensure impacts are reduced to a less-than-significant level.

The General Plan EIR adequately addressed the Housing Element Update's potential to directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving liquefaction.

Landslides. According to the California Department of Conservation's mapping, the Town has areas susceptible to landslides throughout much of the southern and eastern portions of the Town and extending as far north as Blossom Hill Road (California Department of Conservation 2022). Outside of the hillside areas of the Town, there is potential for landslides and slope instability along the steep banks of drainages, and steep graded slopes associated with excavations. However, according to Section 4.7, Geology and Soils, of the General Plan EIR, landslide potential is minimal in the gently sloping west central and northernmost portions of the Town (Town of Los Gatos 2021,

p. 4.7-19). None of the sites associated with the Housing Element Update are located within these landslide hazard zones and, therefore, development of these sites would not exacerbate landslide hazards through grading or other site modification activities that reduce slope stability.

The General Plan EIR adequately addressed the Housing Element Update's potential to directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving landslides.

b. Wind and water are the main forces that cause soil erosion. Depending on how well exposed soil surfaces are protected from these forces, the erosion process can be very slow or rapid. Removal of natural or manufactured protection can result in substantial soil erosion and excessive sedimentation. Construction activities that would occur on individual sites associated with the Housing Element Update represent the greatest potential cause of erosion.

According to the General Plan EIR (Section 4.7, Geology and Soils), new development under the General Plan would involve construction activities that may result in loose or disturbed soils in the Town, which can increase the potential for erosion and loss of topsoil.

Construction activities that disturb one or more acres of soil and, therefore, would be subject to the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities adopted by the State Water Resources Control Board under the Clean Water Act. The Town's Municipal Code Chapter 22, Article III enforces compliance with the Construction General Permit. Development of any site that disturbs more than one acre of soil will also be required to file a Notice of Intent with the State Water Resources Control Board and prepare a Storm Water Pollution Prevention Plan describing erosion and sediment control best management practices. Chapter 12 of the Town's Municipal Code also provides regulatory standards to ensure grading, erosion, and sediment associated with development are minimized.

Many of the sites associated with the Housing Element Update would involve construction activities that disturb one or more acres of soil and, therefore, would be subject to the General Permit and be required to prepare a Storm Water Pollution Prevention Plan. Compliance is also required with the Town's Municipal Code Chapter 12 that provides regulatory standards to ensure grading, erosion, and sediment associated with development are minimized. Development under the General Plan would be required to implement applicable General Plan policies and goals that would ensure that construction projects minimize their potential impacts related to erosion. Compliance with applicable laws and regulation, as well as implementation of applicable General Plan policies, would reduce impacts to a less-than-significant level (Town of Los Gatos 2021, p. 4.7-23).

According to the General Plan EIR, potential for erosion in Los Gatos is highest in the eastern, southern, and southwestern areas of the Town, with its potential decreasing toward the center of the Town and minimal in the flat areas just east of State Route 17. The sites associated with the Housing Element Update are centrally located in the Town, along and east of State Route 17, with a few sites in the southwestern and northern ends of the Town. Therefore, there is potential for development associated with the Housing Element Update to result in soil erosion or loss of topsoil.

Development associated with the Housing Element Update would be required to comply with General Plan Policy ENV-15.1, which requires all new developments in areas subject to soil erosion to prepare erosion control plans to minimize soil erosion; Policy ENV-15.2, which requires that grading permits be issued to ensure that the grading of slopes and sites proposed for development will be minimized; and Policy ENV-16.9, which requires that pollution in urban runoff be reduced from residential land use activities and other land uses.

Adherence to the state's stormwater discharge permitting requirements, in addition to the above-mentioned General Plan policies, would ensure that potential impacts associated with soil erosion and loss of topsoil would be less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts associated with soil erosion and the loss of topsoil.

c. According to the General Plan EIR (Section 4.7, Geology and Soils), development under the General Plan would result in additional residential and nonresidential development within the Town that would be potentially exposed to the effects of unstable soils. However, potential structural damage and the exposure of people to the risks from unstable soils from structural failure would be minimized by compliance with the California Building Code engineering design and construction measures. Foundations and other structural support features would be designed to resist or absorb damaging forces from strong ground shaking and liquefaction. In addition to compliance with mandatory California Building Code requirements, implementation of applicable General Plan goals and policies, such as those listed previously in this section, would reduce the potential for development under the General Plan to exacerbate unstable soil conditions and ensure impacts are less than significant (p. 4.7-20 to 4.7-21).

Structures constructed on soils which are prone to liquefaction are subject to damage and possible collapse as a result of settlement and lateral spreading due to liquefaction (Town of Los Gatos 2021, p. 4.7-13). As discussed previously, most of the housing sites associated with the Housing Element Update are located on land that is susceptible to liquefaction. Development on the sites associated with the Housing Element Update could also result in soil erosion or loss of topsoil.

Construction activities on the individual housing sites associated with the Housing Element Update could risk exacerbating unstable soil conditions during grading and/or other site development/excavation activities. Developers are required to comply with the

General Plan policies identified in checklist questions "a" and "b" as well as the applicable requirements of the California Building Code. A detailed review of design and construction plans and incorporation of additional structural safety features would be required on a project-by-project basis, as necessary, for structures that would be located in areas subject to soil that is unstable, or that would become unstable as a result of the Housing Element Update.

Implementation of the applicable General Plan policies and the California Building Code would reduce the adverse effects of unstable geologic units and reduce the potential to exacerbate soil instability hazards to a less-than-significant level.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts associated with unstable soils.

d. According to the General Plan EIR (Section 4.7, Geology and Soils), the clay minerals in the Town's clay and clay loam soils are prone to expansion and have moderate to high shrink-swell potential (p. 4.7-23). The California Building Code includes requirements to address soil-related hazards such as the removal, proper fill selection, and compaction of soil. In cases where soil remediation is not feasible, the California Building Code requires structural reinforcement of foundations to resist the forces of expansive soils. According to the General Plan EIR, compliance with the requirements of the California Building Code would reduce impacts related to expansive soils to a less-than-significant level (p. 4.7-23).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would be required to comply with the applicable requirements of the California Building Code. Therefore, impacts related to expansive soils on the individual sites associated with the Housing Element Update would be less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts associated with expansive soils.

e. Development under the General Plan encourages infill development and redevelopment within the Town of Los Gatos limits and would minimize encroachment into open space areas where wastewater infrastructure does not currently exist. Therefore, Section 4.7, Geology and Soils, of the General Plan EIR concludes that the General Plan would result in less than significant impacts related to soils that are incapable of supporting septic tanks or alternative wastewater disposal systems (p. 4.7-24).

All proposed sites associated with the Housing Element Update would connect into the Town's existing sanitary sewer system and, therefore, no impacts associated with soils supporting the use of septic tanks would occur.

The General Plan EIR adequately addressed the Housing Element Update's potential to have soils onsite that are incapable of adequately supporting the use of septic tanks.

f. According to the General Plan EIR (Section 4.7, Geology and Soils), the geologic units exposed at ground surface in the Town and the vicinity include Mesozoic rocks of the Franciscan Assemblage, the Miocene Temblor Sandstone, the Miocene Monterey Formation, the Pliocene-Pleistocene Santa Clara Formation, and Quaternary Alluvium. The Miocene to Pleistocene sedimentary deposits in the Town have a high potential to yield paleontological resources (Town of Los Gatos 2021, p. 4.7-24). Therefore, paleontological resources may be encountered during any ground-disturbing activities associated with implementation of the General Plan. Directly or indirectly destroying a unique paleontological site is considered a significant environmental impact and, therefore, the General Plan would be required to comply with General Plan Policy ENV-12.5, requiring that if cultural resources, including paleontological resources, are uncovered during grading or other onsite excavation activities, construction shall stop until appropriate mitigation is implemented. Additionally, implementation of the following mitigation measure would ensure this potential impact would be less than significant (p. 4.7-25).

Mitigation Measure

GEO-1 The Town shall require paleontological resource studies for projects that involve ground disturbance in project areas mapped as high paleontological sensitivity at the surface or subsurface determined through environmental review. Additionally, in the event that a paleontological resource is disclosed, construction activities in the area shall be suspended, a qualified paleontologist shall be retained to examine the site, and protective measures shall be implemented to protect the paleontological resource.

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and may encounter unknown paleontological resources during construction activities. The Housing Element Update would be required to implement Mitigation Measure GEO-1 in order to ensure impacts would be less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts associated with paleontological resources.

8. GREENHOUSE GAS EMISSIONS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?	☒	☐	☐	☐
b.	Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?	☒	☐	☐	☐

Comments:

a. According to the General Plan EIR (Section 4.8, Greenhouse Gas Emissions), development facilitated by the General Plan would involve activities, such as construction demolition and grading, that would result in greenhouse gas (GHG) emissions. The Bay Area Air Quality Management District does not have plan-level significance thresholds for construction GHG emissions that would apply to the General Plan. Therefore, the General Plan EIR determined that no significance conclusion would be made with regard to General Plan programmatic construction-related GHG emissions alone; rather operational and total (construction plus operational) programmatic GHG emissions are assessed with regard to significance level (Town of Los Gatos 2021, p. 4.8-25).

Los Gatos GHG emissions are based on the Los Gatos communitywide 2008 emissions inventory and communitywide GHG emissions anticipated related to ongoing activities within the community and buildout of the General Plan. Projected GHG emissions for 2030, 2040, and 2045 include implementation of the General Plan as well as several state and local GHG reduction actions that are assumed to be implemented (p. 4.8-25). The General Plan EIR determined that the GHG emissions generated by the General Plan would exceed the 2030 efficiency threshold of 3.31 metric tons of carbon dioxide equivalents (CO_2e) per service person per year as well as exceed the 2040 efficiency threshold of 1.02 metric tons of CO_2e per service person per year.

The General Plan EIR explains that while various goals, policies, and implementation programs contained in the General Plan would implementation some GHG emission reduction strategies related to energy use and vehicle miles traveled reduction, development under the General Plan would not achieve GHG reductions to reach less than significant levels (represented by equal to or less than 3.31 per capita metric tons CO_2e per service person per year and by 2030 and 1.02 per capita metric tons CO_2e per service person per year by 2040). The General Plan EIR indicates that the exceedance is primarily due to on-road vehicle miles traveled, which accounts for approximately 81 percent of the total emissions, and the main barrier to reducing vehicle miles traveled is the lack of public transit options in the Town.

As discussed in Section 17.0, Transportation, the greatest reduction in vehicle miles traveled would be from the regional level reduction strategies outlined in Mitigation Measure T-1, which is explained as not possible since the Town cannot guarantee that other agencies and municipalities would participate in the regional strategies. Because of these limitations, development under the General Plan would be required to implement Mitigation Measure GHG-1.

Mitigation Measure

GHG-1 Los Gatos shall implement the following GHG emissions reduction measures by sector:

Energy (EN)

- Measure EN1: Adopt an ordinance requiring new commercial construction to be all electric or otherwise operationally carbon neutral by 2025: Adopt a new building ordinance which bans the installation of natural gas in new commercial construction by 2025 and requires new commercial buildings to install all-electric equipment or otherwise be operationally carbon neutral. Support this action by conducting outreach and education to local developers about the benefits and resources associated with building carbon neutral buildings.

- Measure EN2: Identify and partner with stakeholders to conduct electrification outreach, promotion, and education: Leverage partnerships with stakeholders to conduct outreach, promotion, and education around new and existing building electrification.

- Measure EN3: Develop a Community wide Existing Residential Building Electrification Plan (EBEP): Support community-wide existing building electrification through the development of an EBEP that addresses the feasibility, timeline, equity concerns, local stakeholder involvement, costs, funding pathways, and implementation for electrifying existing residential buildings in Los Gatos.

- Measure EN4: Electrify existing residential buildings beginning in 2023: Adopt an electrification ordinance for existing residential buildings to transition natural gas to electric in two phases, to be implemented through the building permit process:

    - Phase I: Limit expansion of natural gas lines in existing buildings by 2023.

    - Phase II: Require HVAC system replacements and hot water heaters replacements to be all-electric by 2023.

- Measure EN5: Identify and partner with stakeholders to develop resident-level funding pathways for implementing electrification ordinance: Leverage partnerships with stakeholders and establish funding pathways to ease community members' costs when complying with the electrification ordinance, including:

    - Pass a transfer tax ordinance and provide a rebate for electric panels and/or other upgrades.

    - Partner with PG&E, SVCE, and/or other stakeholders to create or expand electrification/retrofit programs and incentives, especially for low-income residents. These could include the PACE program, PG&E's low-income weatherization. program, tariffed on-bill financing, metered energy efficiency, or others.

- Measure EN6: Decarbonize municipal buildings by 2040: Adopt a municipal building energy decarbonization plan to decarbonize municipal building energy operations by 2040. This plan would include a new building electrification policy as well as an existing building natural gas phase-out policy.

- Measure EN7: Coordinate with stakeholders to provide local energy generation support and incentives for the community: Partner with PG&E, SVCE, and/or other stakeholders to support and incentivize local on-site energy generation and storage resources within the community.

- Measure EN8: Develop an EV Readiness Plan to Support Installation of 794 Chargers by 2030: Develop an EV Readiness Plan that supports the installation of 794 chargers (at least 160 of which would be public chargers) and a 30 percent EV share of registered passenger vehicles in Los Gatos by 2030. This plan should establish a path forward to increase EV for implementation of public charging infrastructure in key locations. In conjunction with an EV Readiness Plan, conduct a community EV Feasibility Study to assess infrastructure needs and challenges, particularly in frontline communities.

- Measure EN9: Increase privately owned EV charging infrastructure: Amend the Town's Building Code and Local Reach Code to require the following:

    - EV capable attached private garages for new single-family and duplex residential development;

    - 20 percent EV capable charging spaces and panel capacity for new multi-family residential development;

- 20 percent EV capable charging spaces for new commercial development; and
- At least 1 percent working chargers for all new development and major retrofits.

- Measure EN10: Increase Town-owned and publicly accessible EV charging infrastructure: Work with public and private partners to ensure there are sufficient publicly accessible DCFC and Level 2 EV chargers around the Town by 2030, with a focus on providing access to low-income households and affordable housing. Install new publicly accessible EV chargers at Town-owned facilities. Develop and implement a fee for use of Town-owned chargers to encourage efficient use and turnover, especially for those without home charging capability.

- Measure EN11: Identify and partner with stakeholders to develop EV-related rebates: Investigate partnerships with public and private partners for rebates on at-home electric circuits, panel upgrades, and Level 2 chargers, with a focus on supporting EV purchases for low-income households in frontline communities.

- Measure EN12: Encourage EV adoption and infrastructure improvements: Conduct outreach, promotion, and education to encourage EV adoption and infrastructure improvements. This would include the following:
  - Providing education and outreach to the community on the benefits of ZEVs, availability of public charging, and relevant rebates and incentives available for businesses and residents.
  - Working with major employers to provide EV charging for employees and encourage EV adoption among employees.

Transportation (TR)

- Measure TR1: Implement Full Recommended Buildout of the Bicycle and Pedestrian Master Plan (BPMP): Fully implement the BPMP and add 23.2 new miles of bike network by 2035 to achieve 6 percent bicycle mode share by 2035.

- Measure TR2: Identify and partner with stakeholders to conduct outreach, promotion, and education: Leverage partnerships with stakeholders to conduct ongoing outreach, promotion, and education around active transportation in Los Gatos. This could include:

- Establishing Town-wide events or programs that promote active transportation in the community;
- Regularly updating the Town's Bicycle and Pedestrian Network Map and sharing through Town and stakeholder partnership platforms;
- Supporting local bike groups in hosting workshops and classes on bike riding, safety, and maintenance by certified instructors;
- Instituting car-free days downtown, potentially coupled with other large and regular events; or
- Consolidating a list of local employer-provided bicycle parking, lockers, showers, and incentives as a demonstration tool for other interested employers.

- Measure TR3: Facilitate a bike share program: Conduct a bike share pilot program and facilitate full implementation of a bike share program within the Town.
- Measure TR4: Establish parking meter rates and invest in transportation improvements: Establish parking meter rates, considering dynamic parking pricing in the downtown area. Allocate a designated portion of paid parking revenue to investing in TDM strategies that will ensure cost-effective downtown access by improving transit, bicycle facilities, and create incentives for people to avoid driving.
- Measure TR5: Improve curbside management: Improve curbside management, including updating the municipal code to require active loading only, prohibit double parking, define locations for additional loading zones, and design loading zone signage.
- Measure TR6: Require transportation system management for new construction: Draft and implement a Transportation System Management Plan (TSMP) ordinance for new construction to allow the Town to shift travel behavior away from single-occupancy vehicles. Ensure telecommuting is an optional trip reduction strategy.
- Measure TR7: Eliminate parking minimums for developments: Remove parking minimums and establish parking maximums.

Waste (WS)

- Measure WS1: Require residential and commercial organic waste collection consistent with SB 1383 requirements: Work with local waste haulers and other community partners to expand organic waste collection capacity. Pass an ordinance by 2022 requiring residential and commercial organics generators to subscribe to organics collection programs or alternatively report organics self-hauling and/or backhauling. Allow limited waivers and exemptions to generators for de minimis volumes and physical space constraints and maintain records for waivers/exemptions.

- Measure WS2: Require edible food recovery consistent with SB 1383 requirements: Adopt an edible food recovery ordinance or similarly enforceable mechanism to ensure edible food generators, food recovery services, and food recovery organizations comply with requirements to increase recovery rates.

As discussed in the General Plan EIR, even with implementation of Mitigation Measure GHG-1 requiring community GHG reduction measures, the General Plan would result in emissions that exceed GHG efficiency thresholds and, therefore, state targets. As a result, impacts related to the generation of GHG emissions under the General Plan would be significant and unavoidable with mitigation incorporated (p. 4.8-31).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would generate GHG emissions. Development associated with the Housing Element Update is part of the significant and unavoidable cumulative GHG emissions impacts associated with the General Plan and, therefore, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would result in significant and unavoidable GHG emissions impacts even after implementation of Mitigation Measure GHG-1.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to GHG emissions.

b. Development under the General Plan would result in additional GHG emissions due to construction, an increase in mobile sources, more building space requiring more heating and cooling, etc. Section 4.8, Greenhouse Gas Emissions, of the General Plan EIR evaluated the General Plan's consistency with the California Air Resources Board 2017 Scoping Plan (which provides the framework for achieving the 2030 target related to GHG emissions), Senate Bill 32 (which codifies the statewide goal of reducing GHG emissions to 1990 levels by 2020), and Executive Order B-55-18 (an executive order mandating the state to achieve carbon neutrality by no later than 2045). The General Plan EIR determined that the General Plan would conflict with the reduction targets of all three state plans identified above and would contribute to climate change. Therefore, implementation of Mitigation Measure GHG-1 would be required.

However, even with implementation of Mitigation Measure GHG-1, total and per capita Los Gatos GHG emissions would not be reduced to a level below state targets by 2030 and 2040. Additionally, the General Plan was determined to impede "substantial progress" toward meeting the California Air Resources Board 2017 Scoping Plan, Senate Bill 32, and Executive Order B-55-18 targets. Therefore, impacts would be significant and unavoidable even with mitigation incorporated (p. 4.8-32).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and has been evaluated by the General Plan EIR. Development associated with the Housing Element Update is part of the significant and unavoidable cumulative GHG emissions impacts associated with the General Plan and, therefore, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would result in significant and unavoidable impacts related to consistency with applicable state plans, even after implementation of Mitigation Measure GHG-1.

The General Plan EIR adequately addressed the Housing Element Update's potential to conflict with an applicable state plan related to GHG emissions and targets.

The Town adopted its Statement of Overriding Conditions on June 30, 2022 and determined that specific economic, legal, social, technological, mobility, or other considerations, make infeasible the mitigation measures or project alternatives identified in the General Plan Final EIR related to GHG emissions.

9. HAZARDS AND HAZARDOUS MATERIALS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?	☐	☐	☐	☒
b.	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?	☐	☐	☒	☐
c.	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?	☐	☐	☐	☒
d.	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code section 65962.5 and, as a result, create a significant hazard to the public or the environment?	☐	☐	☒	☐
e.	For a project located within an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or a public-use airport, result in a safety hazard or excessive noise for people residing or working in the project area?	☐	☐	☐	☒
f.	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?	☐	☐	☐	☒
g.	Expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires?	☐	☐	☒	☐

Comments:

a. According to the General Plan EIR (Section 4.9, Hazards and Hazardous Materials), development facilitated by the General Plan would result in approximately 156,400 square feet of manufacturing development, which would increase the overall routine transport, use, and disposal of hazardous materials in Los Gatos.

Documentation of compliance with hazardous materials regulations codified in the California Code of Regulations titles 8, 22, and 26 is required for all hazardous materials and hazardous waste transport. Individual contractors and property owners must comply with all applicable federal and state laws and regulations pertaining to the transport, use,

disposal, handling, and storage of hazardous waste, including but not limited to, Title 49 of the Code of Federal Regulations. Adherence to applicable regulations and laws would reduce accidental release of hazardous materials during transport. In addition to mandatory adherence to laws and regulations, the General Plan contains goals and policies that would apply to routine transport, use, or disposal of hazardous materials such as those policies associated with General Plan Goals HAZ-7 and MOB-15 (Town of Los Gatos 2021, p. 4.9-17).

The overall quantity of hazardous materials used and requiring disposal in Los Gatos could incrementally increase as a result of development under the General Plan. However, all new development would be required to comply with existing applicable regulations, programs, and standards as well as implementation of applicable General Plan goals and policies, which would minimize risks from routine transport, use, and disposal of hazardous materials and result in less than significant impacts (p. 4.9-19).

Development associated with the Housing Element Update involves only residential development and would not involve industrial or commercial development that more commonly involve the storing, using, transporting and/or disposing of hazardous materials. Therefore, the Housing Element Update would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous material.

The General Plan EIR adequately addressed the Housing Element Update's potential impact related to the routine transport, use, or disposal of hazardous materials.

b. The General Plan facilitates and encourages infill development throughout the Town, which could require the demolition of existing uses to facilitate future development. If such buildings identified for demolition were constructed prior to the 1970s. Section 4.9, Hazards and Hazardous Materials, of the General Plan EIR states that lead and asbestos could be present and released into the environment during demolition activities. The California Department of Public Health, the California Department of Industrial Relations, Division of Occupational Safety and Health Administration, and the Bay Area Air Quality Management District regulate lead and asbestos abatement necessary for construction and redevelopment projects. California Code of Regulations Section 1532.1 requires testing, monitoring, containment, and disposal of lead-based materials such that exposure levels do not exceed California Department of Industrial Relations, Division of Occupational Safety and Health Administration standards. The control of asbestos during demolition or renovation of buildings is regulated under the Federal Clean Air Act. Compliance with the mandatory requirements of California Code of Regulations and the Federal Clean Air Act would reduce the potential hazards and risks associated with release of lead and asbestos. Oversight by the appropriate agencies would ensure that impacts related to the potential accident conditions involving the release of hazardous materials into the environment would be less than significant (Town of Los Gatos 2021, p. 4.9-19).

Development associated with the Housing Element Update would involve the demolition of existing structures as it focuses on infill development and redevelopment. It is unknown at this time if any of the existing structures were constructed prior to the 1970s and whether or not hazardous materials are present on each site. As individual development associated with the Housing Element Update are proposed, a Phase I Environmental Site Assessment would be required for new development on proposed land that may be contaminated with hazardous materials or waste, pursuant to General Plan Policy HAZ-7.2. Should lead and asbestos be detected on any one of the sites associated with the Housing Element Update, the development would be required to comply with the mandatory requirements of the California Code of Regulations and the Federal Clean Air Act to reduce the potential hazards and risks related to the release of lead and asbestos.

Development under the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. Therefore, impacts related to the potential for accident conditions involving the release of hazardous materials into the environment would be less than significant.

The General Plan EIR adequately addressed the Housing Element Update's potential impact related to the accidental release of hazardous materials into the environment.

c. Schools are located throughout Los Gatos. The General Plan would facilitate various types of development throughout the Town of Los Gatos; residential and office uses do not typically emit hazardous materials, and it is not possible to know the quantity of hazardous materials proposed for use at the future commercial and industrial development sites. Although the quantities of hazardous material used at the future commercial and industrial development cannot be known, Section 4.9, Hazards and Hazardous Materials, of the General Plan EIR determines that this type of development could occur within one-quarter mile of existing public or private schools in Los Gatos. However, development under the General Plan would be required to comply with the provisions of the California Fire Code adopted by the Town (Chapter 12, Article II) and the Santa Clara County Fire Department Certified Unified Program Agency requirements that comply with provisions set forth in the California Health and Safety Code, Division 20, Chapter 6.95, Articles 1 and 2. Impacts would be less than significant (Town of Los Gatos 2021, p. 4.9-20).

The Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would result in development within one-quarter mile of existing schools. However, the Housing Element Update involves only residential development, which does not typically generate or emit hazardous materials. Therefore, the Housing Element Update would not result in hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to hazardous emissions within one-quarter mile of a school.

d. Existing sites in Los Gatos that may contain hazardous land uses or contamination from land uses that were on the sites previously generators of hazardous waste, such as gas stations, dry cleaners, and industrial uses. According to the General Plan EIR (Section 4.9, Hazards and Hazardous Materials), there are active or open sites containing or potentially containing hazardous materials contamination within the Town limits. Development facilitated by the General Plan on these sites could expose construction workers and future occupants of the new uses to hazardous materials (p. 4.9-21). It is also possible that unknown underground storage tanks may be present within the Town; if one is uncovered or disturbed during construction activities, it would be removed under permit from the Santa Clara County Fire Department; tank removal activities could also pose health and safety risks.

Development at any one of these known sites would be subject to investigation, remediation, and cleanup under the supervision of the Regional Water Quality Control Board, the Santa Clara Valley Water District (Valley Water), or the California Department of Toxic Substances and Control before construction activities could begin. In addition, development would be required to comply with General Plan Goal HAZ-7 (reduce the potential for injuries, damage to property, economic and social displacement, and loss of life resulting from hazardous materials is eliminated) and its associated policies, reducing the potential for release of hazardous substances through inter-organization cooperation, site assessments, and hazardous material storage monitoring. Risks posed by underground storage tanks would be minimized by managing the tank according to existing standards contained in Division 20, Chapters 6.7 and 6.75 (Underground Storage Tank Program) of the California Health and Safety Code as enforced and monitored by the Environmental Programs Division. Compliance with existing state and local regulations, in addition to implementation of applicable General Plan policies, would reduce risks related to hazardous material sites to a less-than-significant level (Town of Los Gatos 2021, p. 4.9-22).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would not occur on sites identified by the Town as active or open sites containing or potentially containing hazardous materials contamination. However, it is possible that unknown underground storage tanks may be present within those sites associated with the Housing Element Update. Disturbance or removal activities related to underground storage tanks could pose health and safety risks.

As previously stated, risks posed by underground storage tanks would be minimized by managing the tank according to existing standards contained in Division 20, Chapters 6.7 and 6.75 (Underground Storage Tank Program) of the California Health and Safety Code as enforced and monitored by the Environmental Programs Division. Implementation of applicable General Plan policies such as Policy HAZ-7.2, which requires a Phase I Site Assessment for new development proposed on land that may be contaminated with hazardous materials or waste, would reduce risks posed by the underground storage tanks.

Compliance with existing state and local regulations, in addition to implementation of applicable General Plan policies, would reduce the Housing Element Update's potential risks of disturbing unknown underground storage tanks during construction activities to a less-than-significant level.

The General Plan EIR adequately addresses the Housing Element Update's potential impacts related to hazardous material sites.

e. According to the General Plan EIR (Section 4.9, Hazards and Hazardous Materials), there are no public or private airports within or adjacent to the Town and the Town of Los Gatos is entirely outside the area of influence for the airport (Town of Los Gatos 2021, p. 4.9-22). Therefore, development of the Housing Element Update would have no impact related to airports or their influence areas.

The General Plan EIR adequately addressed the Housing Element Update's potential impact related to airports and airport land use plans.

f. Development facilitated by the General Plan would accommodate future population growth and would increase vehicle miles in the Town, which could lead to increased congestion during emergency evacuations. Section 4.9, Hazards and Hazardous Materials, of the General Plan EIR explains that the Town adopted an Emergency Operations Plan, which provides guidance on effective emergency response approaches, and the Santa Clara County Office of Emergency Services developed an Operational Area Hazard Mitigation Plan, which details target programs for improving emergency preparedness and response in cooperation with local jurisdictions, including the Town of Los Gatos. Additionally, the General Plan includes policies that address emergency response, all of which are designed to align with programs set forth in the Santa Clara County-wide Hazard Mitigation Plan.

Development under the General Plan would be required to implement all applicable General Plan policies and programs outlined in the local emergency plans associated with emergency planning and response. Implementation of which would result in less than significant impacts (Town of Los Gatos 2021, p. 4.9-23).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. Individual development under the Housing Element Update would implement the programs of the local emergency response plans as well as applicable General Plan policies, as appropriate. Because development associated with the Housing Element Update would involve infill development and redevelopment of sites, it would not impair implementation of, or physically interfere with, an adopted emergency response plan or emergency evacuation plan.

The General Plan EIR adequately addressed the Housing Element Update's potential interference with an adopted emergency response plan or evacuation plan.

g. Development associated with the Housing Element Update would result in the exposure of people or structures to risks involving wildfires. Refer to Section 20.0, Wildfire, for the analysis of risk of exposure involving wildland fires.

10. HYDROLOGY AND WATER QUALITY

Would the project:

	Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a. Violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality?	☐	☐	☐	☒
b. Substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin?	☐	☐	☒	☐
c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:				
(1) Result in substantial erosion or siltation on- or off-site;	☐	☐	☒	☐
(2) Substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site;	☐	☐	☒	☐
(3) Create or contribute runoff water that would exceed the capacity of existing or planned storm water drainage systems or provide substantial additional sources of polluted runoff; or	☐	☐	☒	☐
(4) Impede or redirect flood flows?	☐	☐	☒	☐
d. In flood hazard, tsunami, or seiche zones, risk release of pollutants due to project inundation?	☐	☐	☐	☒
e. Conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan?	☐	☐	☒	☐

Comments:

a. According to the General Plan EIR (Section 4.10, Hydrology and Water Quality), construction activities facilitated by the General Plan could include road improvements and realignments, installation and realignment of utilities, demolition of existing structures for replacement, new development, and the potential replacement and/or improvements of drainage facilities. Construction activity could result in the alteration of existing drainage patterns and soil erosion due to earth-moving activities. Disturbed soils

would be susceptible to erosion from wind and rain, resulting in sediment transport via stormwater runoff from the construction sites, ultimately into collecting waterways contributing to the degradation of water quality.

Individual construction activities that disturb one or more acres would be subject to the National Pollutant Discharge Elimination System General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities, Order No. 2012-0006-DWQ (general permit). Permit conditions require development of a stormwater pollution prevention plan, which, among others, describes the site's erosion and sediment control measures, runoff water quality monitoring. Compliance with the general permit is reinforced through the Town Municipal Code (Chapter 22), the Town's Storm Drain Master Plan, and adherence to the San Francisco Bay Regional Water Quality Control Board's Basin Plan; whose water quality objectives are incorporated into individual National Pollutant Discharge Elimination System permits (Town of Los Gatos 2021, p. 4.10-10). The Town is also required, as part of the general permit, to incorporate construction site storm water runoff control elements into a stormwater management program as a means to control polluted discharges.

Development associated with the General Plan would be required to implement appropriate best management practices as measures for post-construction stormwater and submit a maintenance plan or manufacturers maintenance guide for those measures as part of the Housing Element Update's submittal. Compliance with the regulations and policies abovementioned would reduce the risk of water degradation within the Town from construction activities to a less-than-significant level (p. 4.10-13).

Long-term alternations to drainage patterns during operation of development under the General Plan would also occur. If uncontrolled, this could result in the addition of contaminants into the Town's stormwater drainage system and ultimately untreated discharge into nearby waterways. To ensure compliance with the general permit's requirements and conditions, the Town's Municipal Code Chapter 22 outlines regulations related to stormwater management control that projects would be required to comply with. Compliance with the Town's applicable Municipal Code sections would minimize erosion and siltation that could adversely affect water quality within the Town. Development under the General Plan would also be required to comply with the applicable General Plan policies associated with Goal ENV-16 (protect and conserve watersheds and water quality) as well as General Plan Policy ENV-17.8, which encourages new development to implement low-impact development measures to limit the amount of impervious surfaces. Compliance with regional and local requirements listed previously, in addition to implementation of applicable General Plan goals and policies, would ensure that the impacts related to development under the General Plan and its effects to water quality during operation would remain less than significant.

Development associated with the Housing Element Update would result in the increase in impervious surfaces in the Town, which could result in sediment transport via stormwater runoff from the sites into collecting waterways contributing to the

degradation of water quality. However, the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, its potential to degrade water quality in the Town has been evaluated by the General Plan EIR. Development associated with the Housing Element Update would be required to comply with the regulations and policies mentioned above related to construction and operational activities such as the general permit, the San Francisco Bay Regional Water Quality Control Board, and the Town's Municipal Code sections related to water quality control. The Housing Element Update would also be required to comply with applicable General Plan policies such as Policy ENV-16.1, which requires that all applicants demonstrate that new development would not contaminate surface water and/or groundwater; Policy ENV-16.5, which requires that the approval of a development adjacent to a designated creek includes a condition that the creek be dedicated to the Town in fee with a maintenance easement granted to Santa Clara Valley Water District; Policy ENV-16.7, which encourages the implementation of bioswales and other innovations so runoff from parking lots drain into landscaped areas and rainwater percolates into the ground; and Policy ENV-17.8, which encourages low-impact development measures to limit the amount of impervious surface in new development and to increase the retention, treatment, and infiltration of urban stormwater runoff. The Housing Element Update would also comply with General Plan PFS-3.1, which requires that CEQA review analysis for all development projects consisting of single and cumulative impacts on water drainage (runoff) and contamination (water quality) in all areas, but particularly in or adjacent to hillsides, riparian corridors, and important undeveloped watersheds.

Adherence to these regulations and standards, as well as the policies within the General Plan, would ensure that development associated with the Housing Element Update does not violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality during construction and operation.

The General Plan EIR adequately addressed the Housing Element Update's potential to violate water quality standards.

b. Water demand and services is addressed in Section 19.0, Utilities and Service Systems.

Nearly half of the water used in Santa Clara County is pumped from the Santa Clara and Llagas Subbasins, with some communities relying solely on groundwater. Local sources include natural groundwater and surface water supplies. The Santa Clara Valley Subbasin is the groundwater basin for the Town of Los Gatos.

Groundwater Supply. Development associated with the General Plan would increase the demand for water from the Santa Clara Valley Subbasin. However, as stated in the General Plan EIR (Section 4.10, Hydrology and Water Quality), growth in the Town of Los Gatos that would be facilitated by the General Plan has been incorporated into the *2015 Urban Water Management Plan* and it was determined that the future water demand in Los Gatos is projected to be met by the current water supply. Therefore, projected growth under the General Plan would not result in a depletion of groundwater supplies in the Santa Clara Valley Subbasin (Town of Los Gatos 2021, p. 4.10-14).

The Housing Element Update would comply with General Plan Policy PFS-1.2, which requires that all new home construction and remodeled homes comply with the Bay-Friendly Landscaping Guidelines in addition to the landscaping standards in the GreenPoint Rated Building Guidelines and Policy PFS-1.4, which requires that all new development install water-efficient irrigation management systems and devices, such as evapotranspiration or soil moisture-based irrigation controls. Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, its impacts on the Santa Clara Valley Subbasin were evaluated in the General Plan EIR. Therefore, the Housing Element Update would not substantially decrease groundwater supplies such that the Housing Element Update may impede sustainable groundwater management of the basin.

Groundwater Recharge. Development associated with the General Plan could potentially interfere with groundwater recharge; however, the General Plan contains goals and policies that would encourage groundwater infiltration and promote the use of recycled water and other conservation efforts. Implementation of General Plan Policy ENV-17.6, which encourages the Town to participate in the regulation of groundwater use to protect it as a natural resource and conserve it for potential use during extended drought, and those applicable policies under General Plan Goal PFS-4, minimize the amount of stormwater runoff, as well as protect and improve the water quality of runoff, would maximize groundwater infiltration and increase water use efficiency within the Town to the maximum extent practicable. The General Plan EIR concludes that the amount of new impervious surfaces from new development and redevelopment under the General Plan would be reduced through low impact development-related General Plan goals and policies and would not substantially interfere with groundwater recharge. Therefore, the General Plan EIR determined that the development under the General Plan would result in less than significant impacts related to groundwater recharge (p. 4.10-14).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, its impacts on the Santa Clara Valley Subbasin were evaluated in the General Plan EIR. Consistent with the General Plan EIR conclusion, the amount of new impervious surfaces from new development and redevelopment under the Housing Element Update would be reduced through low impact development-related General Plan goals and policies. Therefore, the Housing Element Update would not interfere substantially with groundwater recharge such that the Housing Element Update may impede sustainable groundwater management of the basin.

2020 Urban Water Management Plan. Since certification of the General Plan EIR and adoption of the General Plan, the San Jose Water Company updated and adopted its *2020 Urban Water Management Plan*. The *2020 Urban Water Management Plan* concluded that San Jose Water Company anticipates adequate supplies to meet system demand, even during prolonged drought conditions, through 2045 (San Jose Water Company 2021, p. 7-11). The Santa Clara Subbasin has not been identified by the California Department of Water Resources as being critically overdraft. San Jose Water Company also plans to continue following all state and federal drinking water requirements and will work with Santa Clara

Valley Water District (Valley Water), the California Division of Drinking Water, other groundwater basin stakeholders, and the public to ensure that groundwater remains safe and a reliable source of supply (San Jose Water Company 2021, p. 6-5).

The General Plan EIR adequately addressed the Housing Element Update's potential to deplete or interfere with groundwater supply and recharge.

c. According to the General Plan EIR (Section 4.10, Hydrology and Water Quality), most of the Town is within the 500-year flood zone with a few portions, such as those areas west of State Route 17 and adjacent to creeks, in the 100-year flood zone. Development in these areas could be subject to flood hazard and/or could impede or redirect flood flows to adjacent areas. Development within these areas, as facilitated by the General Plan, are required to comply with applicable provisions of the Town Municipal Code, which would minimize the risk and exposure to flood hazards. Chapter 29, Article IX includes requirements and provisions for reducing losses from flooding and for construction in flood-prone areas. Development in flood-prone areas would also be required to obtain a development permit before constriction or development begins per Municipal Code Section 29.90.070. Compliance with applicable sections of the Town Municipal Code would ensure that new structures proposed under the General Plan would not impede or redirect flows within a 100-year flood hazard area. Development under the General Plan is also required to implement those applicable General Plan policies associated with General Plan Goal HAZ-3. As concluded in the General Plan EIR, implementation of these goals and policies and compliance with applicable laws and regulations of the Town's Municipal Code, would reduce impacts such that risk of loss, injury or death involving flooding in the planning area is not exacerbated by the General Plan. Therefore, impacts related to flooding and flood hazards would be less than significant (Town of Los Gatos 2021, p. 4.10-17).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and could result in development within flood-prone zones adjacent to the Los Gatos Creek. Development associated with the Housing Element Update is required to implement General Plan Policy HAZ-3.3, requiring site planning and building design to mitigate identified flood and inundation hazards; Policy HAZ-3.4, requiring new development and substantial improvements to meet federal standards when within Federal Emergency Management Agency designated 100-year flood zones in the Los Gatos area; and Policy HAZ-3.6, which requires major new development and redevelopment to provide mitigation to ensure that the cumulative rate of peak stormwater run-off is maintained at pre-development levels. The Housing Element Update's impacts associated with flood hazard has already been evaluated in the General Plan EIR, but would require implementation of General Plan policies and compliance with applicable laws and regulations in order to ensure that risks of loss, injury, or death involving flooding would not be exacerbated by implementation of the Housing Element Update and would result in less than significant impacts.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to flooding and flood hazards.

d. The Town of Los Gatos is not located in a tsunami or seiche zone. Therefore, development of the Housing Element Update would not risk release of pollutants due to tsunami or seiche inundation of the Town. As determined in the General Plan EIR (Section 4.10, Hydrology and Water Quality), there would be no impact related to flood flows or project inundation (Town of Los Gatos 2021, p. 4.10-18).

The General Plan EIR adequately addressed impacts related to the risk release of pollutants due to tsunami or seiche inundation as a result of the Housing Element Update.

e. Refer to the discussion under checklist question "a." According to the General Plan EIR (Section 4.10, Hydrology and Water Quality), development under the General Plan would comply with the general permit, the Town's Storm Drain Master Plan, applicable General Plan policies, and adhere to the San Francisco Bay Regional Water Quality Control Board's Basin Plan, whose water quality objectives are incorporated into individual permits authorized by the San Francisco Bay Regional Water Quality Control Board. Therefore, development facilitated by the Housing Element Update would not conflict with or obstruct implementation of a water quality control plan.

The Sustainable Groundwater Management Act lists the Valley Water as the exclusive groundwater management agency for Santa Clara County. The Sustainable Groundwater Management Act requires that groundwater management agencies prepare a groundwater sustainability plan or an alternative to achieve sustainability. Pursuant to the Sustainable Groundwater Management Act, the Valley Water prepared its *2016 Groundwater Management Plan* for the Santa Clara and Llagas Subbains as an alternative. Since the preparation of the General Plan EIR, the Valley Water has prepared an updated evaluation of its approved alternatives (i.e., the *2016 Groundwater Management Plan*) titled the *2021 Groundwater Management Plan for the Santa Clara and Llagas Subbains*, which was adopted by its Board of Directors in November 2021. However, the General Plan EIR utilized the most recent documentation at that time, which was the *2016 Groundwater Management Plan*.

As discussed under checklist question "b" above, growth in the Town facilitated by the General Plan would implement applicable General Plan policies and goals encouraging groundwater infiltration, promoting the use of recycled water, and other water conservation efforts to reduce the potential for depletion of groundwater resources resulting in less than significant impacts on the Santa Clara Subbasin. According to the General Plan EIR, compliance with the Sustainable Groundwater Management Act requirements and adherence to the applicable General Plan goals and policies would ensure that impacts from development under the General Plan related to obstruction of a sustainable groundwater management plan would be less than significant (p. 4.10-15).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and its impacts on the Santa Clara Subbasin, and subsequently on the *2016 Groundwater Management Plan*, has already been evaluated in the General Plan EIR. The Housing Element Update would be required to

comply with the Sustainable Groundwater Management Act requirements and adhere to the applicable General Plan goals and policies to ensure that impacts from development associated with the Housing Element Update related to obstruction of a sustainable groundwater management plan would be less than significant.

Since the certification of the General Plan EIR and adoption of the General Plan, the *2021 Groundwater Management Plan for the Santa Clara and Llagas Subbasins* was adopted by the Valley Water. The projected demands in the Santa Clara and Llagas subbasins for the *2021 Groundwater Management Plan for the Santa Clara and Llagas Subbasins* are based on data used to develop the Valley Water's *2020 Urban Water Management Plan*. Valley Water maintains diverse water supply sources to meet countywide demands, including local surface water and groundwater, imported water, and recycled water. The Valley Water developed a Water Shortage Contingency Plan as part of its *2020 Urban Water Management Plan* to establish actions and procedures for managing water supplies and demands during water shortages due to droughts and other emergencies. As stated within the *2021 Groundwater Management Plan for the Santa Clara and Llagas Subbasins*, Valley Water will be able to meet countywide demands through 2045 under normal, a single dry, and five consecutive dry year conditions. If a five-year drought were to occur in the next five years, Valley Water would employ a range of response actions, including water conservation and calling for short-term water use reduction (Santa Clara Valley Water District 2021, p. 4-21).

The General Plan EIR adequately addressed the Housing Element Update's potential to conflict with a sustainable groundwater management plan.

11. LAND USE AND PLANNING

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Physically divide an established community?	☐	☐	☐	☒
b.	Cause any significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect?	☐	☐	☐	☒

Comments:

a. As discussed in the General Plan EIR (Section 4.11, Land Use and Planning), the Town has limited land available for new development; therefore, due to the built-out nature of the Town, the General Plan encourages strategic growth. The Town would see a higher percentage of change through redevelopment of lands that have development potential rather than on vacant land. Many of the General Plan's Land Use Element goals are promoting growth through infill development, development variety, and a mix of uses within the Town (Town of Los Gatos 2021, p. 4.11-12). Compliance with the General Plan goals and policies would ensure that future development under the General Plan does not disrupt or divide established communities and impacts would be less than significant (Town of Los Gatos 2021, p. 4.11-14).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would be required to comply with General Plan's goals that promote growth through infill development and development variety. Each site associated with the Housing Element Update involves infill development or the redevelopment of property with existing uses; the Housing Element Update does not involve the development of any sites that would physically divide an established community.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on physically dividing an established community.

b. Section 4.11, Land Use and Planning, of the General Plan EIR identifies three regionally and locally adopted land use plans that apply to development under the General Plan: *Plan Bay Area 2040* (ABAG 2017), *Final 2017 Clean Air Plan* (Bay Area Air Quality Management District 2017), and *Los Gatos Sustainability Plan* (Town of Los Gatos 2012).

Plan Bay Area 2040 is a long-range land use and transportation plan for the San Francisco Bay Area region that promotes healthy and safe communities by reducing impacts from air pollution, protecting open space and agriculture, and increasing active transportation.

The General Plan EIR provides a breakdown of the General Plan's consistency against the Plan Bay Area 2040's goals in relation to climate protection, adequate housing, health and safe communities, open space and agricultural preservation, equitable access economic vitality, and transportation system effectiveness (refer to Table 4.11-4 of the General Plan EIR). As discussed in the General Plan EIR, the General Plan would be consistent with the goals contained in the *Plan Bay Area 2040* (Town of Los Gatos 2021, p. 4.11-18).

As discussed in Section 3.0, Air Quality, the General Plan (and, therefore, the Housing Element Update) would be consistent with the *Final 2017 Clean Air Plan* through implementation of the applicable goals and policies located within the Environmental and Sustainability Element and the Mobility Element.

The General Plan EIR provides a breakdown of the General Plan's consistency with the *Los Gatos Sustainability Plan's* sustainability measures associated with transportation, land use, energy, water, solid waste, and open space (refer to Table 4.6-5 of the General Plan). The General Plan EIR also discusses consistency with the California Green Building Standards Code and Title 24 of the California Energy Code. As discussed in Section 6.0, Energy, the General Plan is consistent with the *Los Gatos Sustainability Plan* and the energy efficiency strategies contained therein as well as with Title 24 of the California Energy Code.

The Town also has two specific plans (Albright and North Forty) and four overlay zones (Affordable Housing, Landmark and Historic Preservation, Planned Development, and Public School), which are key implementation mechanisms for the General Plan and its provisions must be consistent with the General Plan. There are also eight community place districts throughout the Town that have been identified as having the capacity to accommodate additional mixed-use developments and have existing infrastructure necessary to suppose the land uses.

The two specific plans address existing and future development within the Town to ensure that any development would maintain the existing residential setting while continuing to meet the needs of its residents. The overlay zones ensure that development facilitated by the General Plan is consistent with the development goals of the Town and the goals found within the General Plan provide guidance on the use of overlay zones in the community.

Therefore, the General Plan does not conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect and impacts would be less than significant (Town of Los Gatos 2021, p. 4.11-20).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and therefore, would also be consistent with all of the above-mentioned plans (i.e., *Plan Bay Area 2040, Final 2017 Clean Air Plan, Los Gatos Sustainability Plan*, the state's Title 24 of the Energy Code, and the Town's specific plans, overlay zones, and community place districts). Development associated

with the Housing Element Update would comply with the applicable goals, policies, measures, and regulations associated with these plans and districts that are adopted for the purpose of avoiding or mitigating an environmental impact. Therefore, the Housing Element Update would not result in conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to applicable land use plans, policies, or regulations adopted for the purpose of avoiding or mitigating an environmental impact.

12. MINERAL RESOURCES

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Result in loss of availability of a known mineral resource that would be of value to the region and the residents of the state?	☐	☐	☐	☒
b.	Result in the loss of availability of a locally important mineral resource recovery site delineated in a local general plan, specific plan, or other land-use plan?	☐	☐	☐	☒

Comments:

a, b. As discussed in Section 4.18, Effects Found Not to be Significant, no mining occurs within the Town (Town of Los Gatos 2021, p. 4.18-1). The Lexington Quarry, however, is in operation and produces construction aggregate at its location at 18500 Limekiln Canyon Road, Los Gatos (located over 1.3 miles southeast of the nearest housing site associated with the Housing Element Update).

Development on areas containing mineral resources could result in the permanent loss of those minerals. However, the development associated with the Housing Element Update does not include land use designation changes in the area of the Lexington Quarry and development would not occur on this site. Therefore, the General Plan, inclusive of the Housing Element Update, would not facilitate new or additional development within the area of the mineral deposit and the Housing Element Update would not result in the loss of availability of mineral resources in the Town that are known or of local importance (Town of Los Gatos 2021, p. 4.18-2).

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on mineral resources.

13. NOISE

Would the project result in:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or in applicable standards of other agencies?	☐	☒	☐	☐
b.	Generation of excessive ground-borne vibration or ground borne noise levels?	☐	☒	☐	☐
c.	For a project located within the vicinity of a private airstrip or an airport land-use plan or, where such a plan has not been adopted, within two miles of a public airport or public-use airport, expose people residing or working in the project area to excessive noise levels?	☐	☐	☐	☒

Comments:

a. **Temporary Noise Levels**. As discussed in the General Plan EIR (Section 4.12, Noise), development under the General Plan would result in construction activities that would temporarily increase ambient noise levels. However, because there are no specific plans or time scales for individual development projects that would be carried out under the General Plan, it is not possible to determine exact noise levels, locations, or time periods for construction of such projects, or construction noise at adjacent properties (p. 4.12-9). Sensitive noise receptors in areas where more development and redevelopment under the General Plan is proposed would be exposed to the highest levels of construction noise for the longest duration; these areas include the downtown core and the corridors along Pollard Road, Winchester Boulevard, Lark Avenue, Los Gatos Boulevard, Union Avenue, Harwood Road, and North Santa Cruz Avenue. It is anticipated that construction noise as a result of development under the General Plan would exceed ambient noise levels and may temporarily disturb people at neighboring properties.

The General Plan would be required to comply with the Town's Municipal Code Section 16.20.035, which identifies timing requirements for when construction noise is permitted during the weekdays and weekends, and lists the noise level requirements for construction equipment. The General Plan would also be required to implement the applicable General Plan policies and goals contained in the Environmental and Sustainability Element in order to reduce construction noise and associated impacts. General Plan Policy ENV-21.1 requires that all Town-owned and operated construction and maintenance equipment, and equipment for these activities operated under contract with

the Town, shall contain state-of-the-art noise attenuation equipment. Development under the General Plan could include private development that is not required to use noise attenuation equipment, which may result in the generation of noise that exceeds existing ambient noise levels. Therefore, the following mitigation measure is required in order to ensure that impacts related to construction noise would be less than significant (Town of Los Gatos 2021, p. 4.12-12).

Mitigation Measure

N-1 For projects involving construction equipment that are located within 25 feet of noise-sensitive receptors the following mitigation would be required:

- Equipment Staging Areas. Equipment staging shall be located in areas that will create the greatest distance feasible between construction-related noise sources and noise-sensitive receptors.
- Electrically-Powered Tools and Facilities. Electrical power shall be used to run air compressors and similar power tools and to power any temporary structures, such as construction trailers or caretaker facilities.
- Smart Back-up Alarms. Mobile construction equipment shall have smart back-up alarms that automatically adjust the sound level of the alarm in response to ambient noise levels. Alternatively, back-up alarms shall be disabled and replaced with human spotters to ensure safety when mobile construction equipment is moving in the reverse direction.
- Additional Noise Attenuation Techniques. During the clearing, earth moving, grading, and foundation/conditioning phases of construction, temporary sound barriers shall be installed and maintained between the construction site and the sensitive receptors. Temporary sound barriers shall consist of sound blankets affixed to construction fencing or temporary solid walls along all sides of the construction site boundary facing potentially sensitive receptors.

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would result in temporary construction noise that could exceed existing ambient noise levels. The Housing Element Update would be required to comply with the Town's Municipal Code Section 16.20.035 as well as applicable General Plan policies, such as General Plan Policy 18.2, which requires that all interior residential noise levels be 45 dB or less; Policy ENV-18.3, which requires that all exterior noise levels be based on the compatibility criteria shown on the General Plan's Figure 8-6; and Policy ENV-18.4, which requires that appropriate site and building design, sound walls, minimum landscape buffers of five feet, and/or the use of noise attenuating construction techniques and materials be used in order to protect existing and proposed residential areas from noise.

However, as indicated above, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, may include private developers who are not required to comply with General Plan Policy ENV-21.1 and whose construction equipment could result in noise levels that exceed

existing ambient noise levels. Therefore, the Housing Element Update would be required to implement Mitigation Measures N-1 in order to reduce impacts to a less-than-significant level.

Permanent Noise Levels. Existing sensitive noise receptors could be affected by buildout and operational noise occurring onsite at properties developed or redeveloped under the General Plan.

Noise generated by onsite activities for new development would be subject to the Town's maximum allowable exterior noise levels contained in Chapter 16 of the Town's Municipal Code as well as the goals and policies within the General Plan that reduce excess noise generated by new development. Compliance with these regulations and policies would reduce potential onsite noise impacts to a less-than-significant level.

Development facilitated by the General Plan would also result in increased offsite operational noise levels such as additional vehicle trips on roadways within the Town. However, implementation of General Plan policies and goals encouraging the use of public transit and other active transportation modes would reduce vehicle trips and associated traffic noise to the extent feasible. Therefore, roadway noise would be less than significant (Town of Los Gatos 2021, p. 4.12-15).

Development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would result in the increase in permanent noise levels as a result of increased growth (and, therefore, vehicle trips) within the Town. However, the Housing Element Update's increase in vehicle trips and associated noise levels have already been evaluated in the General Plan EIR. Development associated with the Housing Element Update would be required to comply with applicable General Plan polices such as Policy MOB-2.6, which requires that all development with a frontage greater than 300 feet to provide through-access for bicyclists and pedestrians to adjacent developments, paths, or bicycle facilities, and Policy MOB-6.7, which requires that all new development to provide bus shelters and ongoing maintenance as part of their developments, when appropriate, to encourage public transit use. Implementation of the applicable General Plan policies would help reduce vehicle trips and, therefore, reduce impacts related to traffic noise levels as a result of development associated with the Housing Element Update to a less-than-significant level.

The General Plan EIR adequately addressed the Housing Element Update's potential to generate substantial temporary or permanent increases in ambient noise levels.

b. Construction of individual projects facilitated by the General Plan could intermittently generate groundborne vibration on and adjacent to construction sites. Development under the General Plan, as discussed in Section 4.12, Noise, would be required to comply with the permitted construction timing identified in the Town's Municipal Code Section 16.20.035, which allows construction noise between the hours of 8:00AM and 6:00PM on weekdays and between 9:00AM and 4:00PM on Saturdays with a valid Town permit. However, the General Plan does not include any goals or policies that pertain specifically

to vibration. The Housing Element update is consistent with the growth projections evaluated in the General Plan EIR and would be required to implement Mitigation Measure N-2 in order to reduce vibration impacts to a less-than-significant level (Town of Los Gatos 2021, p. 4.12-17).

Mitigation Measure

N-2 The Town shall include the following measures as standard conditions of approval for applicable projects involving construction to minimize exposure to construction vibration:

1. Avoid the use of pile drivers and vibratory rollers (i.e., compactors) within 50 feet of buildings that are susceptible to damage from vibration.

2. Schedule construction activities with the highest potential to produce vibration to hours with the least potential to affect nearby institutional, educational, and office uses that the Federal Transit Administration identifies as sensitive to daytime vibration (FTA 2006).

3. Notify neighbors of scheduled construction activities that would generate vibration.

Development associated with the Housing Element Update would result in the generation of vibration during construction activities and require the compliance with the Town's Municipal Code Section 16.20.035 to restrict construction activities to the daytime when sensitive receptors are awake and less sensitive to vibrations. Because the General Plan does not include any goals or policies that pertain specifically to vibration, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would be required to implement Mitigation Measure N-2 in order to reduce vibration impacts to a less-than-significant level.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to vibration.

c. Refer to the discussion under checklist question "e" within Section 9.0, Hazards and Hazardous Materials. No impacts would occur as a result of development under the Housing Element Update, associated with airports and airstrips.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to noise levels and airports and airstrips.

14. POPULATION AND HOUSING

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Induce substantial unplanned population growth in an area, either directly (e.g., by proposing new homes and businesses) or indirectly (e.g., through extension of roads or other infrastructure)?	☐	☐	☐	☒
b.	Displace substantial numbers of existing people or housing, necessitating the construction of replacement housing elsewhere?	☐	☐	☒	☐

Comments:

a. The General Plan would result in the increase in population within the Town by 7,584 persons (General Plan page 3-5). However, Section 4.13, Population and Housing, of the General Plan EIR states that growth under the General Plan would also result in more balanced jobs-housing ratio by increasing housing availability. Therefore, such growth would not result in any adverse effects associated with an increased imbalance of jobs and housing in the Town. A fundamental purpose of the General Plan is to direct future development in such a way that preserves the character of the Town while minimizing pressure to development on the remaining open space in the Town and directing growth and redevelopment to infill areas. Therefore, impacts from development under the General Plan on unplanned population growth would be less than significant (Town of Los Gatos 2021, p. 4.13-7).

The Housing Element Update involves the potential construction of up to 2,312 housing units, which would result in the increase in the Town's population, which is within the General Plan population projection of 7,584. Development associated with the Housing Element Update has been evaluated in the General Plan EIR and anticipated by the General Plan; therefore, the population growth was planned. One of the primary purposes of the General Plan is to guide growth and development in the Town such that infill development would be prioritized and open space areas would be preserved and enhanced; therefore, by its nature, the General Plan is intended to reduce the potential for uncontrolled growth and associated environmental impacts (p. 5-1). Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would not result in substantial unplanned population growth in an area, either directly or indirectly.

The General Plan EIR adequately addressed the Housing Element Update's impacts associated with population growth.

b. The General Plan facilitates development in the Town that promotes infill development and redevelopment of underutilized parcels. The new units facilitated by the General Plan would be in accordance with state and local housing requirements. The General Plan EIR explains in Section 4.13, Population and Housing, that the General Plan contains several goals and policies that provide guidance on maintaining neighborhood cohesiveness through the anticipated growth that would be required to be implemented. Because the number of new dwelling units would not displace existing residents, and because the policies of the General Plan promote infill development and preservation of existing neighborhoods, impacts would be less than significant (Town of Los Gatos 2021, p. 4.13-9).

Several of the sites associated with the Housing Element Update would require the demolition of existing residences and, therefore, the displacement of existing people (Town of Los Gatos October 2022c, Appendix H). However, the primary objective is to construct new housing to meet the Town's regional fair share of new housing. The loss of existing housing would be substantially mitigated by the number of new housing units constructed with implementation of the Housing Element Update. Therefore, the Housing Element Update would result in less than significant impacts associated with the necessary construction of replacement housing elsewhere.

The General Plan EIR adequately addressed the Housing Element Update's impacts associated with the displacement of people or housing.

15. PUBLIC SERVICES

Would the project result in substantial adverse physical impacts associated with the provision of or need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times, or other performance objectives for any of the following public services:

	Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a. Fire protection?	☐	☐	☒	☐
b. Police protection?	☐	☐	☒	☐
c. Schools?	☐	☐	☒	☐
d. Parks?	☐	☐	☐	☒
e. Other public facilities?	☐	☐	☐	☒

Comments:

a. The Town is served by the Santa Clara County Fire Department. The Housing Element Update would result in the increase in population, which would increase the demand on fire services. Therefore, potential impacts to the Santa Clara County Fire Department may occur and require the need for new or physically altered facilities, the construction of which could cause significant environmental impacts.

The General Plan EIR (Section 4.14, Public Service and Recreation) states that new development under the General Plan would be required to comply with all applicable federal, state, and local regulations governing the provision of fire services, including adequate fire access, fire flows, and number of hydrants. In addition, consistency with the current California Fire Code is required. The Santa Clara County Fire Department would review building and facility plans through the Town's development review and building permit processes and the Department's personnel would also inspect new and remodeled buildings and facilities to ensure that the structures meet state and local fire codes and standards (p. 4.14-20). The General Plan EIR notes that given the demand for fire services in the Town, staffing needs are likely to increase, which could require the construction of new facilities. However, it is determined that the location and potential impacts of new or expanded facilities are unknown and separate environmental review would be required to determine the evaluation of the physical effects of such activities. New development would also be required to pay fees as determined by the Town pursuant to the Municipal Code Sections 9.30.745 and 9.30.750 for fire protection and contribute their fair share to the cost of funding Town fire services.

Development under the General Plan would be required to comply with General Plan Policy PFS-19.3, which requires that new development incorporate adequate emergency water flow, fire resistant design and materials, and evacuation routes; Policy PFS-19.4, which requires that new development provide accessibility to emergency vehicles and don't impede the ability of service providers to provide adequate emergency response; Policy PFS-20.3, which requires that new development satisfy fire flow and hydrant requirements and other fire-related design requirements as established by the Town and recommended by the Santa Clara County Fire Department; and Policy 20.4, which requires that new development and remodels comply with California Fire and Building Code requirements for the installation of interior emergency sprinkler systems, fire-resistant building materials, early warning systems and sufficient water supply systems for fire suppression. New fire services facilities that would be constructed in the Town would require project-specific environmental analysis and implementation of any necessary project-specific mitigation prior to being considered for approval. The General Plan EIR concludes that compliance with General Plan policies and applicable state regulations, as well as payment of Town-required public facilities fees, would ensure that impacts associated with fire services would be less than significant (p. 4.14-23).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. Therefore, compliance with the above-mentioned General Plan policies and applicable state regulations would be required, as well as payment of its fair share for funding the Town's fire services. Further, as each site associated with the Housing Element Update is considered for development, project-specific environmental analysis would be required. The General Plan EIR adequately addressed the potential impacts of the Housing Element Update on the Town's fire services and, therefore, less than significant impacts would occur associated with the Housing Element Update.

b. The Town is served by the Los Gatos-Monte Sereno Police Department. The Housing Element Update would result in the increase in population, which would increase the demand on police protection services. Therefore, potential impacts to the Los Gatos-Monte Sereno Police Department may occur and require the need for new or physically altered facilities, the construction of which could cause significant environmental impacts.

The General Plan EIR (Section 4.14, Public Service and Recreation) states that new development under the General Plan would be required to comply with all applicable federal, state, and local regulations governing the provision of police services. The General Plan EIR notes that given the demand for police services in the Town, staffing needs are likely to increase, which could require the construction of new facilities. However, it is determined that the location and potential impacts of new or expanded facilities are unknown and separate environmental review would be required to determine the evaluation of the physical effects of such activities.

New police services facilities that would be constructed in the Town would require project-specific environmental analysis and implementation of any necessary project-specific mitigation prior to being considered for approval. The General Plan EIR concluded that development under the General Plan would result in less than significant impacts associated with the potential impacts of construction of police protection facilities (p. 4.14-23).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. Therefore, it would be speculative to evaluate physical impacts of the Housing Element Update associated with police services because the location and timing for development is unknown. As each site associated with the Housing Element Update is considered for development, project-specific environmental analysis would be required. The Housing Element Update would also be required to comply with applicable federal, state and local regulations governing the provision of police services. The General Plan EIR adequately addressed the potential impacts of the Housing Element Update on the Town's police services and, therefore, the Housing Element Update would result in less than significant impacts associated with the environmental effects related to the potential construction of new police facilities.

c. The Town of Los Gatos is served by six different school districts: Los Gatos Union School District, Los Gatos-Saratoga Joint Union High School District, Campbell Union School District, Campbell Union High School District, Cambrian Union Elementary School District, and Union Elementary School District. The Housing Element Update would be served by all but the Campbell Union School District and Union Elementary School (Los Gatos Union School District 2022) (Los Gatos-Saratoga Joint Union High School District 2022) (Campbell Union School District 2022) (Campbell Union High School District 2022) (Cambrian School District 2022) (Union Elementary School District 2022).

The General Plan EIR (Section 4.14, Public Service and Recreation) determined that buildout of the General Plan would result in the increase of enough students that all school districts serving the Town would need to add or expand facilities to meet the needs of the projected student population in 2040. However, the General Plan EIR concluded that all future development associated with the General Plan would be required to pay school impact fees which, pursuant to Section 65995(3)(h) of the California Government Code (Senate Bill 50), would reduce impacts to a less-than-significant level (p. 4.14-23).

The Housing Element Update would generate 1,619 students (2,312 x 0.70) based upon the student generation rate in the General Plan EIR (page 1.14-22) and, therefore, increase the demand on the school districts serving the sites associated with the Housing Element Update. The increase in demand on these school districts could result in the need for new or expanded school facilities, the construction of which could cause adverse environmental effects. However, development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and,

therefore, would be required to pay its fair share of school impact fees, which would offset the increased demand of developments on the school facilities resulting in less than significant impacts.

The General Plan EIR adequately addressed the Housing Element Update's impacts on the Town's existing school facilities.

d. According to the General Plan EIR (Section 4.14, Public Service and Recreation), the Town contains approximately 254 acres of parkland, nearly 7 miles of multi-use trails and over 65 acres of lawn area. The Town's parkland goal, pursuant to General Plan Policy 6.7, is 5 acres per 1,000 population. The Town, at preparation of the General Plan EIR, exceeded this goal by providing 6.2 acres per 1,000 residents (p. 4.14-24). The General Plan EIR also states that the Town would exceed the Quimby Act's parkland ratio of 3 acres per 1,000 residents with buildout of the General Plan (p. 4.14-26).
Development consistent with the General Plan is required to comply with General Plan Policy OSP-4.5, which requires that all residential developments provide permanent common recreation space and Policy OSP-7.8, which encourages new multi-family residential developments of eight units or more to include tot lots or similar shared off-street recreation space for young children. According to the General Plan EIR, implementation of applicable General Plan policies would ensure that growth in the Town would not result in adverse environmental effects associated with parks and recreational facilities. Additionally, because buildout of the General Plan would exceed the Quimby Act's parkland ratio of 3 acres per 1,000 residents, it would not contribute to the need for new or expanded park or recreational facilities.
The Housing Element Update could result in the addition of approximately 5,780 people and therefore, to be consistent with the Town's parkland goal (General Plan Policy OSPR-6.7), would require approximately 29.6 acres of parkland. However, development associated with the Housing Element Update was evaluated in the General Plan EIR and anticipated by the General Plan. As stated previously, the General Plan EIR concluded that buildout of the General Plan would not require the construction of new or expanded park facilities. Therefore, development associated with the Housing Element Update would be required to comply with both General Plan Policies OSP-4.5 and OSP-7.8 and would not result in the need for new or expanded parks or recreational facilities.
The General Plan EIR adequately addressed the Housing Element Update's potential impacts on parks and recreational facilities.

e. The General Plan EIR (Section 4.14, Public Service and Recreation) also evaluates the impacts of development under the General Plan on the Town's public library facilities. The Town of Los Gatos is the primary service provider for library services, with one public library located within the Town's Civic Center complex. The El Camino Hospital operates a Health Library and Resource Center at its Los Gatos campus on the main floor with the purpose of helping patients, families, and the community access resources and information to make informed choices about their health. Affiliation with El Camino Hospital is not required to use its library resources.

According to the General Plan EIR, the existing library is estimated to be able to meet the demand from an increase in population as a result of buildout of the General Plan and impacts would be less than significant (p. 4.14-23). Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, the increase in demand on the Town's library facilities as a result of the Housing Element Update would not result in the need for new or expanded facilities, the construction of which could cause environmental effects.

The General Plan EIR adequately addresses the Housing Element Update's potential to impact library facilities in the Town.

16. RECREATION

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?	☐	☐	☐	☒
b.	Does the project include recreational facilities or require the construction or expansion of recreational facilities, which might have an adverse physical effect on the environment?	☐	☐	☐	☒

Comments:

a, b. Refer to the discussion in Section 15.0, Public Services, under checklist question "d." The General Plan EIR (Section 4.14, Public Service and Recreation) concluded that implementation of the applicable General Plan policies would ensure that growth in the Town consistent with the General Plan would not result in adverse environmental effects associated with the physical deterioration of public parks and recreational facilities. Additionally, the General Plan EIR concluded that the Town would exceed the Quimby Act parkland ratio of 3 acres for every 1,000 residents at buildout of the General Plan (p. 4.14-26).

The Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would be required to comply with General Plan Policy OSP-4.5 (all residential developments provide permanent common recreation space) and Policy OSP-7.8 (new multi-family residential developments of eight units or more include tot lots or similar shared off-street recreation space for young children). Therefore, the Housing Element Update would not result in the physical deterioration of recreational facilities or require the construction or expansion of recreational facilities, the construction of which could cause significant environmental impacts.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts on recreational facilities.

17. TRANSPORTATION

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities?	☒	☐	☐	☐
b.	Conflict or be inconsistent with CEQA guidelines section 15064.3, subdivision (b)?	☒	☐	☐	☐
c.	Substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?	☐	☐	☐	☒
d.	Result in inadequate emergency access?	☐	☐	☐	☒

Comments:

a. **Transit**. According to the General Plan EIR (Section 4.15, Transportation), buildout of the General Plan would increase the number of potential transit users on the various transit systems serving the Town, which would increase the demand for transit. Additionally, roadway traffic congestion caused from population and employment growth in the Town facilitated by the General Plan could affect several transit corridors by increasing travel times and decreasing headway reliability for transit vehicles (p 4.15-19).

Development under the General Plan would be required to comply with the objectives of the *Valley Transportation Plan 2040*, which is the long-range Santa Clara County-wide transportation plan adopted by the Valley Transportation Authority. The General Plan EIR states that although the General Plan would increase ridership and potentially cause more traffic delays, the existing transit circulation would be maintained, consistent with the *Valley Transportation Plan 2040*.

There are several General Plan policies and goals that would support reducing traffic congestion and improving transit connectivity such as Policy MOB-1.1, which requires that all development and redevelopment proposals with more than 10 housing units or over 5,000 square feet of non-residential square footage to include a detailed, sustainable, and measurable Transportation Demand Management program with accountability requirements to ensure that its measures are achieved; Policy MOB-1.3, which requires development near transit stops to provide Transportation Demand Management programs or facilities that encourage transit use for all types of trips; and Policy MOB-6.7, which requires all new developments to provide bus shelters and ongoing

maintenance as part of their developments, when appropriate, to encourage public transit use. Implementation of these General Plan policies would encourage an increase in transit ridership, decrease dependence on motor vehicles and reduce transit delays.

However, according to the *2040 General Plan Revised Sections of the General Plan EIR* (Section 4.15, Transportation Revised, p. 4.15-24), development under the General Plan does not include actions to increase the cost of using vehicles and does not include provisions for bus services to avoid congestion delays. As a result, transit service will experience reductions in quality of experience inconsistent with General Plan policies, which could contribute to lower transit demand in the future and higher demand for vehicle use contributing to higher VMT levels. Because the needed additional transit vehicles and supporting infrastructure may not be provided to accommodate additional transit demand, the General Plan would have a potentially significant impact on transit ridership. Development under the General Plan would also result in a significant and unavoidable effect on transit vehicle operations even with improvements such as signal coordination and transit vehicle preemption, which could potentially improve the overall reliability of transit in congested areas but not to the level that would fully address this impact.

The changes to the vehicle circulation system as part of the development under the General Plan would not interfere with existing transit facilities nor conflict with planned transit facilities and services or conflict with adopted transit plans, guidelines, policies or standards.

The Housing Element Update would result in the increase in population, which would increase the demand on the transit system. Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR. The Housing Element Update would be required to comply with the applicable General Plan policies identified above to reduce its potential to conflict with the existing transit facilities or adopted transportation plans, guidelines, policies, or standards associated with the Town's transit network. However, the Housing Element Update is part of the significant and unavoidable cumulative transit impacts associated with the General Plan. Therefore, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would result in significant and unavoidable transit impacts.

The Town adopted its Statement of Overriding Conditions on June 30, 2022 and determined that specific economic, legal, social, technological, mobility, or other considerations, make infeasible the mitigation measures or project alternatives identified in the General Plan Final EIR related to transportation.

Roadways. The General Plan includes modifications to existing street facilities to create a more pedestrian- and bicycle-oriented street network. Although these modifications would cause existing and future local and regional traffic to circulate differently, its influence would be minimal because these roadway modifications would conform to state and local standards and generally be implemented to improve circulation (Town of Los

Gatos 2021, p. 4.15-21). Therefore, the General Plan would not be expected to interfere or conflict with existing roadways facilities or adopted transportation plans, guidelines, policies, or standards. Impacts would be less than significant (p. 4.15-21).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would conform to state and local standards to reduce any potential impacts that may occur on the roadway system by development under the Housing Element Update. However, potential impacts on the roadway system as a result of the Housing Element Update were evaluated in the General Plan EIR and would be minimal. Therefore, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would not result in the conflict with existing roadways facilities or adopted transportation plans, guidelines, policies, or standards.

Bicycle Facilities. Development facilitated by the General Plan would increase the use of bicycles on the road as a result of increasing the Town's population. However, the General Plan contains policies and goals that are designed to accommodate increased bicycle demand such as Policy MOB-2.5, which requires that all new development be designed to enhance the safety or convenience of bicycle use through the Town and Policy MOB-2.6, discussed previously. Implementation of applicable General Plan policies would encourage bicycling by improving bicycle connectivity within the Town's street network, consistent with the *Town of Los Gatos Bicycle and Pedestrian Master Plan*, which provides guidance to improve the connectivity of the bicycle and pedestrian network in the Town. Therefore, the General Plan EIR concludes that development under the General Plan would have a beneficial effect on bicycle circulation and access and result in less than significant impacts related to the conflict with existing bicycle facilities or adopted plans, guidelines, policies, or standards associated with the Town's bicycle network (p. 4.15-22).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would not result in significant adverse impacts related to the existing bicycle facilities within the Town. The Housing Element Update would implement applicable General Plan policies, such as those listed above, and is required to be consistent with the goals and objectives of the *Town of Los Gatos Bicycle and Pedestrian Master Plan*. Therefore, development associated with the Housing Element Update would not result in the conflict with existing bicycle facilities or adopted plans, guidelines, policies, or standards associated with the Town's bicycle network.

Pedestrian Facilities. Implementation and buildout of the General Plan would increase residency in the Town, which could result in more use and demand on existing pedestrian facilities. According to the General Plan EIR, the General Plan encourages walking by improving pedestrian facilities and connectivity with a safe and continuous pedestrian network to shorten walking distances and improve pedestrian connections to popular local destinations. Development under the General Plan would create new pedestrian facilities and have a beneficial effect on pedestrian circulation and access consistent with

the *Town of Los Gatos Bicycle and Pedestrian Master Plan* (p. 4.15-22). The General Plan EIR concludes that the General Plan would not interfere with existing or planed pedestrian facilities or adopted pedestrian system plans, guidelines, policies or standards and impacts would be less than significant (p. 4.15-23).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would not result in significant adverse impacts related to the existing pedestrian facilities within the Town. The Housing Element Update would be consistent with the goals and objectives of the *Town of Los Gatos Bicycle and Pedestrian Master Plan* and, consistent with the growth projections evaluated in the General Plan EIR, would not result in the conflict with existing pedestrian facilities or adopted plans, guidelines, policies, or standards associated with the Town's pedestrian network.

The General Plan EIR adequately addressed the Housing Element Update's potential to conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities.

b. The population and employment growth facilitated from development envisioned in the General Plan would generate new vehicle trips. The land use pattern and policies identified within the General Plan are expected to result in reduced vehicle miles traveled (VMT) per service population compared to existing conditions. The General Plan EIR (Section 4.15, Transportation) determined that the General Plan-generated VMT per service population would be 38.4, which is approximately 19 percent greater than the applicable VMT threshold of 32.3 (as identified in Table 4.15-2 of the General Plan EIR). Therefore, the General Plan's VMT per service population would exceed the applicable threshold and the following mitigation measure is required.

Mitigation Measure

T-1 For projects that would generate vehicle miles traveled (VMT), one or more VMT reduction strategies included in the *SB 743 Implementation Decisions for the Town of Los Gatos* (July 2020) document shall be required to reduce VMT of the project. Examples of VMT reduction strategies that shall be implemented are provided below. The VMT reduction strategies are organized by their relative scale for implementation (i.e., individual site level, Town-wide level, and regional level).

Individual Site Level

- Encourage Telecommuting and Alternative Work Schedules: This strategy relies on effective internet access and speeds to individual project sites/buildings to provide the opportunity for telecommuting. This strategy would reduce commute VMT but also result in a change in VMT for other travel purposes; thus, this strategy should consider the net change in the Town's project-generated VMT.

- Provide Ride-Sharing Programs: This strategy focuses on encouraging carpooling and vanpooling by project site/building tenants.

- Provide Local Shuttles: This strategy focuses on providing local shuttle service. The local shuttles would provide service to transit hubs, schools, commercial centers, and residential areas to improve transit connectivity and address the "first/last mile" problems. Alternatively, a demand responsive service could be provided as subsidized trips by contracting to private transportation network companies or taxi companies. Note that implementation of this strategy would require regional or local agency implementation.

- Provide Employer-Sponsored Vanpool/Shuttle: This strategy relies on employers purchasing or leasing vans or shuttles, and often subsidizing the cost of at least program administration, if not more. Vanpools typically service employee's commute to work, while shuttles service nearby transit stations and surrounding commercial centers. Scheduling and rider charges, if any, are within the employer's purview.

Town-wide Level

- Provide Bicycle and Pedestrian Network Improvements: This strategy focuses on creating a comprehensive bicycle and pedestrian network within the project and connecting to nearby destinations. Projects in Los Gatos tend to be smaller so the emphasis of this strategy would likely be the construction of network improvements that connect the project site directly to nearby destinations. Alternatively, implementation could occur through an impact fee program or benefit/assessment district based on regional or local plans such as the Bicycle and Pedestrian Master Plan and Connect Los Gatos.

- Provide Traffic Calming Measures: This strategy combines the California Air Pollution Control Officers Association (CAPCOA) research focused on traffic calming with new research on providing a low-stress bicycle network. Traffic calming creates networks with low vehicle speeds and volumes that are more conducive to walking and bicycling. Building a low-stress bicycle network produces a similar outcome. One potential change in this strategy over time is that ebikes (and e-scooters) could extend the effective range of travel on the bicycle network, which could enhance the effectiveness of this strategy.

- Implement Car-Sharing Program: This strategy reduces the need to own a vehicle or reduces the number of vehicles owned by a household by making it convenient to access a shared vehicle for those trips where vehicle use is essential. Examples include programs like ZipCar, Car2Go, and Gig.

- Limit Parking Supply: When combined with companion transportation demand management measures, reduced parking supply discourages driving by limiting easy and convenient parking options. Implementation of this strategy may require reducing (or removing) minimum parking requirements and allowing developers to use shared parking strategies.

- Unbundle Parking Costs from Property Cost: Unbundling separates parking costs from property cost, for instance by not including a parking space in a residential unit's rent, or by requiring employers to lease each parking space separately from the building owner. This strategy ensures that the user understands that the cost of driving includes parking and can encourage people to use an alternative mode to save money.

- Implement Market Price Public Parking (On-Street): This strategy focuses on implementing a pricing strategy for parking by pricing all on-street parking in central business districts, employment centers, and retail centers. Priced parking would encourage "park once" behavior and may also result in area-wide mode shifts.

Regional Level

- Increase Density: This strategy focuses on increasing density of land uses, where allowed by the General Plan and/or Zoning Ordinance, to reduce distances people travel and provide more travel mode options. This strategy also provides a foundation for many other strategies. For example, densification increases transit ridership, which justifies enhanced transit service.

- Increase Diversity of Urban and Suburban Developments: This strategy focuses on inclusion of mixed uses within projects or in consideration of the surrounding area to minimize vehicle travel in terms of both the number of trips and the length of those trips.

- Increase Transit Accessibility: This strategy focuses on encouraging the use of transit by locating a project with high density near transit. A project with a residential/commercial center designed around a bus station is referred to as a transit-oriented development (TOD).

- Integrate Affordable and Below Market Rate Housing: This strategy provides greater opportunities for lower income families to live closer to job centers since income effects probability that a commute will take transit or walk to work.

- Increase Transit Service Frequency/Speed: This strategy focuses on improving transit service convenience and travel time competitiveness with driving. Given existing land use density in Los Gatos, this strategy may be limited to traditional commuter transit where trips can be pooled at the start

and end locations, or it may require new forms of demand-responsive transit service. Note that implementation of this strategy would require regional or local agency implementation, substantial changes to current transit practices, and would not likely be applicable for individual development projects.

- Implement Area or Cordon Pricing: This strategy focuses on implementing a cordon (i.e., boundary) pricing scheme, where a cordon is set around a specific area to charge a toll to enter the area by vehicle. The cordon location is usually the boundary of an area with limited points of access. The cordon toll may be constant, applied during peak periods, or be variable, with higher prices during congestion peak periods. The toll can also be based on a fixed schedule or be dynamic, responding to real-time congestion levels. Note that implementation of this strategy requires alternative modes of travel that are available and reliable, such as high-quality transit infrastructure.

As concluded in the General Plan EIR, the VMT reduction strategies at the regional level would be required in order to reduce VMT per service population by 19 percent. However, this would require action on multiple agencies and municipalities in South San Francisco Bay. Because the Town cannot ensure that the other municipalities would participate in the regional VMT reduction strategies outlined in Mitigation Measure T-1, it is not certain that a 19 percent reduction in VMT would be achieved. Therefore, VMT impacts as a result of development under the General Plan would be significant and unavoidable even after implementation of mitigation (p. 4.15-26).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would generate new vehicle trips. However, development associated with the Housing Element Update is part of the significant and unavoidable cumulative VMT impacts associated with the General Plan. Therefore, development associated with the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would result in significant and unavoidable VMT impacts even after implementation of Mitigation Measure T-1. Development associated with the Housing Element Update would be required to implement applicable reduction strategies in Mitigation Measure T-1.

The Town adopted its Statement of Overriding Conditions on June 30, 2022 and determined that specific economic, legal, social, technological, mobility, or other considerations, make infeasible the mitigation measures or project alternatives identified in the General Plan Final EIR related to transportation.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to VMT impact.

c. As discussed in the General Plan EIR (Section 4.15, Transportation), the General Plan is a program-level document that does not directly address project-level design features or building specifications. However, the Town maintains improvement standards that guide construction of new transportation facilities to minimize design hazards for all users of

the system. Developments that would add traffic to streets that are not designed to current standards would be evaluated in the environmental review process with mitigation measures, if necessary, requiring the development to construct, or provide funding for, an improvement that would minimize or eliminate the hazard. New and upgraded roadways needed to accommodate new development would be designed according to applicable federal, state, and local design standards. The General Plan EIR also states that development and infrastructure projects would be required to implement applicable General Plan policies intended to result in roadway designs that safely accommodate all users such as General Plan Policy MOB-2.6, which is described previously under checklist question "a" and Policy MOB-8.3, which requires that new development minimize the number of access points along arterial streets to minimize impacts on circulation flow and safety. Therefore, the General Plan EIR concludes impacts related to hazards due to a geometric design feature would be less than significant (p. 4.15-29).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, any new or upgraded roadways necessary to accommodate the new development would be designed according to applicable, federal, state, and local design guidelines. Further, development under the Housing Element Update would implement applicable General Plan policies, such as those listed above, minimizing its impact on circulation flow and safety. The Housing Element Update would not result in substantially increased hazards due to a geometric design feature nor would it result in incompatible uses.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to hazards due to a geometric design feature.

d. The General Plan does not propose specific development projects and, therefore, does not propose developments that could result in inadequate emergency access. According to the General Plan EIR (Section 4.15, Transportation), the intent of the General Plan is to improve the overall performance of the transportation network for all modes of transportation; however, to further ensure that development under the General Plan would not result in inadequate emergency access, applicable General Plan policies are required to be implemented such as Policy MOB-12.2, which requires that secondary emergency access is provided for new discretionary housing approvals in locations that are identified as Very High Fire Hazard Areas on the Town's Wildland Fire Severity Zone Map. With implementation of applicable General Plan policies, future development projects would be assessed to ensure they result in adequate emergency access. In addition, mandatory development processes also require project review by emergency services, including police and fire, to ensure projects maintain adequate emergency access. This impact would be less than significant (Town of Los Gatos 2021, p. 4.15-30).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, is not proposing specific development that could be evaluated as providing or not providing adequate emergency access. However, as future development under the Housing Element Update is proposed, they will be required to comply with applicable General Plan policies such as

Policy MOB-12.2 identified above. Implementation of applicable General Plan policies would ensure that future development associated with the Housing Element Update do not result in impacts related to inadequate emergency access.

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to inadequate emergency access.

18. TRIBAL CULTURAL RESOURCES

Would the project:

	Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a. Cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, or cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:				
(1) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources code section 5020.1(k), or	☐	☐	☐	☒
(2) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resource Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe.	☐	☐	☐	☒

Comments:

a. Pursuant to SB18, tribal noticing and consultation in accordance with statutory timelines is required when a general plan is amended. The Town did not receive any requests from California Native American tribes requesting consultation under Assembly Bill 52 for the Housing Element Update or for the General Plan EIR. Further, according to the General Plan EIR (Section 4.5, Cultural and Tribal Cultural Resources), no tribal cultural resources have been identified within the planning area (which includes the Town limits where all sites associated with the Housing Element Update are located) by a California Native American tribe (p. 4.5-6).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and the General Plan EIR adequately addresses the Housing Element Update's impact on tribal cultural resources.

19. UTILITIES AND SERVICES SYSTEMS

Would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Require or result in the relocation or construction of new or expanded water, wastewater treatment, storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects?	☐	☐	☒	☐
b.	Have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years?	☐	☐	☒	☐
c.	Result in a determination by the wastewater treatment provider, which serves or may serve the project that it has inadequate capacity to serve the project's projected demand in addition to the provider's existing commitments?	☐	☐	☒	☐
d.	Generate solid waste in excess of State or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals?	☐	☐	☐	☒
e.	Comply with federal, state, and local management and reduction statutes and regulations related to solid waste?	☐	☐	☐	☒

Comments:

a. **Water**. According to the General Plan EIR (Section 4.16, Utilities and Service Systems), expansion to the existing water system may be needed to service new development under the General Plan, the construction of which could cause significant environmental effects. However, it would be speculative to determine the impacts of development that has not yet occurred about infrastructure improvements whose necessity, in addition to location and type, are unknown at this time.

The General Plan EIR states that impacts from any required expansion of existing infrastructure required by new development in the Town would be further analyzed under separate CEQA review when determinations are made on the type, scope, and location of the infrastructure improvements (p. 4.16-18). The General Plan EIR determined that impacts would be less than significant (p. 4.18-19).

Development associated with the Housing Element Update would result in the increase in population and, therefore, an increase in demand on the Town's existing water facilities. However, it would be speculative at this time to determine the impacts related to construction of new, or expansion of existing water facilities. Impacts from any required expansion of existing infrastructure required by new development associated with the Housing Element Update would be further analyzed under separate CEQA review when determinations are made on the type, scope, and location of the infrastructure improvements. The Housing Element Update's impacts related to the potential for expansion of existing or construction of new water facilities would be less than significant.

Wastewater. The Town's wastewater is collected and treated by the West Valley Sanitation District, which then transports wastewater to the San Jose-Santa Clara Regional Wastewater Facility (wastewater treatment plant). According to the General Plan EIR (Section 4.16, Utilities and Service Systems), the wastewater treatment plant treats an average of 110 million gallons per day (mgd), with a design capacity of up to 167 mgd.

The General Plan projects an increase of 8,971 residents, which the General Plan EIR calculates to be a 30 percent increase above the 2018 population. However, approximately 34 percent of the wastewater treatment plant capacity is available (67 mgd); therefore, the wastewater needs of the expected population growth under the General Plan would be met (Town of Los Gatos 2021, p. 4.16-19).

The sewer collection system within the Town has deficiencies that limit the amount of wastewater that can be conveyed through the Town. According to the General Plan EIR, the West Valley Sanitation District's Capital Improvement Plan has ongoing plans for replacement and upgrade of old sewer lines and lift equipment. The general maintenance and correction of deficiencies are funded by user fees; therefore, new development would be required to pay impact fees for system expansion that would accommodate the increased growth of the Town envisioned as part of the General Plan. Impact fees on new development would ensure that the wastewater collection system receives necessary upgrades to accommodate the additional population (p. 4.16-20). In addition, the implementation of the applicable General Plan policies under Goal PFS-2 would ensure proper management of wastewater systems and infrastructure for new development and redevelopment in the Town.

The ongoing upgrades to the sewer system under the capital improvement plan and the General Plan would occur in developed areas of the Town that are previously disturbed and ensure that adequate wastewater systems and infrastructure would be available to meet future demands. Therefore, the General Plan EIR determined that the environmental impacts of construction involved with upgrades to the Town's wastewater system would be less than significant (p. 4.16-20).

Development associated with the Housing Element Update would increase the population in Los Gatos, which would increase the demand on the wastewater treatment

plant. However, the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and its population growth is encompassed within the General Plan's anticipated population growth of 8,971. As indicated previously, the General Plan EIR has already evaluated the population growth projections associated with the Housing Element Update. Therefore, the Housing Element Update's increased demand on the Town's wastewater system would be adequately accommodated by the remaining capacity within the wastewater treatment plant.

Development associated with the Housing Element Update would also increase the amount of wastewater conveyed by the Town's existing sewer collection system. However, the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, each development associated with the Housing Element Update would be required to pay impact fees for system expansion necessary to accommodate the increased growth. Payment of these impacts fees would reduce potential impacts associated with the construction of new, or expansion of existing, sanitary sewer system to a less-than-significant level.

Stormwater Drainage. Development facilitated by the General Plan would create new impervious surfaces, which would result in increased stormwater runoff to the Town's municipal storm drain system. However, according to the General Plan EIR (Section 4.16, Utilities and Service Systems), the General Plan focuses on infill development, which would reduce the amount of open space and permeable surfaces converted into impervious surfaces. Further, the amount of new impervious surfaces would be reduced through implementation of best management practices, including low impact development approaches, aimed at reducing stormwater runoff to ensure downstream storm drain capacity is not exceeded (Town of Los Gatos 2021, p. 4.16-21).

Because development would occur within urbanized areas of the Town, and best management practices would be incorporated, the construction or expansion of existing storm drain facilities would not likely be required as a result of implementation of the General Plan. However, storm drain improvements or connections to existing storm drains required for each individual project developed under the General Plan would be further analyzed under separate CEQA review as part of each individual project. Impacts related to storm drain facilities would be less than significant (Town of Los Gatos 2021, p. 4.16-22).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would primarily involve infill development. Additionally, the Housing Element Update would be required to implement best management practices and low impact development approaches to reduce stormwater runoff and ensure that downstream storm drain capacities are not exceeded. Development associated with the Housing Element Update would be required to comply with General Plan Policy PFS-3.1, which requires that CEQA review analysis occurs for all development projects consisting of single and cumulative impacts on water drainage (runoff) and contamination (water quality) in all areas. Implementation of best management practices and compliance with General Plan Policy PFS-3.1 would ensure

that the Housing Element Update's impacts related to the potential for construction of new storm drainage facilities would be less than significant.

Electricity/Natural Gas/Telecommunications. The General Plan EIR concluded (page 4.16-22) that with implementation of the 2040 General Plan goals and policies, impacts related to electric power, natural has, and telecommunication would be less than significant.

Development facilitated by the General Plan would be required to implement the applicable policies under General Plan Goal PFS-6 (encourage development that reduces the use of non-renewable energy resources and expands the use of renewable resources and alternative fuels) and Goal PFS-7 (promote green buildings that minimize consumption of energy and natural resources). Implementation of the applicable General Plan policies as well as required separate CEQA review for each individual project that requires new connection to existing services would ensure that impacts related to the construction of new, or expansion of existing, electricity, natural gas, or telecommunications facilities would be less than significant (Town of Los Gatos 2021, p. 4.16-22).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would facilitate infill development where existing electricity, natural gas, and telecommunications facilities currently exist. Individual development associated with the Housing Element Update would be required to connect into these existing facilities and the impacts of these new connections would be determined under separate CEQA analysis at the time such development is proposed (page 4.16-21). Therefore, development associated with the Housing Element Update would comply with existing energy efficiency regulations as well as implement applicable General Plan policies, and separate CEQA analysis would occur at the time individual projects are proposed to determine the potential for impacts associated with the new connections. For these reasons, the Housing Element Update would result in less than significant impacts related to the potential for construction of new, or expansion of existing, electricity, natural gas, and telecommunications facilities.

The General Plan EIR adequately addressed the Housing Element Update's potential to require the expansion of existing or the construction of new water, wastewater, stormwater drainage, electricity, natural gas, and/or telecommunications facilities, the construction of which could cause significant environmental impacts.

b. San Jose Water Company is the water service provider for the Town and the Santa Clara Valley Water District (Valley Water) manages the Santa Clara Valley Groundwater sub-basin, which supplies approximately one-third of the Town's water supply. During preparation of the General Plan EIR, the San Jose Water Company was undergoing the preparation of the *2020 Urban Water Management Plan*. Therefore, the General Plan EIR relied on the analysis within the *2015 Urban Water Management Plan*.

According to the *2015 Urban Water Management Plan*, the San Jose Water Company had adequate water supply capacity to meet its demands through 2040, which included the growth in the Town anticipated by the General Plan. Development under the General Plan would result in the increase in residential and nonresidential uses, which would result in an incremental increase in the Town's water demand. As indicated in the *2015 Urban Water Management Plan*, the San Jose Water Company has sufficient supplies to support development under the General Plan during a normal year. However, it was determined that projected water demands would likely exceed supply totals in the event of a multiple dry year scenario. Therefore, the San Jose Water Company would not have sufficient water supply to accommodate the demand of development and the population increase facilitated by the General Plan through 2040.

As a result, Section 4.16, Utilities and Service Systems, of the General Plan EIR explains that the San Jose Water Company would enact its Water Shortage Contingency Plan, which includes four stages of action based on water supply conditions. The Town would also increase its reliance on recycled water supply and water conservation measures implemented by the San Jose Water Company and the Valley Water reducing demands. Additionally, the Town would impose water conservation tactics on new development to further reduce water demand. Development under the General Plan would be required to implement the polices associated with General Plan Goal PFS-1 (ensure an adequate water supply for the Town's human, wildlife, and plant populations), which are consistent with the purpose of the *2015 Urban Water Management Plan* to encourage the sustainable use and management of water supplies and infrastructure in the Town. With reliance on recycled water supply and water conservation measures, in addition to compliance with applicable General Plan policies, impacts related to water supply would be less than significant (p. 4.16-19).

Development associated with the Housing Element Update would result in the increase of the residential population of the Town, which would increase the demand on water supplies. Development associated with the Housing Element Update would be required to implement General Plan Policy PFS-1, which requires that landscaping and hardscaping for all development is designed to minimize water usage and enhance water conservation; Policy PFS-1.2, which requires that all new home construction and remodeled homes comply with the Bay-Friendly Landscaping Guidelines in addition to the landscaping standards in the GreenPoint Rated Building Guidelines; Policy PSF-1.3, which requires the use of water-saving devices in new developments and pumping-related remodels; and Policy PFS-1.4, which requires that all new development install water-efficient irrigation management systems and devices, such as evapotranspiration or soil moisture-based irrigation controls.

In addition to compliance with the above-mentioned General Plan policies, the Housing Element Update's population growth was already evaluated in the General Plan EIR and anticipated by the General Plan. Therefore, the Housing Element Update's impacts related to increased demand on the Town's water supplies would be less than significant.

As previously mentioned, since the certification of the General Plan EIR and adoption of the General Plan, the San Jose Water Company has adopted its *2020 Urban Water Management Plan*. The *2020 Urban Water Management Plan* concluded that San Jose Water Company anticipates adequate supplies to meet system demand under average year, single dry year, and multiple dry year conditions through 2045 (San Jose Water Company 2021, p. 7-11). However, there is the possibility for a call for a mandatory 20 percent conservation during multi-year droughts (p. 7-12).

The General Plan EIR adequately addressed the Housing Element Update's potential impacts related to the Town's water supplies.

c. Refer to the discussion about wastewater under checklist question "a." The growth envisioned in the General Plan would require an increase in wastewater capacity to meet the treatment demand from new development; however, the wastewater treatment needs of the General Plan, in addition to existing needs, would be met due to excess capacity within the wastewater treatment plant. As for the wastewater collection system, ongoing upgrades under the West Valley Sanitation District's Capital Improvement Plan would continue to occur and new development under the General Plan would be required to pay impact fees for system expansion that would accommodate the increased growth in the Town.

Therefore, Section 4.16, Utilities and Service Systems, of the General Plan EIR determined that the growth envisioned by the General Plan would result in less than significant impacts related to the West Valley Sanitation District's ability to serve the projected demand in addition to its existing commitments.

The Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, the increased wastewater demands associated with development under the Housing Element Update have been evaluated by the General Plan EIR. Therefore, the wastewater treatment needs of the Housing Element Update, which is consistent with the growth projections evaluated in the General Plan EIR, would be met by the excess capacity remaining within the wastewater treatment plant. Development associated with the Housing Element Update would be required to pay impact fees related to the expansion of the wastewater collection system that would accommodate the increased growth in the Town anticipated by the Housing Element Update. Therefore, the Housing Element Update would result in less than significant impacts related to the West Valley Sanitation District's ability to serve its increased wastewater demand in addition to its existing commitments.

The General Plan EIR adequately addressed the Housing Element Update's potential to impact the West Valley Sanitation District's ability to serve the projected demand of the Housing Element Update in addition to its existing commitments.

d. Solid waste within the Town is disposed of at the Guadalupe Landfill, which is permitted to accept 3,650 tons of material daily and is projected to reach capacity in 2048. Using the residential disposal rates of the Santa Clara Integrated Waste Management Account,

residential buildout under the General Plan could result in the daily solid waste generation of approximately 294,158 pounds per day (or approximately 147 tons per day). Therefore, as discussed in Section 4.16, Utilities and Service Systems, of the General Plan EIR, the residential demand in solid waste anticipated by the General Plan would increase disposal at the Guadalupe Landfill by approximately one percent. Because the landfill has a remaining capacity of 11,055,000 cubic yards, it would have sufficient capacity to accommodate the General Plan's residential increase in solid waste generation (Town of Los Gatos, p. 4.16-23). Although there would be sufficient capacity, the General Plan EIR also discusses the reduction in trash production and promotes recycling and potentially introducing Townwide composting to reduce the amount of solid waste sent to the Guadalupe Landfill. Implementation of the General Plan policies associated with Goals PFS-4 and PFS-5 would help conserve space at the landfill and impacts would be less than significant (Town of Los Gatos 2021, p. 4.16-24).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and its residential solid waste generation has already been evaluated in the General Plan EIR. The General Plan's residential solid waste generation encompasses the total of residential solid waste generation that would be created by the Housing Element Update. Therefore, because the General Plan EIR concludes that the General Plan's residential solid waste generation could be accommodated by the Guadalupe Landfill, the solid waste generation as a result of the Housing Element Update would also be accommodated. Development associated with the Housing Element Update would also be required to implement the policies identified under General Plan Goals PFS-4 and PFS-5 to help conserve space at the landfill. For these reasons, the Housing Element Update would not generate solid waste in excess of the capacity of local infrastructure.

The General Plan EIR adequately addresses the Housing Element Update's potential impacts related to solid waste generation.

e. The General Plan EIR (Section 4.16, Utilities and Service Systems) concludes that implementation of the General Plan's goals and policies would support the reduction and diversion of waste consistent with state goals for solid waste reduction. Implementation of applicable General Plan goals and policies would ensure that development under the General Plan would comply with federal, state, and local management and reduction statutes and regulations related to solid waste. Impacts would be less than significant (Town of Los Gatos 2021, p. 4.16-24).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would be required to comply with applicable General Plan policies such as Policy PFS-4.1, which requires the recycling of reusable materials from residential and construction/renovation activities. Implementation of applicable General Plan policies would ensure that the Housing Element Update complies with federal, state, and local management and reduction statutes and regulations related to solid waste and no impacts would occur.

The General Plan EIR adequately addresses the Housing Element Update's potential impacts related to compliance with federal, state, and local regulations associated with solid waste.

20. WILDFIRE

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Substantially impair an adopted emergency response plan or emergency evacuation plan?	☐	☐	☒	☐
b.	Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of wildfire?	☐	☐	☐	☒
c.	Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment?	☐	☐	☒	☐
d.	Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes?	☐	☐	☐	☒

Comments:

The sites associated with the Housing Element Update that make up the "Downtown Area" are located within lands classified as very high fire hazard severity zones in local responsibility areas (CalFire 2022). Figure 3, Downtown Area Sites' Fire Hazards, illustrates those sites associated with the Housing Element Update that are within a very high fire hazard area.

a. The Santa Clara County Operational Area Hazard Mitigation Plan and the Santa Clara County Community Wildfire Protection Plan include techniques for reducing wildfire risk in the Town through land use decisions, inter-agency coordination, community programs, and emergency response improvements. The General Plan Safety Element also directs the Town to accommodate safety needs when planning and designing, while increasing the resiliency of residents and businesses to respond to and be prepared for potential emergencies and disasters.

   The General Plan EIR (Section 4.17, Wildfire) states that all development consistent with the General Plan shall comply with the applicable General Plan policies and the Santa Clara County Fire Department shall review and approve all development projects to ensure that emergency access meets standards. Compliance with such actions would ensure that potential impacts from implementation of the General Plan on emergency response and evacuation would be less than significant (p. 4.17-7).



0 500 ft

Los Gatos Town Limits

Very High Fire Hazard Severity (Local Responsibility Area)

Downtown Area Parcels

Source: Santa Clara County GIS 2022, Google Earth 2022, CalFire FHSZ 2022

Figure 3

Downtown Area Sites' Fire Hazards

Los Gatos 6th Cycle Housing Element Environmental Analysis

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Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, each individual site to be developed would require careful consideration of the adequacy of water storage for fire protection during its development review process in compliance with General Plan Policy HAZ-4.3. Additionally, the Santa Clara County Fire Department would be required to review and approve each development project's plans. Such actions would ensure that the Housing Element Update's potential impacts related to emergency evacuation and emergency response plans are less than significant.

The General Plan EIR adequately addresses the Housing Element Update's impacts related to emergency response or emergency evacuation plans.

b. Prevailing winds in the Town generally blow southeast; therefore, a wildfire could potentially be carried, as well as smoke and air pollutants, across or down the nearby east- and north-facing slopes of the Santa Cruz Mountains into thick vegetation towards the more urbanized areas of the Town (Town of Los Gatos 2021, p. 4.17-7 and -8).

The risk of wildfire in the Town is most prevalent for those areas of the Town within and surrounding the Santa Cruz Mountains. However, the General Plan EIR (Section 4.17, Wildfire) states that development under the General Plan would not introduce new people or structures to these areas beyond what was already permitted by the previous general plan. Therefore, compliance with applicable General Plan policies reducing wildfire risks in the Town, in addition to the fact that the General Plan would not allow for new development in areas that were not already permitted for development, the General Plan would not exacerbate existing wildfire risks or expose project occupants to pollutant concentrations from a wildfire and impacts would be less than significant (Town of Los Gatos 2021, p. 4.17-8).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and, therefore, would be required to comply with General Plan Policy HAZ-4.1, which requires that fire preventative site design, access, fire-safe landscaping, and building materials, as well as the incorporation of fire suppression techniques, occur in new development located in or adjacent to fire hazard areas. Because development associated with the Housing Element Update was evaluated in the General Plan EIR and anticipated by the General Plan, the Housing Element Update would not exacerbate wildfire risks thereby exposing its occupants to pollutant concentrations from a wildfire or the uncontrolled spread of wildfire.

The General Plan EIR adequately addressed the Housing Element Update's impact related to exacerbating wildfire risks and exposing occupants to pollutant concentrations from a wildfire.

c. The General Plan EIR (Section 4.17, Wildfire) states that the General Plan would facilitate strategic growth in the Town and would occur primarily as infill and redevelopment within the urbanized areas of the Town. Therefore, the majority of roads and utility infrastructure required for growth facilitated by the General Plan would be

existing or would occur in currently developed areas, resulting in negligible temporary or ongoing environmental impacts. Because this development would occur in urbanized areas of the Town, where large tracts of vegetation cover are not present, the risk of wildfire would not be exacerbated (Town of Los Gatos 2021, p. 4.17-9). However, portions of the Town's southern incorporated areas lie within very high fire hazard severity zones; therefore, potential development facilitated by the General Plan in these areas would be subject to the latest California Fire Code, which includes safety measures to minimize the threat from wildfire. In addition, compliance with applicable General Plan policies that require the maintenance of fire roads throughout the Town and adequate emergency response along the wildfire fuel monitoring would be required.

Maintenance and monitoring of wildfire fuel could generate temporary or ongoing impacts related to noise and vegetation removal, but would occur infrequently and is limited to the areas immediately next to fire access roads. Maintenance of these areas would reduce the potential for severe or catastrophic wildfires, rather than exacerbate them (p. 4.17-9). Therefore, the General Plan EIR concluded that impacts related to fire protection-related infrastructure that may exacerbate fire risk would be less than significant (p. 4.17-10).

Development associated with the Housing Element Update is consistent with the growth projections evaluated in the General Plan EIR and would occur as infill and redevelopment within the urbanized areas of the Town. The Housing Element Update would be required to comply with the applicable regulations of the California Fire Code as well as Title 14 of the California Code of Regulations, which sets forth the minimum development standards for emergency access, fuel modification, setback, signage, and water supply, which help prevent loss of structures or life by reducing wildfire hazards. Because the maintenance and monitoring of wildfire fuel and the creation of fuel breaks would be infrequent and occur in limited areas, the temporary or ongoing impacts related to noise and vegetation removal would be considered less than significant. Therefore, development associated with the Housing Element Update would result in less than significant impacts related to the installation or maintenance of associated fire protection infrastructure.

The General Plan EIR adequately addressed the Housing Element Update's impacts related to fire protection infrastructure and its potential to exacerbate fire risk.

d. As discussed in the General Plan EIR (Section 4.17, Wildfire), severe wildfires damage the forest or shrub canopy, the plants below, and the soil, which can result in increased runoff after intense rainfall putting homes and other structures below a burned area at risk of localized floods and landslides. Slopes at risk of wildfire in Los Gatos are primarily limited to the areas along the Santa Cruz Mountains and its foothills (p. 4.17-8). As previously discussed, development consistent with the General Plan would not result in more or increased development in the Santa Cruz Mountains or surrounding areas than what has already been allowed by the previous general plan. Therefore, impacts related to exposing people or structures to risks, including downslope or downstream flooding or landslides as a result of runoff, post-fire instability, or drainage changes are determined by the General Plan EIR to be less than significant (Town of Los Gatos 2021, p. 4.17-8).

Development associated with the Housing Element Update would not be located outside of the Town's incorporated limits, where the slopes at the highest risk of wildfire are located. In addition, because development associated with the Housing Element Update was evaluated in the General Plan EIR and anticipated by the General Plan, the Housing Element Update would not expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes.

The General Plan EIR adequately addressed the Housing Element Update's impact related to exposure of significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slop instability, or drainage changes to people or structures.

21. MANDATORY FINDINGS OF SIGNIFICANCE

		Potentially Significant Impact	Less-than-Significant Impact with Mitigation Measures Incorporated	Less-Than-Significant Impact	No Impact
a.	Does the project have the potential to substantially degrade the quality of the environment; substantially reduce the habitat of a fish or wildlife species; cause a fish or wildlife population to drop below self-sustaining levels; threaten to eliminate a plant or animal community; substantially reduce the number or restrict the range of an endangered, rare, or threatened species; or eliminate important examples of the major periods of California history or prehistory?	☐	☒	☐	☐
b.	Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)	☒	☐	☐	☐
c.	Does the project have environmental effects, which will cause substantial adverse effects on human beings, either directly or indirectly?	☐	☒	☐	☐

Comments:

a. As discussed in Section 4.0, Biological Resources, special-status plant and wildlife species are recorded as occurring in the riparian areas of the Town, but are not likely to occur in the developed portions due to lack of suitable habitat. However, both the General Plan and the Housing Element Update facilitates the increase in allowable density that could occur on some of the infill and redevelopment sites within the Town, which could require the upgrading of infrastructure facilities within riparian vegetation along creeks and waterways. Additionally, development within proximity to vegetation cover could result in new sources of light that affect nesting patterns or wildlife behavior. Therefore, implementation of the General Plan's applicable goals and policies, as well as compliance with state and federal regulations related to special-status species and their habitats, would ensure that impacts to special-status species and their habitats by development associated with the General Plan and the Housing Element Update would be less than significant.

As discussed in Section 5.0, Cultural Resources, effects on cultural resources are only knowable once a specific project has been proposed because the effects are dependent on the individual project site conditions (page 4.5-10), project activities that may alter the character of a built environment resources, and/or the characteristics of the proposed ground-disturbing activity. Development associated with the Housing Element Update is not anticipated to disturb known historic resources; however, ground-disturbing activities have the potential to damage or destroy previously unknown historic or prehistoric

archaeological resources that may be present on or below the ground surface. Implementation of Mitigation Measure CR-1 would reduce impacts to a less-than-significant level.

b. As described in Section 3.0, Air Quality, the Housing Element Update's criteria air pollutant emissions and their effects to air quality during construction would be reduced to a less-than-significant level with implementation of Mitigation Measure AQ-1 and the General Plan EIR concludes that the General Plan, which includes development associated with the Housing Element Update, would not have a cumulatively considerable contribution to regional air quality impacts.

The proposed development would result in temporary biological resource impacts during construction associated with special-status species. However, as described in Section 4.0, Biological Resources, construction impacts would be reduced to a less-than-significant level with implementation of applicable General Plan policies. Therefore, development associated with the Housing Element Update would not have a cumulatively considerable impact on biological resources.

Section 5.0, Cultural Resources, concludes that earthmoving activities may result in the loss of unknown prehistoric or historic subsurface archaeological resources onsite. Because the development associated with the Housing Element Update would implement Mitigation Measure CR-1, they would not have a cumulatively considerable impact on cultural resources.

As discussed in Section 8.0, Greenhouse Gas Emissions, development associated with the Housing Element Update will generate GHG emissions that will contribute to the cumulative accumulation of GHG emissions is the atmosphere as its effects are not localized to areas where they are produced. Climate change is a global phenomenon resulting from the combined effects of GHG emissions produced worldwide. Consequently, the analysis of climate change impacts from production of GHGs is inherently cumulative in nature. (See *Center for Biological Diversity v. Department of Fish & Wildlife* (2015) 62 Cal.4th 204, 219). However, even with mitigation measures, the impacts would not be capable of being reduced to a less than cumulatively considerable level and, therefore, impacts related to GHG are significant and unavoidable.

Section 13.0, Noise, concludes that development associated with the Housing Element Update would result in temporary construction noise impacts. However, Mitigation Measure N-1 would reduce impacts to a less-than-cumulatively considerable level.

c. Development associated with the Housing Element Update would have the potential to expose sensitive receptors to construction toxic air contaminant emissions that can lead to increased cancer risks that exceed the air district cancer risk thresholds. Implementation of Mitigation Measure AQ-1 would reduce this impact to less than significant. Construction noise and vibrations would also occur at buildout of the General Plan and Housing Element Update; therefore, implementation of Mitigation Measures N-1 and N-2 would be required to reduce impacts to a less-than-significant level.

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Mandatory Findings of Significance

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From: [redacted] <[redacted]>
Sent: Thursday, January 26, 2023 10:57 AM
To: Janette Judd <jjudd@losgatosca.gov>; Town Manager <Manager@losgatosca.gov>; Wendy Wood <WWood@losgatosca.gov>; Matthew Hudes <MHudes@losgatosca.gov>; Rob Rennie <RRennie@losgatosca.gov>; Mary Badame <MBadame@losgatosca.gov>; Rob Moore <[redacted]>; Maria Ristow <MRistow@losgatosca.gov>; Joel Paulson <jpaulson@losgatosca.gov>
Subject: For Council Meeting 1-30-23 Re: Housing Element

Honorable: Mayor Maria Ristow, Vice-Chair Badame, Councilmembers and Staff.

Re: **Housing Element Advisory Board**

Attached is a copy of the 3/22/22 letter from our attorney with our recommendations sent to the Housing Element Advisory Board. Our recommendation to complete the HE so as to not be up against the wall on the 31st, was rejected. Briefly, the letter follows the path as listed below for those who may not have had the time to read the letter back in March. As you are now approaching the final deadline, in all sincerity, we wish you the best of luck. We realize that there were at least two if not more paths you could have taken. In the end, we all love the Town and want the Town to continue to move forward. We also acknowledge all of the time and hard work you have put into this document by all parties.

Comments Regarding Proposed 2040 General Plan

1. Background

2. The Town Should Focus First On Updating Its Housing Element, Which Will Guide And Shape Any Other Updates To The General Plan

3. When Resumed, the Proposed Plan Should Be Modified to Reflect the Housing Element Update and Other Changes.

A. Restore Existing Low Density Residential Development Standards
B. Add Low-Medium Density Residential in Appropriate Locations
C. Amend Permitted Intensities Allowed in Central Business District
D. Make Other Changes As Needed to Accommodate The Town's Assigned RHNA

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

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Matthew D. Francois
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March 22, 2022

VIA E-MAIL [PlanningComment@losgatosca.gov]

Honorable Melanie Hanssen, Chair
and Members of the Planning Commission
Town of Los Gatos
110 E. Main St.
Los Gatos, CA 95030

Re: Comments Regarding Proposed 2040 General Plan

Dear Chair Hanssen and Members of the Planning Commission:

We write on behalf of the Los Gatos Community Alliance ("LGCA"), a group of concerned citizens, in regard to the Proposed 2040 General Plan (the "Proposed Plan").[1] In previous correspondence to the Town of Los Gatos (the "Town"), LGCA expressed its significant concerns with the Proposed Plan's major upzoning of every residential and commercial land use district in the Town, potentially resulting in up to 75,000 new housing units and 45 million square feet of new commercial development.[2] We pointed out how such intensification violated the California Environmental Quality Act ("CEQA") as it was not studied in the environmental impact report ("EIR") prepared by the Town for the Proposed Plan. We also explained that such intensification was entirely unnecessary to accommodate the 1,993 additional housing units needed per the Town's Regional Housing Needs Allocation ("RHNA").

By January 2023, the Town Council must adopt a Housing Element which includes an inventory of sites suitable and available for residential development to meet the Town's RHNA. Given the pending statutory deadline and in light of LGCA's substantial concerns with the Proposed Plan, the Town should focus first on updating its Housing Element. The housing sites inventory will provide critical information to determine what area(s) of the Town, if any, need to be re-designated in the General Plan to meet the RHNA. Updating the General Plan prior to and apart from updating the Housing Element is tantamount to putting the cart before the horse.

[1] Members and/or supporters of LGCA include: former Mayor Joanne Benjamin, former Mayor Sandy Decker, former Mayor Tom Ferrito, former Mayor Steve Rice, former Mayor Barbara Spector, former County Superintendent of Schools Colleen Wilcox, Tim Lundell, Phil Koen, Don Livinghouse, Sandra Livinghouse, Lee Fagot, Ann Ravel, Rob Stump, Rick Van Hoesen, and Jak Vannada.

[2] *See* September 13, 2021 and January 5, 2022 letters from Matthew Francois to Jennifer Armer.

1. Background.

In terms of background, the current 2020 General Plan planned for 1,600 additional units to be constructed between 2009 and 2020. The majority of these units—some 1,423 units—were projected to be developed on the Housing Element opportunity sites and the North Forty Specific Plan area. We understand that of the 1,600 additional units projected, only approximately 500 have been built thus far. This leaves capacity for approximately 1,100 additional units with no changes whatsoever to existing residential densities.

When the Town began the process of updating the 2020 General Plan, Staff acknowledged that "the existing General Plan is serving the community well," and that the Proposed Plan "provides the opportunity to refine the General Plan, address emerging trends and recent State laws, and consider new issues." (Staff Report to the Town Council, November 17, 2020, p. 5; *see also* General Plan Update, September 2019 [further noting that the General Plan update effort was "intended to be a fine-tuning of the existing General Plan, rather than a comprehensive overhaul of the document."].)

A December 2019 Land Use Alternatives Report prepared by Town Staff presented four growth alternatives (labeled A-D) with net new housing ranging from 1,156 to 3,176 units.[3] At its April 7, 2020 meeting, the Town Council approved Land Use Alternative C. That alternative called for 2,303 additional housing units. At the November 17, 2020 Town Council meeting, Councilmembers indicated that new housing should be focused in Community Place Districts without increasing the allowed densities in Low Density Residential areas or changing the Downtown/Central Business District.

The Draft EIR ("DEIR") for the Proposed Plan states that one of the Proposed Plan's "central objectives" is to achieve the RHNA figure assigned to the Town. (DEIR, pp. 2-7, 6-1.) The RHNA figure assigned to the Town is 1,993 units. Yet, the DEIR then proceeds to analyze 3,738 dwelling units—nearly double the assumed RHNA figure. In reality, the Proposed Plan, with its increased densities across almost all land use designations, could enable development of tens of thousands of new housing units. This growth was not acknowledged let alone factored into the DEIR, as legally required.

In its December 2, 2021 report to the Town Council on the Proposed Plan, Staff noted that the Planning Commission had the authority to recommend a lower housing number than that studied and assumed in the DEIR, with commensurate changes to the Proposed Plan. Staff also indicated that the report to the Planning Commission would include an option for approximately 2,000 units with associated modifications needed to the Proposed Plan to achieve this lower housing capacity.

[3] The Land Use Alternatives report also identified the range of likely market demand for new housing between 2020 and 2040 to be approximately 1,500-2,000 dwelling units.

In December 2021, the Association of Bay Area Governments ("ABAG") approved its final RHNA Plan for Bay Area cities. Under that Plan, the Town will need to identify housing sites for 1,993 units. As is typical, the Town's allocation is separated into four income categories: Very Low: 537 units, Low: 310 units, Moderate: 320 units, and Above Moderate: 826 units. ABAG's RHNA Plan was approved by the State Department of Housing & Community Development ("HCD") on January 12, 2022.

2. The Town Should Focus First On Updating Its Housing Element, Which Will Guide And Shape Any Other Updates To The General Plan.

Unlike the General Plan update, the Town is under a statutory deadline to submit the updated Housing Element to HCD by January 2023. On June 15, 2021, the Town Council retained EMC Planning Group to prepare the Housing Element update. In its Scope of Services, EMC states that it will rely on the Town Council's Preferred Land Use Alternative C, which proposes residential development of 2,303 additional units to be located primarily in Community Place Districts.

By law, the Housing Element update must include an inventory of land suitable and available for residential development to meet the Town's regional housing need by income level. (Gov. Code §§ 65583, 65583.2.) "Suitable" means the parcel is zoned appropriately for residential development and has available infrastructure and is not environmentally constrained. (*Id.*) "Available" means that the site has a likelihood for development during the Housing Element planning period. (*Id.*) If the housing sites inventory demonstrates that there are insufficient sites to accommodate the housing allocation for each income category, the inventory must identify potential sites for rezoning and a program to effectuate such rezoning early in the 2023-2031 planning period. Per the schedule included in its Scope of Services, EMC stated that the housing sites inventory would be completed by Winter 2021-2022.

The Town must update the Housing Element by January 31, 2023 and submit it to HCD for certification. If the Town does not secure HCD certification of its Housing Element within that required timeframe, it could become ineligible for state and regional funding programs, be placed on an accelerated Housing Element cycle, and/or face legal challenges. (Gov. Code §§ 65585, 65588, and 65889.11.)

The Town's website devoted to the Housing Element update refers simply to the formation of the Housing Element Advisory Board, with no documents, information on meetings, or updates concerning a critical statutory deadline that is less than 12 months away.[4] Other Bay Area cities have been laser-focused on updating their Housing Elements. For instance, since May 2021, the City of Palo Alto held over a dozen meetings on its Housing Element update, and the Palo Alto City Council recently provided feedback on the housing sites inventory.

[4] https://www.losgatosca.gov/2711/Housing-Element-Advisory-Board

The Town should follow both common sense and the lead of other cities and focus now on updating its Housing Element. Doing so will guide and provide critical information for the Proposed Plan. Updating the General Plan prior to and apart from updating the Housing Element is tantamount to putting the cart before the horse.

3. When Resumed, the Proposed Plan Should Be Modified to Reflect the Housing Element Update and Other Changes.

Once the Housing Element update has been adopted by the Town Council and certified by the State, the Proposed Plan should be updated to reflect it. Other recommended changes to the Proposed Plan are detailed below.

A. Restore Existing Low Density Residential Development Standards.

For lands designated Low Density Residential, the current General Plan allows for single-family development at densities of up to 5 units per acre. The Proposed Plan would more than double the permitted densities, allowing for development of up to 12 units per acre. No change in land use designation or densities should be made to the Low Density Residential land use category.

First, no such changes are needed to meet the Town's RHNA figure. Higher density development is already provided for in other areas, such as Community Place Districts. Further, the densities proposed in Low Density Residential areas (up to 12 units per acre) would not count toward the Town's fair share of affordable housing. (Gov. Code § 65583.2(c)(3)(B) [requiring densities of at least 20 units per acre to be deemed appropriate to accommodate housing for lower income households].)

Second, state law has already added density to low density residential areas. Senate Bill 9, which took effect on January 1, 2022, allows for up to four units per single family residential lot. The Town has enacted an urgency ordinance to implement Senate Bill 9. Adding further density to single-family neighborhoods would not be appropriate as such areas are generally not in close proximity to public transit, employment, or commercial services. Local upzoning on top of state upzoning would also be contrary to policies in the Proposed Plan that emphasize maintaining and enhancing a sense of place in residential neighborhoods and requiring new construction to be compatible with existing neighborhoods. (*See, e.g.*, Proposed Plan, Goals LU-5 and LU-17 and Policies LU-2.1, LU-4.1, and LU-5.8.)

Third, given the relatively high land costs, much higher development densities are required to achieve the unit development economics to incentivize the production of duplexes and triplexes. The desired development would not likely ever materialize given the high land cost. The resulting housing would instead likely consist of denser, single-family detached housing that is market rate and not affordable.

B. Add Low-Medium Density Residential in Appropriate Locations.

The Proposed Plan contains policies that encourage development of "missing middle" housing. (*Cf.* Proposed Plan, Policies LU-1.2, LU-3.5, and LU-5.1; *see also* Proposed Plan, pp. 3-5 to 3-6.) The Proposed Plan describes missing middle housing as "multiple units on a single parcel (whether attached or detached) that are compatible in scale and form with detached single-family homes." (Proposed Plan, p. 3-3.) The plan goes on to state that common missing middle housing types include, among others, duplexes, triplexes, and townhomes. (*Id.*)

To encourage the development of this type of housing, the Town should establish a new Low-Medium Density Residential land use category that allows for the development of duplexes and triplexes at a density range of between 6 and 13 dwelling units per acre. The City of Campbell has a similar land use designation in its General Plan, which it describes as consisting generally of duplexes, small apartment buildings, and small lot, single-family detached homes. This new land use designation would be between Low Density Residential, designed for single-family residential development, and Medium Density Residential, designed for multiple-family residential development. Staff could identify appropriate sites in Community Place Districts for this new land use designation.

C. Amend Permitted Intensities Allowed in Central Business District.

As currently written, the Proposed Plan would change the permitted floor area ratio ("FAR") in the Central Business District ("CBD") from 0.6 to 2.0 and allow for residential densities of 20-30 units per acre. This change would increase allowed intensities in Los Gatos's unique and charming Downtown by over 200 percent. Such a change would conflict with policies emphasizing the small-scale retail development envisioned in the CBD district that is consistent with the Town's identity, character, and style. (*Cf.* Proposed Plan, Policies LU-8.2, LU-8.3, LU-9.1, and LU-9.4.) Such high density development could threaten the commercial viability of the Downtown area.

The City of Campbell limits FAR in its Central Commercial ("CC") district to 1.25. Similar to Los Gatos's CBD district, Campbell's CC district is intended to promote retail commercial uses on the ground floor with office or other uses on upper floors. The Town should likewise limit FAR in the CBD to 1.25.

D. Make Other Changes As Needed to Accommodate The Town's Assigned RHNA.

In addition to the above changes, the Town should modify land use designations and densities so that build-out under the Proposed Plan would accommodate no more than approximately 2,300 units. This figure reflects the Town's RHNA of 1,993 units, plus a 15 percent buffer. It also reflects the economic demand and the City Council's preferred land use alternative. By proceeding with

this reasonable growth figure, the Town could ensure that development is phased and does not outpace necessary infrastructure and service improvements.

The current Proposed Plan allows for the development potential of nearly 75,000 housing units at maximum allowable densities. There is no need to maximize densities in each and every residential and commercial land use category to achieve the Town's RHNA and doing so would fundamentally change the nature and character of the entire Town. This underscores why the Housing Element update and its critical housing sites inventory should precede any further work on the Proposed Plan.

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We respectfully ask the Town to focus first on the Housing Element update prior to considering the Proposed Plan or any other General Plan update. The Housing Element update will provide critical information on what area(s), if any, need to be re-designated in the General Plan to accommodate the Town's projected housing growth. Once the Housing Element update has been finalized, the Proposed Plan should be revised to reflect it as well as the other recommended changes detailed above.

Thank you for your consideration of LGCA's views on these important matters. Please do not hesitate to contact the undersigned with any questions concerning this correspondence.

Very truly yours,

RUTAN & TUCKER, LLP

Matthew D. Francois

cc (*via e-mail*):
Honorable Rob Rennie, Mayor, and Members of the Town Council
Laurel Prevetti, Town Manager
Joel Paulson, Community Development Director
Robert Schultz, Town Attorney

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