

10. Housing Element

The 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 analyzes the Town's housing needs, assesses fair housing practices, identifies opportunities for future residential development, and addresses potential constraints to housing development in the Town. Based on this research, the Housing Element includes goals, policies, and implementation programs aimed at addressing existing and future housing needs of Los Gatos. 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 January 31, 2023, through January 31, 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.

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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

Note: State law requires that jurisdictions project the housing needs of extremely low-income households. This projection can be estimated at 50 percent of the very low-income need.

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). An action matrix for programs and actions that aim to affirmatively further fair housing is included in Section 10.6, Implementation Programs, of this Housing Element.

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.

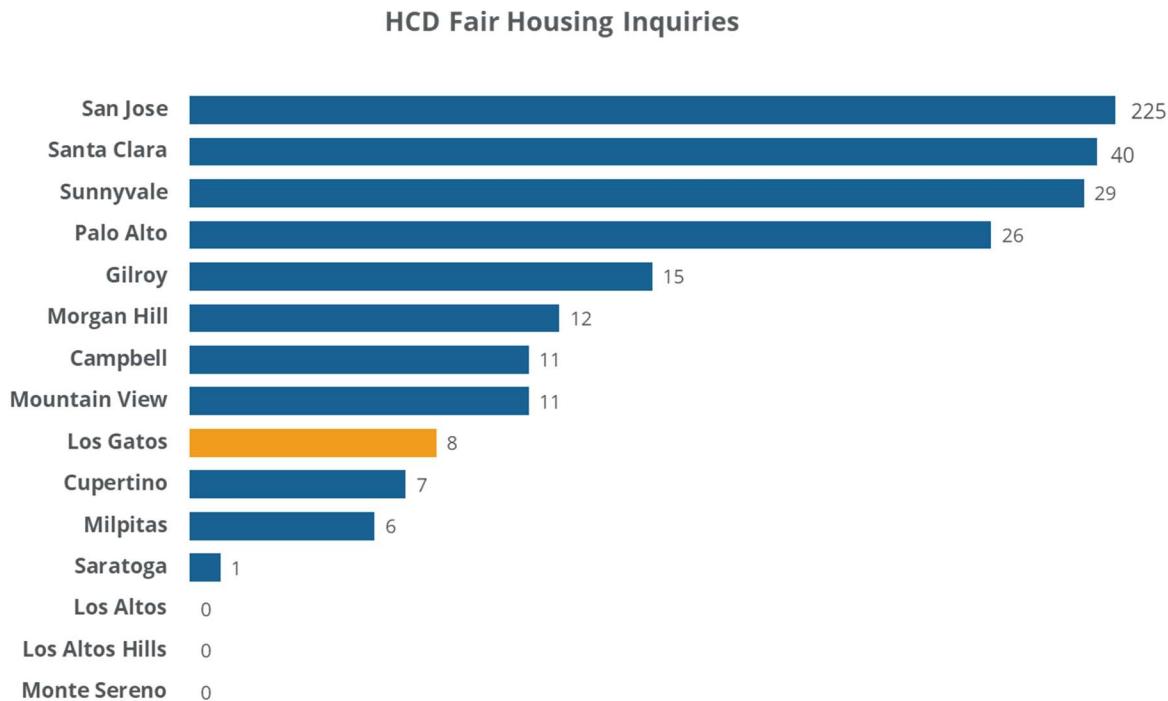
Segregation has resulted in vastly unequal access to public goods such as quality schools, neighborhood services and amenities, parks and playgrounds, clean air and water, and public safety. Segregation has lasting generational affects that target low-income and minority communities. Unequal access to 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.

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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 index³ 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 familial status 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	Failure	Total
									Not To Persue	to Respond	
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.

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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.hera.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 \(losgatosca.gov\)](http://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.

The update process that resulted in the adoption of the 2040 General Plan was conducted with an understanding of the changes that would be required for the next Housing Element update cycle, and with a goal of minimizing the number of additional General Plan amendments that would be required to ensure consistency between the updated Housing Element and other Elements of the General Plan. Given this recent work that resulted in the 2040 General Plan, the only Housing Element Implementation Program required to ensure consistency is Implementation Measure BG to allow the housing density suspended by the referendum mentioned above. The use of Implementation Measure BG allows the Housing Element to assume that the properties on the Sites Inventory are able to develop at the greater density levels and heights envisioned under the 2040 General Plan, regardless of the results of the referendum. In this way the Housing Element can depend on this new development capacity rather than being constrained by the referendum.

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, 2022, 683 new units were added to the Town's housing stock, achieving approximately 110 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), detached townhomes (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' 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 provide access to more rental and ownership options for working families who would otherwise be priced out of neighborhoods.

Since the adoption the Town's SB 9 Ordinance, the Town has received a total of four Two-Unit Housing Development applications and seven Urban Lot Split applications (between January 2022 and January 2023). The applications result in a total of 13 net new housing units a year. Based on the number of applications received during the first year of SB 9 the Town is utilizing an estimate of 12 net new housing units per year

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and anticipating a total of 96 residential units to be developed under SB 9 during the eight-year planning period, as further described in Program AV.

Within the Town, 6,940 parcels in the single-family zones have parcel size over 5,000 square feet (a conservative estimate compared to the minimum State requirement of 2,500 square feet) eligible for lot split. To estimate the number of parcels with potential for urban lot split, these factors were considered to exclude:

- Existing lot coverage (more than 40 percent) – Estimated by dividing building area by the number of stories.
- Year Built (1940 or earlier) – The Town considers homes built prior to 1941 as historic homes.
- Improvement to land value ratio (more than 1.0 and therefore improvements are worth more than the land) – Similar to age of structure, newer homes that are worth more than the land may be financially less conducive to lot splits.

Overall, 2,971 parcels meet these criteria. The projection of 12 units annually represents the potential participation of less than 0.5 percent of probable parcels and therefore a fairly conservative estimate.

Nevertheless, given these recent trends, the Town has not utilized these potential SB 9 units to meet its RHNA adequate sites requirement. These units help promote housing mobility in the Town, offering moderately priced housing in lower intensity neighborhoods (see Program AV).

Incentives 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 10 percent for development of ADUs. See Appendix Q for additional information regarding the Town's ADU program and incentives to increase ADU production and affordability.

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 BC 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.

Online Transparency

AB 1483 increases transparency for residential development project applicants. The Town of Los Gatos' website maintains the publication of specific fee and zoning information intended to increase transparency for residential development project applications.

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:

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- 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).
- 19 pop-up informational tables at the Los Gatos Farmers' Market.
- Two Housing Element Update information tables at the Los Gatos Library.
- 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.
- 20 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.
- Two informational meetings with the Los Gatos Democracy Tent community organization.

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; 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.

Renter’s Survey

On November 15, 2022, the Town of Los Gatos published a Renter’s Housing Survey to gather input from residents who are currently renting or have a history of renting in the Town. The goal of the survey was to inform the Town on renter household’s needs and possible barriers to accessing housing. The survey was made available in English, Russian, and Spanish, and posted online at www.EngageLosGatosHousing.com. Additionally, the survey was distributed in print throughout the Town in collaboration with West Valley Community Services (WVCS). The survey received a total of 62 responses. See Appendix B for the survey results.

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

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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.
- October 20, 2022: Review of the Submittal of the HCD Draft Initial Review Housing Element.
- December 1, 2022: Discuss Anticipated Comments on the Town's Draft Housing Element.
- February 16, 2023: Review of HCD comments and discuss possible modifications to the Housing Element.
- March 16, 2023: Review and Discuss the Town's Revised Draft Housing Element.
- June 15, 2023: Review of HCD comments and discuss possible modifications to the Housing Element.
- July 20, 2023: Review draft modifications to the Town's Draft Revised Housing Element.
- August 24, 2023: Review draft modifications to the Town's Draft Revised Housing Element.
- September 28, 2023: Review of the Town's Draft Revised Housing Element.
- January 18, 2024: Review of Town's Draft Revised Housing Element and discussion of HCD's December 1, 2023, comment letter.

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 Capobres, 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 accepted the sites in Tier 1 for inclusion in the Draft Site Inventory as recommended by the HEAB at their May 19, 2022, meeting.

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.

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

On January 24, 2023, the Town Council discussed the Town's 2022 through 2024 strategic priorities and included affordable housing partnerships as a strategic priority for the Town.

On January 30, 2023, the Town Council adopted the 2023-2031 Housing Element with modifications to the Sites Inventory, finding that it was in substantial compliance with State law with the revised Sites Inventory Analysis and revised Sites Inventory Form.

On April 4, 2023, the Town Council reviewed and discussed the Draft Revised 2023-2031 Housing Element as submitted to HCD on March 31, 2023.

On December 19, 2023, and January 16, 2024, February 6, 2024, February 20, 2024, and March 5, 2024, the Town Council reviewed and discussed the Draft Revised Housing Element.

Justice, Diversity, Equity, and Inclusion

Like many other cities in the United States, Los Gatos has a history which includes racial injustice. The Town also has a long-standing commitment to being equitable and inclusive. In the last couple years, with racial justice issues at the forefront of local and national conversations, the Town has taken a more holistic approach to Justice, Equity, Diversity, and Inclusion work. The Town of Los Gatos values justice, equity, diversity, and

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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.

On June 30, 2022, the Council adopted the 2040 General Plan with a brand-new chapter: the Racial, Social, and Environmental Justice Element. This guiding Element works in conjunction with the Town's commitment to create a more inclusive Los Gatos and provide safe spaces for all to join in conversations to shape the Town's future. The Town's work to further the goals and policies stated in this new Element include: hosting community conversations; adopting Diversity, Equity, and Inclusion as an ongoing Council Strategic Priority since 2021; implementing Police reforms; working with the California Senate and Assembly on the development of Senate Bill 1100, which updates public meeting laws to provide an important balance of maintaining freedom of speech, protecting public safety, and providing protection for elected officials; and developing a formal JEDI plan with goals, action items, and timelines.

On October 3, 2023, the Town Council adopted an enabling resolution establishing the Diversity, Equity, and Inclusion Commission (DEIC). The function of the Commission shall be to serve in an advisory capacity to the Town Council regarding matters pertaining to creating equitable opportunities and a sense of belonging within Town. The DEIC will be committed to Justice, Equity, Diversity, and Inclusion across all sectors within the Town of Los Gatos and the purpose of DEIC is to work to create more equitable opportunities and increase a sense of belonging for all Los Gatos community members and visitors through community engagement and collaborative activities.

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.
- November 13, 2022.
- December 11, 2022.
- January 15, 2023.
- February 19, 2023.
- March 26, 2023.
- May 21, 2023.
- June 11, 2023.
- July 23, 2023.

The Farmers' Market is held at the Town's Plaza Park located in downtown Los Gatos. The informational booth has provided an opportunity for planning staff to have approximately 75 interactions with the public, answer questions regarding housing opportunities and challenges within the Town, the location of possible housing sites in Town, the General Plan Update and Housing Element Update process in general, 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. 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, and April 24, 2023, 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.

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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 of 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.

10.1.6 Public Comment

Summary of Public Comment Topics

Public comments received on the Draft Housing Element addressed the following topics:

- Heath and environmental impacts on new residents based on housing location.
- Inclusion of Senate Bill 9 (SB 9) and Accessory Dwelling Units (ADUs) as additional housing.
- Consideration of sites owned by schools, public agencies, and religious organizations for housing.
- Reduction in permit processing time and other governmental constraints.
- Increase in labor standards.
- Errors and clarifications identified in data and analysis.

A full listing of public comments is included in Appendix I.

Summary of Public Comment Responses

Through the Housing Element update process the public comments received on the Draft Housing Element were addressed the following ways:

- Additional analysis and implementation program commitments to AFFH.
- Increased programs, incentives, and tracking to encourage production of housing units through SB 9 and ADUs.
- Increased commitment to support, encourage, and incentivize housing on school, publicly owned, and religious sites.
- Additional analysis of constraints was added in Appendix C, and commitments for reduction of government constraints were increased, for example reduced story pole requirements.
- New policy and implementation programs added to support local labor programs.
- Numerous errors and clarifications were corrected/added throughout.

Public Comments

A full listing of public comments received during the public review of the 6th Cycle Housing Element are included in Appendix I: Public Comments. Responses to public comments, where appropriate, are also provided.

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' 6th Cycle Housing Element Update. A more complete report on housing needs is presented in Appendix B.

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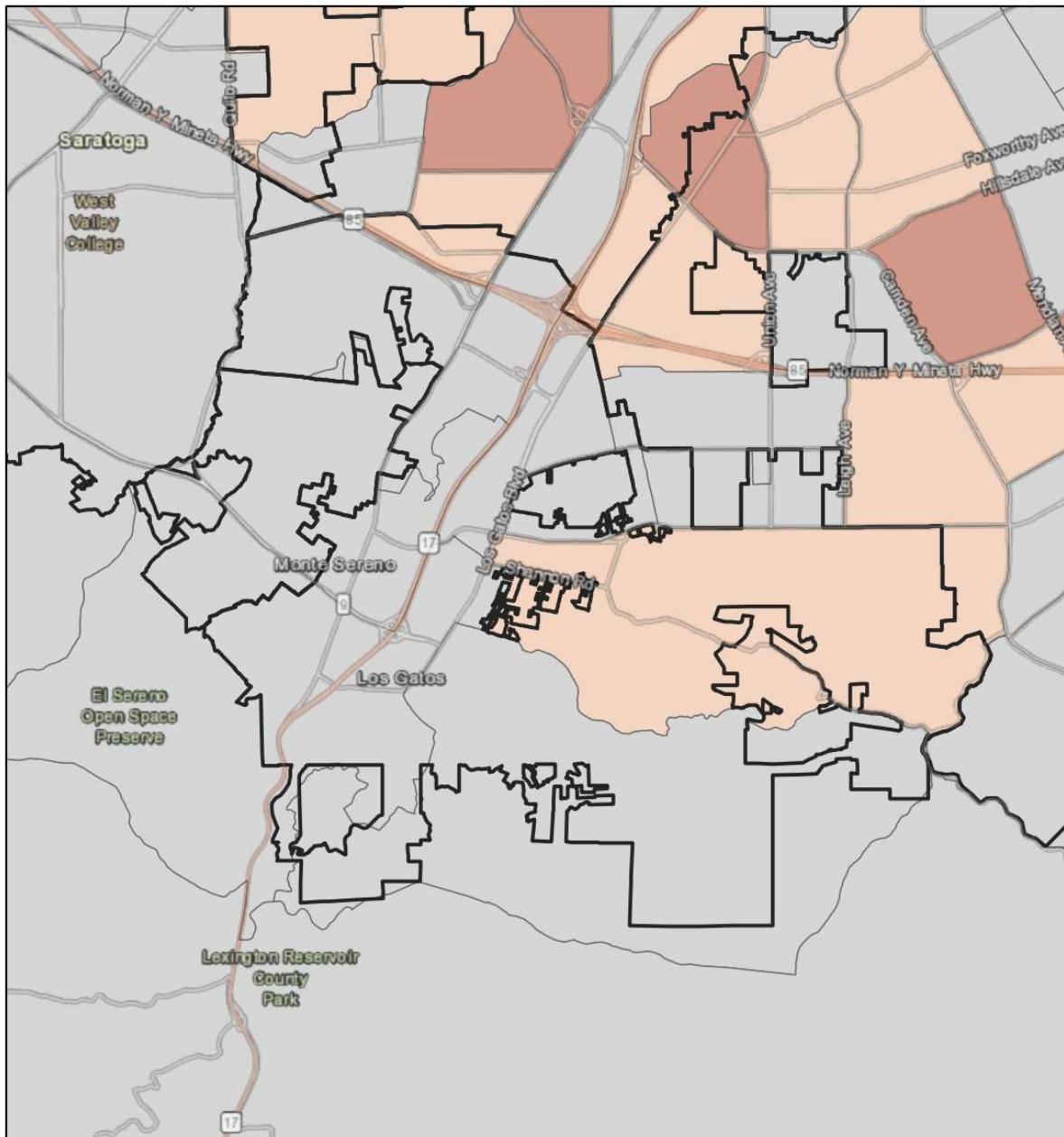
Figure 10-4 Public Housing Buildings, Partial Bay Area Region



CA HCD
 Esri, HERE, Garmin, USGS, EPA, NPS | PlaceWorks 2021, HUD 2019 | PlaceWorks 2021, HUD 2020 | PlaceWorks 2021, ESRI, U.S. Census | PlaceWorks 2021, TCAC 2020 | PlaceWorks 2021,

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

Figure 10-5 Housing Choice Vouchers by Census Tract



6/30/2022, 1:19:06 PM

1:72,224

0 0.5 1 1.5 2 mi
0 0.75 1.5 3 km

City/Town Boundaries

(R) Housing Choice Vouchers - Tract

No Data

> 0 - 5%

> 5% - 15%

City of San Jose, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

CA HCD

City of San Jose, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks

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

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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

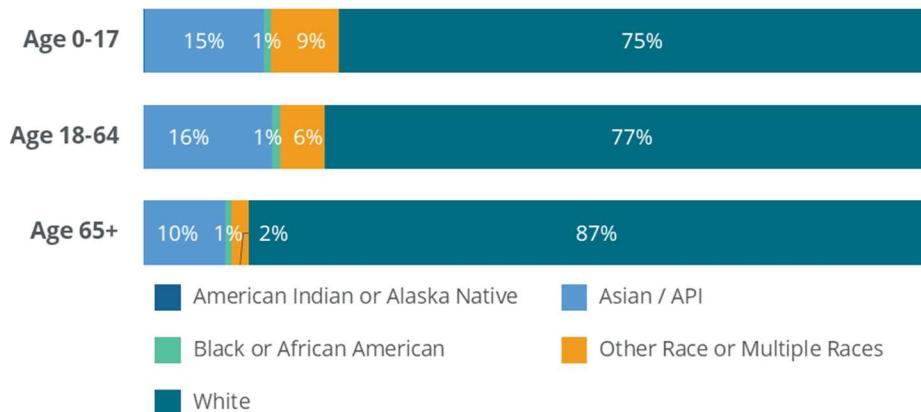
Population by Age

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.

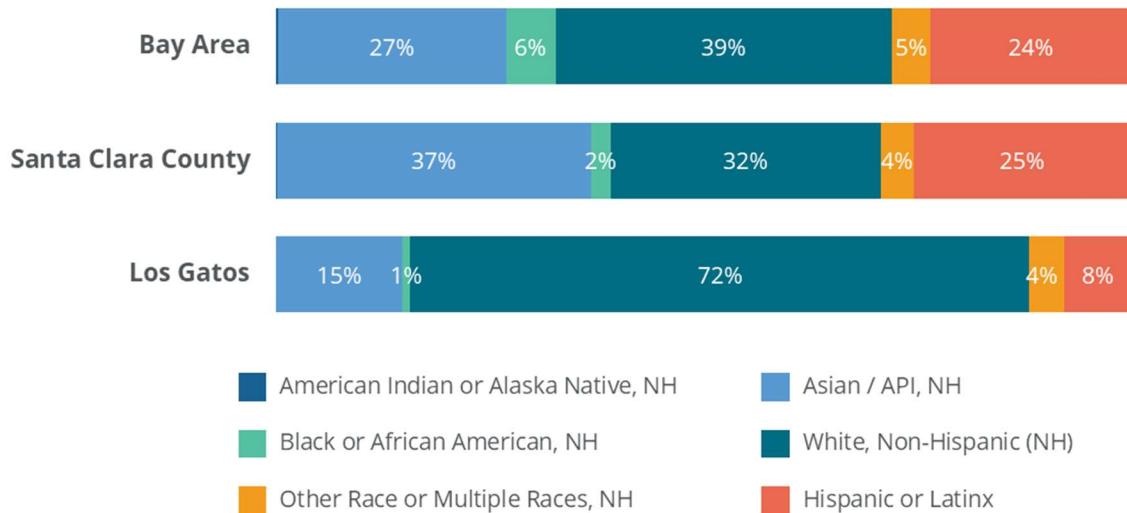
In 2019, 72.3 percent of the Town’s population was White while 0.9 percent was African American, 14.8 percent was Asian, and 7.9 percent was Latinx. People of color in Los Gatos comprise a proportion below the overall proportion in the Bay Area as a whole.⁷

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.

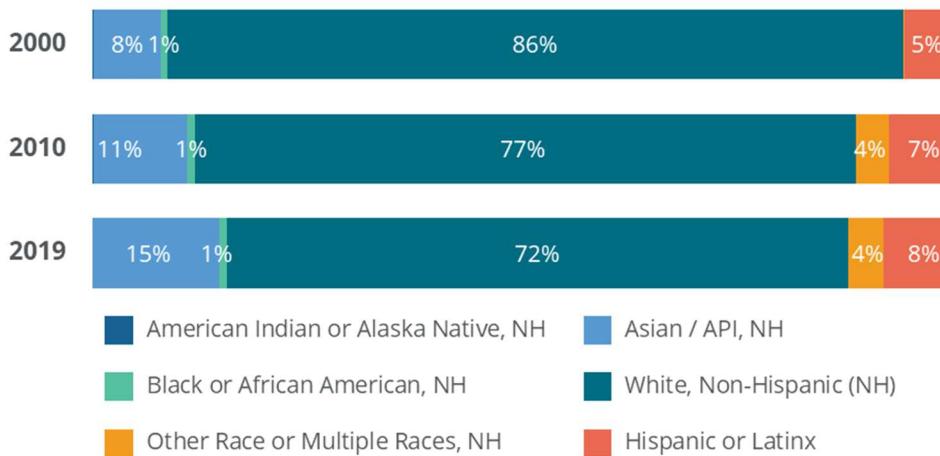
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Figure 10-7 Population by Race and Ethnicity, Los Gatos, 2019



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 its 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.

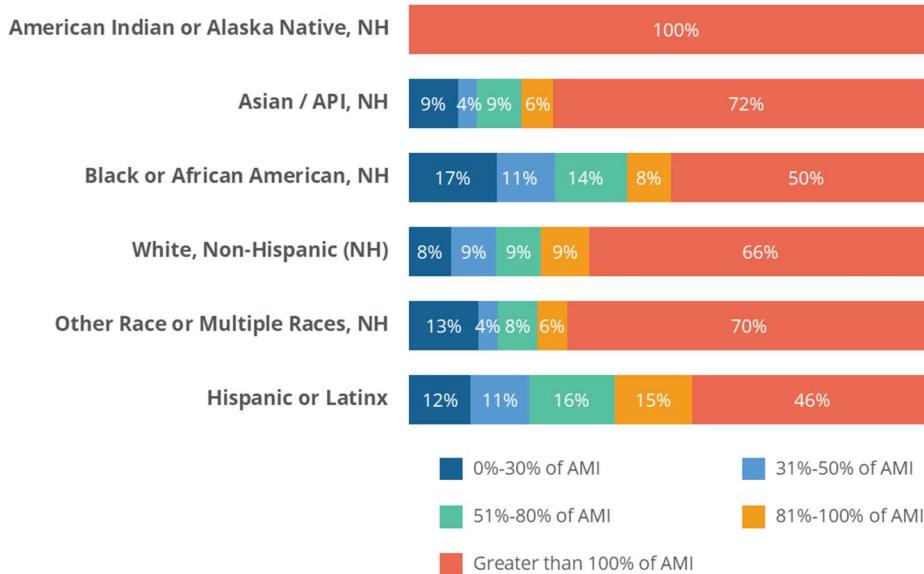
In Los Gatos, 65 percent of households make more than 100 percent of the AMI⁸, compared to nine percent making less than 30 percent of AMI, which is considered extremely low-income. Regionally, more than half of all households make more than 100 percent AMI, while 15 percent make less than 30 percent 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.

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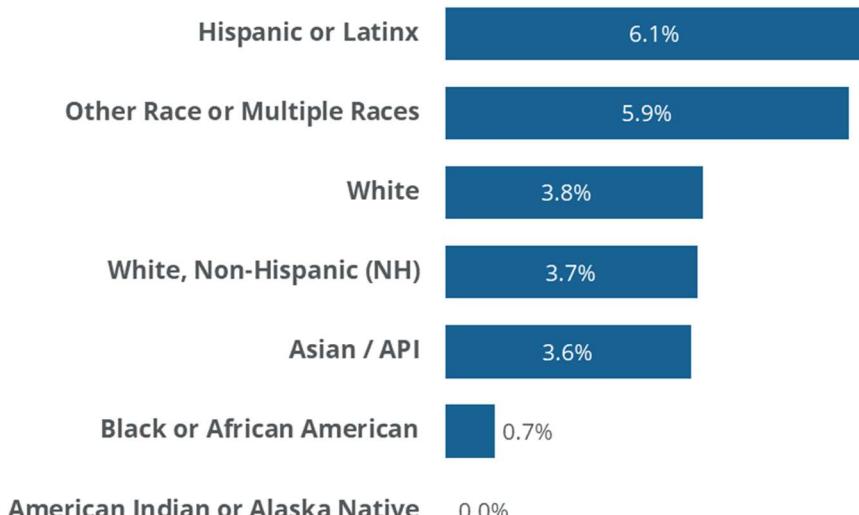
Figure 10-9 Area Median Income by Race and Ethnicity, Los Gatos, 2019



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.

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:

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>.

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- 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 covering areas such as education, poverty, proximity to jobs and economic opportunities, low pollution levels, and other factors.¹²

¹¹ Note that contract rents may differ significantly from, and are often lower than, current listing prices.

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.

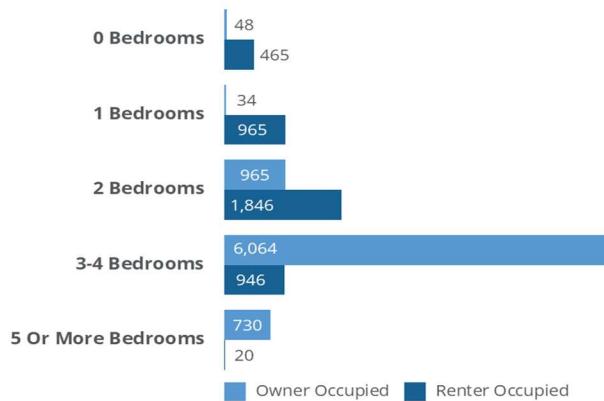
10.2.6 Special Housing Needs

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

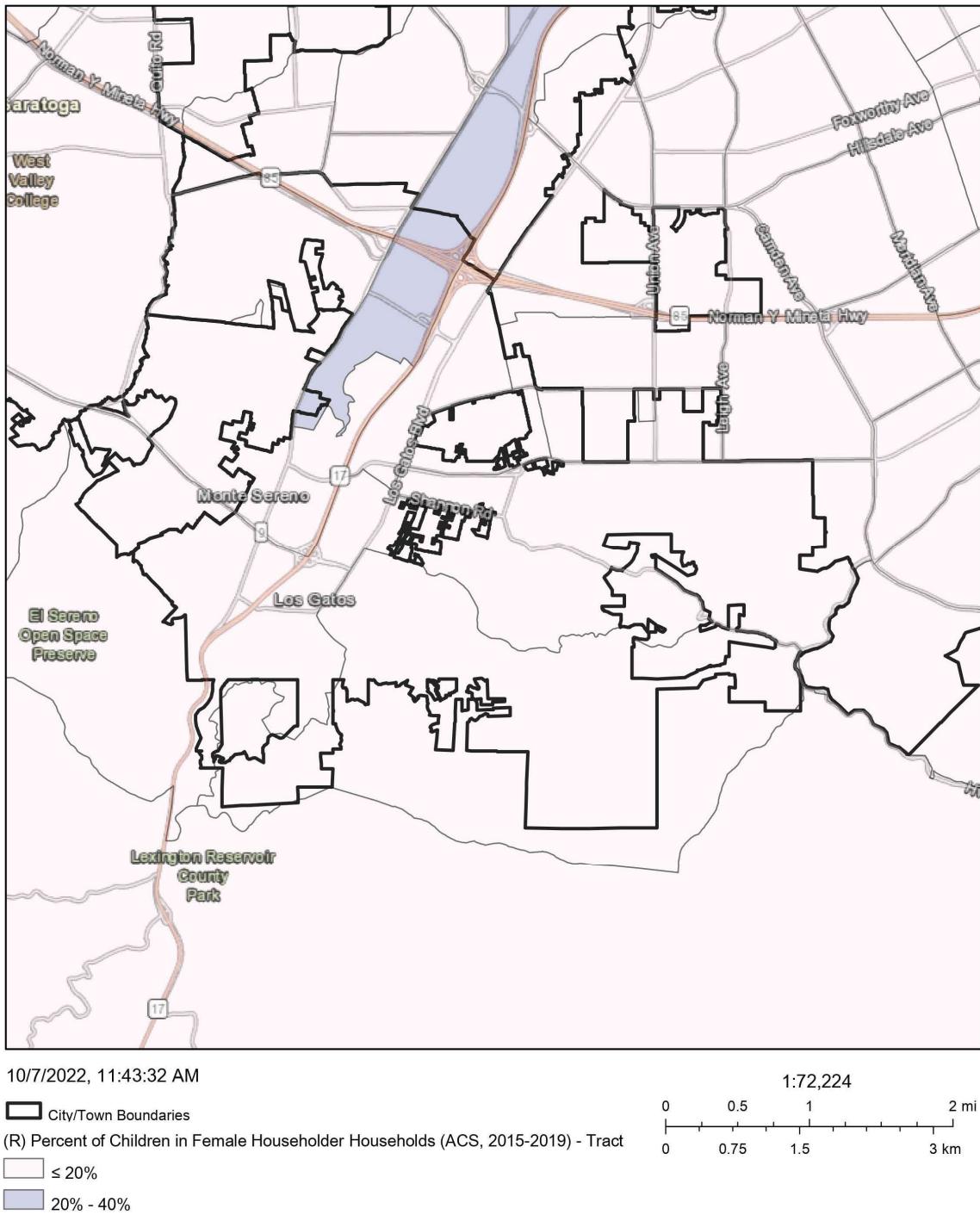
Households headed by one person are often at greater risk of housing insecurity, particularly female-headed households, who may be supporting children or a family with only one income. Female-headed households with children may face particular housing challenges, with gender inequality resulting in lower 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.

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Figure 10-12 Percent of Children in Female Households, 2015-2019

AFFH Analysis



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.

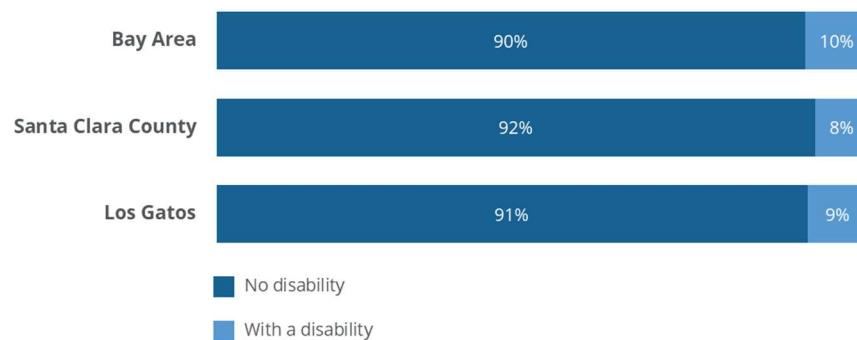
When cost-burdened seniors are no longer able to make house payments or rent payments, displacement from their homes can occur, putting further stress on the local rental market or forcing residents out of their community. Understanding how seniors might be cost-burdened is of particular importance due 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

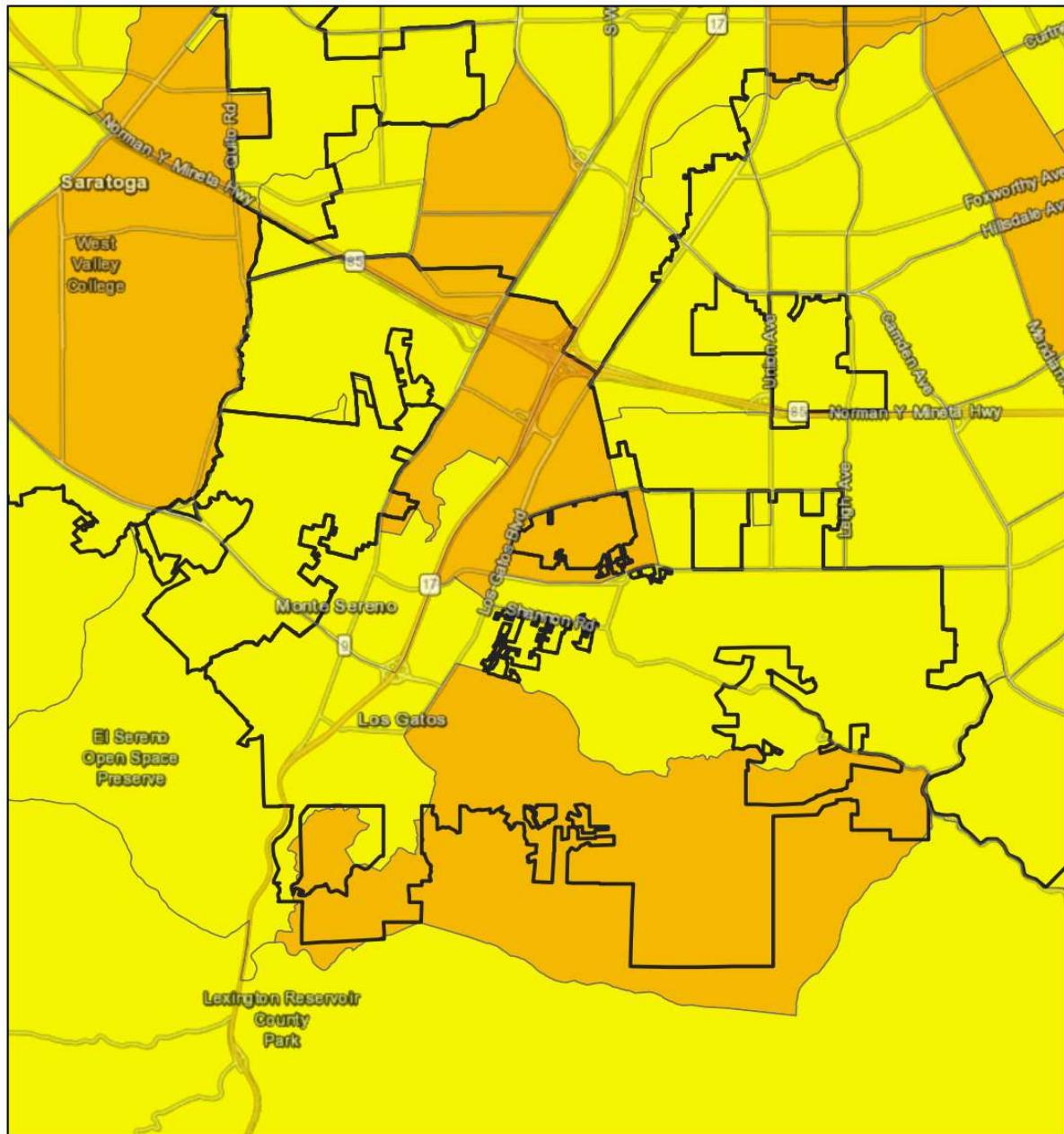


Source: ABAG Housing Needs Data Workbook

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.

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Figure 10-14 Percent of Population with a Disability by Census Tract, 2019



6/30/2022, 1:37:00 PM

1:72,224

0 0.5 1 1.5 2 mi
 0 0.75 1.5 3 km

 City/Town Boundaries

(R) Population with a Disability (ACS, 2015 - 2019) - Tract

 < 10%

 10% - 20%

City of San Jose, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, Esri, HERE, Garmin, © OpenStreetMap contributors, and the GIS user community

CA HCD

City of San Jose, County of Santa Clara, County of Santa Cruz, Bureau of Land Management, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA | PlaceWorks 2021, HUD 2019 | PlaceWorks

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 10.6 of this Housing Element. Governmental constraints to the development of affordable housing exist in every community. The types of governmental constraints in the Town are typical of those constraints in other communities and include zoning regulations, code enforcement, on and off-site improvements, fees and exactions, processing times, and permit procedures as detailed further in Appendix C. These categories are required to protect the public's health and safety or to provide for necessary infrastructure to support the project.

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. Housing Element

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, bounded by hillsides with restricted developments opportunities due to fire danger, 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 housing units that have been produced since June 30, 2022; are projected through pipeline projects, and ADUs; and are projected for the housing sites included in the Site Inventory for the Town of Los Gatos, and how they compare to the RHNA allocation.

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 RHNA Credits and Sites Strategies

RHNA Credit	Affordability Credit				
	Very Low-Income	Low-Income	Moderate-Income	Above-Moderate Income	Total
Entitled/Permitted/Under Construction/Finalized (June 30, 2022, to January 31, 2023)					
- Single-Family Units and Housing Projects	0	0	0	2	2
- ADUs	0	3	11	9	23
Pipeline Projects	0	1	0	190	191
Projected ADUs (1/1/2023-1/31/2031)	60	60	60	20	200
Total	60	64	71	221	416
RHNA	537	310	320	826	1,993
Remaining RHNA	477	246	249	605	1,577
Housing Element Overlay Zone (HEOZ) Sites	634	357	340	624	1,955
Owner Interest/Conceptual Development Plans	480	283	264	304	1,331
Additional Sites	154	74	76	320	624
Surplus above Remaining RHNA	157	111	91	19	378
% Surplus	33%	45%	37%	3%	24%

Source: Town of Los Gatos

10.3.3 Summary of Quantified Objectives

While the Town cannot control the amount of housing that is built during any specific period of time, the Town does intend to make an effort to achieve housing production at a level that is consistent with its RHNA.

Many programs and policies reduce barriers and create opportunities for a balanced community. These goals are essential to meeting the Town's housing needs but are more qualitative in nature. The sites, calculated at their net, minimum density, in addition to Accessory Dwelling Unit (ADU) Projections, Pipeline Projects, and RHNA credits for housing units that were finalized, permitted, or approved after this date, or were under construction as of June 30, 2022, have a total, net capacity of 2,371 units and are sufficient to meet the Town's RHNA of 1,993 units. Between Implementation Programs I, AI, and AJ, it is assumed that 48 housing units will be rehabilitated, and all existing affordable units will be conserved or preserved. Los Gatos reasonably expects that a total of 2,371 units will be developed, as described in the tables below:

Table 10-4 2023-2031 Quantified Objectives

Income Category	New Construction	Rehabilitation	Conservation/Preservation
Very Low Income	694	24	49
Low Income	421	24	136
Moderate Income	411	0	179
Above Moderate Income	845	0	114
Totals	2,371	48	478

Source: Town of Los Gatos

- New Construction Objective:** Reflects the Town's 2023-2031 RHNA.
- Rehabilitation Objective:** Reflects goal to assist a total of 48 very low-income and low-income households through Implementation Programs I, AI, and AJ.

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- Conservation/Preservation Objective: Reflects maintaining affordability on the current inventory of 257 Below Market Price (BMP) rental units, maintaining affordability of 107 Housing Choice Vouchers, and preserving 114 existing mobile home units in the Bonnie View mobile home park and Creekside Village.

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' 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

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.

AFFH

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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).

Policy HE-1.8 **Local Labor**

Encourage developers and contractors to hire local labor, hire from or contribute to apprenticeship programs, increase resources for labor compliance, provide living wages, and provide appropriate health insurance.

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.

Policy HE-2.13 Housing on Land Owned by Religious Institutions

Encourage development of multi-family rental housing that is greater than two bedrooms to encourage the provision of adequate rental housing for families.

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.

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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, gender identification or expression, genetic information, primary language, citizenship, age, disability, medical condition, familial status, marital status, immigration status, military or veteran status, source of income or other such arbitrary 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. Housing Element

10.6 Implementation Programs

Programs	
A	Developer Forum <p>Establish an annual meeting between staff and housing developers to discuss constraints and opportunities to affordable and market rate housing projects.</p>
	Implementation Policies 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
	Responsible Department/Review Authority Community Development Department
	Timeframe Annually provide focus group or Town Hall meeting opportunities
	Funding Source None required
	Quantified Objective Meet once a year to generate a list of opportunities and constraints
	Performance Metric(s) Number of Planning applications submitted for new housing
B	Large Site Program <p>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 to 10 acres that can accommodate multiple-family developments affordable to lower income households in light of State, Federal, and local financing programs.</p>
	Implementation Policies 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
	Responsible Department/Review Authority Community Development Department
	Timeframe Annually provide focus group or Town Hall meeting opportunities
	Funding Source None required
	Quantified Objective Facilitate four land divisions and/or lot line adjustments
	Performance Metric(s) Number of subdivision applications entitled
C	No Net Loss <p>Develop and implement an ongoing formal evaluation procedure (project-by-project) of sites identified in the Site</p>
	Implementation Policies HE-1.1 Adequate Sites HE-1.3 Infrastructure HE-1.5 Variety of Housing Choice
	Responsible Department/Review Authority

Programs	
	<p>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 will identify and zone sufficient adequate sites at appropriate densities to accommodate the remaining RHNA.</p>
	<p>Community Development Department</p> <p>Timeframe</p> <p>Ongoing tracking as developments are approved</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Maintain RHNA capacity</p> <p>Performance Metric(s)</p> <p>Number of units and affordability level applied for; number of units and affordability level entitled; number of units and affordability level permitted; number of units and affordability level completed</p>
D	<p>Additional Housing Capacity for the North Forty Specific Plan</p> <p>Amend the North Forty Specific Plan to allow for a density from 30 dwelling units per acre to 40 dwelling units per acre and increase the total number of dwelling units allowed in the Specific Plan.</p> <p>Sites identified in the North Forty Specific Plan Area are reuse sites and must permit owner-occupied and rental multi-family uses by-right for developments in which 20 percent or more of the units are affordable to lower-income households. See Implementation Program AQ and AR.</p> <p>Amend the North Forty Specific Plan to remove the housing unit cap. This amendment will allow developments to reach the maximum allowable density plus the additional units due to density bonus and other applicable regulations.</p> <p>Amend the North 40 Specific Plan to remove guest parking requirements and modify development standards to facilitate achieving maximum densities.</p>
	<p>Implementation Policies</p> <p>HE-1.1 Adequate Sites</p> <p>HE-3.3 Efficient Development Processing</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>January 2025</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Facilitate the construction of 45 new homes for lower-income households.</p> <p>Performance Metric(s)</p> <p>Number of affordable homeownership units entitled and the number of units entitled for lower-income Households</p>
E	<p>Affordable Development on Town Owned Property</p> <p>Pursue opportunities to work with an affordable housing developer or enter into a public-private partnership to develop affordable housing, targeting lower-income households on Town owned property.</p>
	<p>Implementation Policies</p> <p>HE-1.1 Adequate Sites</p> <p>HE-2.9 Public/Private Partnerships</p> <p>Responsible Department/Review Authority</p> <p>Town Manager</p> <p>Timeframe</p> <p>Ongoing effort</p>

10. Housing Element

Programs	
	Funding Source
	None required
	Quantified Objective
	The Town owns two properties that could be suitable for affordable housing up to 20 units.
	Performance Metric(s)
	The number of Planning applications submitted for new affordable housing
F	Update Permit Software System
	Implementation Policies
	HE-3.3 Efficient Development Processing
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Review and update regulations as appropriate at biannual years
	Funding Source
	None required
	Quantified Objective
	Reduce processing time by five percent
	Performance Metric(s)
	Improve current permit processing time
G	Study Detached Single-Family Condominium Option
	Implementation Policies
	HE-1.5 Variety of Housing Choices
	HE-2.7 Senior Housing
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	December 2024
	Funding Source
	None required
	Quantified Objective
	Increase the floor area ratio to promote higher density housing development
	Performance Metric(s)
	The number of Planning applications submitted for new multi-family development utilizing the new floor area ratio standard
H	Coordination with Water and Sewer Providers
	Implementation Policies
	HE-1.3 Infrastructure

Programs	
	<p>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' RHNA for lower income households.</p>
	<p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Upon adoption of the Housing Element</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Deliver Housing Element</p> <p>Performance Metric(s)</p> <p>Delivery of Housing Element</p>
I	<p>Senior Housing Resources</p> <p>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.</p> <p>Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.</p>
	<p>Implementation Policies</p> <p>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</p> <p>Responsible Department/Review Authority</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department and the Town Council</p> <p>Timeframe</p> <p>Ongoing and annual effort Update materials annually</p> <p>Funding Source</p> <p>Town Affordable Housing Funds</p> <p>Quantified Objective</p> <p>Maintain the existing housing stock by funding three home repairs to lower income seniors annually</p> <p>Performance Metric(s)</p> <p>Measure the number of units assisted versus the need</p>
J	<p>Small Multi-Unit Housing, "Missing Middle"</p> <p>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.</p>
	<p>Implementation Policies</p> <p>HE-1.5 Variety of Housing Choices HE-2.4 Rental Housing HE-3.3 Efficient Development Processing</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>December 2024</p>

10. Housing Element

Programs	
	<p>Specifically, the Town aims to create mixed residential neighborhoods through 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</p>
Funding Source	
None required	
Quantified Objective	<p>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.</p>
Performance Metric(s)	<p>Complete Zoning Code amendment by December 2024 and track the number of entitled Planning applications received per year</p>

Programs		
	<p>shorter than larger multi-family buildings 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	<p>Lot Consolidation</p> <p>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.</p>	<p>Implementation Policies</p> <p>HE-3.4 Lot Consolidation</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>June 2025</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Facilitate nine lot consolidations.</p> <p>Performance Metric(s)</p> <p>Complete Zoning Code amendment</p>
L	<p>Below Market Price Program</p> <p>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 affordable housing units to address</p>	<p>Implementation Policies</p> <p>HE-2.7 Senior Housing</p> <p>HE-3.1 Regulatory Incentives for Affordable Housing</p> <p>HE-4.1 Property and Housing Conditions</p> <p>HE-4.2 Multi-family Housing Acquisition Improvement</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Complete study by June 2025 and implement recommended policy actions by December 2028</p> <p>Funding Source</p>

10. Housing Element

Programs	
	<p>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.</p>
	<p>Town Affordable Housing Fund</p> <p>Quantified Objective</p> <p>Increase number of BMP units annually by five units with a goal of achieving 30% of new units in high median income areas</p> <p>Performance Metric(s)</p> <p>Complete study and implement policy actions</p>
M	<p>Establish a Commercial Linkage Fee</p> <p>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.</p>
	<p>Implementation Policies</p> <p>HE-3.5 Development Impact and Permit Fees</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Complete study by June 2024 and implement recommended actions by December 2024</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Complete a nexus study to determine if linkage fees are appropriate</p> <p>Performance Metric(s)</p> <p>Determine amount of affordable impact fees collected</p>
N	<p>Funds for Development for Extremely Low Income (ELI) Households</p> <p>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 conducting local Tax Equity and Fiscal Responsibility Act (TEFRA) hearings to facilitate the financing of proposed housing projects in Los Gatos.</p>
	<p>Implementation Policies</p> <p>HE-3.1 Regulatory Incentives for Affordable Housing</p> <p>HE-4.1 Property and Housing Conditions</p> <p>HE-4.2 Multi-family Housing Acquisition Improvement</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Ongoing and annual effort</p> <p>Funding Source</p> <p>Below Market Price Housing In-lieu Fees</p> <p>Quantified Objective</p> <p>Subsidize five developments which include extremely low-income households</p> <p>Performance Metric(s)</p> <p>Number of extremely low-income households funded.</p>
O	<p>Affordable Housing Development</p>
	<p>Implementation Policies</p> <p>HE-1.2 Multi-family Housing Densities</p>

Programs	
	<p>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-, very low- and low-income units, and permanent supportive housing for persons with disabilities and developmental disabilities. The Town shall annually identify development and housing opportunities.</p> <p>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.</p>
	<p>HE-3.5 Development Impact and Permit Fees HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-3.1 Regulatory Incentives for Affordable Housing</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department, Town Council</p> <p>Timeframe</p> <p>Ongoing and annual effort Reduce development impact fees by January 2026</p> <p>Funding Source</p> <p>Staff Time and the Below Market Price Housing In-lieu Fees</p> <p>Quantified Objective</p> <ul style="list-style-type: none"> ■ Facilitate the construction of 460 new homes for moderate to lower-income households (100 for moderate, 190 for low, and 170 for very-low), including 30% in high median income areas ■ Facilitate annual outreach to developers. Annually identify development and housing opportunities ■ Reduce development impact fees and permit processing fees for affordable housing projects for extremely low and very low units by 10 percent <p>Performance Metric(s)</p> <p>Number of affordable homeownership units entitled and number of units entitled for moderate, low, and very-low income households.</p>
P	<p>Purchase Affordability Covenants in Existing Apartments</p> <p>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.</p> <p>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</p> <p>Implementation Policies</p> <p>HE-2.1 Financial Resources</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department, Town Council</p> <p>Timeframe</p> <p>January 2026</p> <p>Funding Source</p> <p>Below Market Price Housing In-lieu Fees</p> <p>Quantified Objective</p> <p>Affordability covenants for three housing units with BMP funding to increase the supply of affordable housing per year</p> <p>Performance Metric(s)</p> <p>Number of affordability covenants</p>

10. Housing Element

Programs	
	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.
Q	<p>Accessory Dwelling Units</p> <p>Facilitate ADU/JADU production with the following efforts:</p> <ul style="list-style-type: none"> Waive building fees when an ADU is deed restricted for very low-and low-income pursuant to Town Code (Section 29.10.320(a)). Initiate a marketing program for homeowners on the benefits of ADUs and the availability of resources (templates, cost calculators, technical support) to support development. Promote the use of Housing Choice Vouchers (HCVs) and homesharing (once established) to make the units available to lower income households. Collaborate with countywide efforts to develop pre-approved ADU plans suitable for Los Gatos, including designs that are ADA accessible. Streamline the review and permitting of ADU's by publishing pre-approved plans including plans that are ADA-compliant, which shall be posted on the Town's website. Promote California Housing Finance Agency (CHFA) ADU grants of \$40,000 available to qualified homeowners for pre-development costs. Proactively promote information made available through the Santa Clara County Planning Collaborative, a joint initiative of all 16 jurisdictions in the county on the Town's website with resources for interested property owners. Actively apply for grant programs, as funds are made available to assist property owners in the construction of ADU's/JADU's. Monitor funding availability annually. Develop and adopt objective standards to allow more than one (at minimum two) JADUs.
	Implementation Policies
	<p>HE-1.7 Infill Opportunities in Single-Family Neighborhoods</p> <p>HE-2.4 Rental Housing</p> <p>HE-2.5 Pre-Approved Accessory Dwelling Units</p> <p>HE-2.6 Promote Accessory Dwelling Unit Construction</p> <p>HE-2.7 Senior Housing</p> <p>HE-3.1 Regulatory Incentives for Affordable Housing</p> <p>HE-3.3 Efficient Development Processing</p> <p>HE-3.5 Development Impact and Permit Fees</p>
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	<ul style="list-style-type: none"> Initiate marketing program and coordinate efforts on pre-approved ADU plans (2023) and other resources and services (December 2025) Select at least three plans and conduct media campaign to promote (December 2024) Annually monitor the production and affordability of ADUs Amend the ADU Ordinance (January 2024) Monitor ADU/JADU production against projection by July 2027 and develop strategies to address any potential shortfall in meeting RHNA by the end of 2027
	Funding Source
	Below Market Price Housing In-lieu Fees for Waiving Building Fees and General Fund
	Quantified Objective
	<ul style="list-style-type: none"> Facilitate construction of at least 200 ADUs or JADUs with a goal to facilitate construction of up to 350 ADUs or JADUs throughout the Planning period with a goal of 5% of these units being affordable to lower-income households and 50% in single-family, high median income neighborhoods Publish pre-approved ADU plans and templates, including designs that address ADA and senior housing needs Post pre-approved plans on Town website Use the Town's social media, website, local press, and community events to distribute information

Programs	
	<p>The Town's ADU Ordinance goes beyond the requirements of State law by allowing a 10 percent increase in the floor area ratio standards.</p> <p>Annually monitor number of ADU's/JADU's produced, affordability levels. By July 2027, if the production of ADU/JADU is falling short of the projected trend, the Town will initiate developing strategies (additional incentives, flexible development standards, and/or identify additional sites for housing development) to accommodate a potential shortfall by the end of 2027.</p> <p>Amend the ADU Ordinance to comply with State law.</p> <p>Work with a nonprofit organization to administer a homesharing program that will expand beyond roommate matching, by assisting homeowners in renting out ADUs and JADUs, further serving residents in the region with outreach for potential tenants.</p>
	<ul style="list-style-type: none"> ■ Adopt objective standards to allow more than one JADU per property by July 2025 ■ Facilitate construction of at least 10 JADUs in low density neighborhoods ■ Through a homesharing program, assist at least 50 homeowners in renting out available ADUs and JADUs, especially in high/higher resource areas throughout the Planning period <p>Performance Metric(s)</p> <p>Number of Building Permits issued; number of ADU/JADUs rented at a rental rate affordable for very low-and low-income households</p>
R	<p>Density Bonus</p> <p>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 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.</p> <p>Amend the Density Bonus Ordinance to comply with State law.</p>
	<p>Implementation Policies</p> <p>HE-3.1 Regulatory Incentives for Affordable Housing HE-2.3 Mixed-Use Development HE-2.8 Equal Housing and Special Needs</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <ul style="list-style-type: none"> ■ Amend the Density Bonus Ordinance (December 2024) ■ Complete study by June 2026 and implement recommended actions by December 2029 <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Increase affordable housing units generated by an amended Density Bonus Ordinance</p> <p>Performance Metric(s)</p> <p>Measure the number of affordable units that received entitlements</p>
S	<p>Congregational Land Overlay Zone</p>
	<p>Implementation Policies</p> <p>HE-3.1 Regulatory Incentives for Affordable Housing</p>

10. Housing Element

Programs	
	<p>Expand site opportunities by allowing affordable housing on religious sites and through conducting outreach to owners and operators of religious institutions to raise awareness and encourage housing proposals. Study new Congregational Land Overlay to build upon what is available through AB 1851 and AB 2244 and help congregations by connecting them with affordable housing development partners. If no application for housing on a religious institution/faith-based site is received by December 2025, the Town will expand outreach efforts to be conducted annually. This may include direct mailings to faith-based sites highlighting successful affordable housing units on other faith-based sites, as well as available Town resources and programs to support such projects (e.g., Programs N, P, T, AI, and AJ – Assist in securing funding for affordable housing projects).</p>
T	<p>Nonprofit Affordable Housing Providers</p> <p>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 incentives for the development of affordable housing as provided under the Affordable Housing Overlay Zone.</p> <p>Research and pursue a homesharing program, including research and coordination with non-profit and other organizations to assist with matching tenants with existing homeowners to increase matches in lower density neighborhoods. The Town will publicize and take other actions as necessary (e.g., facilitate presentations at the Los Gatos Adult Recreation Center, etc.).</p>
U	<p>Increased Range of Housing Opportunities for the Homeless</p>
	<p>HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-2.11 Smart Growth</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Complete by December 2025</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Increase affordable housing on religious sites by 25 units.</p> <p>Performance Metric(s)</p> <p>Complete study and measure the number of congregational units that receive entitlements</p> <p>Implementation Policies</p> <p>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</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Ongoing and annual effort to support nonprofit affordable housing organizations.</p> <p>Pursue a homesharing program by December 2025 and market program annually with the goal of 5 matches a year.</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Meet with nonprofit affordable housing providers to identify constraints and barriers</p> <p>Performance Metric(s)</p> <p>Develop incentives for affordable housing and measure number of units using incentives</p> <p>Implementation Policies</p> <p>HE-2.8 Equal Housing and Special Needs</p>

Programs	
	<p>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.</p>
	HE-2.9 Public/Private Partnerships
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Ongoing and annual effort
	Funding Source
	County CDBG
	Quantified Objective
	Support non-profit organizations to identify emergency shelter, transitional housing, and permanent housing opportunities with 20 bed nights annually.
	Performance Metric(s)
	Number of units or bed nights provided,
V	<p>Housing Opportunities for Persons Living with Disabilities</p> <p>Support the provision of housing for the disabled population, including persons with developmental disabilities, through several means, including:</p> <ul style="list-style-type: none"> ▪ Review and revise the Reasonable Accommodation procedure to promote access to housing for persons with disabilities, address potential constraints including subjective approval findings such as "impact on surrounding uses". ▪ Encouraging accessibility design features to be incorporated in development. Review development regulations annually to remove constraints. ▪ 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.
	Implementation
	HE-1.6 Universal Design
	HE-2.8 Equal Housing and Special Needs
	HE-2.9 Public/Private Partnerships
	HE-6.1 Fair Housing
	HE-6.3 Housing for Persons with Special Needs
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Complete by December 2024
	Funding Source
	None required
	Quantified Objective
	Zoning Code amendment to increase the number of disabled persons housed by 90 units.
	Performance Metric(s)
	Complete Zoning Code Amendment and measure number of units entitled

10. Housing Element

Programs	
	<ul style="list-style-type: none"> ▪ 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.
W	<p>Rental Dispute Resolution Program</p> <p>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.</p> <p>Implementation HE-6.6 Rental Dispute Mediation and Arbitration Ordinance Responsible Department/Review Authority Community Services Department Timeframe Ongoing and annual effort Funding Source Program fees Quantified Objective Increase the number of disputes resolved by 20 percent. Performance Metric(s) Measure the percentage of disputes resolved annually</p>
X	<p>Assistance for Persons with Developmental Challenges</p> <p>Work with local and/or regional partners to provide rental assistance for persons with developmental challenges. Efforts will include the following:</p> <ul style="list-style-type: none"> ▪ 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 provide rental assistance for developmentally challenged persons living in Los Gatos. <p>Implementation HE-2.7 Senior Housing HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships Responsible Department/Review Authority Community Development Department Timeframe 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 Funding Source None required Quantified Objective Provide rental assistance for persons with disabilities Performance Metric(s) Measure percentage of persons helped versus the number of requests</p>

Programs	
	<ul style="list-style-type: none"> 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.
Y	<p>Supportive Services for the Homeless</p> <p>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).</p> <p>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.</p>
	<p>Implementation</p> <p>HE-2.3 Mixed-Use Development</p> <p>HE-2.8 Equal Housing and Special Needs</p> <p>Responsible Department/Review Authority</p> <p>Town Manager</p> <p>Timeframe</p> <p>Ongoing and annual effort</p> <p>Funding Source</p> <p>Town of Los Gatos</p> <p>Quantified Objective</p> <p>Continue the Town's support to provide funds to WVCS for homeless persons services</p> <p>Performance Metric(s)</p> <p>The number of Town residents assisted through WVCS</p>
Z	<p>Stabilize Rents</p> <p>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.</p>
	<p>Implementation</p> <p>HE-2.3 Mixed-Use Development</p> <p>HE-2.4 Rental Housing</p> <p>HE-6.6 Rental Dispute Mediation and Arbitration Ordinance</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Complete study by January 2025 and implement Municipal Code changes by June 2025</p> <p>Funding Source</p> <p>Below Market Price Housing In-lieu Fees</p> <p>Quantified Objective</p> <p>Implement improvement opportunities for the Rental Dispute Mediation and Arbitration Ordinance</p> <p>Performance Metric(s)</p> <p>Measure the number of disputes resolved versus unresolved</p>
AA	<p>Reduce Parking Standards</p> <p>Initiate a study and outreach, including developers to make specific updates that</p>
	<p>Implementation</p> <p>HE-2.7 Senior Housing</p> <p>HE-2.8 Equal Housing and Special Needs</p> <p>HE-3.1 Regulatory Incentives for Affordable Housing</p>

10. Housing Element

Programs	
	would result amendments to the Municipal Code, as follows :
	<ul style="list-style-type: none"> ■ Align parking requirements with the preparation of Objective Design Standards. ■ Reduce parking requirements near transit. ■ Remove guest parking requirements for all residential and mixed-use projects in all zones. ■ Allow parking to be unbundled from residential units.
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Complete study by January 2025 and implement Town Code changes by June 2025
	Funding Source
	None required
	Quantified Objective
	Zoning Code amendment to reduce parking standards
	Performance Metric(s)
	Zoning Code amendment
AB	<p>Allow for 100 Percent Affordable Residential Development in Mixed-Use General Plan Designations</p> <p>Amend the General Plan and the Municipal Code to allow for 100 percent affordable residential development without the requirement of commercial uses.</p>
	Implementation
	HE-3.1 Regulatory Incentives for Affordable Housing
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Implement General Plan and Municipal Code changes by June 2024
	Funding Source
	None required
	Quantified Objective
	Amend the General Plan and Zoning Code to allow for 100 percent affordable housing development in Mixed-Use General Plan designations
	Performance Metric(s)
	Measure the number of mixed-use units entitled annually
AC	<p>SB 35 Process Improvements</p> <p>Develop an SB 35 checklist and written procedures for processing SB 35 applications to ensure efficient and complete application processing.</p>
	Implementation
	HE-3.3 Efficient Development Processing
	HE-3.1 Regulatory Incentives for Affordable Housing
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Implement by December 2023
	Funding Source
	Staff Time
	Quantified Objective

Programs	
	Measure SB 35 applications processed per year
	Performance Metric(s)
	N/A
AD	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.
	Implementation
	HE-2.8 Equal Housing and Special Needs
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Implement by December 2023
	Funding Source
	Staff Time
	Quantified Objective
	Zoning Code amendment to include the definition for "Low Barrier Navigation Center" consistent with State law
	Performance Metric(s)
	Zoning Code amendment
AE	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 posting fair housing posters in Town Hall, the community center and the library.
	Implementation
	HE-6.4 Affordable Housing Awareness
	Responsible Department/Review Authority
	Community Development Department, Finance Department, California Department of Developmental Services
	Timeframe
	Resources posted by end of January 2023
	Funding Source
	Staff Time
	Quantified Objective
	Add 50 new subscribers to the Notify me subscriber list
	Performance Metric(s)
	Number of new subscribers
AF	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
	Implementation
	HE-2.11 Smart Growth
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Implement Municipal Code changes by June 2025

10. Housing Element

Programs	
	<p>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.</p>
	<p>Funding Source</p>
	<p>Staff Time</p>
	<p>Quantified Objective</p>
	<p>Zoning Code amendment to establish development standards for transit-oriented development</p>
	<p>Performance Metric(s)</p>
	<p>Measure the number of mixed-use and stand-alone residential units entitled within transit areas</p>
AG	<p>Preserve “At-Risk” Affordable Housing Units</p> <p>Continue to monitor affordable, multi-family housing units in the Town to ensure that they retain their affordability status.</p>
	<p>Implementation</p>
	<p>HE-4.3 Home Affordability Preservation</p>
	<p>Responsible Department/Review Authority</p>
	<p>Community Development Department</p>
	<p>Timeframe</p>
	<p>Ongoing and annual effort</p>
	<p>Funding Source</p>
	<p>None required</p>
	<p>Quantified Objective</p>
	<p>Preserve all 169 publicly assisted housing units in Los Gatos.</p>
	<p>Performance Metric(s)</p>
	<p>Number of units preserved; number of existing residents retained</p>
AH	<p>Rental Housing Conservation Program</p> <p>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.</p>
	<p>Implementation</p>
	<p>HE-2.4 Rental Housing</p>
	<p>HE-4.1 Property and Housing Conditions</p>
	<p>Responsible Department/Review Authority</p>
	<p>Community Development Department</p>
	<p>Timeframe</p>
	<p>Ongoing and annual effort</p>
	<p>Funding Source</p>
	<p>None required</p>
	<p>Quantified Objective</p>
	<p>Zero loss of rental housing</p>
	<p>Performance Metric(s)</p>
	<p>Measure the loss of rental housing</p>
AI	<p>Countywide Home Repair Programs</p> <p>Continue to support countywide programs (through Habitat for Humanity East Bay/Silicon Valley, Rebuilding Together,</p>
	<p>Implementation</p>
	<p>HE-4.1 Property and Housing Conditions</p>
	<p>HE-6.3 Housing for Persons with Special Needs</p>
	<p>Responsible Department/Review Authority</p>

Programs	
	<p>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.</p> <p>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.</p> <p>Contribute funding from the Town's Below Market Price monies to support these programs. 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.</p> <p>Promote County programs through Town website and social media accounts.</p>
	<p>Community Development Department; County of Santa Clara</p> <p>Timeframe</p> <p>Ongoing and annual effort Update Town website to provide links to County programs annually</p> <p>Funding Source</p> <p>None required</p> <p>Quantified Objective</p> <p>Three minor home repairs and/or accessibility improvements annually for lower income households, including special needs households</p> <p>Performance Metric(s)</p> <p>The number of homes that received assistance compared to the number of homes needing assistance</p>
AJ	<p>Town Residential Rehabilitation Program</p> <p>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.</p>
	<p>Implementation</p> <p>HE-4.1 Property and Housing Conditions HE-5.1 Green Building</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>December 2027</p> <p>Funding Source</p> <p>Below Market Price Housing In-lieu Fees</p> <p>Quantified Objective</p> <p>Provide rehabilitation to five low-income homeowner units annually</p> <p>Performance Metric(s)</p> <p>Number of low-income homeowners assisted and program created</p>
AK	<p>Solar Energy</p> <p>Continue to enforce State of California Title 24 requirements for energy conservation.</p>
	<p>Implementation</p> <p>HE-5.1 Green Building HE-5.2 Solar Energy</p> <p>Responsible Department/Review Authority</p>

10. Housing Element

Programs	
	Continue to expedite solar panel installation by requiring only ministerial building permits.
	Community Development Department
	Timeframe
	Ongoing and annual effort
	Funding Source
	None required
	Quantified Objective
	Increase solar energy use through ministerial building permits
	Performance Metric(s)
	Number of solar permits issued a year
AL	<p>Town Housing Resources Guide</p> <p>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.</p> <p>Publicize available warming/cooling centers as provided by the Santa Clara County of Office of Supportive Housing during inclement weather episodes.</p> <p>Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.</p>
	Implementation
	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
	Timeframe
	Update materials annually
	Funding Source
	None required
	Quantified Objective
	Increase the Housing Resources Guide usage
	Performance Metric(s)
	Measure the number of persons accessing the Town's Housing Resources Guide on the website
AM	<p>Santa Clara County Fair Housing Consortium</p> <p>Support the efforts of the Santa Clara County Fair Housing Consortium, as follows.</p> <p>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 service administrator for the</p>
	Implementation
	HE-5.2 Solar Energy
	HE-6.3 Housing for Persons with Special Needs
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Ongoing and annual effort
	Funding Source
	None required
	Quantified Objective
	Zero displacement
	Performance Metric(s)

Programs	
	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.
AN	<p>Community Education Using a Variety of Communication Methods</p> <p>Provide education on the problems and needs of affordable housing as a means of changing negative attitudes towards the provision of affordable housing.</p> <p>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 not have access to online resources.</p>
AO	<p>Educate Single-Family Property Owners Regarding In-Fill Housing Options</p> <p>Create and distribute educational materials to include information about the process to construct ADUs, multi-generational housing, and options available with Senate Bill SB 9.</p>
AP	<p>Special Needs Housing</p>

10. Housing Element

Programs	
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:	HE-2.8 Equal Housing and Special Needs HE-2.9 Public/Private Partnerships HE-3.3 Efficient Development Processing
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Amend Zoning Code by January 2024 Establish prioritize processing of special needs housing by January 2028
	Funding Source
	None required
	Quantified Objective
	Amend the Zoning Code to remove barriers to building special needs housing
	Performance Metric(s)
	Adopt Zoning Code amendments

Programs	
	<p>Health and Safety Code Section 17000, et seq.).</p> <ul style="list-style-type: none"> ■ Allow for group homes of seven and more by right in residential districts, and to conform with HCD's Group Home Technical Advisory (Dec 2022). ■ Modify the language of Municipal Code Section 29.10.530(a) to remove finding number 5 of the mandatory criteria for granting a reasonable accommodation request. <p>In addition, the Town will 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.</p>
AQ	<p>Zoning Code Amendments</p> <p>Amend the Zoning Code to comply with State law and ensure adequate sites are available to accommodate the identified sites in the Sites Inventory. These Code revisions include:</p> <ul style="list-style-type: none"> ■ 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. The Town will commit to monitoring and evaluating the HEOZ development standards and complete first evaluation of said standards by December 2026 and then annually thereafter, including outreach with the development community, and making adjustments as necessary. If it is determined that adjustments are needed, they will be completed within six months of the annual evaluation. The amended HEOZ Ordinance is projected to be adopted by the Town Council in March of 2024. ■ Clarify the text of the non-residential zones regarding housing. ■ Rezone the Caltrans Right-of-Way – Site E3 from R:1:8 to R-M. Take additionally steps to make the site available for residential development, including decertification, by the end of

10. Housing Element

Programs	
<p>2026. If by 2027 the site has not progressed to be available for residential development in the planning period, identify and add additional sites, if necessary, by 2028.</p> <ul style="list-style-type: none"> ■ Amend the Accessory Dwelling Unit Ordinance. ■ Amend the Density Bonus Ordinance. ■ Amend the Architecture and Site considerations for a multi-family and mixed-use project to make them objective and provide certainty in outcomes. ■ Amend the Architecture and Site findings for a multi-family and mixed-use project to make them objective and provide certainty in outcomes of the application review. Specifically, address Finding (4) relating to site layout and Finding (6) relating to the exterior architectural design of buildings and structures. These findings can be considered subjective and open to interpretation. ■ Amend the Conditional Use Permit findings for a multi-family and mixed-use project to make them objective and provide certainty in outcomes of the application review. Specifically, address Finding (1) relating to use of the property as desirable to the public convenience and Finding (2) relating to the integrity and character of the zone. These findings can be considered subjective and open to interpretation. ■ Amend the Zoning Code to clarify that the Town will comply with Section 65852.3 of the Government Code to allow the installation of manufactured homes. ■ Amend the Zoning Code to align the private open space and the community recreation space requirements for a multi-family and condominium project with the Objective Design Standards. ■ Amend the Zoning Code to align parking requirements for a multi-family and condominium project with the preparation of the Objective Design Standards. 	

Programs	
AR	<p>General Plan Amendment</p> <p>Amend the General Plan to modify the designation of 16492 Los Gatos Boulevard and Parcel 532-07-086 from Low Density Residential to Neighborhood Commercial, modify the designation of the Cal Trans Right-of-Way from Low Density Residential to Medium Density Residential, and 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 AQ.</p> <p>As individual elements of the General Plan are amended, the Town will review and revise related elements impacted to ensure internal consistency.</p> <p>By-right approval without discretionary review: Pursuant to State law, the following types of sites used to fulfill the Town's lower income RHNA will be subjected to by-right approval without discretionary review pursuant to Government Code section 65583.2(H) and (I) when 20 percent or more of the units are affordable to lower income households:</p> <ul style="list-style-type: none"> ■ Rezone Sites: All sites that are to be rezoned with the Housing Element Overlay Zone (HEOZ) as identified in Appendix D, given that the rezoning occurs after the statutory deadline of the Housing Element (January 31, 2023). ■ Reuse Sites: As identified in Appendix D, sites that were used in the 5th cycle Housing Element to meet the RHNA will be rezoned with the HEOZ.
	<p>Implementation</p> <p>HE-1.1 Adequate Sites HE-1.2 Multi-family Housing Densities HE-2.11 Smart Growth</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Complete General Plan amendments by January 31, 2024</p> <p>Funding Source</p> <p>General Plan Update Fund</p> <p>Quantified Objective</p> <p>Adopt General Plan amendments consistent with the Housing Element timing.</p> <p>Performance Metric(s)</p> <p>Adopt General Plan amendments.</p>
AS	<p>Provide Adequate Sites for Housing, RHNA Rezoning, and Lower Income Households on Nonvacant and Vacant Sites Previously Identified</p> <p>Rezone sites as identified within Appendix D to accommodate the Town's RHNA and</p>
	<p>Implementation</p> <p>HE-1.1 Adequate Sites</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p>

10. Housing Element

Programs	
	<p>a 24 percent buffer to allow for compliance with No Net Loss Provisions of SB 166.</p> <p>By-right approval without discretionary review: Pursuant to State law, the following types of sites used to fulfill the Town's lower income RHNA will be subjected to by-right approval without discretionary review pursuant to Government Code section 65583.2(H) and (I) when 20 percent or more of the units are affordable to lower income households:</p> <ul style="list-style-type: none"> ■ Rezone Sites: All sites that are to be rezoned with the Housing Element Overlay Zone (HEOZ) as identified in Appendix D, given that the rezoning occurs after the statutory deadline of the Housing Element (January 31, 2023). ■ Reuse Sites: As identified in Appendix D, sites that were used in the 5th cycle Housing Element to meet the RHNA will be rezoned with the HEOZ.
	<p>Rezone all sites in the Sites Inventory to increase housing on nonvacant and vacant sites previously identified by January 31, 2023.</p> <p>Funding Source</p> <p>General Plan Update Fund</p> <p>Quantified Objective</p> <p>The number of housing units entitled per year on these sites</p> <p>Performance Metric(s)</p> <p>Rezone the reuse sites</p>
AT	<p>Affirmative Marketing</p> <p>The Town will work with affordable and market rate housing developers to ensure that affordable housing is affirmatively marketed to households with disproportionate housing needs, including Hispanic and Black households who work in and live outside of Los Gatos (e.g., materials in Spanish and English, distributed through employers). The Town will notify a broad representation of the community to solicit ideas for housing strategies when they are discussed at Planning Commission or Town Council meetings. Specific outreach activities include:</p> <ul style="list-style-type: none"> ■ Maintain the Housing Element email list and send public notices to all interested public and non-profit agencies and affected property owners. ■ Post notices at the Community Development Department and at the Town library with information on the type and number of units proposed <p>Implementation</p> <p>HE-6.4 Affordable Housing Awareness</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>As applications which propose new housing units are submitted and available</p> <p>Funding Source</p> <p>General fund (staff time)</p> <p>Quantified Objective</p> <p>Number of marketing plans updated.</p> <p>Performance Metric(s)</p> <p>Affirmatively market all affordable housing opportunities</p>

Programs	
	<p>for a project and their expected availability.</p> <ul style="list-style-type: none"> ■ Publish notices in the local newspaper with information on the type and number of units proposed for a project and their expected availability. ■ Post information and meeting information on the Town's website and social media accounts with information on the type and number of units proposed for a project and their expected availability. ■ Provide notice to community groups such as West Valley Community Services with information on the type and number of units proposed for a project and their expected availability.
AU	<p>Replacement Unit Program</p> <p>Adopt a policy requiring replacement housing units subject to the requirements of Government Code section 65915 (c)(3) when new development occurs on a housing inventory site which currently has or within the past five years had residential uses (existing, vacated or demolished), and was legally restricted to low-income households, or subject to price control, or occupied by low-income households.</p>
AV	<p>Senate Bill 9 Monitoring</p> <p>Annually monitor the number of SB 9 entitlements produced. By July 2027, if the production of SB 9 entitlements is falling short of the projected trend, the Town will initiate and develop strategies (additional incentives or provide greater flexibility to the development standards) to accommodate a potential shortfall by the end of 2027.</p> <p>Based on objective criteria that are consistent with recent SB 9 applications in</p>

10. Housing Element

Programs	
	<p>the Town, about 3,000 parcels can potentially accommodate SB 9 units. Given the number of SB 9 applications received during 2023 (four two-unit development and seven urban lot splits), a projection of 12 SB 9 units annually is considered conservative. The Town has not utilized these potential SB 9 units to meet its RHNA adequate sites requirement.</p> <p>The Town's SB 9 Ordinance goes beyond the requirements of State law by allowing a 10 percent increase in the floor area ratio standards for an SB 9 project.</p>
	<p>Quantified Objective</p> <p>Prepare Annual Progress Report and issue 96 SB 9 units over the eight-year period</p> <p>Performance Metric(s)</p> <p>Number of issued SB 9 Building Permits.</p>
AW	<p>Story Poles and Netting Policy</p> <p>Update the Story Pole and Netting Policy and create alternative options for residential or mixed-use projects with affordable housing to reduce the associated costs of installing story poles, by providing an option to provide visuals, video rendering, or other visual methods in place of story poles for all multi-family and mixed-use projects to reduce constraints/cost and increase approval certainty.</p>
	<p>Implementation</p> <p>Policy HE-3.1 Regulatory Incentives for Affordable Housing</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Implement by March 2024, and evaluate effectiveness of reduced requirements every year beginning in 2025; and identify additional incentives and/or site capacity, if needed, within six months of need identification.</p> <p>Funding Source</p> <p>General fund (staff time)</p> <p>Quantified Objective</p> <p>Reduce cost of development by modifying the story pole requirements for affordable housing projects.</p> <p>Performance Metric(s)</p> <p>Measure impact of modifying the story pole policy on the number of affordable housing units entitled</p>
AX	<p>Local Labor Program List</p> <p>Establish and post a list of local labor unions and apprenticeship programs on the website to encourage the developers and contractors to hire local labor.</p>
	<p>Implementation</p> <p>Policy HE-1.4 Housing Design</p> <p>Responsible Department/Review Authority</p> <p>Community Development Department</p> <p>Timeframe</p> <p>Establish a list by December 31, 2024, to post online.</p> <p>Funding Source</p> <p>General fund (staff time)</p> <p>Quantified Objective</p> <p>Annually update the list or upon request from a local union.</p>

Programs	
	Performance Metric(s)
	N/A
AY	<p>Housing Mobility</p> <p>Housing mobility strategies consist of removing barriers to housing in areas of opportunity and strategically enhancing access (Los Gatos is entirely highest resource in terms of access to opportunity and a concentrated area of affluence). To improve housing mobility and promote more housing choices and affordability townwide, including in lower density neighborhoods, the Town will employ a suite of actions to expand housing opportunities affordable to extremely low, very low-, low-, and moderate-income households. Actions and strategies include:</p> <ul style="list-style-type: none"> ■ SB 9 – Monitor the Town's SB 9 standards and amend standards to facilitate SB 9 applications (e.g., duplexes in single-family zones) if the Town is not on track to meet its SB 9 application goals during the planning period. See Program AV. ■ Rezoning for Small Multi-Unit Housing, "Missing Middle" – 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. See Program J. ■ Housing on Town Sites – Enter into a public-private partnership to develop housing, targeting low-income
	Implementation
	Policy HE-1.5 Variety of Housing Choices Policy HE-1.7 Infill Opportunities in Single-Family Neighborhoods
	Responsible Department/Review Authority
	Community Development Department
	Timeframe
	Annually review overall progress and effectiveness in April and include information in annual report to HCD. If the Town is not on track to meet its 160 affordable housing unit goal for the 8-year RHNA cycle by 2027 (i.e., 80 affordable units built or in process by 2027), the Town will consider alternative land use strategies and make necessary amendments to zoning or other land use documents to facilitate a variety of housing choices, including but not limited to, strategies that encourage missing middle zoning (small-scale multi-unit projects), adaptive reuse, and allowing additional ADUs and/or JADUs, within six months, if sufficient progress toward this quantified objective is not being met.
	Funding Source
	General fund (staff time)
	Quantified Objective
	Provide 160 housing opportunities affordable to lower income households by January 2031.
	Performance Metric(s)
	Townwide, but especially lower-density neighborhoods.

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Programs	
<p>households, on Town owned properties. See Program E.</p> <ul style="list-style-type: none"> ■ Enhanced Inclusionary Housing – Assess and amend the Town's inclusionary housing requirements to better produce low-income units and units for special needs groups townwide. See Program L. ■ Accessory Dwelling Units (ADUs) – Encourage and streamline ADUs in single-family neighborhoods by preparing standardized ADU plans with a variety of unit sizes and by affirmatively marketing and outreach to increase awareness and the diversity of individuals residing in Los Gatos. See Program Q. ■ Junior ADUs – Develop and adopt objective standards to allow more than one (at minimum two) Junior ADU per structure by July 2025. The objective is to achieve at least 10 JADUs in lower-density neighborhoods by January 2031. See Program Q. ■ Religious Institutional Sites – Expand housing opportunities on all religious institutional sites within the Town. See Program S. Conduct outreach to owners and operators of religious institutions to raise awareness and encourage housing proposals. Increase affordable housing on religious institution/faith-based site(s) during the 2023-2031 planning period by 25 units. If no application for housing on a religious institution/faith-based site is received by December 2025, the Town will expand outreach efforts to be conducted annually. This may include direct mailings to faith-based sites highlighting successful affordable housing units on other faith-based sites, as well as available Town resources and programs to support such projects (e.g., Programs N, P, T, AI, AJ – Assist in securing funding for affordable housing projects). ■ Homesharing – Research and pursue a homesharing program, including coordination with non-profits and others to assist at least 50 homeowners in renting out available 	

Programs	
ADUs and JADUs with tenants. The Town will publicize and take other actions as necessary (e.g., facilitate presentations at the Los Gatos Adult Recreation Center, etc.) at least annually with the goal of five opportunities per year. See Program T.	

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The following action matrix includes the Town's goals and actions to affirmatively further fair housing.

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Fair Housing Outreach and Enforcement – High Priority				
Program A. Developer Forum	Meet with housing developers to discuss constraints and housing opportunities.	Annually	Townwide	Meet with housing developers annually.
Program O. Affordable Housing Development	Outreach to attract and support affordable housing developers in the Town and identify housing opportunities.	Annually	Townwide	Facilitate the construction of 460 new homes for moderate to lower-income households, including 30% in high median income areas.
Program W. Rental Dispute Resolution Program	Administer the Rental Dispute Resolution Program.	Annually	Townwide	Provide counseling to all members of the public who contact the Town.
Program AE. Fair Housing Law Education	Increase dissemination of fair housing information.	By end of August 2023.	Townwide	Add 50 new subscribers to the Notify me subscriber list.
Program AM. Santa Clara County Fair Housing Consortium	Continue to support the efforts of the Santa Clara County Fair Housing Consortium.	Annually	Townwide	Counsel 10 tenants annually on tenant/landlord concerns to prevent displacement.
Program I. Senior Housing Resources	Provide regularly updated senior housing resource materials at the Adult Recreation Center, Library, and Farmers' Market.	Annually	Townwide	Assist three senior households annually through senior housing resources.
Program X. Developmental Challenges	Continue to work with the California Department of Developmental Services Regional Center to inform families about housing and services available for persons with developmental challenges.	Annually	Townwide	Assist three families annually.
Program AN. Use a Variety of Communication Methods	Provide information about available housing resources through a variety of communication methods.	Quarterly	Townwide	Assist three low-income families annually.
Program AO. Educate Single-Family Property Owners Regarding In-Fill Housing Options	Provide education on SB 9 and ADU's. Consider adding fair housing information to SB 9 and ADU applications/materials; new landlords.	Quarterly	Townwide	Increase the number of ADU building permit applications from 2022 baseline of 25. Increase the number of SB 9 applications from 2022 baseline of 9.
Program AN. Use a Variety of Communication Methods	Provide education on the problems and needs of affordable housing as a means of changing negative attitudes.	Annually	Townwide	Celebrate Affordable Housing Month annually in May by posting on social media accounts with education on affordable housing.

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Program AT. Affirmative Marketing	Disseminate information on available development including providing notice of new housing opportunities in the flyer for local school districts in the Town.	Annually	Townwide	Affirmatively market all affordable housing Opportunities.
New Housing Opportunities in High Resource Areas – Medium Priority				
Program D. Additional Housing Capacity for North Forty Specific Plan	Increase allowed density in North Forty Specific Plan and facilitate buildout of the Plan.	By January 2024	North Forty Specific Plan area (highest resource area)	Facilitate the construction of 45 new homes for lower-income households.
Program N. Funds for Development for Extremely Low Income (ELI) Households	Use Town Affordable Housing (Below Market Price) Fund to subsidize housing for extremely low-income households.	Annually	Townwide	Subsidize five developments which include extremely low-income households.
Program O. Affordable Housing Development	Provide incentives for affordable housing development and	Annually	Townwide (all high resource areas)	Facilitate the construction of 460 new homes for moderate to lower-income households (100 for moderate, 190 for low, and 170 for very-low), including 30% in high median income areas.
Program Q. ADUs	Initiate marketing plan, coordinate pre-approved ADU plans, and monitor production and affordability of ADUs. Monitor affordability of ADUs through communication with applicants (form with intent to rent).	2023-2031	Townwide (all high resource areas)	Facilitate construction of at least 200 ADUs with a goal to facilitate construction of up to 350 ADUs or JADUs, with a goal of 5% of these units being affordable to low-income households and 50% in single-family, high median income neighborhoods.
Program AB. 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.	By June 2024	Townwide	Facilitate the construction of affordable units in mixed use GP designations.
Housing Mobility – High Priority				
Program J. Small Multi-Unit "Missing Middle" Housing	Update zoning code and promote small multi-unit housing program, with goal of providing housing for families, seniors, and students. Facilitate small multi-unit housing in the low to medium density designations.	By January 2024	Townwide with emphasis on tracts with highest median incomes, including a variety of low to medium density neighborhoods	Facilitate the development of 150 units of small multi-unit housing over eight years with the goal of achieving 100% of the units in low to medium density, and high median income areas.

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Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Program 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 units constructed.	By June 2025	Townwide with emphasis on high median income areas	Increase number of BMP units annually by five units (from 257 baseline) with a goal of achieving 30% of new units in high median income areas.
Program V. Housing Opportunities for Persons Living with Disabilities	Review and update regulations and encourage implementation of Universal Design. Amend Zoning Code to increase housing for persons with disabilities.	2023-2031 By December 2025.	Townwide	Increase housing for persons with disabilities by 90 units.
Program AP. Special Needs Housing	Establish streamlined procedures for special needs housing. Amend the Zoning Code to remove barriers to building special needs housing	By January 2028 By January 2024	Townwide	Adopt Zoning Code amendments to facilitate the construction of units for special needs populations.
Program X. Assistance for Persons with Developmental Challenges	Work with local and/or regional partners to provide rental assistance for persons with developmental challenges.	Annually	Townwide	Provide rental assistance for persons with disabilities.
Program Q: ADUs	Promote the use of Housing Choice Vouchers (HCVs) and homesharing (once established) to make the units available to lower income households.	By December 2025	Townwide	Initiate a marketing plan and coordinate efforts for HCVs and homesharing programs.
Program T: Nonprofit Affordable Housing Providers	Pursue a homesharing program and market program annually.	By December 2025; Annually	Townwide with emphasis on lower density, single-family neighborhoods, and high median income neighborhoods	Facilitate 5 matches per year.
Program AV: Senate Bill 9 Monitoring	Annually monitor SB 9 entitlements and develop strategies, e.g., more flexible development standards to accommodate a potential shortfall, if necessary.	Annually monitor and adopt additional incentives, if needed by end of 2027	Townwide with emphasis on lower density, single-family neighborhoods, and high median income neighborhoods	Facilitate 96 SB 9 entitlements
Program AY. Housing Mobility	To improve housing mobility, promote more housing choices, and affordability.	Annually	Townwide	Provide 160 housing opportunities to lower income households.
Place-based Strategies for Neighborhood Improvement – Medium Priority				
Program AI. Countywide Home Repair Programs	Support home repair programs including Habitat for Humanity East Bay/Silicon Valley, Rebuilding Together, Housing Trust of Santa Clara County, and contribute funding from the Town's Below Market Price monies to support these programs.	2023-2031	Townwide with emphasis on central and western tracts where substandard housing conditions and aging units are more prevalent.	Complete three minor home repairs or accessibility improvements for lower income households annually.

Program	Specific Commitment	Timeline	Geographic Targeting	Eight-Year Metric
Program AJ. Residential Rehabilitation Program	Create a new program to assist lower income homeowners, including senior and disabled households, with funding for home repairs and improvements.	By December 2026	Townwide	Provide rehabilitation to five low-income homeowner units annually.
AFFH: CIP Projects	Complete projects related to public facilities and transportation infrastructure outlined in the Capital Improvement Program, including the Los Gatos Adult Recreation Center Restroom Remodel for ADA Compliance and Shannon Road Pedestrian and Bikeway Improvements.	By 2030	Townwide with emphasis on north and western areas of the Town.	Complete at least three CIP projects during the planning period.
Tenant Protection and Anti-Displacement – Medium Priority				
Program Z. 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.	By June 2025	Townwide	Implement improvement opportunities for the Rental Dispute Mediation and Arbitration Ordinance
Program AG. Preserve "At-Risk" Affordable Housing Units	Monitor affordable, multi-family housing units in the Town to ensure that they retain their affordability status.	Annually	Townwide	Preserve affordability of all affordable units.
Program AU. Replacement Unit Program	Adopt a policy and apply the policy as applications on sites within the Sites Inventory are received and processed	By January 2024	Townwide	Require replacement housing for 100% of displaced low-income households.

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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 housing 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.

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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.

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List of Acronyms

AB	Assembly Bill	PD	Planned Development
ABAG	Association of Bay Area Governments	PS	Public School Zone
ADA	Americans with Disabilities Act	RHNA	Regional Housing Needs Allocation
ADU	Accessory dwelling unit	RHND	Regional Housing Needs Determination
AFFH	Affirmative Furthering Fair Housing	RHM	Mobile Home Residential
AHOZ	Affordable Housing Overlay Zone	SB	Senate Bill
AMI	Area Median Income	WUI	Wildland/Urban Interface
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	.	.