



**TOWN OF LOS GATOS  
PLANNING COMMISSION SPECIAL MEETING AGENDA  
NOVEMBER 15, 2023  
110 EAST MAIN STREET  
LOS GATOS, CA**

*Jeffery Barnett, Chair  
Steven Raspe, Vice Chair  
Susan Burnett, Commissioner  
Kathryn Janoff, Commissioner  
Melanie Hanssen, Commissioner  
Emily Thomas, Commissioner  
Vacant, Commissioner*

**PARTICIPATION IN THE PUBLIC PROCESS**

**How to participate:** The Town of Los Gatos strongly encourages your active participation in the public process, which is the cornerstone of democracy. If you wish to speak to an item on the agenda, please follow the participation instructions on page 2 of this agenda. If you wish to speak to an item NOT on the agenda, you may do so during the “Verbal Communications” period, by following the participation instructions on page 2 of this agenda. The time allocated to speakers may change to better facilitate the Planning Commission meeting.

**Effective Proceedings:** The purpose of the Planning Commission meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Town of Los Gatos asks that you follow the Town’s meeting guidelines while attending Planning Commission meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and in the Town Code. Disruptive conduct is not tolerated, including but not limited to: addressing the Commissioners without first being recognized; interrupting speakers, Commissioners or Town staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

**Deadlines for Public Comment and Presentations are as follows:**

- Persons wishing to make an audio/visual presentation on any agenda item must submit the presentation electronically, either in person or via email, to the Planning Department by 1 p.m. or the Clerk’s Office no later than 3:00 p.m. on the day of the Planning Commission meeting.
- Persons wishing to submit written comments to be included in the materials provided to the Planning Commission must provide the comments to the Planning Department as follows:
  - For inclusion in the regular packet: by 11:00 a.m. the Friday before the meeting
  - For inclusion in any Addendum: by 11:00 a.m. the day before the meeting
  - For inclusion in any Desk Item: by 11:00 a.m. on the day of the meeting

***Planning Commission meetings are broadcast Live on KCAT, Channel 15 (on Comcast) on the 2<sup>nd</sup> and 4<sup>th</sup> Wednesdays at 7:00 p.m.  
Live and Archived Planning Commission meetings can be viewed by going to:  
[www.LosGatosCA.gov/TownYouTube](http://www.LosGatosCA.gov/TownYouTube)***

***IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT THE CLERK DEPARTMENT AT (408) 354-6834. NOTIFICATION 48 HOURS BEFORE THE MEETING WILL ENABLE THE TOWN TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY TO THIS MEETING [28 CFR §35.102-35.104]***

**TOWN OF LOS GATOS  
PLANNING COMMISSION SPECIAL MEETING AGENDA  
NOVEMBER 15, 2023  
110 EAST MAIN STREET AND TELECONFERENCE  
TOWN COUNCIL CHAMBERS  
LOS GATOS, CA  
7:00 PM**

**IMPORTANT NOTICE**

This is a hybrid/in-person meeting and will be held in-person at the Town Council Chambers at 110 E. Main Street and virtually through the Zoom webinar application (log-in information provided below). Members of the public may provide public comments for agenda items in-person or virtually through the Zoom webinar by following the instructions listed below. The live stream of the meeting may be viewed on television and/or online at [www.LosGatosCA.gov/TownYouTube](http://www.LosGatosCA.gov/TownYouTube).

**PARTICIPATION**

To provide oral comments in real-time during the meeting:

- **Zoom webinar:** Join from a PC, Mac, iPad, iPhone or Android device: Please click this URL to join: [https://losgatosca.gov.zoom.us/j/88960398358?pwd=ZThlHlTu1Vb7xtvLRnGMq6CQ35jucQ.wmTng6VAcot\\_gSzW](https://losgatosca.gov.zoom.us/j/88960398358?pwd=ZThlHlTu1Vb7xtvLRnGMq6CQ35jucQ.wmTng6VAcot_gSzW).
- Passcode: 481907. You can also type in 889 6039 8358 in the “Join a Meeting” page on the Zoom website at <https://zoom.us/join>.
  - When the Chair announces the item for which you wish to speak, click the “raise hand” feature in Zoom. If you are participating by phone on the Zoom app, press \*9 on your telephone keypad to raise your hand.
- **Join by telephone:** Join by Telephone: Dial: USA 877 336 1839 US Toll-free or 636 651 0008 US Toll. Conference code: 686100
  - If you are participating by calling in, press #2 on your telephone keypad to raise your hand.
- **In-Person:** If you wish to speak during the meeting, please complete a “speaker’s card” located on the back of the chamber benches and return it to the Vice Chair. If you wish to speak to an item on the agenda, please list the item number. If you wish to speak on an item NOT on the agenda, please list the subject and you may speak during the “Verbal Communications” period. The time allocated to speakers may change to better facilitate the Planning Commission meeting.

When called to speak, you may be asked to provide your full name and your town/city of residence. This identifying information is optional and not a requirement for participation. Please limit your comments to three (3) minutes, or such other time as the Chair may decide, consistent with the time limit for speakers at a Council meeting. If you wish to speak to an item or items on the Consent Calendar, please state which item number(s) you are commenting on at the beginning of your time.

If you are unable to participate in real-time, you may email to [Planning@losgatosca.gov](mailto:Planning@losgatosca.gov) the subject line “Public Comment Item #\_\_” (insert the item number relevant to your comment) or “Verbal Communications – Non-Agenda Item.” Comments received by 11:00 a.m. the day of the meeting will be reviewed and distributed before the meeting. All comments received will become part of the record.

## MEETING CALL TO ORDER

## ROLL CALL

## PLEDGE OF ALLEGIANCE

**VERBAL COMMUNICATIONS** *(Members of the public may address the Planning Commission only on the agenda items. Unless additional time is authorized by the Chair, remarks shall be limited to three minutes.)*

**PUBLIC HEARINGS** *(Applicants/Appellants and their representatives may be allotted up to a total of five minutes maximum for opening statements. Members of the public may be allotted up to three minutes to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of three minutes maximum for closing statements. Items requested/recommended for continuance are subject to the Commission's consent at the meeting.)*

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

**ADJOURNMENT** *(Planning Commission policy is to adjourn no later than 11:30 p.m. unless a majority of the Planning Commission votes for an extension of time)*

*Writings related to an item on the Planning Commission meeting agenda distributed to members of the Commission within 72 hours of the meeting are available for public inspection at the reference desk of the Los Gatos Town Library, located at 100 Villa Avenue; the Community Development Department and Clerk Department, both located at 110 E. Main Street; and are also available for review on the official Town of Los Gatos website. Copies of desk items distributed to members of the Commission at the meeting are available for review in the Town Council Chambers.*

*Note: The Town of Los Gatos has adopted the provisions of Code of Civil Procedure §1094.6; litigation challenging a decision of the Town Council must be brought within 90 days after the decision is announced unless a shorter time is required by State or Federal law.*

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**TOWN OF LOS GATOS  
PLANNING COMMISSION  
REPORT**

MEETING DATE: 11/15/2023

ITEM NO: 1

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DATE: November 10, 2023  
TO: Planning Commission  
FROM: Joel Paulson, Community Development Director  
SUBJECT: Consider and Make a Recommendation to the Town Council on the Draft Revised 2023-2031 Housing Element. Location: Town-Wide. General Plan Amendment Application GP-22-003.

**RECOMMENDATION:**

Staff recommends that the Planning Commission hold the public hearing, ask questions of staff, and receive any verbal public comment from those in attendance, and continue the item to a date certain of November 29, 2023, for a special meeting to continue the public hearing for any additional public comment, deliberation, and a recommendation.

**EXECUTIVE SUMMARY:**

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

[www.losgatosca.govHousingElement](http://www.losgatosca.govHousingElement).

**PREPARED BY:** Erin Walters and Jocelyn Shoopman  
Associate Planners

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

**BACKGROUND:**

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

Starting in early 2021, the Town has taken the steps to comply with State law with the goal of adopting a Housing Element prior to the January 31, 2023, deadline.

On January 30, 2023, the Town Council adopted the Draft Housing Element with modifications to the Sites Inventory and directed staff to continue to work with the Department of Housing and Community Development (HCD) to resolve additional comments provided during their review.

On February 13, 2023, after the required seven-day review period, the Town submitted the adopted Draft Housing Element to HCD for preliminary review, which consists of a 90-day review.

On March 31, 2023, after the required seven-day review period, the Town submitted the Draft Revised Housing Element, in response to the January 12, 2023, HCD findings/comment letter to HCD for preliminary review.

On April 14, 2023, the Town received HCD's findings/comment letter on the Draft Revised Housing Element that was submitted to HCD on February 13, 2023.

On May 30, 2023, the Town received an updated findings/comment letter from HCD on the Draft Revised Housing Element that was submitted to HCD on March 31, 2023.

On October 2, 2023, after the seven-day review period, the Town submitted the Draft Revised Housing Element (dated September 2023), in response to the May 30, 2023, HCD findings/comment letter to HCD for review. The documents submitted to HCD can be viewed on the Housing Element update website at: [www.logatosca.gov/HousingElement](http://www.logatosca.gov/HousingElement).

On November 7, 2023, staff and the consultant met with the Town's HCD reviewer and received preliminary feedback on the Draft Revised Housing Element submitted to HCD on October 2, 2023. A preliminary review matrix of the HCD reviewer's comments on the Draft Revised Housing Element will be provided to the Planning Commission for the November 15, 2023, Planning Commission meeting in an Addendum Report.

The primary purpose of this agenda item is to ask questions of staff and the Town's Housing Element consultant on the Revised Draft Housing Element (September 2023), discuss potential modifications to the document based on the preliminary feedback provided by the Town's HCD

BACKGROUND (continued):

reviewer, receive any verbal public comment, and continue the item to a date certain. At the following meeting the Planning Commission will have the opportunity to deliberate further based on additional revisions and make a recommendation to the Town Council on whether to adopt the Draft Revised Housing Element.

DISCUSSION:

This section lists the required components of Housing Element updates per State law, and then provides an expanded discussion of each including a reference to where it is addressed in the Town's Draft Revised Housing Element, and the areas where additional edits have been made since January 30, 2023.

**Required Components of a Housing Element**

Pursuant to Government Code Section 65583, local governments are required to include the items below within their Housing Elements, and subsequent updates thereto.

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

DISCUSSION (continued):

**Housing Element Requirements**

The following sections expand on these major topics covered by the Town's Housing Element and the work that has been completed since the January 30, 2023, adoption.

A. Housing Needs Assessment

As part of the Housing Element update process the Town is required to analyze the existing and projected housing needs of the Town, including its fair share of RHNA requirements. The Town's analysis of housing needs is required to include an assessment of detailed demographic data including: population age, size, and ethnicity; household characteristics; overpayment trends; housing stock conditions; units in need of replacement or rehabilitation; and needs of special needs populations including the elderly, persons with disabilities, unhoused persons, extremely low-income households, and farmworkers. Utilizing the Housing Needs Data Report provided by ABAG, the 6<sup>th</sup> cycle Housing Element update outlines the Town's housing needs. Since the January 30, 2023, adoption of the Housing Element, additional data and analysis has been provided by Root Policy Research and Vernonia Tam and Associates, that can be found in Appendix B of the Draft Revised Housing Element.

B. Housing Resources and Sites Inventory

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

The Sites Inventory of the Draft Revised Housing Element includes sufficient sites to meet the RHNA requirement in each income category, with a surplus of approximately 57 percent above the remaining RHNA as described in Section B of this report.

Since the January 30, 2023, adoption of the Housing Element, the following modifications have been made to the Sites Inventory of the Draft Revised Housing Element:



DISCUSSION (continued):

1. The removal of site A-1 (50 Park Avenue and 61 Montebello Way). The Regional Housing Needs Allocation (RHNA) capacity only accepts net new units. Site A1 has a minimum capacity of five units, whereas there are 11 housing units on-site. Due to the housing capacity resulting in less than the exiting number of units on-site, the site has been removed from the Sites Inventory. This results in a total of 48 sites in the modified Sites Inventory.
2. The income distribution for sites D-3, D-4, and D-5 were modified to place all housing units in the above moderate-income category since each site is less than half an acre and deemed inadequate to accommodate housing for lower-income housing.
3. The net capacity for sites B-1, D-1, D-2, D-3, D-4, D-5, D-6, D-7, and E-1 was reduced by a total of 21 units to account for existing housing units on-site.
4. The Pipeline Projects were reduced from 201 units to 191 units based on the net capacity of existing housing units on-site.
5. The RHNA planning period for the ABAG region started on June 30, 2022. Housing units that were finalized, permitted, or approved after this date, or were under construction as of June 30, 2022, up to January 31, 2023, can be credited toward the RHNA, resulting in a total of 250 housing units. Based on the preliminary feedback provided by the Town's HCD reviewer on November 7, 2023, staff and the consultant will continue to review this section of the Draft Revised Housing Element.

C. Regional Housing Needs Allocation (RHNA)

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

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

DISCUSSION (continued):

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

*RHNA Credits/Surplus*

New “no net loss” provisions of Government Code Section 65863 require the Town to ensure an adequate supply of land be made available for housing development throughout the duration of the 2023-2031 planning period. This means that if housing sites identified within the jurisdiction's 6<sup>th</sup> cycle Housing Element are developed with non-residential uses, lower residential densities, or residential uses at affordability levels that are different than anticipated by the Housing Element, the Town will need to rezone other properties in order to make up the shortfall.

Since the January 30, 2023, adoption of the Housing Element, the Sites Inventory has been revised to reflect RHNA credits for housing units that were finalized, permitted, or approved after this date, or were under construction as of June 30, 2022; ADU projections; Senate Bill 9 projections; and the Pipeline Projects amount to 737 units. The remaining RHNA that needs to be accommodated by the Sites Inventory is 1,256 units, as shown in Table 10-3 in the Draft Revised Housing Element and on the following page.

DISCUSSION (continued):

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	49	0	2	176	227
- 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
SB 9 Units	0	0	0	96	96
<b>Total</b>	<b>109</b>	<b>64</b>	<b>73</b>	<b>491</b>	<b>737</b>
<b>RHNA</b>	<b>537</b>	<b>310</b>	<b>320</b>	<b>826</b>	<b>1,993</b>
Remaining RHNA	428	246	247	335	1,256
Housing Element Overlay Zone (HEOZ) Sites	634	357	340	640	1,971
- Owner Interest/Conceptual Development Plans	480	283	264	320	1,347
- Additional Sites	154	74	76	320	624
Surplus above Remaining RHNA	206	111	93	305	715
% Surplus	48%	45%	38%	91%	57%

Source: Town of Los Gatos, Town of Los Gatos 6<sup>th</sup> Cycle 2023-2031 Housing Element Update, HCD Draft Revised, September 2023, Clean Copy

The Sites Inventory accommodates a net capacity of approximately 1,971 units, a surplus of approximately 57 percent above the remaining RHNA of 1,256 units, which would equal capacity of approximately 715 additional units. These sites, in addition to Accessory Dwelling Units Projections, Senate Bill 9 Projections, and Pipeline Projects have a total, net capacity of 2,708 units. This “cushion” for capacity above the base RHNA number is highly recommended because of the State’s “no net loss” requirements. The “cushion” provides a degree of flexibility for policy makers as they make development decisions. Based on the preliminary feedback provided by the Town’s HCD reviewer on November 7, 2023, staff and the consultant will continue to review this section of the Draft Revised Housing Element.

#### D. Constraints Analysis

In addition to analyzing the existing and projected housing needs of the Town, the Housing Element must also identify and analyze potential and actual governmental and nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels in the community, regardless of protected class. Since the January 30, 2023, adoption of the Housing Element, additional information and analysis has

DISCUSSION (continued):

been provided by Veronica Tam and Associates, that can be found in Appendix C of the Draft Revised Housing Element.

E. Goals, Policies, and Implementation Programs

The Housing Element includes a set of goals, policies, and implementation programs intended to promote the preservation, rehabilitation, and production of housing throughout the Town. Goals are long-range, broad, and comprehensive targets that describe future outcomes the Town desires. A policy is a specific instructional guideline that seeks to promote a goal. Together, goals and policies are implemented through a series of programs that identify specific, quantifiable actions the Town will undertake during the 6<sup>th</sup> cycle planning period. The Town's Draft Goals, Policies, and Implementation Programs are summarized in Section 10.6 of the Draft Revised Housing Element. Since the January 30, 2023, adoption of the Housing Element, the Implementation Programs have been reorganized through combining similar programs and removing programs that are required routinely. Additionally, a new Policy and Implementation Program was added that supports local labor, per the direction of the Housing Element Advisory Board (HEAB).

F. Affirmatively Furthering Fair Housing (AFFH)

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

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

DISCUSSION (continued):

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

Since the January 30, 2023, adoption of the Housing Element, additional maps and analysis, including, but not limited to the distribution of RHNA units by AFFH variables have been added to Appendix A of the Draft Revised Housing Element, as well as an analysis of trends and patterns related to access to transportation on a local and regional level.

G. Evaluation of Past Progress

Pursuant to State Law, the Draft Housing Element summarizes the implementation status of Goals, Policies, and Implementation Programs from the Town's 5<sup>th</sup> cycle Housing Element. Since the January 30, 2023, adoption of the Housing Element, further refinement was made to Appendix E of the Draft Revised Housing Element.

H. Community Engagement

Beginning in the summer of 2021, the Town has conducted a comprehensive community engagement and outreach strategy, as required by Government Code, to inform the 6<sup>th</sup> cycle Housing Element update process. Since the January 30, 2023, adoption of the Housing Element, the Town has continued with community engagement strategies, which have included six HEAB public meetings; a joint study session with the Planning Commission and Town Council on statewide housing laws that apply to applications for housing development projects in the Town; and seven informational booths at the farmer's market. The Town has a dedicated Housing Element update website which has provided the public information regarding the Housing Element process timeline and engagement opportunities.

Community engagement opportunities have been publicized on the Town's website, through the Town's multiple social media platforms and through targeted email updates to the Town's Notify Me subscriber list for the 2040 General Plan Update and Housing Element update. Announcements have been provided in the local newspaper for all HEAB meetings. Feedback received throughout the ongoing community engagement and outreach process has assisted staff and the consulting team in preparing the Draft Revised Housing Element.

DISCUSSION (continued):

**Next Steps**

On November 7, 2023, staff and the Housing Element consultant met with the Town's HCD reviewer and received preliminary feedback on the Draft Revised Housing Element submitted to HCD on October 2, 2023. A preliminary review matrix showing HCD's preliminary comments will be provided prior to the November 15, 2023, Planning Commission meeting in an Addendum Report.

In parallel with the discussion of the Draft Revised Housing Element tonight, Town staff and the consultant will continue to work on implementing modifications to the Draft Revised Housing Element based on the preliminary feedback that was provided on November 7, 2023. Staff recommends continuing the item to a date certain of November 29, 2023, at which time the Planning Commission will review, deliberate, and make a recommendation to the Town Council on whether to adopt the Draft Revised Housing Element with additional modifications. The Planning Commission's recommendation on the adoption of the Draft Revised Housing Element is tentatively scheduled for consideration by the Town Council on December 19, 2023.

As required by Assembly Bill 215, the Draft Revised Housing Element must be made available to the public for a seven-day review period prior to resubmittal to HCD. Staff expects to start the seven-day review period on Friday, November 17, 2023, through Monday, November 27, 2023, by 5:00 p.m. The Town expects to receive its comment letter from HCD on the Draft Revised Housing Element by December 1, 2023.

Based on HCD's review, to be completed by December 1, 2023, it is possible that additional revisions may be needed before HCD would certify the Housing Element. This means that additional Planning Commission and Town Council hearings for adoption of a revised Housing Element may need to be conducted.

ENVIRONMENTAL ASSESSMENT:

An Environmental Analysis was prepared for the Housing Element update. All potentially significant effects have been analyzed adequately in the Town of Los Gatos 2040 General Plan Environmental Impact Report (EIR), pursuant to applicable standards including CEQA Guidelines Section 15168(c)2, because the Housing Element update is consistent with the growth projections evaluated in the General Plan EIR.

PUBLIC COMMENTS:

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

CONCLUSION:

A. Recommendation

Staff recommends that the Planning Commission hold the public hearing, ask questions of staff, and receive any verbal public comment, and continue the item to a date certain of November 29, 2023, for a special meeting to continue the public hearing for any additional public comment, deliberation, and a recommendation to the Town Council.

EXHIBITS:

Previously received (available online at: [www.losgatosca.gov/HousingElement](http://www.losgatosca.gov/HousingElement)):

1. Draft Revised 2023-2031 Housing Element
2. Environmental Analysis

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**TOWN OF LOS GATOS  
PLANNING COMMISSION  
REPORT**

MEETING DATE: 11/15/2023

ITEM NO: 1

ADDENDUM

DATE: November 14, 2023  
TO: Planning Commission  
FROM: Joel Paulson, Community Development Director  
SUBJECT: Consider and Make a Recommendation to the Town Council on the Draft Revised 2023-2031 Housing Element. Location: Town-Wide. General Plan Amendment Application GP-22-003.

**REMARKS:**

Exhibit 3 includes a draft preliminary review matrix provided by the California Department of Housing and Community Development (HCD) with the reviewer's preliminary comments on the Draft Revised Housing Element as submitted to HCD on October 2, 2023. The draft preliminary review matrix includes the following five columns:

- Prior HCD Finding – This column lists HCD's comments from the May 30, 2023, findings/comment letter.
- Page # – This column includes page references to the track changes version of the Draft Revised Housing Element from the HCD reviewer.
- Preliminary Review – This column includes a preliminary rating of "Yes" or "No" to indicate if comment has been resolved and no longer prevents certification, with occasional use of "~" to indicate that additional content may be requested.
- HCD Notes – This column provides additional details that are being requested by the HCD reviewer when the preliminary determination is other than "Yes."
- Staff Response – This column provides a draft initial response from staff and is expected to be further refined prior to resubmittal to HCD.

In parallel with the discussion of the Draft Revised Housing Element on November 15, 2023, Town staff and the consultant will continue to work on implementing modifications based on the draft preliminary review matrix provided to the Town on November 7, 2023. Staff expects to have the Draft Revised Housing Element with the additional modifications completed for a future special Planning Commission meeting, at which time the Planning Commission will

**PREPARED BY:** Erin Walters and Jocelyn Shoopman  
Associate Planners

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

PAGE 2 OF 2

SUBJECT: DRAFT REVISED 2023-2031 HOUSING ELEMENT/GP-22-003

DATE: November 14, 2023

REMARKS (continued):

review, deliberate, and make a recommendation to the Town Council on whether to adopt the Draft Revised Housing Element with additional modifications. The Planning Commission's recommendation on the adoption of the Draft Revised Housing Element is tentatively scheduled for consideration by the Town Council on December 19, 2023.

EXHIBITS:

Previously received with the November 15, 2023, Staff Report (available online at:  
[www.losgatosca.gov/HousingElement](http://www.losgatosca.gov/HousingElement)):

1. Draft Revised 2023-2031 Housing Element
2. Environmental Analysis

Received with this Addendum Report:

3. Draft Preliminary Review Matrix

**Draft Preliminary Review Matrix on the Draft Revised  
Housing Element, as submitted to HCD on October 2, 2023  
Received November 7, 2023, with Staff Responses as of November 14, 2023**

Prior HCD Finding	Page #	Preliminary Review	HCD Notes	Staff Response
<b>Affirmatively Furthering Fair Housing</b>				
<p><u>Regional Level Patterns and Trends:</u> The element includes some data and analysis regarding different patterns for various socio-economic characteristics (race and income). However, a complete analysis should analyze this data for patterns and trends at the regional level, comparing the locality to the broader region, including integration and segregation (race, income, disability, and familial status), disparities in access to opportunity (education, environmental, transportation, economic), and disproportionate housing needs (cost burdened, overcrowded, substandard housing conditions, homelessness, and displacement risks). Please see HCD's January 12, 2023 review for additional information.</p> <p><u>HCD Prior Review:</u> While the element includes several maps and tables and reports data, it generally must evaluate the data and especially at a regional level, comparing the Town to the broader region. This is particularly important since the Town appears far different from the rest of the region. The analysis should address all components of the assessment of fair housing (e.g., segregation and integration, disparities in access to opportunity) and should focus on race, income, and overall access to opportunity). The analysis should address trends and incorporate local data and knowledge and other relevant factors (See below).</p>	A35	Y~	Should be some discussion of trends whether it's at an aggregate level with maps and data tables.	<p>Additional maps and data of the population by protected class at a local and regional level comparison was provided starting on page A-35 through page A-62 of the Draft Revised Housing Element (September 2023) track change version.</p> <p>Additional maps and data related to disparities in access to opportunity at a local and regional level comparison was provided starting on page A-68 through A-100 of the Draft Revised Housing Element (September 2023) track change version.</p> <p>Additional data and maps related to disproportionate housing needs at a local and regional level comparison was provided starting on page A-101 through A-159 of the Draft Revised Housing Element (September 2023) track change version.</p> <p>Work is in progress by staff and the consultant to include discussion on the trends identified through the analysis.</p>

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<u>Income and Racial Concentration of Affluence (RCAA)</u> : The element states that a RCAA does not exist; however, the Town is predominantly a high resource category according to TCAC/HCD Opportunity Maps and is predominantly higher income. These patterns differ from the surrounding region and the element should include specific analysis of the Town compared to the region and should formulate policies and programs to promote an inclusive community. For example, the Town should consider additional actions (not limited to the Regional Housing Needs Allocation (RHNA)) to promote housing mobility and improve new housing opportunities throughout the Town.	A63  A150	No	The element now includes actions to promote an inclusive community; however, the element must provide specific analysis of income and RCAA at a regional level (town compared to the broader region). The analysis should at least address trends, conditions, coincidence with other fair housing factors (e.g., race, highest resource, overpayment), effectiveness or absence of past strategies (e.g., lack of publicly assisted housing and lack of multifamily zoning), local data and knowledge and other relevant factors. Please see Los Altos Hills as examples.	Additional analysis, data, and maps describing that all census tracts in the Town are considered to be Racially Concentrated Areas of Affluence (RCAA) was provided on page A-65 through A-67 and page A-151 through A-152 of the Draft Revised Housing Element (September 2023) track change version.  Work is in progress by staff and the consultant to include additional information related to the outcome of the analysis.
<u>Disparities in Access to Opportunity</u> : While the element was revised to include the distances between public schools for each site to a public transit line, it must also evaluate and compare concentrations of protected groups with access to transportation options. In addition, it must also analyze any disproportionate transportation needs for members of protected classes.	A76  A89	Yes		
<u>Identified Sites and Affirmatively Furthering Fair Housing (AFFH)</u> : While the element was revised with brief conclusions that identified sites do not exacerbate fair housing conditions, it must also quantify the number of units by income group and location then evaluate the impact on socio-	A144 - 163	Yes		

Prior HCD Finding	Page #	Preliminary Review	HCD Notes	Staff Response
<p>economic concentrations. Please see HCD's January 12, 2023 review for additional information.</p> <p><u>HCD Prior:</u> The element must include data on the location of regional housing need allocation (RHNA) sites by income group relative to all fair housing components. The analysis should address the number of units by income group and location, any isolation of the RHNA by income group, magnitude of the impact on existing concentrations of socio- economic characteristics and discuss how the sites improve fair housing conditions. The analysis should be supported by local data and knowledge and other relevant factors and programs should be added or modified as appropriate to promote inclusive and equitable communities.</p>				
<p><u>Local Data, Knowledge and Other Relevant Factors:</u></p> <p>The element included some information about regional history, referenced stakeholder comments and discussed the location of assisted projects and housing choice vouchers. However, the element needs to provide information and analysis that relates, supports, or supplements the existing analysis, fair housing conclusions, or contributing factors. The element must consider other relevant factors that have contributed to certain fair housing conditions. This analysis must consider information that is unique to the Town or region; such as governmental and nongovernmental actions; historical land use and zoning practices (e.g., past redlining/Greenlining, restrictive covenants, planning documents, etc.); disparities in investment to specific communities including transportation investments; seeking investment or lack thereof to promote affordability and inclusion; local initiatives,</p>	A4 A14	No~	The city can utilize staff knowledge and reach out to service providers for local data.	<p>Local knowledge and history were added on page A-14 through A-15 of the Draft Revised Housing Element (September 2023) track change version.</p> <p>Work is in progress by staff and the consultant to include additional information related to feedback provided by local service providers.</p>

Prior HCD Finding	Page #	Preliminary Review	HCD Notes	Staff Response
or other information that may have impeded housing choices and mobility.				
<u>Contributing Factors to Fair Housing Issues:</u> The element identifies contributing factors to fair housing issues. However, these issues and goals do not appear adequate to facilitate the formulation of meaningful actions to AFFH. The element should re-assess contributing factors upon completion of analysis and make revisions as appropriate. In addition, the element must prioritize these factors to better formulate policies and programs and carry out meaningful actions to AFFH.	A16	TBD	Dependent upon complete analysis.	Analysis of the Town's contributing factors with a priority rating were added on page A-16 through A-19 of the Draft Revised Housing Element (September 2023) track change version.  Work is in progress by staff and the consultant to include additional information, as requested by HCD.
<b>Housing Needs Assessment</b>				
<u>Housing Conditions:</u> The element discusses code enforcement violations; however, it must also provide a Town-wide estimate of the number of units in need of rehabilitation and replacement.	B25	Yes		
<u>Special Housing Needs:</u> The element was not revised to address this finding. Please see HCD's January 12, 2023 review for additional information.  <u>HCD Prior Review:</u> While the element quantifies some of the Town's special needs populations, it must also estimate the number of persons experiencing homelessness in the Town. In addition, the element reports data but must also analyze the special housing needs. For a complete analysis of each population group, the element should quantify the needs, evaluate trends and characteristics (e.g., tenure, income) of housing needs, discuss disproportionate challenges faced by the population, the existing resources to meet those needs, assess any gaps in resources or effectiveness of past strategies, describe the magnitude of the	B40+  C57	~	Commercial Industrial (LM) will permit ES by right; however, program should go beyond reviewing town code and make amendments as necessary to align with all state requirements.	Analysis of the Town's compliance with Assembly Bill 2339 for emergency shelters was added on page C-57 of the Draft Revised Housing Element (September 2023) track change version.  Program AP of the Draft Revised Housing Element (September 2023) includes Implementation Program AP which outlines amendments to the Town Code to better facilitate the provision of a variety of housing types, prioritize special needs housing by allowing for reduced processing times and streamlined procedures, and include preferential handling of special needs populations in management plans and regulatory agreements of funded projects.

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remaining need and appropriate propose policies and programs.				Work is in progress by staff and the consultant to clarify that the Town will comply with State requirements for emergency shelters.
<b>Sites Inventory, Analysis and Adequate Sites</b>				
<p><u>Realistic Capacity</u>: While the element now clarifies that minimum densities are utilized toward the calculation of realistic capacity; it must still address HCD's prior finding regarding the likelihood for 100 percent nonresidential development in zones allowing 100 percent nonresidential uses. Please see HCDs prior review for additional information.</p> <p><u>HCD Prior Review</u>: The element must include a methodology for calculating the realistic residential capacity of identified sites. The methodology must be adjusted as necessary, based on the land use controls and site improvements and typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction. For example, the element could clearly list other recent projects, the zone, acreage, built density, allowable density, level of affordability and presence of exceptions such as a density bonus.</p>	D2-D5  D13	No	Program BH must clarify by right definition for reuse sites.	<p>Program AS of the Draft Revised Housing Element (September 2023) identifies the reuse sites included in the 6<sup>th</sup> cycle Housing Element.</p> <p>Work is in progress by staff and the consultant to include the definition of by right development in Program AS.</p>
<p><u>Nonvacant Sites</u>: The element was not revised to address this finding. Please see HCD's January 12, 2023 review for additional information.</p> <p>In addition, specific analysis and actions are necessary if the housing element relies upon nonvacant sites to accommodate more than 50 percent of the RHNA for lower-income households. For your information, the housing element must demonstrate existing uses are not an impediment to additional residential development and will likely discontinue in the planning period. (Gov. Code, §</p>	D5	Yes~	Utilizes factors: ILV, FAR, Age (40 years), # of stories.	A nonvacant capacity analysis was provided on page D-5 through D-13 of the Draft Revised Housing Element (September 2023) track change version. The characteristics of existing uses (age, floor area ratio, improvement-to-land value, single vs. multi-story), and whether such characteristics are conducive to future redevelopment were all included in the analysis.

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<p>65583.2, subd. (g)(2).) Absent findings (e.g., adoption resolution) based on substantial evidence, the existing uses will be presumed to impede additional residential development and will not be utilized toward demonstrating adequate sites to accommodate the RHNA.</p> <p><u>HCD Prior Review:</u> The element must include an analysis demonstrating the potential for additional development on nonvacant sites. The element generally provides a description of the properties like location and whether the property owner submitted an interest form but does not describe the results of the form or why the property might redevelop in the planning period. To address this requirement, the element should address the extent to which existing uses may constitute an impediment to additional residential development, the Town's past experience with converting existing uses to higher density residential development, the current market demand for the existing use, an analysis of any existing leases or other contracts that would perpetuate the existing use or prevent redevelopment of the site for additional residential development, development trends, market conditions, and regulatory or other incentives or standards to encourage additional residential development on these sites.</p>				Work is in progress by staff and the consultant to clarify and/or provide additional information related to the nonvacant capacity analysis.
<p><u>Small Sites:</u> The element was not revised to address this finding. Please see HCD's January 12, 2023 review for additional information.</p> <p><u>HCD Prior Review:</u> The element identifies several sites smaller than a half-acre. Sites smaller than a half-acre in size are deemed inadequate to accommodate housing for lower-income housing unless it is demonstrated that sites of equivalent</p>	? Elec. SI	No	No revisions made?	The income distribution for sites D-3, D-4, and D-7 were modified as part of Appendix H to place all housing units in the above moderate-income category since each parcel is less than half an acre and deemed inadequate to accommodate housing for lower-income housing.



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size and affordability were successfully developed during the prior planning period or other evidence demonstrates the suitability of the sites to accommodate housing for lower-income households, including programs as appropriate.				<p>Sites B-1, C-2, D-1, and D-5 are each composed of multiple parcels. The parcels that are less than half an acre in size within each site are identified below in underlined text; however, since they are owned by the same property owner, they have been consolidated in the Sites Inventory based on anticipated future development as one, merged site.</p> <ul style="list-style-type: none"> <li>Site B-1: APN's 52924032, 52924001, and <u>52924003</u>;</li> <li>Site C-2: APN's <u>42419049</u>, 42419048, and 42419069;</li> <li>Site D-1: APN's 42407094, 42407095, <u>42407053</u>, <u>42407009</u>, 42407081, 42407115, and 42407116; and</li> <li>Site D-5: APN's <u>42407054</u> and 42407063.</li> </ul> <p>Work is in progress by staff and the consultant to clarify that the aforementioned sites are small parcels, not small sites.</p>
<p><u>SB 9 Sites:</u> The element is projecting 96 units that will be developed based on the passage of SB 9 (Statutes of 2021) to accommodate a portion of its above moderate-income RHNA. To utilize projections based on SB 9 legislation, the element must; 1) include a site-specific inventory of sites where SB 9 projections are being applied; 2) include a nonvacant sites analysis demonstrating the likelihood of redevelopment and that the existing use will not constitute as an impediment for additional residential use. The element should list the four two-unit housing development applications and the seven urban lot splits, and the two development requests on single-family residential zoned parcels; and Program BL should be revised to implement significant incentives to encourage and</p>	C50  D66	No	<p>Element was revised to include factors utilized such as age, ILV, and lot coverage; however, should relate to site inventory specific for Sb 9 projects, including all four two unit housing development applications, and seven urban lot requests. In addition, the element must discuss trends and likelihood of redevelopment. For example, the town can identify on a site specific analysis owner interest, existing use, and other conditions of the</p>	<p>A Senate Bill 9 analysis, including identifying the number of parcels in Town that qualify for a lot split was provided on page D-66 of the Draft Revised Housing Element (September 2023) track change version.</p> <p>Work is in progress by staff and the consultant to provide more site specifics for Senate Bill 9 projects.</p>

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<p>facilitate development. Please see HCD's January 12, 2023 review for additional information.</p> <p><u>HCD Prior Review:</u> The element identifies SB 9 as a strategy to accommodate the part of the Town's RHNA. To support these assumptions, the analysis must include experience, trends and market conditions that allow lot splits. The analysis must also include a nonvacant sites analysis demonstrating the affordability, likelihood of redevelopment and the existing use will not constitute as an impediment for additional residential use. The analysis should describe how the Town determined eligible properties, whether the assumed lots will have turnover, if the properties are easy to subdivide, and the condition of the existing structures or other relevant factors indicating additional development potential. The analysis should also describe interest from property owners as well as experience. The analysis should provide support for the assumption of eligible properties being developed within the planning period. Based on the outcomes of this analysis, the element should add or modify programs to establish zoning and development standards early in the planning period and implement incentives to encourage and facilitate development as well as monitor development every two years with and identify additional sites within six months if assumptions are not being met. The element should support this analysis with local information such as local developer or owner interest to utilize zoning and incentives established through SB 9.</p>			<p>existing infrastructure or relevant factors indicating additional development. Please see HCDs prior review. See the town of Ross as example.</p>	
<p><u>Zoning for a Variety of Housing Types (Manufactured Housing):</u> The element was not</p>	C15	No	<p>Include program to comply with gov code 65852.3.</p>	<p>Narrative describing that manufactured housing is permitted by-right on all residentially zoned parcels was included on page C-14 of the</p>

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<p>revised to address this finding. Please see HCD's January 12, 2023 review for additional information.</p> <p><u>HCD Prior Review:</u> The element must demonstrate zoning permits manufactured housing on a permanent foundation in the same manner and in the same zone as a conventional or stick-built structures are permitted (Government Code Section 65852.3) or add or modify programs as appropriate.</p>				<p>Draft Revised Housing Element (September 2023) track change version.</p> <p>Work is in progress by staff and the consultant to include a new Implementation Program that states that the Town will comply with Government Code Section 65852.3 related to manufactured housing.</p>
<b>Governmental Constraints</b>				
<p><u>Land Use Controls:</u> The element now lists development standards by zoning district. However, it must also list and evaluate development standards for the North Forty Specific Plan, Mixed-Use Commercial, and the High-Density Residential zones. Please see HCD's January 12, 2023 review for additional information</p> <p><u>HCD Prior Review:</u> The element must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types. For example, the element should analyze all development standards by zoning district for impacts on housing costs and ability to achieve maximum densities. The element should also discuss any local initiatives, referendums, moratoriums or other mechanisms (existing or proposed) that impact housing supply, cost, feasibility, timing and ability to achieve maximum densities. In addition, the analysis should specifically address the development standards in the North Forty Specific Plan, Mixed Use Commercial, and the High-Density Residential zone. The analysis must evaluate the cumulative impacts of land use controls on the cost</p>	<p>C3</p> <p>C6</p> <p>D2</p>	~	<p>Medium and High Density Residential would be based on the underlying zone in the 2020 GP?</p>	<p>An evaluation of the North Forty Specific Plan residential development standards was provided on page C-6 of the Draft Revised Housing Element (September 2023) track change version. Development standards for residential and commercial development were provided in Table C-1 on page C-5 of the Draft Revised Housing Element (September 2023) track change version.</p> <p>Work is in progress by staff and the consultant to describe the residential development standards for the mixed-use and high-density residential land use designations.</p>

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and supply of housing, including the ability to achieve maximum densities. The Town could engage the development community to assist with this analysis.				
<u>Fees and Exaction:</u> The element now compares total fees as a proportion of the total development costs but still must list the fees that comprise that total and particularly impact fees then evaluate those total fees for impacts on development costs.	C19 C36	No	Revise to include MU unit project Table C-4, but should also list fees for MF projects.	A table summarizing the development and permit fees required for a single-family and mixed-use development were provided in Table C-4 on page C-20 of the Draft Revised Housing Element (September 2023) track change version.  Work is in progress by staff and the consultant to modify the table to include the development and permit fees for a multi-family project.
<u>Local Processing and Permit Procedures:</u> While the element provides additional information on the processing of a typical market rate single or multi-family housing application, it mentions approval is required by the Development Review Committee (DRC) (p. C-29). The element must describe and analyze the DRC process, identify and evaluate approval findings for impacts on housing cost and approval certainty.	C37 C44	Yes~	All CUP approval findings should be based on objective design standards to promote certainty.	The findings for a housing project which requires a Conditional Use Permit (CUP) was provided on page C-48 of the Draft Revised Housing Element (September 2023) track change version.  Work is in progress by staff and the consultant to provide additional narrative describing the CUP findings based on objective design standards.
<u>Housing for Persons with Disabilities:</u> The prior review found the Town's reasonable accommodation procedure contains constraints. For example, subjective language in approval findings such as "no impact on surrounding uses" can lead to uncertainty of project approval through a discretionary process. In response, the Town commits Program BC to revise subjective language criteria to "minimal impact on surround uses" (p. C-38). However, reasonable accommodation is a unique exception process that should not contain findings similar to a conditional use permit. Program	10-53 C47	No	Program V.  See suggested language in <a href="#">blue below</a> .	Implementation Program V on page 10-53 of the Draft Revised Housing Element (September 2023) track change version includes language to review the Reasonable Accommodation procedure on an annual basis.  Work is in progress by staff and the consultant to modify the language of Implementation Program V to include the suggested language by HCD.

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BC should be revised to specifically remove the surrounding uses finding.				
<u>Inclusionary Zoning Ordinance</u> : While the element now discusses alternatives for meeting the Town's inclusionary requirements, it should still describe incentives, including relationships with state density bonus law and how the level of affordability is determined.	C53	Yes		
<b>Housing Programs: Beneficial Impact</b>				
<p>Programs must demonstrate that they will have a beneficial impact within the planning period. Beneficial impact means specific commitment to deliverables, measurable metrics or objectives, definitive deadlines, dates, or benchmarks for implementation. Deliverables should occur early in the planning period to ensure actual housing outcomes. The following programs still must be revised to include specific commitments and definitive timelines as follows:</p> <p><u>Program M (Lot Consolidation)</u>: While the program was revised to facilitate four units through the lot consolidation process, it should increase the numerical objective in stride with the need. Specially as the Town is relying on several small sites to accommodate a portion of lower income RHNA.</p>	10-45	No	Metrics should not be limited to RHNA.	<p>Implementation Program K on page 10-45 of the Draft Revised Housing Element (September 2023) track change version describes outreach by the Town to property owners to facilitate lot consolidation, including an amendment to the Town Code for development incentives to encourage the parcel merger process in a streamlined and timely manner.</p> <p>Work is in progress by staff and the consultant to modify the metrics and increase the numerical objective of Implementation Program K.</p>
<u>Program S (Affordable Housing Development)</u> : The program should increase the numerical objective to target meaningful outcomes during the planning period.	10-48	No	Program O must be revised to include a timeline when development impact fees will be reduced.	<p>Implementation Program O on page 10-48 of the Draft Revised Housing Element (September 2023) track change version describes incentives for affordable housing development.</p> <p>Work is in progress by staff and the consultant to revise the expected timeline of when development impact fees will be reduced as part of this program.</p>

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<u>Program T (Purchase Affordability Covenants in Existing Apartments)</u> : The element should revise the timeline earlier in the planning period to target a beneficial impact (e.g., by 2026).	10-49	Yes	Program P.	Implementation Program T on page 10-49 of the Draft Revised Housing Element (September 2023) track change version describes a program for the Town to purchase affordability covenants.  Work is in progress by staff and the consultant to revise the expected timeline to be earlier in the planning period.
<u>Program BM (Story Poles and Netting Policy)</u> : The program now commits to review the story pole and netting policy and explore options to reduce costs affordable housing. However, the program still must commit to an actual outcome, beyond exploring options. In addition, the program should also establish alternatives or modifications that promote approval certainty. For example, the program could remove the requirements or create alternative for meeting the requirement such as visual renderings.	10-69  C36	No	Program AW must be revised to include specific commitment to amend story poles and netting policy. In addition, the City should consider public comments submitted by developer.	Implementation Program AW on page 10-69 of the Draft Revised Housing Element (September 2023) track change version describes that the Story Pole and Netting Policy will be reviewed to reduce the associated costs of installing story poles.  Work is in progress by staff and the consultant to revise the program to include relevant information regarding the status of this progress by the Planning Commission and Town Council, as well as public comments that have been submitted.
<b>Housing Programs: Sites</b>				
As noted in Finding A3, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the Town may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.  As noted in the prior review, if necessary to make appropriate zoning available to accommodate the lower-income RHNA, Program D (Additional Housing Capacity) must be revised to meet all requirements pursuant to Government Code section 65583.2,	10-42	No	Program D+.  Program AR must comply with prior identified sites pursuant to gov code 65583.2 c) to make prior identified sites available, if necessary.	Program AS of the Draft Revised Housing Element (September 2023) identifies the reuse sites included in the 6 <sup>th</sup> cycle Housing Element.  Work is in progress by staff and the consultant to include the definition of by right development in Program AS, consistent with Program D.

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subdivisions (h) and (i). For example, the Program must commit to permit owner-occupied and rental multifamily uses by-right (without discretionary action) for developments in which 20 percent or more of the units are affordable to lower-income households.				
<b>Housing Program: Constraints</b>				
As noted in Finding A4, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the Town may need to revise or add programs and address and remove or mitigate any identified constraints.		TBD	Depends on a complete analysis.	Governmental constraints are identified and analyzed in Appendix C, starting on page C-1 of the Draft Revised Housing Element (September 2023).  Work is in progress by staff and the consultant to determine if additional analysis is required.
<b>Housing Program: AFFH</b>				
As noted in Finding A1, the element requires a complete AFFH analysis. Depending upon the results of that analysis, the Town may need to revise or add programs. Actions listed to address AFFH analysis must have specific commitments, milestones, geographic targeting and metrics or numerical targets and, as appropriate; address housing mobility enhancement; new housing choices and affordability in higher opportunity or higher income areas; place-based strategies for community revitalization and displacement protection. For example, the element must add significant and meaningful housing mobility actions to overcome the existing patterns in the Town related to the broader region. Given, among other things, the Town is entirely in the highest category of disparities in access to opportunity and largely does not reflect the socio-economic characteristics of the broader region. The element must include significant actions		No	Following a complete analysis, the town must revise to include robust suit of actions that provide stronger housing mobility programs beyond RHNA.	An Affirmatively Furthering Fair Housing (AFFH) report and analysis of the Town and at a regional level is provided in Appendix A, starting on page A-1 of the Draft Revised Housing Element (September 2023).  Work is in progress by staff and the consultant to determine if additional analysis is required that would result in actions to provide stronger housing mobility programs.

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to promote housing mobility within the Town and relate to the region to promote an overall inclusive community. The element could consider improving existing programs or including new programs.				
<b>Housing Program: ADU</b>				
<u>Program U Accessory Dwelling Units (ADU):</u> While the program now commits to annually monitor the production and affordability of ADUs and make adjustments. It should clarify the types of adjustments that will be considered such as rezoning, additional incentives, fee reductions, financing programs.	10-50	No	Program Q. The city must include a definitive timeline of when alternative actions will be taken. See suggested language in <a href="#">blue</a> .	Implementation Program Q on page 10-49 of the Draft Revised Housing Element (September 2023) track change version describes multiple Town efforts to encourage the creation of Accessory Dwelling Units (ADU).  Work is in progress by staff and the consultant to modify the language of Implementation Program Q to include the suggested language by HCD.
<b>Other Revisions</b>				
<u>Quantified Objectives:</u> The element now includes quantified objectives for new construction and rehabilitation by income group but should also include conservation objectives. Please note, conservation objectives are not limited to at-risk preservation and may include a variety of activities that promote safe and stable housing such as code enforcement and tenant protections. Examples of programs that may be utilized include Programs T (Purchase Affordability Covenants in Existing Apartments), AE (Rental Dispute Resolution), AF (Rental Assistance), AH (Stabilize Rents) and AQ (Rental Housing Conservation).	10-34	Yes	Revised objectives.	
<u>Public Participation:</u> While the element was revised to include the renters survey results and previous outreach conducted, it must also summarize all public comments and describe how they were considered and incorporated into the element.	10-10  App I and	~/No	How were comments submitted by Erick Phillips 7/31/23 addressed?	Appendix I was added to the Draft Revised Housing Element (September 2023) including all verbal and written public comments that have been provided to the Town.



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HCD's future review will consider the extent to which the revised element documents how the Town solicited, considered, and addressed public comments in the element. The Town's consideration of public comments must not be limited by HCD's findings in this review letter. Please see HCD's prior review for additional information.	App G			Work is in progress by staff and the consultant to respond in Appendix I to the public comment submitted by Eric Phillips.
<u>General Plan:</u> While the element identifies Program BG (General Plan Amendment) to ensure consistency with the General Plan, it should discuss how consistency will be maintained throughout the entire planning period.	10-67	Yes	Program AQ.	
<b>Other (HCD use only)</b>				
Public comments	App A	?	5 public comments submitted: Anne Paulson, Phil Koen (2), Maryknol, Eric Phillips.	Appendix I was added to the Draft Revised Housing Element (September 2023) including all verbal and written public comments that have been provided to the Town.  Work is in progress by staff and the consultant to further respond to the public comments referred to by HCD.
Pipeline Projects	D 68	?	Table D-7 pipeline projects included in previous years APRs? Need confirmation of DOF.	On page D-68 of the Draft Revised Housing Element (September 2023) track change version, table D-7 was added to include housing units that were entitled, permitted, under construction, and finalized from June 30, 2022, to January 31, 2023.  Work is in progress by staff and the consultant to clarify whether the units were reported to the California Department of Finance.
Document availability		Yes		
Rezone timing		FYI		
Resolution Received?		NA		
50% nonvacant resolution		FYI		
Electronic sites inventory		FYI		

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AB 2339	C57			
Overlay		No	HE Overlay Program AQ.	The rezonings and creation of the Housing Element Overlay Zone (HEOZ) has been recommended by Planning Commission and introduced by Town Council.
Modification Authority		NA		

**Suggested Program Language (in Blue)**

**Program Q:** Annually monitor number of ADU's/ JADUs produced, and affordability levels and make adjustments to accommodate a potential shortfall if determined necessary (i.e. adopt additional incentives or other strategies such as rezoning)

**Timing:** Timeframe: Annually monitor the production and affordability and if necessary, make potential adjustments within six months.

**Program V:** Reasonable Accommodation procedure. 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."

**Timing:** Review and Revise RA by December 2024. Annually review and, if necessary, revise the reasonable accommodations procedures.