

Public Comments Received by the Town of Los Gatos
During the Seven-Day Public Review Period of the
Draft Revised 2023-2031 Housing Element

March 7, 2024 to March 14, 2024



March 14, 2024

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

Re: March revised draft of Los Gatos 2023-2031 Housing Element

Dear Mr. Paulson,

The Los Gatos Community Alliance (LGCA) is a group of concerned residents writing to you regarding the March 2024 revised draft of the 2023-2031 Housing Element. We respectfully offer the following comment regarding Program J, which is attached (Attachment 1).

Program J

Program J was created in response to HCD's concerns regarding the adequacy of the Town's goals to address affirmatively furthering fair housing (AFFH). HCD requested that actions furthering AFFH and enhancing housing mobility (e.g., choices and affordability) be added to the Housing Element to better promote inclusive neighborhoods throughout the Town. HCD pointed out that this was particularly important because the Town is wholly a racially concentrated area of affluence, highest resource, and highest median incomes in contrast to the rest of the region. We understand HCD's concerns regarding AFFH and agree with the goal to enhance housing mobility by providing increased choices and affordability. While there is no disagreement with the goal (the what), LGCA does have concerns as to how to achieve the goal (the how).

The objective of Program J is to increase the number of housing units in a variety of neighborhoods by modifying the zoning code to facilitate the development of ADUs, JADUs, and small multi-family units such as duplexes, triplexes and fourplexes, to name a few. Success in Los Gatos will be measured by the Town's ability to facilitate over the next eight years the development of 150 units including the combination of ADUs, JADUs and small multi-unit housing, including 30 of these units being affordable for low and very-low-income groups, in low to medium density designations and high-median income areas.

Program J replicated policies LU 1.1 and LU 1.2 from the 2040 General Plan Land Use Element. The Land Use Element is subject to a referendum and has been suspended until the referendum is resolved. The legal implication of including LU 1.1 and LU 1.2 into the Housing Element while the Land Use Element is in dispute is unclear and the Town should consider this.

More importantly, while Program J may appear on its face to be a reasonable concept, the Town has not analyzed the feasibility of the program to determine whether the stated goals can be achieved in the specified manner. In assessing feasibility, it is critical to determine whether the "financially feasible"



outcomes are attainable at area median income levels and not just the highest median income levels. Unless the additional housing units delivered by Program J are truly attainable by most of the population, the Program is unlikely to achieve its equity goals. This is the heart of what the Housing Element is addressing.

That is why the LGCA is writing to you today; to bring to your attention the fact the Town has not done a needed feasibility analysis to be reasonably assured Program J will deliver the desired outcomes.

Background

In 2021 the City of San Jose commissioned the consulting firms Strategic Economics and Opticos Design to evaluate the feasibility of 2–4-unit housing development projects on parcels within one-half mile of transit-oriented locations. The City also evaluated the potential for 2-4 multi-family units citywide due to equity concerns.

The locations were envisioned as walkable, bikeable, and transit-rich neighborhoods while generally maintaining zoning setbacks and heights. The report included an evaluation with a site design lens the extent to which certain Missing Middle housing types, such as a stacked fourplex, could be built in residential neighborhoods.

To evaluate the feasibility of 2–4-unit housing development across the City of San Jose, Strategic Economics mapped the housing market for ownership and rental housing in 12 San Jose sub-areas. Each sub-area was further categorized into a market tier. This allowed for the study to reflect the fact that different areas of the city have different land values, sales prices, and rents, all of which affect the likelihood of 2–4-unit housing development projects being built.

Three tiers were established based on the strength of the housing prices and rents. Tier 1 represented the highest value market tier, while Tier 3 was the lowest. Tier 1 included sub-areas West Valley, Willow Glen, Central and North. Tier 1 would be the closest to Los Gatos in terms of relative strength of housing prices and rents, with most of Los Gatos having substantially higher land values, sales prices and rents.

Results

The study focused on four units in one house-form as the optimal building type to evaluate. This form is called a “stacked fourplex” and consists of two units on the ground floor and two units stacked directly above. This form was chosen because significant parts of San Jose could accommodate the required lot size of lots with 50-to-60-foot widths and 125 feet deep. A typical unit was 1,080 square feet with 1.25 parking spaces per unit. The development density was approximately 23 DU/acre. A stacked fourplex was determined to be a logical baseline building type for analysis.

The 2040 Land Use Element, Figure 3-5 (Attachment 2) illustrates how on a typical block a 2–4-unit housing could be developed in Town. A stacked fourplex is shown as one of the housing forms. It provides four units, but within an overall footprint that is comparable to single-family homes. Therefore, a stacked fourplex was an ideal housing type to deliver attainability due to smaller unit sizes and due to its massing and orientation that works well in single-family neighborhoods.



However, the financial feasibility analysis concluded that this type of unit was financially infeasible for both rental and for-sale products. As a result, this type of unit was unlikely to contribute to additional housing of the desired types in San Jose.

We have attached (Attachment 3) the resulting financial model. Because of the high land acquisition cost of the redevelopment site, the residual land value less the typical acquisition cost is negative for all tiers and for both rental and for-sale products. Normalizing for property values in Los Gatos, the negative residual land costs would even be larger.

Conclusion

The San Jose study strongly indicates that Program J will not deliver the desired objectives for 2–4-unit development projects Town wide. Program J would not create housing attainable by many residents, further increasing housing inequity, and no affordable units for low and very low-income groups would be developed. The solution proposed by Program J fails to address the feasibility of redevelopment that makes the problem challenging in the first place. The current program, with the intent to broadly expand multi-family units and promote housing equity Town wide, would in fact fail to achieve these goals. Instead it is likely to result in the production of more (and denser) market-rate housing attainable by only the highest income groups.

A more thoughtful approach would be to identify appropriate areas within one-half mile of transit points, which are walkable, bikeable, and near services, and which have the highest feasibility of redevelopment. Once identified, the Town should create a new low-medium density residential land use to encourage multi-family development with density ranges between 6 and 13 units per acre. LGCA has long advocated for policies that will deliver affordable housing to those in most need as opposed to policies that will result in more (and denser) market-rate housing attainable by only the highest income groups and ultimately exacerbating housing inequity.

Los Gatos Community Alliance

| Programs | | |
|----------|--|--|
| | 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' RHNA for lower income households. | Community Development Department |
| | | Timeframe |
| | | Upon adoption of the Housing Element |
| | | Funding Source |
| | | None required |
| | | Quantified Objective |
| | | Deliver Housing Element |
| | | Performance Metric(s) |
| | | Delivery of Housing Element |
| I | Senior Housing Resources 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. Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market. | Implementation Policies |
| | | HE-1.6 Universal Design HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs 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 |
| | | Responsible Department/Review Authority |
| | | Community Development Department and the Town Council |
| | | Timeframe |
| | | Ongoing and annual effort Update materials annually |
| | | Funding Source |
| | | Town Affordable Housing Funds |
| | | Quantified Objective |
| | | Maintain the existing housing stock by funding three home repairs to lower income seniors annually |
| | | Performance Metric(s) |
| | | Measure the number of units assisted versus the need |
| J | Small Multi-Unit Housing, "Missing Middle" The Housing Element supports the land use goal of providing opportunities for housing that can accommodate the needs, preferences, and financial capabilities of current and future residents in terms of different housing types, tenures, density, sizes, and costs. Specifically, the Town aims to create mixed residential neighborhoods through | Implementation Policies |
| | | HE-1.5 Variety of Housing Choices HE-2.4 Rental Housing HE-3.3 Efficient Development Processing |
| | | Responsible Department/Review Authority |
| | | Community Development Department |
| | | Timeframe |
| | | December 2024 |
| | | Funding Source |

10. Housing Element

| Programs | |
|---|--|
| <p>new and innovative housing types that meet the changing needs of Los Gatos households and expand housing in a variety of neighborhoods. These housing types include, but are not limited to, single dwelling units, multifamily dwelling units, accessory dwelling units, small and micro units, use of pre-fabricated homes, and clustered housing/cottage housing. The Town will also promote small multi-unit housing that increases density. This includes multi-family units or clustered residential buildings that provide relatively smaller, less expensive units within existing neighborhoods.</p> <p>Modify the Zoning Code to facilitate small multi-unit housing in certain low and medium density designations. This includes creating mixed residential neighborhoods through new and innovative housing types that meet the changing needs of Los Gatos households and expand housing choices in a variety of neighborhoods. Housing types include, but are not limited to single dwelling units, multifamily dwelling units, accessory dwelling units, small and micro units, use of prefabricated homes, and clustered/cottage housing. The modification of the Zoning Code to facilitate the development of small multi-unit housing will occur in a variety of neighborhoods throughout the Town except for in the Very High Fire Hazard Severity Zones, hillside residential zones, and historic districts.</p> <p>Small multi-unit housing is defined as multiple units on a single parcel (whether attached or detached) that are compatible in scale and form with detached single-family homes. Common housing types include duplexes; triplexes; fourplexes; courtyard apartments; cottage courts; townhomes; triplex stacked (vertical); and live-work spaces.</p> <p>Promote this program through publication, to include the following information: Low rise multi-family dwelling units ranging from two to 10 units can help meet the needs of families, seniors and students. Permit processing times tend to be shorter than larger multi-family buildings</p> | None required |
| | Quantified Objective |
| | Increase the number of housing units, including the combination of small multi-unit housing, religious institutions, Junior Accessory Dwelling Unit (JADU), and SB 10 by 150 units (including 30 of these units as being affordable) over eight years with the goal of achieving 100% of the units in low to medium density designations and high median income areas. |
| | Performance Metric(s) |
| | Complete Zoning Code amendment by December 2024 and track the number of entitled Planning applications received per year |

| Programs | |
|----------|---|
| | <p>due to the low-rise nature of the structures.</p> <p>Research existing regulatory impediments to the creation of new housing types that have the potential to fulfill unmet housing needs (e.g., tiny homes, co-housing developments) and if necessary, amend applicable ordinances and development standards to facilitate and allow for their development at the maximum density.</p> <p>Pursue establishment of a maximum average unit size as a tool to moderate unit sizes for developments over a certain size but to allow flexibility for a range of unit sizes.</p> |
| K | 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 adopt 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. |
| | Implementation Policies |
| | HE-3.4 Lot Consolidation |
| | Responsible Department/Review Authority |
| | Community Development Department |
| | Timeframe |
| | June 2025 |
| | Funding Source |
| | None required |
| | Quantified Objective |
| | Facilitate nine lot consolidations. |
| | Performance Metric(s) |
| | Complete Zoning Code amendment |
| L | Below Market Price Program |
| | Conduct a study to evaluate the existing BMP Program and recommend changes to the program to increase the number of lower-income units and units for special needs groups constructed townwide. 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, estimated affordable housing requirements, fee collection, and actual construction of |
| | Implementation Policies |
| | 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 |
| | Responsible Department/Review Authority |
| | Community Development Department |
| | Timeframe |
| | Complete study by June 2025 and implement recommended policy actions by December 2028 |

3. Land Use Element

Based on current (2020) persons per household in Los Gatos of 2.4 persons/household, this increase in units will increase the community's population by 7,584 persons.

3.2 Implementing Small Multi-Unit Housing

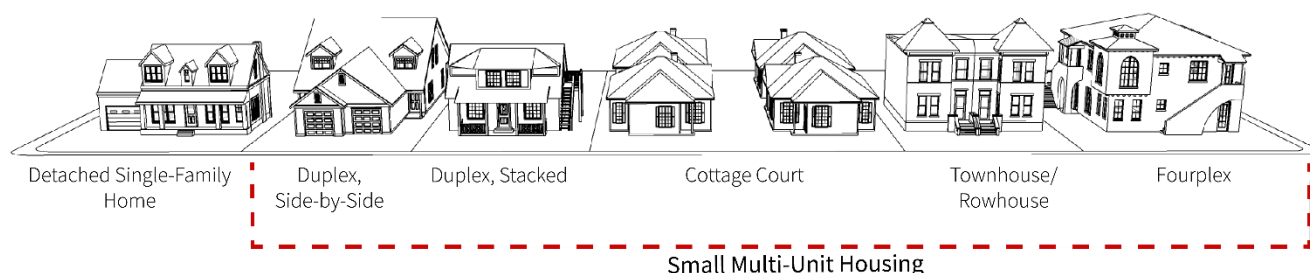
How to Meet the Housing Needs of Los Gatos

While housing and residential neighborhoods form the fabric that makes the Town a cohesive community, finding a place to call home in Los Gatos has been unattainable for many. The Town is not affordable for many prospective residents, and there are a lack of unit types and sizes to accommodate varied households. The aging population has also faced issues with the shortage of smaller dwelling units to allow aging in place within the community. The domination of single-family neighborhoods and the trend towards building larger and larger homes has further contributed to the housing issues in the Town.

These housing issues are not unique to Los Gatos and are seen throughout the Bay Area and many communities in California. The State of California has been working with communities to help meet the number and affordability of housing units needed in the State. As part of the Housing Element process, the State dictates the number of units, at a variety of income levels, that a jurisdiction must plan for. For Los Gatos, this is expected to be approximately 2,000 dwelling units of various affordability levels over the next eight-year cycle (2023-2031).

To address the diversity of housing needed in Los Gatos and meet the requirements of State law, the Town needs to look beyond the current process used to plan for housing. The Los Gatos planning process has typically focused on two categories of housing: detached single-family homes; and attached high-density multi-family apartments. To meet the diverse needs of the community, Los Gatos, like other communities nationwide, needs to strive for communities that are a heterogeneous mix of housing types and price points. This housing, which lies within High Density Residential (HDR- 14-22 units/acre) is often referred to as small multi-unit housing and can include a mix of housing types including duplexes, triplexes, fourplexes, cottage courts/clusters, and townhomes (illustrated on Figure 3-4). Through design, these units are expected to be compatible in form and appearance with detached single-family homes.

Figure 3-4 Small Multi-Unit Housing Concept Illustrated



As part of the 2040 General Plan, a goal, policies, and implementation programs are included to support the development of Small Multi-Unit Housing within existing Los Gatos neighborhoods. Figure 3-5 illustrates this concept using a variety of Small Multi-Unit Housing types. In the graphic below, the two blocks were laid out to be identical relative to lot lines and existing structures, with the dwelling units shaded in white being existing dwelling units in a variety of sizes, but all being single-family detached homes. The portion of the graphic on the bottom (labeled "With Small Multi-Unit Housing") shows that same block with future development. The white shaded structures are those current units remaining and the gold shaded structures are new Small Multi-Unit Housing types. Some are in addition to existing structures ("A" and "F"), one is a replacement structure on an existing lot ("C"), and two show the consolidation of two lots to create one larger lot ("B" and "D").

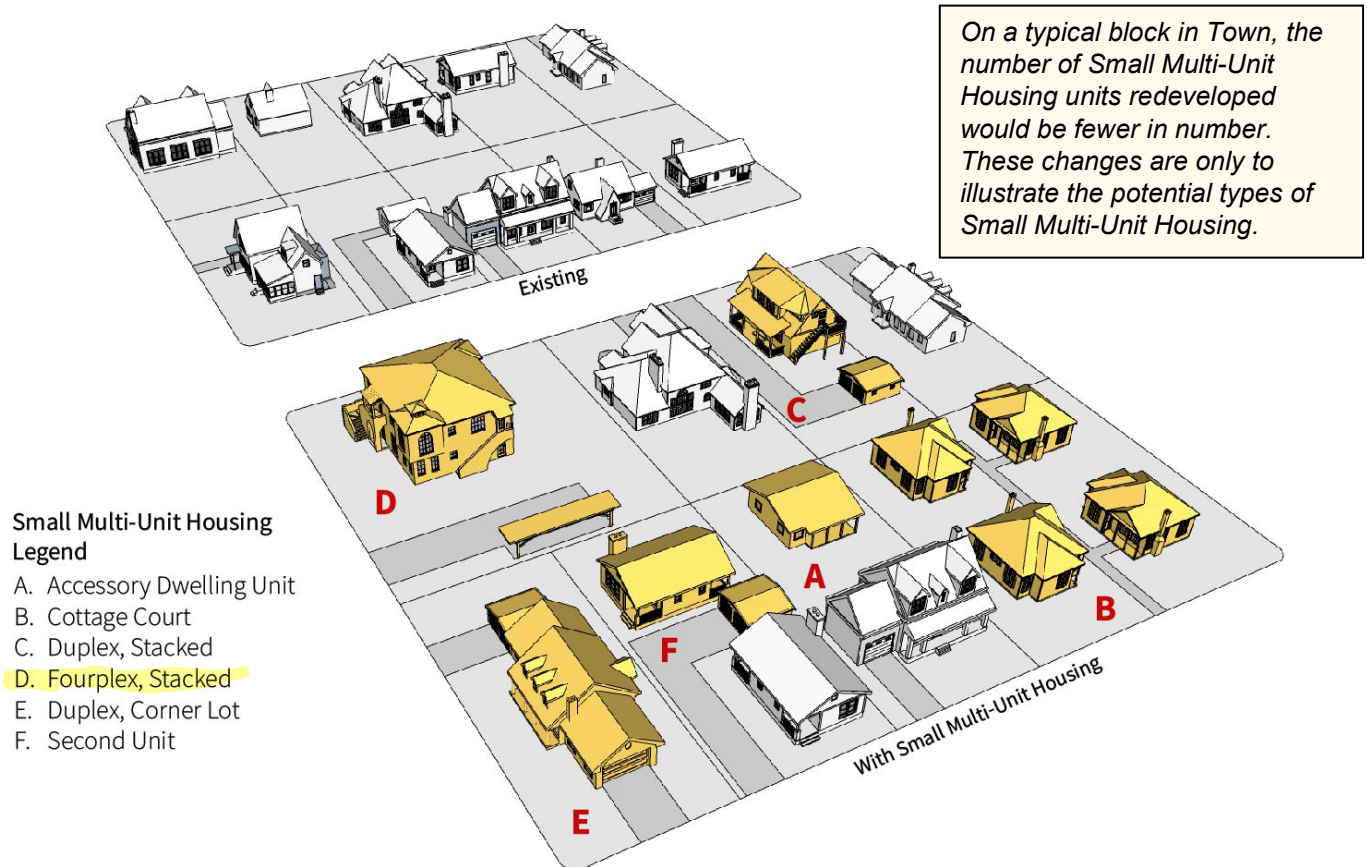


Figure 3-5 Small Multi-Unit Housing Types Illustrated (Sample Concepts)

This illustration is designed to show potential ideas for how to incorporate a range of housing types and sizes into an existing neighborhood. In addition to different types, the Small Multi-Unit Housing concepts would also support the production of a variety of unit sizes in the 500 to 1,000 square-foot range.

The following goal and policies will provide guidance on creation of small multi-unit housing.

LU-1

Provide opportunities for housing that can accommodate the needs, preferences, and financial capabilities of current and future residents in terms of different housing types, tenures, density, sizes, and costs.

LU-1.1

Mixed Residential Neighborhoods

Encourage creation of mixed residential neighborhoods through new and innovative housing types that meet the changing needs of Los Gatos households and expand housing choices in all neighborhoods. These housing types include, but are not limited to, single dwelling units, multi-family dwelling units, accessory dwelling units, small and micro units, use of pre-fabricated homes, and clustered housing/cottage housing.

3. Land Use Element

LU-1.2

Small Multi-Unit Housing

Support housing types and designs that increase density while remaining consistent with the building scale and character present in existing neighborhoods. This includes multi-family units or clustered residential buildings that provide relatively smaller, less expensive units within existing neighborhoods.

3.3 A Plan for Neighborhood Connectivity

Recent community design in California has been heavily influenced by the automobile. Instead of looking at providing easy access to goods and services near our homes, we have focused on moving in the larger region as our priority, where travel over significant distances in a short period of time was the primary design factor. This has led to an increased use of land for transportation systems and parking, the isolation of neighborhoods by placement of wide arterial streets, and the concentration of essential services and shopping in a more distant, regional context. This differs significantly from the earlier designs of communities that focused on a more complete neighborhood with easy access and close proximity to goods and services.

This concept, first formulated by Carlos Moreno of Pantheon Sorbonne University in Paris, was designed to look at creating a “15-minute city;” in the United States, this has also been framed using a 20-minute distance. For Los Gatos, the desire is to have goods and services within a distance that would support easy access by walking or biking. To support these different modes of travel, a distance of one mile from a residence was used to represent easy access for filling basic, daily needs. This design has three defining features:

- **Proximity.** Uses must be in close proximity to each other.
- **Diversity.** Land uses need to provide a mix of residential and commercial services.
- **Density.** Success requires a density of residential uses to support the commercial services.

As part of the Town’s future, the 2040 General Plan will shift focus to reestablishing more complete neighborhood areas that meet the daily needs of residents to be located within a one-mile distance.

The following goal and policy will provide guidance on neighborhood connectivity.

LU-2

Provide for a community fabric that supports a robust housing mix and convenient access to goods and services that meet daily needs.

LU-2.1

Mixed Uses and Convenience

Promote a mix of compatible uses in and adjacent to residential neighborhoods to serve the basic, daily needs of nearby residents. This should include neighborhood shopping and services available within one mile of all non-hillside residential areas in the following categories:

- Convenience retail;
- Access to healthy food choices;
- Health services;
- Schools;
- Parks and open space;
- Access to transit; and
- Employment opportunities.

3.4 Land Use Diagram, Designations, and Standards

The core of the Land Use Element is the description of land use designations to classify and distinguish the various land uses needed within the Town. Corresponding levels of intensity, density, and allowable uses, as required by Government Code Section 65302(a), are defined in this section.

VII. APPENDIX A: DETAILED PRO FORMA RESULTS

The full pro formas for each prototype are included below. Scenarios that are considered feasible are highlighted in green.

Set 1 Results

FIGURE 31. PRO FORMA RESULTS: STACKED FOURPLEX RENTAL

| | Tier 1 | Tier 2 | Tier 3 |
|---|-------------|-------------|-------------|
| Revenues | | | |
| Annual Gross Scheduled Income | \$172,800 | \$162,259 | \$146,880 |
| Less Vacancy | -\$8,640 | -\$8,113 | -\$7,344 |
| Less Expenses | -\$51,840 | -\$48,678 | -\$44,064 |
| Net Operating Income | \$112,320 | \$105,468 | \$95,472 |
| Capitalized Value | \$2,642,824 | \$2,481,611 | \$2,246,400 |
| Development Costs | | | |
| Site Prep | \$75,000 | \$75,000 | \$75,000 |
| Vertical Hard Costs | \$1,320,000 | \$1,320,000 | \$1,320,000 |
| Contingency | \$69,750 | \$69,750 | \$69,750 |
| Soft Costs | \$161,600 | \$161,600 | \$161,600 |
| Municipal Fees (excl. Parkland, Site Development) | \$63,327 | \$63,327 | \$63,327 |
| Parkland In-Lieu Fee | \$76,167 | \$38,425 | \$40,600 |
| Site Development Permit Fees | \$17,588 | \$17,588 | \$17,588 |
| Financing Costs | \$57,371 | \$57,371 | \$57,371 |
| Total Development Cost | \$1,840,803 | \$1,803,061 | \$1,805,236 |
| Minimum Return | \$156,468 | \$153,260 | \$153,445 |
| Residual Land Value | \$645,552 | \$525,290 | \$287,719 |
| Typical Site Acquisition Cost | \$1,275,000 | \$1,162,500 | \$975,000 |
| Residual Land Value Less Typical Acquisition Cost | -\$629,448 | -\$637,210 | -\$687,281 |

Source: Strategic Economics, 2021.

FIGURE 32. PRO FORMA RESULTS: **STACKED FOURPLEX CONDO**

| | Tier 1 | Tier 2 | Tier 3 |
|--|-------------|-------------|-------------|
| Revenues | | | |
| Gross Sales Revenue | \$3,324,000 | \$2,916,000 | \$2,644,000 |
| Less Marketing Costs | -\$132,960 | -\$116,640 | -\$105,760 |
| Net Sales Revenue | \$3,191,040 | \$2,799,360 | \$2,538,240 |
| Development Costs | | | |
| Site Prep | \$75,000 | \$75,000 | \$75,000 |
| Vertical Hard Costs | \$1,440,000 | \$1,440,000 | \$1,440,000 |
| Contingency | \$75,750 | \$75,750 | \$75,750 |
| Soft Costs | \$171,200 | \$171,200 | \$171,200 |
| Municipal Fees (excl. Parkland and Site Development) | \$63,327 | \$63,327 | \$63,327 |
| Parkland In-Lieu Fee | \$61,667 | \$51,600 | \$38,175 |
| Site Development Permit Fees | \$17,588 | \$17,588 | \$17,588 |
| Financing Costs | \$61,612 | \$61,612 | \$61,612 |
| Total Development Costs | \$1,966,143 | \$1,956,077 | \$1,942,652 |
| Feasibility Summary | | | |
| Net Revenue Less Development Costs | \$1,224,897 | \$843,283 | \$595,588 |
| Minimum Return | \$353,906 | \$352,094 | \$349,677 |
| Residual Land Value | \$870,991 | \$491,190 | \$245,911 |
| Typical Site Acquisition Cost | \$1,275,000 | \$1,162,500 | \$975,000 |
| Residual Land Value Less Typical Acquisition Cost | -\$404,009 | -\$671,310 | -\$729,089 |

Source: Strategic Economics, 2021.

Missing Middle Housing Types

Missing Middle Housing types offer a palette of house-form multi-unit housing options that are compatible with the range of two to four units per lot being considered for Opportunity Housing in San Jose.

Why Definition Matters

Building form will be an important consideration when establishing policies to deliver multi-unit housing into San Jose's existing primarily single-family neighborhoods in a way that expands housing options and also has a positive impact on the surrounding neighborhood.

Building form is an essential component of the concept of **Missing Middle Housing**, which is why several Missing Middle housing types have been considered for this study. Defined as *"a range of multi-unit or clustered housing types (ranging from two to 19 units per lot) that are compatible in scale with single-family homes, Missing Middle Housing types help meet the growing demand for walkable urban living, respond to shifting household demographics, and meet the need for more housing choices at different price points."*¹

Beginning with a specific building type in mind such as a stacked duplex or a stacked fourplex enables sharp economic

analysis and a clear and communicable vision for the built results of any proposed policy change for Opportunity Housing.

Since the upper threshold established by the San Jose Opportunity Housing Task Force is of four housing units per lot, a stacked fourplex is an important prototype to consider for both its unit count and also its form characteristics.



What Is A Stacked Fourplex?

A Missing Middle Housing type with four units in one house-form building, a stacked fourplex is an optimal building type to study the implications of allowing four units per lot in Opportunity Housing Areas.

A Building Type, Not Just Unit Count

In this study, the term *fourplex* and *stacked fourplex* have been used interchangeably. Both refer to the Missing Middle housing type, and not (as the term is sometimes used) to just any configuration of four housing units on a lot. A stacked fourplex is defined as **"a small to medium-sized structure that consists of two units on the ground floor and two units stacked directly above them."**² Delivering four units as a stacked fourplex has many benefits: it can be built on smaller lots, it lives much like a single-family home, and its small-to-medium footprint and two-story height is compatible in scale with existing single-family neighborhoods.

What Is Not a Stacked Fourplex

Other ways to deliver four units on a lot may include four side-by-side townhouses, oriented to face the street, or perpendicular to the street with a driveway on one side (sometimes called a "slot home"); or even as four detached units. These alternatives do deliver housing but typically have larger unit sizes than the stacked fourplex, and are thus likely not available at attainable price points. Also, not all configurations of four units on a lot may contribute to good urban form and an active public realm.

^{1,2} Parolek, Dan. *Missing Middle Housing: Thinking Big and Building Small to Respond to Today's Housing Crisis*



| Typical Lot Dimensions | |
|-----------------------------|-------------|
| Lot Width | 50' - 100' |
| Lot Depth | 100' - 150' |
| Resultant Density (du/acre) | |
| Without ADU | 12 - 36 |
| With ADU | 18 - 55 |

Stacked Fourplex



- Two units are located on the ground floor and two other units are stacked above them
- A common stoop and entrance is used to access all four units
- Has the form and scale of one house

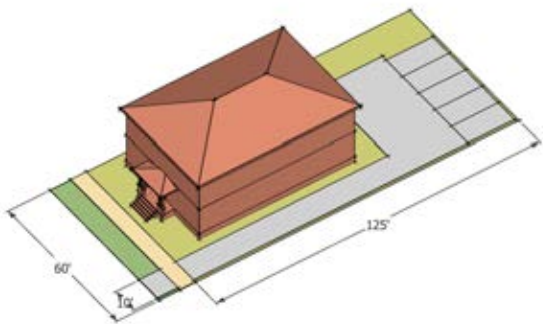
Not a Stacked Fourplex



- Units are located side-by-side, not stacked
- Each unit has distinct massing and a separate entrance
- Much wider than one house

Round 1 Test an "idealized" housing type and additions

Stacked Fourplex



This lot test used a typical stacked fourplex building type, known to promote livability and attainability. A typical fourplex has smaller individual units, with an overall building footprint that closely matches that of a medium-to-large single-family house. For achieving the equity goals of Opportunity Housing, it was important to test this type.

However, the financial model showed this prototype to be financially infeasible, for both rental and for-sale products. **As a result, this type is unlikely to contribute to additional housing in San Jose.** A variation tested was a larger side-by-side duplex. **This type was found to be feasible as a for-sale product in two of the three submarket tiers.** However, the larger unit sizes indicate that attainability may be an issue with this prototype.

| Lot + Building Specifications | |
|-------------------------------|-------------------|
| Lot size | 7,500 sf |
| Lot dimensions | 60 ft x 125 ft |
| # of units | 4 |
| # of parking spaces | 5 (1.25 per unit) |
| Unit types | 2 bd / 2 ba |
| Unit sizes | 1,080 sf |
| Density | 23 du/ac |
| FAR | 0.64 |

| Feasibility by Submarket | | |
|--|--------------|--------------|
| Note: Calculated based on residual value to acquisition cost ratio | | |
| | For-Sale | Rental |
| Tier 1 | Not feasible | Not feasible |
| Tier 2 | Not feasible | Not feasible |
| Tier 3 | Not feasible | Not feasible |
| Attainability | Feasibility | Livability |
| | | |

Variation Tested (not shown here)
Two-Story Side-by-Side Large Duplex. This was tested as a for-sale product and was feasible in Tiers 1 and 2.



March 14, 2024

Via email: HEUpdate@losgatosca.gov

Jocelyn Shoopman
Associate Planner
Town of Los Gatos
Community Development Department
110 E. Main Street
Los Gatos, CA 95030

RE: Town of Los Gatos Seven-Day Public Review of the Draft Revised 6th Cycle Housing Element

Dear Ms. Shoopman,

Thank you for the opportunity to review and comment on the March 2024 Draft Revised 2023-2031 Housing Element. As a local residential development company that has been building communities of distinction in the Bay Area for more than 40 years, including more than 200 homes in Los Gatos, SummerHill supports the Town's efforts to address its housing needs.

SummerHill Homes respectfully requests that the Town update the draft Housing Element to reflect the number of proposed residential projects and housing units currently in the Town's entitlement pipeline. Currently, the draft Housing Element indicates that only one formal SB 330 application has been submitted to the Town since September 2023 (see the discussion of Development Trends on page D-5 of Appendix D), but there is at least one additional formal SB 330 application currently in the entitlement pipeline.

In June 2023, SummerHill submitted an SB 330 preliminary application to develop housing at 50 Los Gatos-Saratoga Road. In December 2023, SummerHill submitted its formal application to develop 154 housing units in the project, and in February 2024, SummerHill resubmitted the formal application to address Technical Comments from Staff and increase the number of proposed housing units to 155. The application is currently pending, and SummerHill expects the project to be considered by the Town for approval in 2024.

SummerHill proposes to designate 16 of the 155 units as Below Market Price (BMP) units for Low Income households, 12 of the units as BMP units for Moderate Income households, and the remaining units as market-price units (likely affordable to Above Moderate Income households). With concessions and waivers pursuant to the State Density Bonus Law, the proposed project is consistent with the Town's General Plan and zoning regulations.

SummerHill respectfully requests that the discussion of 50 Los Gatos-Saratoga Road (Site B-1) on page D-19 of Appendix D and the data for Site B-1 (APNs 529-24-032, 529-24-001, 529-24-003) in Table B of

Jocelyn Shoopman

March 14, 2024

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Appendix H be updated to reflect the number of units in the entitlement pipeline (overall and by affordability level) for the site, which is a more accurate representation of realistic capacity given the SB 330 application on file in accordance the 2020 General Plan.

Please let us know if you have any questions.

Thank you.

Sincerely,



John Hickey

Vice President of Development

cc: Jennifer Armer, Planning Manager
Sean Mullin, Senior Planner
Kevin Ebrahimi, Senior Vice President of Development