



TOWN OF LOS GATOS
COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION
(408) 354-6872 Fax (408) 354-7593
planning@losgatosca.gov

CIVIC CENTER
110 E. MAIN STREET
LOS GATOS, CA 95030

November 28, 2023

Paul McDougall
State Department of Housing and Community Development
C/O Land Use and Planning Unit
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833

Re: Town of Los Gatos Draft Revised 2023-2031 Housing Element

Dear Mr. McDougall,

This letter serves to transmit a formal resubmittal of the Town of Los Gatos' Draft Revised 2023-2031 Housing Element, implementing changes in response to comments in the Draft Preliminary Review Matrix provided by Jose Jauregui.

Draft Revisions

This Draft Revised Housing Element (dated November 2023) responds to the Draft Preliminary Review Matrix provided by HCD on November 7, 2023. The Town has made several modifications to the Housing Element, detailed in the "Staff Response" column of the attached Draft Preliminary Review Matrix. Included in this formal resubmittal are the following documents:

- The Town's response memorandum to HCD's November 7, 2023, Draft Preliminary Review Matrix;
- The Draft Revised Housing Element showing the track changes of the October 2, 2023, draft, as well as the additional changes, in response to the November 7, 2023, matrix which are highlighted in yellow;
- A clean copy of the Draft Revised Housing Element;
- An electronic copy of the Sites Inventory Form; and
- Written comments submitted to the Town during the seven-day public review period, November 16, 2023, through November 27, 2023.

Housing Sites Inventory

The sites, calculated at their net, minimum density, in addition to Accessory Dwelling Unit Projections, Pipeline Projects, and RHNA credits for housing units that have been approved, permitted, or received a certificate of occupancy since the beginning of the RHNA projected period have a total, net capacity of 2,371 units. This inventory accommodates a surplus of approximately 24 percent above the Town's RHNA of 1,993 housing units.

Public Review

Pursuant to Government Code 65585(b)(1), the Town has posted the modifications to the Town's Housing Element website and provided notification to all individuals and organizations that previously

requested notices, as well as all parties on the Town's notification list, including those who have previously commented on the Housing Element. The Draft Revised Housing Element was posted on November 16, 2023, more than seven days prior to submittal of the Draft Revised Housing Element to HCD for review, consistent with AB 215 requirements.

Compliance with Government Code Section 65585:

The Town received correspondence from the Los Gatos Community Alliance ("LGCA") pointing out that the Town had submitted proposed revisions to HCD prior to the close of the seven-day public comment period. Town staff did provide HCD, via email, with an informal internal submittal of the Draft Revised Housing Element (November 2023), noting that the seven-day public review would end on November 27, 2023. Upon receipt of the LGCA's letter and further review of Government Code Section 65585(b), the Town's Community Development Director contacted HCD to ask that the Town's submittal be deemed submitted at the end of the day on November 27th. This letter constitutes a formal resubmittal of the Draft Revised Housing Element (November 2023), following the seven-day public comment period.

In addition, the responses below have been provided addressing the public comments received during the seven-day public comment period.

Response to Public Comments Received During the Seven-Day Public Comment Period:

During the seven-day public comment period, November 16, 2023, through November 27, 2023, the Town received one public comment letter from the Los Gatos Community Alliance ("LGCA"). The following provides a response to each public comment submitted and includes how the comments were incorporated into the review, if appropriate.

- 1) LGCA Comment #1, Table 10-3: The method for calculating the percentage of the surplus is consistent with other Santa Clara County jurisdictions who have received certification of their Housing Element. Additionally, this method has been utilized by the Town's Housing Element consultant with approximately 40 jurisdictions who have received certification of their Housing Element. The buffer of 25 percent, as identified in Implementation Program AS is a reflection of the March 2023 version of the Draft Revised Housing Element and could be revised to reflect the November 2023 version of the Draft Revised Housing Element, which provides a 24 percent buffer.
- 2) LGCA Comment #2, Projected ADU Affordability: The income and affordability distribution of ADU's in the Housing Element was based on a technical memorandum prepared by the Association of Bay Area Governments (ABAG), titled 'Using ADU's to Satisfy RHNA Technical Memo.' The ABAG information provided by the LGCA was a draft version. The Town is utilizing the recommended percentages, provided in the final version of the ABAG technical memorandum.
- 3) LGCA Comment #3, SB 330 Impact: The Town has received direction from HCD that No Net Loss law is only applicable once a project has been approved. The preliminary and formal SB 330 applications that the Town has received have not been approved. If and when a formal application is submitted and the project is approved that will trigger the "no net loss" requirements, and the Town will comply with the "no net loss" requirements.
- 4) LGCA Comment #4, No Net Loss Buffer: As discussed in the response to comment #3, the Town has received direction from HCD that No Net Loss law is only applicable once a project has been

approved. The preliminary and formal SB 330 applications that the Town has received have not been approved. If and when a formal application is submitted and the project is approved that will trigger the “no net loss” requirements, and the Town will comply with the “no net loss” requirements.

- 5) LGCA Comment #5, Program References to Town’s Affordable Housing In Lieu Fund: The Below Market Price (BMP) housing in-lieu fees must be used for affordable housing purposes and are allocated as directed by the Town Council as part of the budgeting process. Every year the Town Council identifies their strategic priorities as an initial step in the budget development process. The Town Council has made affordable housing partnerships a 2023-2025 Strategic Priority.

The public comments provided during the seven-day public comment period above were considered and it was determined that no revisions were required to the Draft Revised 2023-2031 Housing Element (November 2023).

On behalf of the Town of Los Gatos, thank you for the review of the Town of Los Gatos’ Draft Revised Housing Element. The Town looks forward to receiving HCD’s findings/comment letter on December 1, 2023, and potentially receiving additional direction and feedback from HCD that would assist the Town in the evaluation and decision-making process to bring the Housing Element into a compliance status by or before the end of the 60-day review period. Questions or comments on the Housing Element may be directed to:

Joel Paulson, Community Development Director
jpaulson@losgatosca.gov
408-354-6879

Sincerely,



Joel Paulson
Community Development Department
Town of Los Gatos

Enclosures:

- Response Memorandum to HCD’s November 7, 2023, Draft Preliminary Review Matrix
- Town of Los Gatos Draft Revised Housing Element with track changes
- Town of Los Gatos Draft Revised Housing Element clean copy
- Electronic Copy of the Sites Inventory Form
- Written comments submitted to the Town during the seven-day public review period, November 16, 2023, through November 27, 2023