

RESOLUTION 2024-030

**RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOS GATOS
ADOPTING A GENERAL PLAN AMENDMENT AMENDING 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-24-001

**PROPERTY LOCATION: TOWN WIDE
APPLICANT: TOWN OF LOS GATOS**

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 seven 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, 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 a 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 and to date, including 20 Housing Element Advisory Board (HEAB) public meetings; a joint study session with the HEAB, Planning Commission, and Town Council; four Planning Commission meetings; 15 Town Council meetings; two community meetings; a community meeting hosted by the Santa Clara County Planning Collaborative; a community meeting hosted by West Valley Community Services; 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, 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 provided a list of recommended revisions needed to receive from HCD a finding of substantial compliance with State Housing Element Law; and

WHEREAS, the Draft Housing Element was changed to substantially comply with State Housing Element Law, as described in Town Council Resolution No. 2023-006; and

WHEREAS, the 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, to comply with State Housing Element Law, the Town Council considered HCD's findings and adopted the 2023-2031 Housing Element (the Housing Element) on January 30, 2023, in compliance with State Housing Element Law; and

WHEREAS, on January 12, 2023, April 14, 2023, May 30, 2023, and December 1, 2023, the Town received letters from HCD stating that additional revisions would be needed to receive from HCD a finding of conformance with Housing Element Law; and

WHEREAS, since the receipt of the comment letters, the Town has met with HCD staff on January 27, 2023, February 9, 2023, April 21, 2023, May 10, 2023, June 21, 2023, September 5, 2023, November 7, 2023, December 13, 2023, January 18, 2024, March 1, 2024, and April 26, 2024, to discuss proposed edits intended to address HCD's requested changes and obtain preliminary feedback on those edits; and

WHEREAS, in accordance with Government Code Section 65585 (b), on February 3, 2023, March 23, 2023, September 22, 2023, November 17, 2023, March 7, 2024, and May 9, 2024, the Town posted proposed amendments to the adopted Housing Element and requested public comment for a seven-day review period, and on February 13, 2023, March 31, 2023, October 2, 2023, November 28, 2023, and March 18, 2024, the Town submitted proposed Housing Element amendments to HCD for its review; and

WHEREAS, on May 3, 2024, the Town received a letter from HCD stating that the draft Housing Element is in substantial compliance with State Housing Element law, and will comply with State Housing Element law when it is adopted; and

WHEREAS, on May 9, 2024, the Town published the final draft Housing Element determined to be in substantial compliance by HCD on the Town website and requested public comment on the final draft; and

WHEREAS, on May 22, 2024, the Planning Commission held a duly and properly noticed public hearing to consider the draft amendments to the Housing Element, the General Plan Amendment application, and associated Environmental Analysis; and

WHEREAS, the Planning Commission received testimony and documentary evidence from all interested persons who wished to testify or submit documents and considered all testimony and materials submitted, including the packet of material contained in the Planning Commission Agenda Report for their meeting on May 22, 2024, along with any and all subsequent reports and materials and public comments prepared concerning this matter.

WHEREAS, the Planning Commission recommended adoption of the General Plan Amendment amending the Town's Housing Element.

WHEREAS, this matter came before the Town Council for public hearing on June 4, 2024, 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 June 4, 2024, 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, attached as Attachment 2 to the staff report presented at the June 4, 2024 Town Council meeting, was prepared for the adopted Housing Element Update. Although the adopted Housing Element Update could have a significant effect on the environment, all potentially significant effects were analyzed adequately in the Town of Los Gatos 2040 General Plan Program Environmental Impact Report (EIR), adopted with a statement of overriding considerations on June 30, 2022, pursuant to applicable standards, including CEQA Guidelines Section 15168(c)(2). The Housing Element is consistent with the growth projections evaluated in the General Plan Program EIR and within the scope of the General Plan Program EIR. In accordance with CEQA Guidelines Section 15162, no subsequent EIR is required in that:
 - a. The Housing Element will not result in significant environmental effects not previously analyzed in the Program EIR for the 2040 General Plan or a substantial increase in those previously identified significant effects, because the density and location of potential development is within the scope of the 2040 General Plan analyzed by the Program EIR.
 - b. No substantial evidence has been introduced demonstrating that there are substantial changes with respect to the circumstances under which the

Housing Element is being adopted which will involve new significant effects or a substantial increase in previously identified significant effects.

c. No new information of substantial importance, which was not known and could not have been known at the time the previous EIR was certified, has placed in the record showing that:

- i. The Housing Element will have one or more significant effects not discussed in the Program EIR;
- ii. Significant effects previously examined will be substantially more severe than shown in the Program EIR;
- iii. Mitigation measures previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects; or
- iv. Mitigation measures which are considerably different than those analyzed in the Program EIR would substantially reduce one or more significant effects on the environment.

3. The Town Council finds that the proposed amendments to the adopted Housing Element were within the scope of the General Plan amendments covered by the General Plan EIR, in that they are consistent with the growth projections evaluated in the General Plan EIR, and no new environmental document is required, in that the impacts of the Housing Element amendments were analyzed adequately in the Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), as shown in the Environmental Analysis attached to the staff report for the June 4, 2024, Town Council meeting as Attachment 2. All feasible mitigation measures developed in the General Plan EIR remain in effect.

4. In accordance with Government Code Sections 65585(e) and (f)(1), the Town Council has considered HCD's comments and has found that the Town has completed changes to the adopted Housing Element to substantially comply with Housing Element Law, as detailed in the HCD letter dated May 3, 2024, attached to the staff report for the June 4, 2024, Town Council meeting as Attachment 6.

5. Government Code Section 65583.2(g)(2) requires that any jurisdiction relying on non-vacant sites to meet more than 50 percent of the RHNA for lower-income households must make findings based on substantial evidence that the existing use on the non-vacant site is not an impediment to residential development during the planning period. In Los Gatos, more than 50 percent of the remaining RHNA for lower income units is on non-vacant sites. The Town has provided such substantial evidence in the record (including but not limited to that contained in Appendix D to the proposed amended Housing Element, which is incorporated by reference). Based on this evidence, the existing uses on the non-vacant sites identified to accommodate the Town's RHNA are likely to be discontinued during the planning period, and therefore do not constitute an impediment to planned residential development on the sites during this planning period. The substantial evidence provided in Appendix D and elsewhere in the record includes, but is not limited to, the following:

- a. The Town has conducted a site-specific analysis of each site listed in the Sites Inventory, summarized in Tables D-5 and D-6. During the outreach for the 6th cycle Housing Element, the owners of 27 parcels expressed interest in developing housing on the sites that they own. Those sites are included in the Sites Inventory. Sites where owner interest was expressed, or where conceptual development plans have been received, are adequate to accommodate the Town's entire remaining RHNA for lower income and moderate-income housing (see Table D-2).
- b. The Town is experiencing high demand for residential planning approvals in that there are seven SB 330 formal or preliminary applications pending on the non-vacant sites in the Sites Inventory.
- c. The Town has followed HCD guidance when performing its section 65583.2(g)(2) analysis. The site selection criteria used by the Town to identify additional sites where existing uses are likely to be discontinued during the planning period include improvement to land value (average 0.56); floor area

ratio less than 50 percent of that allowed (average 0.15); buildings over 40 years old; and existing structures less than the permitted height (primarily one-story buildings), characteristics which are associated with sites where owner interest has been expressed or applications have been received. Only sites meeting three of these four criteria are included in the Sites Inventory.

- d. The Town has adopted the Housing Element Overlay Zone, which provides for increased density, a minimum density of 20 units per acre, increased height, and other modified development standards to provide incentives for residential development on properties in the Sites Inventory.
- e. In finding that existing uses for the designated non-vacant sites are likely to be discontinued during the planning period, and that such existing uses do not constitute an impediment to residential development, the Town has relied upon facts, assumptions that are derived from those facts, and expert opinion. The Town bases its findings on documented evidence that the redevelopment of commercial sites for housing is a growing regional and local trend that is clearly reflected in Los Gatos and other nearby cities in the region. Further, strong housing demand and high land values for residential development, together with weakening demand for commercial uses, have made conversion to residential use within the planning period likely for multiple sites that currently have commercial uses.
- f. The Town further bases its findings upon substantial evidence in the form of expressions of owner interest in residential development and that the existing uses on non-vacant sites are likely to be removed. During the outreach for the 6th cycle Housing Element, the owners of 27 parcels expressed interest in developing housing on the sites that they own.
- g. As described in Appendix D, based on including development trends, Property Owner Interest Forms, improvement value to land ratio, floor area ratio, structure age, and building height, the existing uses on the non-vacant sites identified in the site inventory are likely to be discontinued during the

planning period and do not constitute an impediment to planned residential development on the sites during the planning period.

NOW, THEREFORE, THE TOWN COUNCIL RESOLVES AS FOLLOWS:

1. The Town Council adopts the proposed amendments to the 2023-2031 Housing Element and the associated General Plan Amendment Application (GP-24-001) (Attachment 1 to the staff report presented at the June 4, 2024, Town Council meeting).
2. The previously adopted 2023-2031 Housing Element is repealed and replaced in its entirety.
3. This resolution shall become effective upon adoption by the Town Council.

PASSED AND ADOPTED at a meeting of the Town Council of the Town of Los Gatos, California, held on the 4th day of June, 2024, by the following vote:

TOWN COUNCIL MEMBERS:

AYES: Maria Ristow, Rob Rennie, Rob Moore
NAYS: Matthew Hudes, Mayor Mary Badame
ABSENT: None
ABSTAIN: None

SIGNED:



MAYOR, LOS GATOS TOWN COUNCIL

ATTEST:



TOWN CLERK OF THE TOWN OF LOS GATOS