Town of Los Gatos 2015-2023 Housing Element

for the Town of Los Gatos

Adopted May 5, 2015

PLACEWORKS

Town of Los Gatos
2015-2023 Housing Element

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HOUSING ELEMENT

The Housing Element is one of seven state-mandated elements that must be included in every General Plan. The Housing Element assesses housing needs for all income groups within the community and identifies implementation programs to meet those housing needs.

A. Scope and Content

Unlike other General Plan elements, the Housing Element must address statutory requirements regarding its content and is subject to mandatory review by the State of California Department of Housing and Community Development (HCD). The Housing Element must also be updated every eight years, unlike other General Plan elements, which are typically updated every 10 to 20 years. The Housing Element is divided into two parts, the Housing Element itself and a Technical Appendix with detailed supporting data. The Housing Element contains:

- **Scope and Content**: A description of the scope of the Housing Element and its content and update requirements.
- **Public Participation Efforts**: A description of the efforts to include all segments of the community in the Housing Element Update process.
- **General Plan Consistency:** A description of the relationship between the Housing Element and other elements of the General Plan.
- **Housing Needs Summary:** A summary of the Town's housing needs based on data and analysis required by state law and as provided in the Technical Appendix of this Housing Element.
- **Potential Constraints to Housing Development:** A summary of governmental, non-governmental, and environmental constraints that are addressed in detail in the Technical Appendix.
- **Adequate Sites Analysis:** A description of the Town's ability to meet its "fair share" of housing based on the Regional Housing Needs Allocation (RHNA) from the Association of Bay Area Governments (ABAG).
- **Energy Conservation Policies:** A list of the goals and policies from the General Plan related to energy conservation in residential development in Los Gatos.
- **Housing Goals, Policies, and Actions:** A list of specific goals, policies, and actions that addresses housing issues based on the housing needs summary,

constraints to housing development, and the Town's fair share of the region's housing over the next eight-year period.

- **Summary of Quantified Objectives:** A table listing the number of housing units to be built, rehabilitated, and preserved through the housing programs, which are listed as "actions," under the goals and policies in this Housing Element.

The Technical Appendix provides a detailed report of the Town's population and housing stock characteristics, including:

- **Background:** A detailed description of what is included in the Housing Element Technical Appendix to satisfy Housing Element state law requirements.
- **Housing Needs Assessment:** Detailed demographic, economic, and housing data for the Town.
- **Projected Housing Needs:** A description and analysis of the Town's "fair share" of housing, or RHNA, and an inventory of subsidized housing units.
- **Constraints to Housing Development:** An analysis of the constraints to developing housing for all income levels.
- **Review of 2007-2014 Housing Element:** A review of the goals, objectives, and policies of the previous Housing Element and brief descriptions of accomplishments.
- **Housing Sites Inventory:** An inventory of residential land resources, including suitable sites for housing, homeless shelters, and transitional housing. This section includes a map of the potential housing sites and details the Town's ability to accommodate its RHNA, which is allocated to Los Gatos by ABAG.

B. Public Participation Efforts

The previous Housing Element, prepared in conjunction with the General Plan Update, included a robust public engagement program. The 2015-2023 Housing Element builds upon those outreach efforts. To inform the process, the Town formed a Housing Element Advisory Board (HEAB) made up of Town Council members, Planning Commissioners, General Plan Committee members, and residents appointed by the Town Council to represent geographically diverse

neighborhoods and interests. HEAB members were appointed following an interview process by the Town Council. After the HEAB was appointed in February 2014, the Town published advertisements of the upcoming HEAB meeting schedule in the Los Gatos Weekly Times newspaper for two consecutive weeks. Additional information about the HEAB meetings was provided on the Town's website in advance of the meetings to encourage attendance and enhance participation.

The HEAB met 14 times throughout the Housing Element drafting process to provide input and direction for the sites inventory, goals, policies, and actions. Residents, property owners, business owners, and developers of pending projects attended the HEAB meetings. A Stakeholder meeting was also conducted during this process.

- **HEAB Meeting #1 (March 27, 2014):** An introduction to Housing Element process and requirements, progress in implementing the current Housing Element, existing capacity to accommodate additional housing, HEAB's role in updating the document, and project schedule.
- **HEAB Meeting #2 (April 10, 2014):** A presentation from retired Santa Clara County Principal Planner Don Weden on the structural changes that are anticipated as a result in shifting national, state, and local demographics, including the increase of both the senior population as Baby Boomers age, and also the rise of the Millennial generation (roughly those born since 1980). As these groups become the two largest sectors of the US population, and the proportion of households that are families with children shrinks, preferences for smaller units in walkable neighborhoods is likely to increase. This presentation also included an overview of Los Gatos's 2014-2022 RHNA.
- **HEAB Meeting #3 (April 24, 2014):** A review of potential sites and strategies to meet the Town's housing needs, including a discussion of second units, mixed use development, and possible criteria for identifying potential housing sites.
- **HEAB Meeting #4 (May 1, 2014):** A review of changes to State housing law and policy alternatives for responding to State requirements to address people with developmental disabilities universal design through the Housing Element Update.
- **HEAB Meeting #5 (May 22, 2014):** A review of options to address the RHNA and development of a strategy to meet the RHNA.

- **HEAB Meeting #6 (June 12, 2014):** A continuation of the May 22, 2014 meeting, to review options and receive HEAB direction on development of a strategy to meet the RHNA.

- **HEAB Meeting #7 (August 7, 2014):** A review of the Draft Housing Element.

- **Stakeholder Outreach Meeting (August 14, 2014):** A stakeholder meeting with housing developers and service providers. The meeting was well attended by representatives of stakeholders familiar with the housing needs in Los Gatos. Attendees included representatives of the following organizations:
  - Habitat for Humanity East Bay-Silicon Valley
  - Building Industry Association,
  - Law Foundation of Silicon Valley
  - West Valley Community Services
  - Project Sentinel
  - Eden Housing
  - Grosvenor USA Unlimited
  - SummerHill Homes
  - Neighborhood Housing Services Silicon Valley
  - Kimley-Horn Associates
  - B3 Consulting
  - Housing Element Advisory Board
  - Town staff

- **HEAB Meeting #8 (August 21, 2014):** A review of the Draft Housing Element and recommendation to Planning Commission and Town Council to submit Draft to HCD for Streamlined Review.

- **HEAB Meeting #9 (November 1, 2014):** Review Housing Community Development Department Comment Letter.

- **HEAB Meeting #10 (December 1, 2014):** Consider Potential Housing Element Revisions.

- **HEAB Meeting #11 (January 15, 2015):** Consider Potential Housing Element Revisions.

- **HEAB Meeting #12 (January 27, 2015):** Consider Potential Housing Element Revisions.

- **HEAB Meeting #13 (February 4, 2015):** Identify Revised RHNA Strategy.

- **HEAB Meeting #14 (March 5, 2015):** Recommend the Draft Housing Element to Planning Commission and Town Council.

The Town of Los Gatos encouraged community participation throughout the Housing Element update process by sharing information through the Town's website and a website for the Housing Element (www.losgatoshousing element.com). All HEAB meeting agendas were posted at Town Hall and on the Town's website prior to each meeting. Materials were also made available at the Town Community Development Department offices, Town Clerk's office, the reference desk at the public library, and on the Town's Housing Element website. The Town also utilized an extensive Affordable Housing Overlay Zone distribution list of residents and interested community members that was compiled over a two-year period by Town Staff in order to disseminate meeting schedules, agendas, staff reports, minutes, and presentation materials. Additionally, the Los Gatos-Monte Sereno Police Department, Town Staff, local developers and realtors, the San Andreas Regional Center, ABAG, HCD, and Town of Los Gatos Planning staff shared their insight for the needs assessment and constraints analysis.

Comments and feedback from the HEAB were incorporated into the Housing Element's goals, policies, and actions. For example, HEAB members requested more clear policies for persons with disabilities, especially with regard to universal design and developmental disabilities. The Town has included Actions HOU-6.2 through 6.9 to address these needs.

The Town also received comment letters regarding the Housing Element Update from specific stakeholders and the correspondence is included in the materials reviewed by Town staff, Planning Commission, Town Council, and State HCD as part of the formal update process. The comments are addressed and/or incorporated in the appropriate sections of the Housing Element and its Appendices.

The review process and adoption of the Housing Element will include a Planning Commission public hearing to make a recommendation to the Town Council. At a public hearing on September 2, 2014, the Town Council authorized formal submittal of the Draft Housing Element to HCD for review. In 2015, the Planning Commission and Town Council held their respective hearings regarding the adoption of the Housing Element. These meetings provided additional opportunities for public input.

C. General Plan Consistency

The Town of Los Gatos General Plan was last updated in 2010. The Housing Element is an independent element of the General Plan; however, pursuant to state law it must be consistent with other General Plan elements. For example, the land use designation and policies that are contained in the Land Use Element establish the development capacity necessary to implement the Housing Element programs. Proposed Housing policies are consistent with existing land use policies and build upon relevant existing policies in the General Plan.

Additionally, according to Government Code Section 65302, amendments to a General Plan's Safety Element and Conservation Element (incorporated into Los Gatos's Environment and Sustainability Element) would require a review of and amendments to the Housing Element as necessary for internal consistency, particularly as related to analysis and policies regarding flood hazards and flood management information.

HCD reviewed and certified the 2007–2014 Housing Element in September 2012. The Housing Element will be reviewed and amended every eight years and as otherwise necessary in accordance with Government Code Section 65302 to remain consistent with other General Plan elements.

D. Housing Needs Summary

This section summarizes the housing needs of Los Gatos as determined through the comprehensive housing data assessment and analysis presented in the Technical Appendix. The housing needs summary describes population trends, characteristics of the housing stock, housing affordability, and special needs households.

1. Population Trends

Los Gatos had a population of approximately 30,532 in 2014, according to the California Department of Finance. Over the last three decades, the population has grown very little and at a fairly steady pace. The population is also aging. The median age in Los Gatos is 45 years, while in 1970 the median age was 30 years.[1] This is older than the Santa Clara County median age of 36 years. The median ages in the adjacent communities of Campbell, Monte Sereno, and Saratoga are also

[1] State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

older than the County median at 38, 48, and 48, respectively. The largest city in Santa Clara County, San Jose, has a median age of 35. During the Housing Element Advisory Board Meeting process, on April 10, 2014, the Board was presented information from Don Weden, a retired Santa Clara County Planner, which noted current demographic trends affecting the Town and the anticipated housing needs for the next decade. His presentation referenced census and demographic data which noted that in the upcoming Housing Element planning period, one in three adults living in Los Gatos is anticipated to be a Senior (65 or over). The presentation also noted that in general, most Seniors when interviewed by demographers about their future plans have expressed a desire to "age in place" rather than move in order to be close to friends, family, and their existing ties to community institutions.

According to ABAG, there were approximately 2.1 jobs per household in Los Gatos in 2010.[2] This jobs/housing ratio has increased since 2005, when it was 1.5 jobs for every household. With the recovery of the economy, Los Gatos businesses have expanded, creating new jobs to support the immediate community as well as some nearby housing-rich communities such as Monte Sereno and Saratoga.

2. Housing Stock

According to the California Department of Finance, Los Gatos has 13,185 total housing units in 2014. Approximately 72 percent of the total housing stock in Los Gatos consists of single-family homes; of those, the majority (81 percent) is single-family detached homes, and a smaller proportion (19 percent) is single-family attached units, including condominiums and townhomes. The remaining 28 percent of homes are multi-family homes, and less than 1 percent are mobile homes. In 2010, 63 percent of Los Gatos housing units were owner occupied. The community's housing stock also includes 401 second units (presented in detail in Chapter 6 of the Technical Appendix). These relatively affordable units are an important housing resource for renters but have not been accounted for by the Association of Bay Area Government (ABAG) in their calculations of the Regional Housing Needs Allocation or credited to the Town's past housing production.

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 exceptional schools have provided the market signals and financial incentive for property owners to rehabilitate homes and properly

[2] Association of Bay Area Governments, *Housing Element Data Profiles*, January 2014.

maintain them. According to the 2011 American Community Survey, approximately one-third of the housing stock was built prior to the 1960s.[3] Much of the older housing stock is located near the Downtown and has been beautifully restored. According to the Town, a significant number of older homes in Los Gatos were rebuilt after the 1989 Loma Prieta earthquake. As a result, approximately 3 percent, or about 580 units, of the total housing stock, need rehabilitation or reconstruction.[4]

Vacancy rates can be an indicator of demand for housing in a community. According to the DOF, in 2014 Los Gatos had a relatively low vacancy rate of 5 percent.[5] However, recent changes to the housing market may have decreased the percentage of vacancies consisting of rental units. According to the 2010 Census, of the Town's vacant units, approximately one-third were rental units.[6] According to Cassidy Turley, a commercial real estate services firm, at the close of the second quarter of 2014 multi-family vacancies in the Bay Area were at just 3.8 percent. [7]

3. Housing Affordability

Over the last decade the national housing market has experienced highs and lows based on lending practices and the economy. Home prices in Los Gatos fluctuated and have increased as the economy recovers. Throughout the recession, median home sales prices in Los Gatos remained some of the highest in Santa Clara County.[8]

a. For-Sale Market

Single-family homes are the primary market for homeownership in Los Gatos. In 2013, approximately 59 homes were sold in Los Gatos and the median price of a home increased about 16 percent to $1.2 million. At $1.2 million by the end of

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[3] American Community Survey 2011, http://www.census.gov/acs/www/.

[4] Erwin Ordonez, AICP, EDFP, email correspondence regarding Building Department Information with PlaceWorks on March 26, 2014.

[5] State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

[6] U.S. Census, 2010.

[7] Cassidy Turley, *Bay Area Multi-Family Snapshop Q2 2014,* July 2014, www.c*assidyturley.com.*

[8] *DataQuick Real Estate News*, California Home Sales Price Medians by County and City, December 2013, DQ News.com.

2013, Los Gatos had the sixth highest median home sales price out of 15 cities in Santa Clara County.[9]

Close to one-fifth of the households in Los Gatos earn low- or very low-incomes, meaning less than 80 percent of the area median household income (AMI), which is $105,500 for Santa Clara County for a family of four. Based on the 2013 home sale prices, homeownership opportunities in Los Gatos are generally limited and difficult to achieve for moderate ($126,600), low ($84,900), and very low income ($53,050) four-person households.

One of the ways that the Town encourages and provides ownership housing affordable to moderate- and low-income buyers is the Below Market Price (BMP) Program. The BMP program requires any project with 5 or more units to include affordable units, and excludes the affordable units from calculations of allowed density. It has historically been the only source of low- and moderate-income for-sale units. In 2014, the Town had an inventory of over 60 affordable for-sale units through the BMP Program. For example, in 2014 the low income sales price for 3-bedroom and 2.5-bathroom units was approximately $265,000 and the moderate income price was $410,000. This Program includes considerations for school employees, first responders, Town employees, seniors, persons with disabilities, and other residents who may otherwise find purchasing adequate housing difficult in Los Gatos.

b. Rental Market

The rental housing market in Los Gatos includes apartments, townhouses, condominiums, second units, and some single-family homes. The 2011 American Community Survey reported the median gross rent of all rental units in the Town at $1,752.[10] However, an online survey of available multi-family apartments in May 2014 showed a median asking rental price of $2,400.[11] The differences between the two surveys indicates that vacant rental units in Los Gatos are likely new or recently renovated and therefore command higher asking rents than the majority of the rental housing stock.

Based on this information, low- and moderate-income households in Los Gatos would generally overpay to rent a one-bedroom or two-bedroom/one-bath unit.

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[9] *DataQuick Real Estate News*, California Home Sales Price Medians by County and City, December 2013, DQ News.com.

[10] American Community Survey, 2011.

[11] Craigslist.org and Trulia.com accessed on May 7, 2014.

Very low income households would not be able to afford to rent a housing unit in Los Gatos without public assistance in some form. The local affordable rental housing stock includes five multi-family rental projects and two senior rental projects with income eligibility requirements.[12] There are waiting lists for these units. In addition, the more than 400 second units in the Town are another source of rental housing. Based on a survey of Cragislist ads in May 2014, market-rate rents for most second units are affordable to moderate-income households.

The Town helps preserve affordable rental housing costs through the Rental Mediation and Dispute Resolution Ordinance, which applies to rental complexes of three or more units. The ordinance sets an annual limit on rent increases to 5 percent unless the landlord is able to demonstrate capital or financing costs to justify a greater increase. The Town has similar rent controls for mobile home units.

c. Overpaying for Housing

Thirty percent of a household's gross annual income is a commonly recognized standard for acceptable housing costs. Overpayment occurs when a household spends more than 30 percent of its income on housing. According to Comprehensive Housing Affordability Strategy (CHAS) 2010 data, 35 percent of homeowners in Los Gatos, or 2,799 households, and 38 percent of renters in Los Gatos, or 1,565 households, overpay for housing.[13] Lower income households are most severely impacted; 1,845 lower-income households in Los Gatos overpay for housing, representing 42 percent of all overpaying households. A majority of extremely low, very low income, and low-income homeowners and renters overpay for their housing in Los Gatos. As described above, the Rental Mediation and Dispute Ordinance establishes an annual limit on rent increases to 5 percent for complexes with 3 or more units.

4. Households with Special Needs

Special needs households are defined as households with circumstances that can make it particularly difficult to find adequate and affordable housing. For the purposes of this Housing Element, these households include extremely low-income households, the elderly, overcrowded and large-family households, the homeless

[12] The Town's supply of affordable rental housing is listed in the Housing Resource Guide, available online at http://www.losgatosca.gov/documents/8/393/2014Los%20Gatos%20Housing%20Resources%20Guide_201405051248544954.pdf. Accessed July 30, 2014.

[13] *Housing Element Data Profiles*, Association of Bay Area Governments, January 2014.

population, those in need of emergency shelter, youth aging out of foster care, female-headed or single-parent households, and households with persons with disabilities (including developmental challenges). Farm workers are also included in this category; however, as they make up less than 1 percent of the labor force in Los Gatos and work year-round in local industries, their housing needs are addressed through conventional affordable housing in the community. The Town's BMP Program application process offers a preference point for special needs households to assist them in affording adequate housing.

a. Extremely Low-Income Households

Extremely low-income households are defined as households earning at or below 30 percent of the AMI as determined by Housing and Urban Development (HUD) for Santa Clara County. An extremely low-income, four-person household in Santa Clara County would have an income level of $31,850 or less. In Los Gatos, there are 840 extremely low-income households, or 0.6 percent of Los Gatos's total households. Half of these extremely low-income households are renters. A majority of both extremely low-income homeowners and renters have housing problems, which include overcrowding, overpaying, or living in substandard housing.[14]

During the eight years of the Housing Element period, the Town has a goal of facilitating the production of at least 50 Extremely Low Income (ELI) units as a subset of the Very Low Income category. Opportunities for ELI housing are the Southbay site, which is part of the Affordable Housing Overlay Zone (AHOZ) program as discussed later in this Element, and the North 40 Specific Plan area within which 13.5 acres is scheduled to be rezoned to a minimum density of 20 units per acre to yield 270 units. Both opportunities provide for "by right" development.

b. Senior Households

Seniors are defined as persons who are 65 years or older. Seniors often have a limited income and a range of accessibility and health care needs that necessitate specific types of housing. The California Department of Finance projects that by 2030, Santa Clara County's senior population will continue to increase, both from population growth and from the aging of the existing residents. Over 140,000 people are projected to be added to the county, and 60 percent of that growth will be people 65 or older. By 2030, 1 in 4 adults (and one-fifth of the total population) in the county will be 65 or older. Approximately 5,265 seniors reside in Los Gatos,

[14] U.S. Department of Housing and Urban Development Comprehensive Affordable Housing Strategy database, 2011.

according to 2010 U.S. Census data, which represents 18 percent of the population. About 80 percent of senior households in Los Gatos are homeowners. Given Los Gatos's aging population, senior housing is a significant issue for the Town. Based on national surveys, most seniors would like to be able to remain in their current homes, or, if that is not possible, in their current community.

Los Gatos has 150 subsidized units of senior housing in five housing projects. Villa Vasona at 626 West Parr Avenue and The Terraces of Los Gatos at 800 Blossom Hill Road contain most of these subsidized senior housing units. Los Gatos also has Los Gatos Meadows Life Care, a licensed Life Care Residence with the capacity to serve 229 seniors at 110 Wood Road, other residential care facilities for the elderly with the capacity for 95 seniors, and a licensed hospice facility with a capacity for six seniors.[15] The Anne Way and Blossom Hill Road projects accommodate 10 seniors in shared senior housing in single-family homes. Other affordable senior housing developments are listed in Table 2-5 of the Technical Appendix.

c. Single-Parent Households

Generally, a single-parent household may have more difficulty affording appropriate housing for a family than a family household with dual incomes. Single-parent households represented approximately 10 percent of all households with families in Los Gatos, according to the 2011 American Community Survey. Three percent of family households with married couples in Los Gatos lived below the poverty line compared to 9 percent of single-parent households in Los Gatos. This is a slight decrease from 13 percent of households below poverty level in 2000. The Town's BMP program includes preference points for single-parent households as one of several special needs categories it addresses.

d. Persons with Disabilities

Approximately 2,176 persons in Los Gatos have a disability that is either mental or physical and affects their mobility or self-care. .A majority of disabled adults in Los Gatos have a disability that affects their ability to work. The cost of housing is prohibitively expensive for those on Supplemental Security Income (SSI), which provided an average of $800 per person per month in 2014. The Town's BMP program includes preferential points for households with persons with disabilities.

[15] State of California Department of Social Services Community Care Licensing Division, http://ccld.ca.gov/PG3581.htm, accessed April 30, 2014.

The San Andreas Regional Center at 300 Orchard City Drive in Campbell is the hub of resources for the local developmentally disabled community. According to the San Andreas Regional Center, Los Gatos is home to 39 children with autism spectrum disorders, 76 with intellectual disabilities, 14 with cerebral palsy, 22 with epilepsy, and 18 children with other developmental challenges. Within the Town, 9 adults have autism spectrum disorders, 18 have intellectual disabilities, 4 have cerebral palsy, 1 has epilepsy, and 3 adults have other developmental challenges. The San Andreas Regional Center only counts those individuals that utilize their resources, so there may be additional Los Gatos residents with developmental challenges.

Three housing resource centers and programs for persons with disabilities are located adjacent to the town in the adjacent City of San Jose: the Silicon Valley Independent Living Center, the Mental Health Advocacy Project operated by the Law Foundation of Silicon Valley, and the Shelter Plus Care Program administered by the Housing Authority of the County of Santa Clara.

e. Overcrowded and Large-Family Households

Large-family households are defined as having five or more persons in a single housekeeping unit. An overcrowded household is one that has more than one person per room, not including bathrooms and kitchens. Los Gatos has 784 large-family households, or 6.4 percent of its total household population, according to the 2011 American Community Survey.

There are 30 overcrowded households that are owners and 85 that are renters. The Town's large inventory of second units and subsidized units help alleviate the pressure to overcrowd to afford housing. Overcrowding is more likely to occur in renter households because there are fewer rental units with enough bedrooms to accommodate large families. However, most large-family households in Los Gatos are homeowners. Since owner-occupied homes are typically single-family homes and generally larger than multi-family units, overcrowding is not a significant issue for the Town.

The Town's BMP program tries to match larger multiple-bedroom for-sale units with households that have at least a corresponding number of household members.

f. Homeless Persons

According to the 2013 Santa Clara County Homeless Census and Survey, 11 homeless persons live in Los Gatos, which represents less than 0.2 percent of the total count of homeless persons in Santa Clara County and less than 0.4 percent of

the total population in Los Gatos. This number is down from 18 homeless persons in 2011. However, the number of homeless persons in Los Gatos may vary nightly depending on the season.

Los Gatos contributes funds to the Santa Clara County Continuum of Care program, which includes prevention services, permanent affordable housing, the provision of emergency shelters, and transitional and permanent housing. HomeSafe and Sobrato Living Center in Santa Clara provide housing opportunities for homeless persons in Los Gatos. The Town also financially supports the West Valley Community Services Comprehensive Emergency Assistance Program (CEAP) which provides several types of assistance to prevent homelessness and to find housing for the homeless.

The Town provides food and shelter vouchers from the Salvation Army, and food pantries are available at local churches such as St. Mary's, St. Luke's, and Calvary Church. The Los Gatos/Monte Sereno Police Department also provides outreach to the homeless community. Their officers are trained in police interaction with vulnerable populations and are involved with the Santa Clara County Collaborative on Housing and Homeless Issues.

Although emergency or transitional shelters are not presently located within Los Gatos, the Town's Zoning Code was recently amended to allow emergency shelters by right in the Controlled Manufacturing (CM) zoning district. The development standards were crafted following consultations with HomeFirst (then known as EHC Lifebuilders), a local non-profit agency that operates the County's two regional homeless shelters.

E. Potential Constraints to Housing Development

Potential constraints to housing development include governmental regulations, market factors, and environmental issues in Los Gatos. A brief summary is included below, while a more detailed discussion of these constraints can be found in the Housing Element Technical Appendix.

1. Governmental Constraints

Governmental regulations that require adequate, quality housing in Los Gatos can potentially drive up the cost of construction and affect the price of housing. Local land use and zoning regulations, development standards and design guidelines, fees

and exactions, and permit processing procedures could impede the development of affordable housing.

According to California Government Code Section 65583.2(c)(3)(B), the density at which affordable housing can be accommodated in Santa Clara County is 20 dwelling units per acre. A density of up to 20 dwelling units per acre is allowed under the Multi-Family Residential (RM: 12-20) zone. The RM zone permits multi-family housing by right. Additionally, there is no density maximum for the number of dwelling units that could be constructed on sites with the Mixed Use Commercial land use designation, and development standards under this land use designation do not hinder development at 20 dwelling units per acre. Los Gatos also offers density bonuses to allow for developments with increased density consistent with the State's density bonus law and affordability requirements.

The Town's Affordable Housing Overlay Zone (AHOZ) provides affordable housing on the Southbay property specific parcel(s) listed in the Housing Sites Inventory. The AHOZ promotes densities, development standards and incentives that encourage the production of housing affordable to all income levels.

The AHOZ permits development at a density of 20 units per acre by right, with only an Architecture and Site approval required, for projects which provide a minimum percentage of affordable units. Architecture and Site approval is required by the Town for all new development applications irrespective of use (industrial, commercial or residential) in order to review the architectural design of proposed buildings. The Architecture and Site approval process for an AHOZ development proposal uses objective criteria established by the Affordable Housing Overlay Zone (AHOZ) Design Guidelines adopted by the Town in December 2013. This process involves site and architectural review and if a proposal meets the objective criteria in the Design Guidelines, then the project is approved. Therefore, the Planning application process and review is not an undue burden or constraint on the production of affordable housing. The criteria in the AHOZ Guidelines include approved housing types, site planning and architectural design considerations, diagrams, illustrations and specific standards. The AHOZ provides property owners with new opportunities to build housing at the minimum density level (20 units per acre) recognized by the State of California for suburban communities that will be able to accommodate affordable housing production.

To facilitate the construction of new affordable housing on the Southbay site, the Housing Element contains a program (HOU-2.1) which requires the Town to amend the Town Code within one year of Housing Element adoption to eliminate

the existing required affordable unit provisions by individual income categories and replace them with a minimum 40 percent affordable housing requirement based on the total number of units in the project on the Southbay site. The affordable units provided would not be included in the density calculations for the project.

Additional opportunities for affordable housing are being facilitated through the consideration of the North 40 Specific Plan and associated rezoning of 13.5 acres with a minimum density of 20 units per acre to yield 270 units. The Specific Plan would provide certainty regarding objective criteria in the form of development standards and design guidelines that would be implemented through "by right development" in the consideration of Architecture and Site applications. This process involves site and architectural review and if a proposal meets the objective criteria in the Design Guidelines, then the project is approved. Therefore, the Planning application process and review is not an undue burden or constraint on the production of affordable housing. More detailed information on the Town's development standards and zoning regulations can be found in the Technical Appendix in Chapter 4, Constraints, and Chapter 6, Housing Sites Inventory.

State law requires that local jurisdictions evaluate *any* housing programs as potential constraints on the development of housing. Los Gatos has five local housing programs that have been evaluated to determine whether they pose potential constraints on housing development in the Town: the BMP Program, Affordable Housing Fund, Rental Mediation and Dispute Resolution Ordinance, Mobile Home Ordinance, and Density Bonus Program. However, because these programs are intended to facilitate the development of affordable housing, the Town does not consider these programs to be constraints on housing production.

The BMP Program requires that all new residential construction (five or more units) in Los Gatos include a certain number of affordable units. In limited instances, developers can opt out of the BMP Program's affordable housing requirement and pay an in-lieu fee into the Affordable Housing Fund, whose funds are set aside specifically for the development of affordable housing in Los Gatos. As described above, the Rental Mediation and Dispute Ordinance establishes an annual limit on rent increases to 5 percent. The Rental Mediation and Dispute Resolution Program is administered by Project Sentinel, a local non-profit organization contracted by the Town and provides conciliation, mediation, and arbitration services as well as rent control for Los Gatos renters. The Mobile Home Ordinance protects and stabilizes the rents in mobile home parks. The Density Bonus Program provides qualified projects the ability to develop more units on-site as outlined by the State's density bonus law regulations.

2. Non-Governmental Constraints

Non-governmental constraints are primarily market- or environment-related and are outside of the control of the local jurisdiction. Such constraints include land costs, construction costs, and available financing for development. Los Gatos can help alleviate some of these constraints through the implementation of policies and programs that may offset some of these costs.

The most restrictive constraint to developing housing in Los Gatos is high land costs (vacant single-family parcels of 8,000 to 10,000 square feet sell for over $1 million).[16] Market forces driving demand for large, luxury housing is another non-governmental constraint to affordable housing. The Town of Los Gatos is a very desirable place to live and there is a great demand for all types of housing including condominiums, apartments, and single-family homes. However, high sales prices for single-family detached homes encourage developers to pursue single-family projects. The Town helps reduce non-governmental constraints to the construction and conservation of affordable housing through spending the Affordable Housing Fund and providing numerous incentives for BMP Program and Affordable Housing Overlay Zone (AHOZ) development applicants.

The other issues that limit development in the community relate to the environmental setting. The Town is generally built out and many undeveloped properties are constrained by topography. Development on steep hillsides and in sensitive habitats is intentionally constrained by federal, state, and local regulations to protect public health and safety as well as to preserve natural resources. The Town is adjacent to other built-out communities and nestled against the Santa Cruz Mountains, limiting opportunities for expansion.

F. Adequate Sites Analysis

State law requires regional governmental agencies such as ABAG to estimate a fair share of housing units, called a Regional Housing Needs Allocation (RHNA), which each community must be able to plan for within its jurisdiction in a specific timeframe. The RHNA for Los Gatos is 619 total housing units from January 31, 2015 to January 31, 2023.

[16] Chris Ray, Realtor, Sereno Group, personal communication with PlaceWorks, May 27, 2014.

The RHNA is further distributed by income category, each of which is based on a percentage of the AMI for Santa Clara County. For Los Gatos, the RHNA requirement distributed by income category is shown in Table H-1.

TABLE H-1 **REGIONAL HOUSING NEEDS ALLOCATION (RHNA) FOR LOS GATOS, 2014-2022**

Income Category*	RHNA
Very Low (Less than 51% AMI)	201
Low (51% to 80% AMI)	112
Moderate (81% to 120% AMI)	132
Above Moderate (Over 120% AMI)	174
Total	**619**

Note: AMI = Area Median Income
* The income categories are defined by the U.S. Department of Housing and Urban Development (HUD). In accordance with State housing element law, the Town assumes that half of the very low income RHNA are extremely low-income households (100 extremely low income households, 16.2 percent of the total housing need).

Since January 1, 2014, Los Gatos has approved and/or built 16 housing units, and approved 57 additional units leaving a remaining unmet RHNA of 562_units. Based on a detailed analysis of potential housing sites in Los Gatos, the Town has identified a set of strategies that would successfully accommodate Los Gatos' remaining RHNA number:

- **Existing AHOZ.** Utilizing the unused housing capacity on one site covered by the AHOZ adopted in 2013 (Southbay).
- **Existing Second Unit Program.** Maintaining the existing Second Unit Program for non-hillside areas. Current zoning regulations limit potential impacts of the construction of new second units by applying design and development standards that restrict unit size, require conformance with applicable zoning requirements, require additional parking, regulate building form/design consistency, and include the unit in floor area ratio calculations. The Town proposes to cover the approximate $2,000 application fee for the planning review of second unit applications with funds from the Below Market Price (BMP) Housing In-lieu Fee Program.

- **Enhanced Second Unit Program.** Expanding the Second Unit Program area to allow second units on residential non-conforming lots 10,000 square feet or greater, and on hillside residentially zoned lots 5 acres or greater. As a pre-requisite for obtaining approvals in the Second Unit Program expanded area, participating homeowners would be required to record a deed restriction on the title record of properties specifying that the second unit shall be offered at a reduced rent that is affordable to a lower income renter (i.e., less than 80 percent of AMI) if the unit is occupied by someone other than a member of the household. The Town does not currently allow second units on any non-conforming residential lots or in hillside areas. The Town has an inventory of over 400 second units and routinely receives approximately 36 inquiries annually from members of the public about the potential to construct new secondary dwelling units on individual parcel or the potential to legalize existing non-permitted units. The Town has averaged approximately four secondary dwelling units per year for the last three years and eight units per year overall. The proposed program would allow secondary dwelling units in areas of Los Gatos that previously do not have any affordable housing and would ensure the geographic distribution of affordable housing opportunities throughout the Town. The Town proposes to cover the approximate $2,000 application fee for the planning review of second unit applications with funds from the Below Market Price (BMP) Housing In-lieu Fee Program.

- **North 40 Specific Plan.** Reserving a portion of the pending North Forty Specific Plan housing capacity for the provision of affordable units. Action Item HOU-1.7 commits the Town to rezoning 13.5 acres within the North 40 Specific Plan area within three years of Housing Element Adoption at a density of 20 dwelling units per acre to facilitate affordable housing production. The 44-acre Specific Plan area has multiple opportunities to achieve the planned maximum housing yield of 270 units as documented in Appendix 6, page 6-3, Table 6-2. This table identifies specific sites that individually or in combination achieve the maximum of 270 units.

- **Oka Road Sites.** Maintaining the existing residential zoning for the vacant parcels on Oka Road to allow market rate development. Although the official RHNA strategy recommended by the HEAB documents the potential for 74 market rate units that could be accommodated on the vacant/underdeveloped parcels on Oka Road, existing zoning on these sites would allow up to 99 units.

Table H-2 shows how each strategy would assist in meeting and exceeding the RHNA. Through these strategies, the Town can accommodate the required housing units on various vacant and underutilized sites throughout Los Gatos and the Town can meet its RHNA at all income categories. Chapter 6 of the Housing Element Technical Appendix presents the housing sites analysis on which this conclusion is based.

G. Energy Conservation Policies

As required by State housing law, the Housing Element must analyze energy conservation opportunities in residential development. In the following section, Goal HOU-7 and its related policies and action address energy conservation in residential development in Los Gatos. Additionally, two of the elements of the Los Gatos 2020 General Plan – the Environment and Sustainability Element and the Vasona Light Rail Element – specifically include goals and policies related to infill development, increasing density around transit, and energy-efficient building materials and construction in residential development.

The relevant Environment and Sustainability Element goal and policies are:

- Policy ENV-16.1. Encourage the use of energy conservation techniques and technology in existing and proposed development to improve energy conservation.
- Policy ENV-16.5. Require new subdivisions to examine the feasibility of incorporating site layouts that allow for passive solar heating and cooling.
- Policy ENV-16.6. Encourage new development to incorporate measures that reduce energy use through solar orientation by taking advantage of shade, prevailing winds, landscaping, and sun screens.
- Goal ENV-17. To promote green buildings that minimize consumption of energy and natural resources.
- Policy ENV-17.1. Require new construction and remodels to use energy- and resource-efficient and ecologically sound designs, technologies and building materials, as well as recycled materials to promote sustainability.
- Policy ENV-17.2. Require higher levels of energy efficiency as house size increases.

TABLE H-2 **SUMMARY OF COMMUNITY STRATEGIES TO MEET RHNA**

	Very Low	Low	Mod.	Above Mod.	Total
RHNA – Total Units Needed (2015-2023)	**201**	**112**	**132**	**174**	**619**
Approved Units	0	2	6	49	57
Southbay (AHOZ)	45	9	68	26	148
Second Units under the Town's Existing Program	NA	NA	28	NA	28
Proposed Enhanced Second Unit Program: *Non-Conforming Lots & Hillside Lots*	NA	27	NA	NA	27
Proposed North 40 Specific Plan	156	84	30	0	270
Vacant Housing Element Sites (based on existing zoning): *Oka Road Sites*	0	0	0	99	99
Total Units	**201**	**128**	**132**	**174**	**629**
Units Above RHNA	**0**	**+10**	**0**	**0**	**+10**

- Policy ENV-17.3. Encourage reductions in the use of nonrenewable resources in building construction, maintenance, and operations.
- Policy ENV-17.4. Encourage new multi-family construction to include green roofs and common space for community gardens.
- Policy ENV-17.5. Require all new homes to follow the Town's adopted GreenPoint Rated Building Guidelines.
- Policy ENV-17.6. Provide incentives, such as giving priority in plan review, processing and field inspections services, for projects that achieve a LEED-Silver or higher rating or comparable GreenPoint rating.
- Policy ENV-17.8. Provide expedited permit processing for new construction or substantial remodels that exceed Title 24 requirements by at least 20 percent.

- Policy ENV-17.10. Continue to promote the weatherization of all homes through publicizing available utility energy audit and financing programs and investigate the possibility of contracting with PG&E to identify participants.
- Policy ENV- 17.11. Provide public education and publicity about energy efficiency and emissions reduction programs and incentives.
- Policy ENV-17.12. Provide green building information, marketing, training, and technical assistance to property owners, development professionals, schools, and special districts.
- Policy ENV-17.13. Coordinate with other local governments, special districts, nonprofits and other public organizations to share resources, achieve economies of scale and develop green building policies and programs that are optimized on a regional scale.
- Policy ENV-17.14. Provide permitting-related and other incentives for energy efficient building projects, for example by giving green projects priority in plan review, processing, and field inspection services.

The relevant Vasona Light Rail Element goal and policies are:

- Goal VLR-2. To encourage affordable housing (senior housing, multi-family housing, mixed-use with housing) in appropriate locations within the Vasona Light Rail area to address the Town's housing needs and take advantage of the opportunities afforded by mass transit.
- Policy VLR-2.1. Encourage development of residential rental units throughout the Vasona Light Rail area. Residential development proposals shall demonstrate how they address the Town's unmet housing goals for affordable housing.
- Policy VLR-2.2: Proposed mixed-use projects in the Vasona Light Rail area, which include residential uses shall assist the Town in meeting its housing goals of providing rental units, senior housing, and affordable housing.

H. Goals, Policies, and Actions

The following goals, policies, and actions are intended to address the housing needs of Los Gatos.

Goal HOU-1	**Expand the choice of housing opportunities for all economic segments of the community by supporting the development of affordable housing in a variety of types and sizes, including a mixture of ownership and rental housing.**

Policies

Policy HOU-1.1 Develop and utilize all available housing funding resources in order to provide the maximum amount of affordable housing as feasible.

Policy HOU-1.2 Work with nonprofit agencies and housing developers to plan and develop a mix of affordable housing opportunities in Los Gatos.

Actions

Action HOU-1.1 **Below Market Price (BMP) Program**: Continue to implement the BMP Program in order to increase the number of affordable units in the community. Continue the policy that BMP units are not counted toward the maximum density allowed on a site.

The BMP Program is applicable to discretionary applications with five or more units and has been one of the major tools for the production of affordable units in Los Gatos. Los Gatos has an inventory of over 60 BMP for-sale units and over 200 BMP rental units. The BMP Program is the only local program that provides affordable housing opportunities of First Time Homebuyers in Los Gatos.

Below Market Price (BMP) units are not included when calculating density for a property

Due to the cyclical nature of development, the production of BMP units has often mirrored the broader development trends in the housing market.

In addition to developer provided units, the BMP Program also permits the payment of BMP Housing In-lieu Fees equivalent to six-percent of the market rate unit building permit valuation. This is the primary source of revenue for the Town's Affordable Housing Fund.

Town staff shall review potential developments to determine whether affordable units provided beyond the minimum BMP requirements are to be considered a significant community benefit.

The Town will evaluate implementation of the BMP Program on an annual basis, 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 constraints based on the outcome of the evaluation.

Funding Source:	Town Affordable Housing Fund
Responsible Agencies:	Community Development Department, Housing Authority of the County of Santa Clara
Time Frame:	On–going January 31, 2015 to January 31, 2023

Action HOU-1.2 **Enhanced Second Unit Policy**: Amend the Town Code to allow new deed-restricted second units to be affordable to lower income households on non-conforming residential lots over 10,000 square feet and in the Hillside Residential Zone on sites that are larger than 5 acres. The Town has a very successful second unit program that has provided rental housing opportunities for both lower and moderate income households for over three decades. Over 400 second units have been permitted by the Town of Los Gatos. The Town proposes to cover the approximate $2,000 application fee for the planning review of second unit applications with funds from the Below Market Price (BMP) Housing In-lieu Fee Program.

Funding Source:	BMP Housing In-lieu Fees
Responsible Agencies:	Community Development Department
Time Frame:	Amend the Town Code within one year of Housing Element adoption and on-going

Action HOU-1.3 **General Plan Density Bonus:** Continue to provide up to a 100 percent density bonus for developments that include housing for elderly, handicapped, and/or very low and low-income households.

The Town's General Plan provides a density bonus for eligible projects greater than the State Density Bonus Law which may allow additional density up to 35-percent. On June 18, 2012, the Town adopted a Density Bonus Ordinance to implement the State Density Bonus Law as required by the 2007 -2014 Housing Element. The adopted ordinance states that applicants can either elect to use the State Density Law provisions as adopted by the Town or the General Plan Density Bonus but not both.

Eligibility requirements for the General Plan Density Bonus are as follows:

A. All housing projects on lots in excess of 40,000 square feet must be processed as Planned Developments in order to receive a density bonus.

B. Housing restricted to elderly, handicapped, and very low- and low-income residents shall be eligible for a density bonus up to 100 percent of the units permitted by the land use designation as shown on the land use plan or any specific plan and shall be eligible to request incentives based on the State's density bonus law.

C. Town density bonuses will also be granted for residential projects that actively facilitate and encourage the use of transit or directly provide transit services to residents.

D. Deviations from the Town's density, traffic, and parking regulations may be granted for mixed-use projects that provide residential units in non-residential zones.

E. BMP (Below Market Price) units are not included when calculating density for a property. The Town will continue to develop and maintain available marketing materials that will ensure that Town staff and developers are aware of the various features of the density bonus program.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: On-going
January 31, 2015 to January 31, 2023

Action HOU-1.4 **BMP In-Lieu Fees:** Implement the proposed programs and initiatives of the Town's Affordable Housing Strategies to increase and preserve affordable housing, such as purchasing affordability covenants in existing apartments.

Funding Source: Town Affordable Housing Fund
Responsible Agencies: Community Development Department
Time Frame: January 31, 2015 to January 31, 2023

Action HOU-1.5 **Extremely Low-Income Households:** Hold a periodic outreach meeting with affordable housing developers to discuss the development of housing affordable to extremely low-income households, provide expedited processing for housing affordable to extremely low-income households, identify funding and grant opportunities, and offer incentives equivalent to the incentives offered for the Affordable Housing Overlay Zone (AHOZ). Additionally, upon request by an affordable housing developer, provide staff technical assistance with the Town's entitlement process, obtaining Article 34 allocations from the County of Santa Clara, assistance with the preparation of Tax Credit or grant funding applications or conducting local TEFRA hearings to facilitate the financing of proposed housing projects in Los Gatos.

Funding Source: Town Affordable Housing Fund
Responsible Agencies: Community Development Department
Time Frame: On-going (at least 3 times during the Housing Element planning period)
January 31, 2015 to January 31, 2023

Action HOU-1.6 **Funds for Development for Extremely Low-Income Households:** Encourage the creation of housing that is affordable to extremely low-income households by considering allocating a percentage of the Town Affordable Housing (Below Market Price) Fund to subsidize housing for extremely low-income households and 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 Below Market Price monies. Additionally, provide staff technical assistance with the preparation of Tax Credit or grant funding applications or conducting local TEFRA hearings to facilitate the financing of proposed housing projects in Los Gatos.

Funding Source:	Town Affordable Housing Fund
Responsible Agencies:	Community Development Department
Time Frame:	On-going
	Allocate a percentage of the Town Affordable Housing Fund within the 2015-2023 period and provide technical assistance as needed.

Action HOU-1.7 **North 40 Specific Plan Area Rezoning:** the Town will re-zone 13.5 acres within the North 40 Specific Plan area within three years of Housing Element adoption at minimum a density of 20 dwelling units per acre to facilitate affordable housing production. After rezoning, owner occupied or multiple family development will be by-right as defined by not requiring a conditional use permit or other discretionary approval; however, design review according to the objective standards contained in the Specific Plan can occur (see Action HOU-2.4). In addition, it is anticipated that by-right, multiple-family development at a minimum of 20 units to the acre will occur as a single use development as permitted by the zoning. If housing affordable to very low and low income households is part of a mixed use development, it will occupy at least 50 percent of the total floor area of a mixed use project. If the Town approves a development on the North 40 with less than 20 dwelling units per acre, the Town shall identify and if nec-

essary, rezone one or more additional sites within one year of approving the development to maintain the Town's capacity to meet its housing needs as identified in the Housing Element. When selecting additional sites, the Town shall consider neighborhood compatibility and mitigation of traffic impacts.

Funding Source:	N/A
Responsible Agencies:	Community Development Department
Time Frame:	Within three years of Housing Element Adoption

Action HOU-1.8 **Large Site Program.** To assist the development of housing for lower income households on sites larger than ten acres, the Town will facilitate land divisions and lot line adjustments to result in parcels sizes between one to ten acres that facilitate multiple-family developments affordable to lower income households in light of state, federal and local financing programs. In addition, the Town will offer the following incentives for the development of affordable housing, including but not limited to streamlining and expediting the approval process for land division for projects that include affordable housing units such as the ministerial review of lot line adjustments.

Funding Source:	None required
Responsible Agency:	Community Development Department
Time Frame:	Provide incentives and assistance as applications are submitted to the Town.

Goal HOU-2	**Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing that is compatible with the neighborhood and the community.**

Policies

Policy HOU-2.1 Continue to designate sufficient, residentially zoned land at appropriate densities to provide adequate sites to accommodate Los Gatos's RHNA for 2015–2023.

Policy HOU-2.2 Ensure that the Town will provide sufficient land at appropriate zoning categories to meet its RHNA for very low-low-, and moderate-income households, as demonstrated in the Housing Sites Inventory analysis in Chapter 6 of the Housing Element Technical Appendix.

Policy HOU-2.3 Encourage mixed–use developments that provide affordable housing close to employment centers and/or transportation facilities, particularly along Los Gatos Boulevard and within a ½-mile radius of the future Vasona light rail station.

Policy HOU-2.4 Demonstrate that all new residential development is sufficiently served by public services and facilities, including pedestrian and vehicular circulation, water and wastewater services, police, fire, schools, and parks.

Policy HOU-2.5 New single-family, multi-family, and mixed-use developments shall be compatible with the character of the surrounding neighborhood.

Policy HOU-2.6 Strive to ensure that at least 30 percent of the housing stock is rental units.

Policy HOU-2.7 Create new affordable housing opportunities through acquisition using Affordable Housing Funds.

Actions

Action HOU-2.1 **Affordable Housing Overlay Zone (AHOZ):** Continue to implement the minimum density and affordable housing incentives within the AHOZ to encourage the development of owner and rental housing that is affordable to lower and moderate income households in order to meet the Town's assigned RHNA.

The AHOZ Program provides property owners and developers of the designated site(s) another option to the development of their properties under the existing base Zoning and General Plan designations.

The AHOZ Program establishes a density of 20 dwelling units per acre on site(s) selected by the Town after an extensive two-year public process which is described in greater detail in the Technical Appendix.

The Town also developed and adopted a corresponding AHOZ Design Guidelines which recognizes the unique characteristics of each site and provides objective site specific standards and criteria for the review and approval of the required Architecture and Site application for development and provides recommendations to guide and facilitate the future development of each site. Owner occupied or multiple family development will be by-right as defined by not requiring a conditional use permit or other discretionary approval; however, design review according to the objective standards contained in the AHOZ Design Guidelines can occur (see Action HOU-2.4). In addition, it is anticipated that by-right, multiple-family development at a minimum of 20 units to the acre will occur as a single use development as permitted by the zoning. If housing affordable to very low and low income households is part of a mixed use development, it will occupy at least 50 percent of the total floor area of a mixed use project.

The AHOZ Program also provides specific developer incentives to facilitate affordable housing production which are not available to market rate housing development projects, such as:

Financial Concessions

- Waiver or deferral of planning and engineering application fees (but not Town consultant fees)
- Waiver or deferral of building plan check & inspection fees
- Waiver or deferral of construction mitigation fee

Processing Concessions

- Pre-application conferences
- Priority application processing
- Priority plan check processing

Development Standards Concessions

- Parking Reduction: 1 space per unit for senior, person with disabilities and developments within ¼ mile of the proposed Vasona Light Rail Station
- Allow an increase of lot coverage up to a 50% maximum
- Allow up to a 50% Setback reduction (maximum of two property line setbacks)

The Town will amend the Town Code within one year of Housing Element adoption to replace the required affordable unit provisions by individual income categories with a minimum 40 percent affordable (defined as 40 percent affordable to households of low and/or very low income) housing requirement for the Southbay site based on the total number of units in the project.

As part of the aforementioned Town Code amendment, Section 29.80.515 will also be modified to clarify that the State Density Bonus is available and applicable to AHOZ site(s).

It is anticipated that the majority of the affordable units constructed under the AHOZ Program will be provided as Below Market Price (BMP) or non-profit developed housing units. As noted in Action HOU-1.1 (BMP) and Action HOU-1.3 (General Plan Density Bonus) BMP and affordable housing units developed on AHOZ site(s) are not included when calculating the density for a property.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Within one year of Housing Element adoption and on-going

Action HOU-2.2 **Meeting Los Gatos's Housing Needs Using the AHOZ:** For multiple family residential development within the North 40 and the Southbay AHOZ site subject to by right development, the Town will amend the town Code to add by right development findings that, among other items, state that if a

project meets the objective review criteria contained in the AHOZ Design Guidelines or North 40 Specific Plan design guidelines (available on the Town's website) the deciding body will approve the affordable housing proposal.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Within one year of AHOZ project approval

Action HOU-2.3 **Transitional and Supportive Housing:** State Law requires that Transitional and Supportive Housing must be allowed by right as a residential use similar to other dwellings in the same zone (regardless of occupancy). The Town Code (Zoning Regulations) currently allow Transitional or Supportive housing in residential zones but will be amended to clarify that Transitional and Supportive Housing is permitted in all residential zones by right as a residential use similar to other dwellings in the same zoning district with no occupancy limits as required by SB 743.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Within one year of Housing Element adoption

Action HOU-2.4 **By Right Findings:** For multiple family residential development within the North 40 and the Southbay AHOZ site subject to by right development, the Town will amend the Town Code to add by right development findings that, among other items, state that if a project meets the objective review criteria contained in the AHOZ Design Guidelines or North 40 Specific Plan design guidelines (available on the Town's website) the deciding body will approve the affordable housing proposal.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Within one year of Housing Element adoption

Action HOU-2.5 **No Net Loss:** To ensure adequate residential capacity to accommodate the RHNA for each income category, the Town will develop and implement an ongoing formal evaluation procedure (project-by-project) of sites identified in the Sites Inventory to maintain sufficient sites at appropriate densities to accommodate its 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.

Funding Source: None required
Responsible Agency: Community Development Department
Time Frame: Annually update the sites inventory in conjunction with Government Code Section 65400 Housing Element Annual Reports. Develop evaluation procedure of sites to accommodate lower income households to comply with Government Code Section 65863 by February 2016.

Goal HOU-3	**Preserve existing residential opportunities, including the existing affordable housing stock.**

Policies

Policy HOU-3.1 Encourage the maintenance and improvement of existing housing units.

Policy HOU-3.2 Support the preservation and conservation of existing housing units that provide affordable housing opportunities for Town residents and workers.

Policy HOU-3.3 Improve the quality of rental housing by acquisition and/or rehabilitation using Affordable Housing Fund.

Policy HOU-3.4 Preserve the affordability of units affordable to very low-, low-, and moderate-income households in Bonnie View Park,

and enforce zoning regulations regarding conversion of mobile home parks in Los Gatos.

Actions

Action HOU-3.1 **Preserve "At-Risk" Affordable Housing Units**: Continue to monitor affordable, multi-family housing units in the Town to ensure that they retain their affordability status. None of the assisted units in the Town are at risk of converting to market rents within ten years of this planning period.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: January 31, 2015 to January 31, 2023

Action HOU-3.2 **Rental Housing Conservation Program**: The Town's existing multi-family, privately-owned rental units provide housing opportunities for households of varied income levels. The Town will continue to implement Section 29.20.155 of the Town Code that addresses conversions of residential use, specifically Section 29.20.155(a)(2) that requires that any proposed conversion satisfy the housing goals and policies as set forth in the General Plan.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: January 31, 2015 to January 31, 2023

Action HOU-3.3 **CDBG and other Housing Rehabilitation Programs**: Continue to participate in the County of Santa Clara Community Development Block Grant Joint Powers Authority so Town residents can participate in County CDBG Housing Rehabilitation programs.

The County of Santa Clara currently offers a rehabilitation program for lower income owner occupied housing in participating JPA member communities such as the Town of Los Gatos, and funds annual service grants for non-profit service providers (e.g. Habitat for Humanity East Bay/Silicon Valley, Rebuilding Together, etc.) who provide emergency repair grants to lower income households. The Town of Los Gatos reviews its participation in the Santa Clara County

CDBG Joint Powers Authority every three-year prior to the expiration of the Agreement. Applicants for either the County of Santa Clara program or the non-profit operated programs funded by the County CDBG funds must live in JPA member communities.

Continue to disseminate information about other non-profit rehabilitation programs to Town residents and property owners. Strive to improve at least 7 housing units through this program.

Funding Source:	General Fund
Responsible Agencies:	Community Development Department
Time Frame:	January 31, 2015 to January 31, 2023

Action HOU-3.4 **Countywide Home Repair Programs**: Continue to support countywide programs (Habitat for Humanity East Bay/Silicon Valley, Rebuilding Together, 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. The Town shall support annual funding requests submitted by rehabilitation agencies to the County of Santa Clara and as needed provide local technical assistance to non-profits submitting funding applications to the County and/or eventually applying for building permits through the Town's Building Permit process. Town funding from its Below Market Price monies may contribute to these programs.

The Town of Los Gatos as a participating member of the County of Santa Clara JPA, and provides staffing to the County Technical Advisory Committee (TAC) which reviews annual applications for funding and helps formulate funding recommendation to the Board of Supervisors. Funding is provided directly by the County of Santa Clara as authorized by the Board of Supervisors to the individual non-profit service providers.

Funding Source:	None required
Responsible Agencies:	Community Development Department; County of Santa Clara
Time Frame:	January 31, 2015 to January 31, 2023

Goal HOU-4	**Ensure that all persons have equal access to housing opportunities.**

Policies

Policy HOU-4.1 Support housing programs that protect individuals' rights.

Policy HOU-4.2 Continue to provide assistance to service providers who support special needs households such as seniors, persons with disabilities (including developmental challenges), and the homeless, such as Project Sentinel, Santa Clara County Housing Authority, and Santa Clara County Office of Supportive Housing.

Policy HOU-4.3 Continue to encourage Los Gatos households to participate in financial assistance programs provided in the County of Santa Clara.

Actions

Action HOU-4.1 **Town Housing Resources Guide:** 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.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: Update list annually

Action HOU-4.2 **Rental Dispute Resolution Program**: 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.

Funding Source: Program fees
Responsible Agencies: Community Services Department
Time Frame: January 31, 2015 to January 31, 2023

Action HOU-4.3 **Emergency Shelters:** Continue to allow for an emergency shelter as a by-right permitted use in the Controlled Manufacturing (CM) zoning district, subject to appropriate development standards. An emergency shelter is defined as "housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by homeless persons." Housing and Community Development staff have advised that the Town Code requirement limiting emergency shelters to six or fewer administrative staff members or employees should be eliminated in order to be consistent with applicable State Law. The Town will amend the Town Code within one year of the Housing Element adoption to remove any restrictions on emergency shelter staffing.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Within one year of adoption and on-going January 31, 2015 to January 31, 2023

Action HOU-4.4 **Supportive Services for the Homeless:** Continue to provide support for community and non-profit organizations providing supportive services for homeless persons in Los Gatos.

The Town of Los Gatos currently funds an annual grant and disseminates opportunities for other agency funding to West Valley Community Services (WVCS) which provides a Comprehensive Emergency Assistance Program (CEAP). The CEAP includes the following services:

- Rental assistance to prevent homelessness
- Assistance to prevent eviction
- Deposit assistance to house un-housed persons
- Utility assistance to prevent utility shut off

Funding Source:	Town of Los Gatos
Responsible Agencies:	Community Development Department
Time Frame:	January 31, 2015 to January 31, 2023

Action HOU-4.5 **Santa Clara County Fair Housing Consortium**: Support the efforts of the Santa Clara County Fair Housing Consortium. 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 and public kiosks. These organizations provide resources for Los Gatos residents with tenant/landlord, housing discrimination, and fair housing concerns. Each organization conducts outreach including community education presentations, distributed flyers, and referral calls.

Project Sentinel is a member of the Consortium and is the Town's contract service administrator for the Town's Rental Dispute Resolution Program. Through its on-going partnership with Project Sentinel Town staff is able to attend the Consortiums annual Fair Housing Symposium, receive training, and disseminates 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.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	January 31, 2015 to January 31, 2023

Action HOU-4.6 **Non-Profit Affordable Housing Providers**: Support the efforts of non-profit 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. Meet with non-profit groups on at least an annual basis to develop strategies and actions for affordable housing development. Provide similar incentives for the development of affordable housing as provided under the Affordable Housing Overlay Zone (Action HOU-2.1).

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	On-going (at least annually) January 31, 2015 to January 31, 2023

Action HOU-4.7 **Increased Range of Housing Opportunities for the Homeless:** 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.

Funding Source: CDBG
Responsible Agencies: Community Development Department
Time Frame: January 31, 2015 to January 31,

Action HOU-4.8 **Compliance with the Employee Housing Act:**

The Employee Housing Act (Health and Safety Code Section 17021) sets standards for the construction, maintenance, use, and occupancy of employee housing facilities providing living accommodations for five or more employees to assure their health, safety, and general welfare. The Town Code currently does not address housing regulated by the State of California under the Employee Housing Act as either a permitted or conditional use.

The Town shall amend the Town Code within one year of the Housing Element adoption to be consistent with the Employee Housing Act.

Funding Source: None
Responsible Agencies: Community Development Department
Time Frame: Within one year of adoption

Goal HOU-5	**Retain and expand affordable housing opportunities for seniors.**

Policies

Policy HOU-5.1 Promote the Town's Housing Conservation Program to assist low-income seniors with basic home repairs and maintenance.

Policy HOU-5.2 Allow and encourage small-scale living facilities of two to six seniors that may include nursing care services that can be integrated into existing neighborhoods as infill development.

Policy HOU-5.3 Work with existing senior lifestyle living and assisted living facilities in Los Gatos, and support the development of new senior housing that includes continuum of care facilities within the Town.

Action

Action HOU-5.1 **Senior Housing Resources:** Provide regularly updated senior housing resource materials at the Adult Recreation Center.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: Update materials annually

Goal HOU-6 Mitigate Town governmental constraints to affordable and special needs housing development.

Policies

Policy HOU-6.1 Continue expediting the permit processing system for affordable residential development applications.

Policy HOU-6.2 Encourage universal design features in all new residential developments, to supplement the Title 24 requirements.

Policy HOU-6.3 Support the rehabilitation and modification of housing to allow accessible to people of all abilities.

Policy HOU-6.4 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, the elderly, 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 HOU-6.5 Support efforts to provide coordinated services for persons with special needs in the Town.

Actions

Action HOU-6.1 **Governmental Constraints:** Regularly review Town planning and zoning regulations and remove affordable housing development constraints as appropriate.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Review and update regulations as appropriate at least every three years

Action HOU-6.2 **Reasonable Accommodation Ordinance:** Continue to enforce Section 29.10.505–530 of the Town Code to ensure equal access to housing for persons with disabilities under the Fair Housing Act and provide specific procedures for requesting and granting reasonable accommodations.

To ensure compliance with the Fair Housing Act, the Town shall amend the Code to revise the last three bulleted review criteria as noted below:

- No physical impact to neighboring properties
- The requested accommodation is necessary due to a relationship between a disability noted and a physical attribute or condition of the property or structures for which the accommodation is requested.
- There is not a reasonably economically feasible alternative accommodation that is acceptable to the applicant.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Within one year of Housing Element adoption for required Town Code amendment and on-going January 31, 2015 to January 31, 2023

Action HOU-6.3 **Persons with Disabilities**: Remove constraints to housing for persons with disabilities and encourage accessible housing in new residential developments.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Review and update regulations as necessary; at least every three years

Action HOU-6.4 **Special Needs Housing:** Give priority to special needs housing by allowing for reduced processing time and streamlined procedures for such appropriate zoning/land use applications.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	January 31, 2015 to January 31, 2023

Action HOU-6.5 **Special Needs Housing:** Include preferential handling of special needs populations in management plans and regulatory agreements of funded projects.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	As plans are adopted and projects are funded; January 31, 2015 to January 31, 2023

Action HOU-6.6 **Rental Assistance for Persons with Developmental Challenges**: Explore opportunities to work with local and/or regional partners to provide rental assistance for persons with developmental challenges. The program could include the following steps:

a. 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.
b. Encourage qualifying Regional Center clients residing in Los Gatos to apply for appropriate rental assistance programs.

c. Identify outside funding sources, such as regional or state programs, that could provide rental assistance for developmentally challenged persons living in Los Gatos.

d. 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.

e. Follow up on a periodic basis with service providers to determine outcomes for referrals and update referral process and timelines accordingly.

Funding Source:	None required
Responsible Agencies:	Community Development Department, California Department of Developmental Services,
Time Frame:	Interview key Regional Center housing staff within the 2015-2023 period

Action HOU-6.7 **Universal Design:** Consider development of universal design enhancements to existing design guidelines and standards to encourage the inclusion of universal design features in new construction. Periodically study every two years and adopt as appropriate specific revisions or amendments to the Town's development documents as part of the Town Building Code review to facilitate the inclusion of universal design features.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Study feasibility every two years within the 2015-2023 period

Action HOU-6.8 **Universal Design Awareness:** Increase awareness of universal design principles by periodically educating the Town Council, Commissions, and Boards about universal design and making information available to residents and builders at the Community Development Counter.

Funding Source:	None required
Responsible Agencies:	Community Development Department

Time Frame: Make information available at the Counter within two years of adopting the ordinance. Provide education materials to Town Commissions and Boards every other year.

Action HOU-6.9 **Developmental Challenges:** Continue to work with the local California Department of Developmental Services Regional Center to continue to inform families within Los Gatos on housing and services available for persons with developmental challenges. This outreach program may include an informational brochure, information on the Town's website, and housing-related training workshops for individuals and families.

Funding Source: None required
Responsible Agencies: Community Development Department, California Department of Developmental Services
Time Frame: January 31, 2015 to January 31, 2023

Action HOU-6.10 **Development Standards**: On a biannual basis, continue to review, evaluate, update, and streamline as necessary, the development process for housing developments that will guarantee affordable units on a long-term basis for very low-, low-, and moderate-income households.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: January 31, 2015 to January 31, 2023

Goal HOU-7	**Encourage residential construction that promotes green building and energy conservation practices.**

Policies

Policy HOU-7.1 Encourage sustainable housing development throughout the Town using the Town's voluntary green building program by continuing to require that all residential development

applications complete the Build It Green GreenPoint Rated Checklist as part of the development application package.

Policy HOU-7.2 Promote the construction of energy efficient new homes utilizing the Energy Star Homes Program.

Actions

Action HOU-7.1 **Energy Conservation Opportunities**: Continue to enforce State of California Title 24 requirements for energy conservation.

Funding Source: None required
Responsible Agencies: Community Development Department
Time Frame: January 31, 2015 to January 31, 2023

Goal HOU-8	**Ensure that the Town has sufficient resources and takes appropriate measures to implement the Housing Element.**

Policies

Policy HOU-8.1 All approvals of residential developments of three or more units shall include a finding that the proposed development is consistent with the Town's Housing Element and addresses the Town's housing needs as identified in the Housing Element.

Policy HOU-8.2 Provide adequate management and staffing of affordable housing funds and programs.

Actions

Action HOU-8.1 **Annual Housing Report**: Prepare an annual housing report for the review of the Town Council including information on progress made towards achieving new construction need, affordable housing conserved/developed, effectiveness of existing programs and recommendations for improvement. Consult with non-profit providers, special need providers, and

other community resources in preparation and evaluation of the report.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	January 31, 2015 to January 31, 2023

Action HOU-8.2 **Housing Management**: Continue to fund staff for the management and planning of housing programs and funding for the Town.

Funding Source:	Town BMP Housing In-Lieu Fee Fund
Responsible Agencies:	Community Development Department
Time Frame:	Develop recommendation and plan for additional housing staff support by December 2016

Action HOU-8.3 **Coordination with Water and Sewer Service Providers:** 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's RHNA for lower-income households.

Funding Source:	None required
Responsible Agencies:	Community Development Department
Time Frame:	Upon adoption of this Housing Element

Goal HOU-9	**Maintain the Town's 2005 jobs-to-household ratio of 1.5 jobs per household.**

Policy

Policy HOU-9.1 As part of the development review process, evaluate applications that have significant numbers of jobs or housing in regard to the potential impact on the Town's jobs/housing ratio. However, the jobs/housing balance shall not be used as criterion for denying projects that include affordable housing opportunities.

I. Summary of Quantified Housing Objectives

Table H-3 provides a summary of the number of housing units that will be produced as a result of implementing the actions described in Section H of this Housing Element. Based on the housing sites inventory analysis provided in detail in Chapter 6 of the Housing Element Technical Appendix, up to 655 new units could be constructed in the Town over the eight years of the Housing Element planning period, of which 314 units could be affordable to very low- and low-income households. During the eight years of the Housing Element period, the Town has a goal of facilitating the production of at least 50 Extremely Low Income (ELI) units as a subset of the Very Low Income category. Opportunities for ELI housing are the Southbay site which is part of the Affordable Housing Overlay Zone (AHOZ) program as discussed later in this Element, and the North 40 Specific Plan area within which up to 13.5 acres is scheduled to be rezoned to a minimum density of 20 units per acre. Both opportunities provide for "by right" development. No affordable housing units are at risk of conversion to market rents during the planning cycle.

TABLE H-3 **QUANTIFIED HOUSING OBJECTIVES, 2015-2023**

	Number of Housing Units		
Income Category	**New Construction**	**Rehabilitation**	**Conservation**
Very Low	201 (50 units ELI)	0	2
Low	113	7	0
Moderate	142	0	0
Above Moderate	174	0	0
Total	**630**	**7**	**2**

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Technical Appendices

1 BACKGROUND

The Technical Appendix for the Town of Los Gatos 2015-2023 Housing Element presents a detailed population and housing stock report, designed to meet the legislative requirements of State housing laws contained in Government Code Sections 65580 to 65589.8. The Technical Appendix includes the following sections:

- **Background:** A detailed description of what is included in the Housing Element Technical Appendix to satisfy Housing Element state law requirements.
- **Housing Needs Assessment:** Detailed demographic, economic, and housing data for the Town.
- **Projected Housing Needs:** A description and analysis of the Town's "fair share" of housing, called its Regional Housing Needs Allocation (RHNA), and an inventory of subsidized housing units with an indication of which units could be at risk of conversion to market rate. This section also includes information on funding resources for housing development.
- **Constraints to Housing Development:** An analysis of the constraints to providing housing for all income levels.
- **Review of 2007–2014 Housing Element:** A review of the goals, objectives, and policies of the previous Housing Element and brief descriptions of accomplishments.
- **Housing Sites Inventory:** An inventory of residential land resources, including suitable sites for housing, emergency shelters, and transitional housing. This section includes a map of the potential housing sites and analyzes in detail the Town's ability to accommodate its RHNA, which is allocated to Los Gatos by Association of Bay Area Governments (ABAG).

Los Gatos's previous Housing Element, which covered the planning period from 2007 to 2014, was certified by California Department of Housing and Community Development (HCD) as being in compliance with State Housing Element law. The updated Housing Element and this Technical Appendix will reflect the planning period from 2015 to 2023.

The 2015-2023 Housing Element Technical Appendix is based on recent population, employment, and housing data for Los Gatos, primarily provided for housing element development by ABAG. The original sources used to obtain this data include the U.S. Census, American Community Survey, Comprehensive

Housing Affordability Strategy, State of California Department of Finance, U.S. Department of Housing and Urban Development (HUD), San Andreas Regional Center, Los Gatos-Monte Sereno Police Department, Morely Bros., Sereno Group, ABAG, HCD and Town of Los Gatos Planning staff. The Town and HCD recognize that the use of different sources will lead to slight variations in data; however, the use of these sources for obtaining data is in compliance with Housing Element state law and best practices. The Town and HCD also recognize that economic and market information are not static, and that the Town will — to the extent that data can be obtained at the time of this report — address the current volatility in real estate markets relative to existing housing data.

2 HOUSING NEEDS ASSESSMENT

This assessment of population, housing, and economic factors is the foundation for establishing appropriate housing goals, actions, and quantified objectives. This chapter provides an assessment of existing characteristics and potential housing needs for all economic segments within the Town of Los Gatos. Please note that multiple datasets are cited and, therefore, some figures may occasionally appear inconsistent. The differences are not significant and most of the data included has been vetted and distributed by the Association of Bay Area Governments (ABAG).

A. Population

The population data in this section include age and race/ethnicity breakdown for Los Gatos, historical and future population growth, and the number of existing and projected jobs for the Town.

1. Population Trends

The Town of Los Gatos is located in Santa Clara County. With an estimated population of 1,868,558 as of January 1, 2014, Santa Clara County continues to have the highest population among the nine counties of the San Francisco Bay Area.[1] Between 2000 and 2010 the population in Santa Clara County increased by 5.9 percent, the third highest increase in the ABAG region. ABAG projects that the population of Santa Clara County will increase from 1,877,700persons in 2015 to 2,080,600 in 2025, an 11 percent increase during a 10-year time period.

The population growth of Los Gatos has remained fairly small and stable in the last three decades. The 2014 population of Los Gatos is estimated to be 30,532. Figure 2-1 indicates population growth by decade, including 2014, for Los Gatos. ABAG projects that the population of Los Gatos will increase by approximately 6 percent during the 2015-2025 time period, continuing at a similar rate of growth as in the past three decades.[2]

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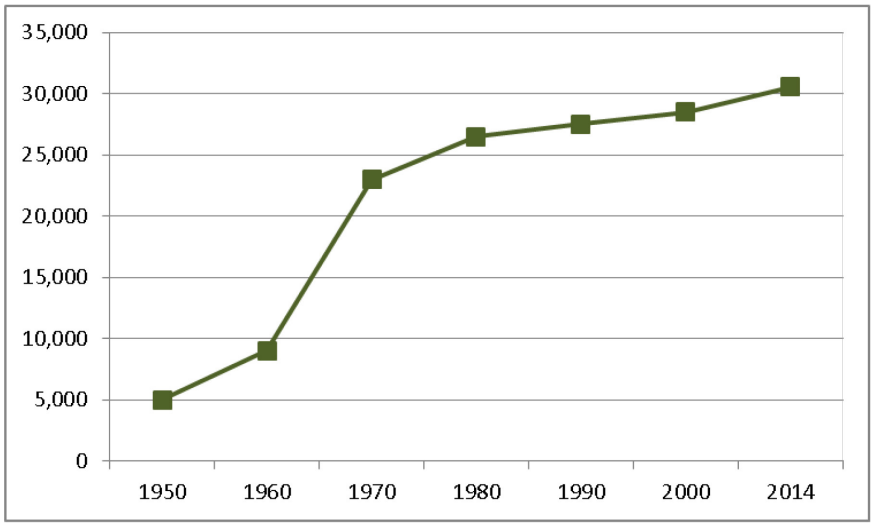
[1] State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

[2] *Housing Element Data Profiles,* Association of Bay Area Governments, January 2014.

FIGURE 2-1 **TOWN POPULATION BY YEAR, 1950–2014**



Sources: U.S. Census Population Estimates 1950-2000; State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

2. Population by Race/Ethnicity

The 2010 U.S. Census estimates that the predominant population of Los Gatos is White (77 percent of the population). The Asian population represents approximately 11 percent of the population, the Hispanic/Latino population approximately 7 percent, two or more races approximately 4 percent, and the Black population 1 percent of the total population of Los Gatos. These figures reflect a slightly more diverse population than in 2000, continuing the trend of increased diversity in the Town that has occurred over several decades.

3. Population by Age

The current median age in Los Gatos is estimated to be 45 years, compared to 30 years in 1970.[3] The increase in median age demonstrates that the population of Los Gatos is aging, with a larger percentage of the population being 21 years of age and older. This reflects a nationwide aging trend related to the large Baby Boom Generation as well as some local characteristics. The Town of Los Gatos is a

[3] Association of Bay Area Governments, *Housing Element Data Profiles,* January 2014.

quaint 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.

4. Employment Projections and the Jobs/Housing Balance

The jobs/housing ratio measures the balance between the number of jobs and the number of households located in Los Gatos. ABAG estimates that there were 12,355 households and 26,630 jobs in Los Gatos in 2010, indicating that Los Gatos had approximately 2.15 jobs per household. The jobs/housing ratio has increased from 1.50 in 2005. A healthy jobs/housing ratio is typically between 1 and 1.5 jobs per household, indicating that there are employment opportunities to support the immediate community and support some nearby housing-rich communities such as Monte Sereno and Saratoga.

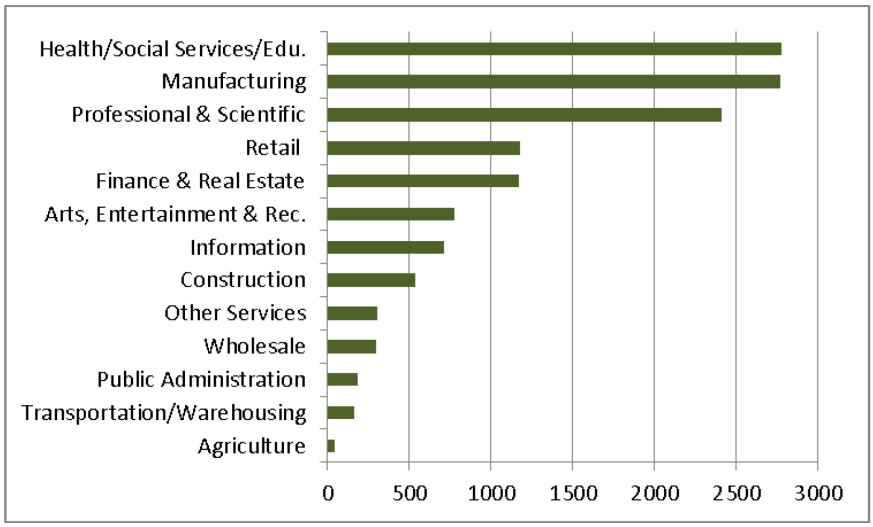
According to ABAG, there will be 25,000 jobs in Los Gatos by 2015 and 26,980 by 2025. This is an increase of 1,980 jobs, or 8 percent. The number of households is expected to increase by approximately 620, or 5 percent, to a total of 13,070 in 2025. Based on these projections, in 2025 the Town will have a jobs/housing ratio of 2.06. These projections indicate that the jobs/housing ratio for Los Gatos is expected to remain practically the same. Presently and in 2025, the jobs/housing balance indicates a potential demand for more housing to accommodate the work-force.

Figure 2-2 shows employment by sector for 2011. The Educational, Health, and Social Services Sector had the most jobs in Los Gatos.

B. Households

The household data in this section include the current and projected number of households in Los Gatos, the household size, and a breakdown of households by income level as well as tenure. This section also includes an analysis of households overpaying for housing and an analysis of special needs households in Los Gatos.

FIGURE 2-2 **LOS GATOS JOBS, 2011**



Source: *Housing Element Data Profiles,* Association of Bay Area Governments, January 2014.

1. Current and Projected Households

According to the California Department of Finance, there are 13,185 total housing units in Los Gatos in 2014. ABAG estimated that there were 12,355 households in Los Gatos in 2010 and projects 12,450 in 2015. The majority of these households (67 percent) were family households, defined by the U.S. Census as households with two or more persons who are related by birth, marriage, or adoption. The majority of non-family households (84 percent) were individuals living alone. From 2015 to 2025 ABAG projects that the number of households in Los Gatos will increase by approximately 5 percent to 13,070.[4]

2. Household Size

According to ABAG, the average household size in Los Gatos is very stable, having remained at approximately 2.4 persons per household since 1990. The household size is projected to remain 2.4 in 2025.

[4] *Housing Element Data Profiles,* Association of Bay Area Governments, January 2014.

3. Households by Income Level

In 2011, the median household income in Los Gatos was estimated to be $122,875, which was the sixth highest household income in Santa Clara County.[4] Table 2-1 provides the median household incomes for all 15 incorporated cities and towns within Santa Clara County in 2011.

Table 2-2 lists maximum household income levels by household size. These income levels are used by federal, State and local programs to determine eligibility for housing assistance in Los Gatos. These income levels are based on a 2014 area median household income (AMI) for Santa Clara County of $105,500.

Using U.S. Census data, the U.S. Department of Housing and Urban Development (HUD) develops housing data under the Comprehensive Housing Affordability Strategy (CHAS) for juridictions eligible for HOME Investment Partnerships (HOME) program funds and Community Development Block Grant (CDGB) funds. The HOME and CDBG programs, both administered by HUD, are federal block grant programs that provide funds for local affordable housing development programs. According to CHAS 2010 data,[5,6] the majority of households in Los Gatos have income levels greater than 80 percent of AMI in Santa Clara County. Low-, very low- and extremely low income households comprise less than 22 percent, or 2,630 households, of all households in Los Gatos. An estimated 7 (or 6.96) percent, or 840 out of the 12,065 total households, are considered extremely low income, with incomes below 30 percent of AMI. See Table 2-3 for the breakdown of households by income level in Los Gatos.

4. Overpaying Households

State and federal agencies define an "overpaying" household as one in which more than 30 percent of annual income is spent on housing costs. According to CHAS 2010 data provided through ABAG, approximately 35 percent of all homeowners in Los Gatos, or 2,799 households, and 38 percent of all renters in Los Gatos, or 1,565 households, are overpaying for their housing.[7]

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[5] Association of Bay Area Governement, Housing Element Data Profiles, January 2014.

[6] The Town is using the most recent CHAS data as interpreted by the Bay Area Association of Governments.

[7] *Housing Element Data Profiles,* Association of Bay Area Governments, January 2014.

TABLE 2-1 **2011 MEDIAN HOUSEHOLD INCOMES, SANTA CLARA COUNTY**

Rank	City/Town	Median Estimated Household Income in 2011
1	Los Altos Hills	$218,077
2	Monte Sereno	$181,719
3	Saratoga	$155,182
4	Los Altos	$151,856
5	Cupertino	$124,825
6	**Los Gatos**	**$122,875**
7	Palo Alto	$122,532
8	Milpitas	$94,589
9	Morgan Hill	$94,304
10	Sunnyvale	$93,292
11	Mountain View	$91,446
12	Santa Clara	$89,004
13	Campbell	$82,764
14	San Jose	$80,764
15	Gilroy	$75,483

Source: *Housing Element Data Profiles,* Association of Bay Area Governments, January 2014.

TABLE 2-2 **FY 2014 MAXIMUM HOUSEHOLD INCOME LEVELS, SANTA CLARA COUNTY**

Income Category	1 Person	2 Persons	3 Persons	4 Persons
Extremely Low (30% AMI)*	$22,300	$25,500	$28,650	**$31,850**
Very Low (50% AMI)	$37,150	$42,450	$47,750	**$53,050**
Low (80% AMI)	$59,400	$67,900	$76,400	**$84,900**
Moderate (120% AMI)	$88,600	$101,300	$113,950	**$126,600**

Source: Department of Housing and Urban Development, FY2014 Income Limits.
* Area Median Income (AMI) is $105,500.

TABLE 2-3 **HOUSEHOLDS BY INCOME LEVEL, 2010**

	Extremely Low (30% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate and Above (80% or Greater AMI)	Total
Number of Households	840	880	910	9,435	12,065
Percent of Total Households	7.0%	7.3%	7.5%	78.2%	100%[a]

[a] Due to rounding, the percentages do not add up to exactly 100 percent.
Source: HUD, Comprehensive Housing Affordability Strategy (CHAS), 2010.

When broken down by household income level, the percentage of households overpaying in Los Gatos becomes more significant. Lower-income households represent 42 percent of all overpaying households in the Town. A total of 1,845 lower-income households in Los Gatos, of which 545 are homeowners and 597 are renters, overpay for their housing. A majority of extremely low-income and very low-income homeowners overpay for their housing, while a majority of extremely low-income, very low-income, and low-income renter households overpay for their housing in Los Gatos. This measurement helps determine which households are potentially lacking housing that is affordable to their income level.

5. Household Tenure

The majority of households in Los Gatos are owner-occupied. The 2010 U.S. Census estimated that 63 percent, or 7,778 households, were owner-occupied, and 37 percent, or 4,577 households, were renter-occupied. According to CHAS 2010 data, approximately half of the 840 extremely low- income households in Los Gatos were homeowners and half were renters. The proportion of homeowners to renters in Los Gatos has remained essentially the same since 1990.

Compared to the percentage of owner-occupied units in Santa Clara County and the State, Los Gatos has a higher percentage of homeowner units, with Santa Clara County at 58.0 percent and the state at 57.7 percent.

6. Households with Special Needs

This section analyzes households in Los Gatos with special needs, organized into the following sub-populations:

- Extremely low income
- Homeless
- Overcrowded and Large-Family
- Single-parent
- Elderly
- Persons with disabilities

Special needs households are generally defined by the California Department of Housing and Community Development (HCD) and must be specifically analyzed in the Housing Element.

A review of available employment data indicates that less than one percent of the Los Gatos labor force is employed in agricultural work. Therefore, farm worker households are not specifically identified as a group with special needs in Los Gatos.

a. Extremely Low Income Households

As noted above, extremely low income households are households defined as having incomes less than 30 percent of AMI. The annual income for an extremely low income household in Santa Clara County is $31,850 or less for a four-person household, as shown in Table 2-4. Households that are on Social Security Insurance (SSI) or disability insurance are typically extremely low income households.

According to the CHAS database, Los Gatos had approximately 840 extremely low-income households, which is about 7 (or 6.96) percent of the total number of households in Los Gatos, in 2010. Of these extremely low-income households, 405 are renters and 435 are owners. A majority of both extremely low-income renters and owners in Los Gatos are overpaying, living in overcrowded situations, or lacking kitchen or plumbing facilities. Specifically, 69 percent of extremely low-income households in Los Gatos are overpaying for housing. Of all households in Los Gatos, approximately 36 percent are overpaying for housing.[8]

To project the housing needs for extremely low-income households, Los Gatos assumes that 50 percent of its RHNA for very low-income households (defined as less than 50 percent of AMI) in Los Gatos is the extremely low-income household need. Los Gatos's RHNA, described in more detail in Chapter 3 of this Technical Appendix, estimates a need of 201 units affordable at the very low-income level; consequently, the Town's projected need for extremely low-income households would be 101 units.

Extremely low income households can be effectively served by Section 8 Housing Certificates and Vouchers. To address the range of needs for extremely low-income households, Los Gatos supports and makes referrals to the Housing Authority of the County of Santa Clara, which administers Section 8 Vouchers, Mainstream Vouchers, Welfare-to-Work Vouchers, the Family Self-Sufficiency Program, and public housing.

Additionally, the Town has included a policy and actions to further address the housing needs of extremely low-income households in Los Gatos. Under Action HOU-1.5, the Town will work with affordable housing developers on a periodic basis, provide expedited permit processing, identify funding opportunities, and provide other incentives similar to incentives developed under the Affordable Housing Overlay Zone (AHOZ) under Action HOU-2.1.

b. Homeless Population

Homeless people lack a fixed, adequate nighttime residence. Homelessness is an issue of significant concern in Santa Clara County. Santa Clara County conducts

[8]U.S. Department of Houisng and Urban Development Comprehensive Affordable Housing Strategy database, 2011.

TABLE 2-4 **HOUSING NEEDS FOR EXTREMELY LOW INCOME HOUSEHOLDS**

	Renters	Owners	Total
Total Number of Extremely Low Income Households	405	435	840
Percent with Any Housing Problems[a]	58.0%	78.0%	68.5%
Percent with Cost Burden[b] of 30% or Greater of Income	58.0%	78.2%	68.5%
Percent with Cost Burden of 50% or Greater of Income	49.4%	75.9%	63.1%

[a] "Housing problems" is defined by HUD as a cost burden greater than 30 percent of AMI (overpaying); more than one person per room, excluding bathrooms and kitchens (overcrowding); and/or housing without a complete kitchen or plumbing facilities.
[b] "Cost burden" is defined by HUD as the portion of a household's total gross income that is spent on housing costs.
Source: HUD, CHAS, 2010.

the Santa Clara Homeless Census and Survey, which is a report of a point-in-time count, including comprehensive, qualitative interviews of homeless persons in the county. Understanding the homeless population throughout the County is part of a strategy for creating a Continuum of Care system in which there is outreach, supportive services, emergency shelter, transitional housing, and permanent supportive housing. The Los Gatos Housing Element update references the 2013 Santa Clara County Homeless Census and Survey.[9]

In 2013, the Santa Clara County Homeless Census and Survey's point-in-time count estimated that 5,674 homeless persons were unsheltered and 1,957 homeless people lived in shelters and transitional housing, for a total of 7,631 homeless persons in the county. Santa Clara County estimates that there were approximately 19,063 persons who were homeless at some point during 2013. While the homeless population is predominantly male (approximately 67 percent), this population is racially/ethnically diverse. Compared to the race/ethnicity of the total population of Los Gatos as estimated by the 2010 U.S. Census, the County's homeless population is much more diverse than the total population of Los Gatos. Over 80 percent of the total population in Los Gatos is estimated to be White/Caucasian, while only 28 percent of the homeless population in Santa Clara

[9] *2013 Santa Clara County Homeless Census and Survey*, County of Santa Clara and Applied Survey Research, 2013.

County is estimated to be White/Caucasian. Approximately 5 percent of the total population of Los Gatos is estimated to be Hispanic/Latino, while approximately 31 percent of the homeless population in Santa Clara County is estimated to be Hispanic/Latino. Less than 1 percent of the total population in Los Gatos is estimated to be Black/African American, while 22 percent of the homeless population in Santa Clara County is estimated to be Black/African American.

According to the 2013 Santa Clara County Homeless Census and Survey, 74 percent of the homeless population in Santa Clara County is unemployed. Approximately one-third of the homeless in Santa Clara County reported job loss or unemployment as the reason for their homelessness. The second major reason cited was alcohol or drug abuse. Other reasons for homelessness in Santa Clara County include incarceration, domestic violence, illness or medical problems, and mental health issues.

The 2013 Santa Clara County Homeless Census and Survey estimated that there were 11 homeless persons in Los Gatos, specifically, all of which were unsheltered individuals living in cars, recreational vehicles or vans, or outdoor encampments. The number of homeless persons in Los Gatos represents less than 0.2 percent of the total point-in-time count of homeless persons in Santa Clara County. However, according to the Los Gatos/Monte Sereno Police Department, the number of homeless persons in Los Gatos varies nightly. The Police Department estimates that the number of homeless people in Los Gatos typically ranges between 15 and 40 persons.[10]

i. Available Resources for the Homeless

Los Gatos currently does not have any emergency or transitional shelters within town limits. Instead, the Town contributes funds in support of shelters under the auspices of the County's Continuum of Care strategy. The County's Continuum of Care approach includes prevention services, the provision of emergency shelters and the provision of transitional and permanent affordable housing. The Town of Los Gatos has contributed CDBG funds toward construction costs for HomeSafe and the Sobrato Living Center in Santa Clara. Both of these facilities provide emergency, transitional and permanent affordable housing opportunities available to the Los Gatos community. The Town also financially supports the West Valley Community Services Comprehensive Emergency Assistance Program which

[10] Detective Leo Coddington, Los Gatos-Monte Sereno Police Department, personal communication with PlaceWorks, May 7, 2014.

provides deposit assistance to house homeless people, utility assistance to prevent unitility shut off, assistance to prevent evition, and rental assistance to prevent homelessness.

Additional limited resources provided by the Town include food and shelter vouchers from the Salvation Army as well as food pantries at local churches, including St. Mary's, Calvary Church, and St. Luke's. Numerous local organizations and individuals donate food, clothing, and personal items for the homeless to St. Luke's Pantry, which is open to all homeless persons every Tuesday. The Los Gatos/Monte Sereno Police Department also provides outreach to the homeless community. Their officers are trained in police interaction with vulnerable populations and are involved with the Santa Clara County Collaborative on Housing and Homeless Issues.

ii. Site and Zoning Requirements

Los Gatos has three types of residential care facilities, defined by Town Code as establishments that provide around-the-clock nonmedical care to persons living in these facilities and unrelated to the licensee that can meet the housing needs of homeless individuals. These types of residential care facilities include (1) a "small family home" located in the licensee's home, which provides care for up to six persons; (2) a "large family home" located in the licensee's home, which provides care for seven to twelve children or seven to twelve adults; and (3) a "group home," which is a residential care facility that generally provides services for a group of adults or children needing or wanting care or supervision. Small family home residential care facilities are allowed in all residential zoning districts consistent with California Health and Safety Code Section 1566.3, which requires all licensed residential care facilities for six or less persons to be allowed by-right in all residential districts. Large family homes and large residential care facilities require a conditional use permit for all residential districts.

The Town Zoning Code allows emergency shelters by right in the Controlled Manufacturing (CM) zoning district. This zone comprises approximately 57 acres of land located primarily along Winchester Boulevard, Lark Avenue, and University Avenue. Of the 57 acres designated in the CM zone, approximately 2 acres are vacant, on parcels less than one acre in size.[11] Of the non-vacant sites in the CM zoning district, the average parcel size is approximately 2.5 acres. All sites in the CM zone are within approximately 0.5 miles of the future Vasona Light Rail station

[11] County of Santa Clara, Town of Los Gatos Assessor Parcel Data, 2014.

and existing El Camino Hospital of Los Gatos. All of these sites are along or in proximity to VTA Community Bus Route 48, which extends from the VTA Light Rail Winchester Station to the Los Gatos Civic Center with a stop at the El Camino Hospital of Los Gatos. Development standards for shelters were crafted following consultations with HomeFirst (then known as EHC Lifebuilders), a local non-profit agency that operates the County's two regional homeless shelters. HomeFirst confirmed that the CM zoning district development standards were adequate to support a homeless facility appropriate for the Town's documented homeless population.

c. Overcrowded and Large Family Households

The U.S. Census defines an overcrowded household as one that is occupied by more than one person per room, excluding bathrooms and kitchens. Households with more than 1.5 persons per room are considered severely overcrowded. In Los Gatos, 115 households, or 1 percent of the total number of households, are overcrowded.[12] Of these households, 30 are owners and 85 are renters. Approximately 48 percent of these overcrowded households are severely overcrowded. All of the severely overcrowded households in Los Gatos – 55 households – are renter-occupied.[13]

The U.S. Census defines a large family household as a household with five or more persons. According to the 2011 estimates provided by the American Community Survey (ACS), approximately 6.4 percent of Los Gatos households, or 784 households, are large family households. Approximately three-quarters of these large family households, or 591 households, are homeowners. Almost half of the owner-occupied housing stock has 4 or more bedrooms and should be able to adequately accommodate most large families. Typically, large family renter households are more likely to be overcrowded because of the limited availability of appropriately sized rental housing. Because most of the large family households in Los Gatos are owner-occupied, overcrowding does not seem to be a significant problem in the town.

d. Single-Parent Households

Single-parent households are families with either a male or female head of household and children under 18 years of age. Single-parent households are more likely to be vulnerable to the housing market because their single household income

[12] *Housing Element Data Profiles,* Association of Bay Area Governments, January 2014.

[13] American Community Survey, 2011.

can affect their ability to afford a home. Of all family households in Los Gatos that consist of married couples, about 2.7 percent have incomes below the poverty level. Of the single-parent households, 9 percent have incomes below the poverty level.

According to the 2011 ACS, single-parent households represent 787 households, or about 10 percent of households with families in Los Gatos. The majority of these single-parent households, 526 households, have a female head of household. In 2011, approximately 5 percent of female-headed households in the Town earned incomes below the poverty line.

e. Senior Households

As of 2010, 5,265 persons age 65 or over represent the senior population residing in Los Gatos.[14] Of all households in Los Gatos, approximately 27 percent, or 3,336 households, have senior householders. Almost 81 percent of all senior households in Los Gatos are homeowners, which is a 12 percent increase from the 69 percent senior homeowner households identified in the 1990 U.S. Census. The California Department of Finance projects that by 2030, Santa Clara County's senior population will continue to increase, both from population growth and from the aging of the existing residents. Over 140,000 people are projected to be added to the county, and 60 percent of that growth will be people 65 or older. By 2030, 1 in 4 adults (and one fifth of the total population) in the county will be 65 or older.

Some senior households need special assistance to maintain a high quality of life. Los Gatos residents age 55 and over benefit from a variety of programs provided by the Town of Los Gatos and Los Gatos-Saratoga Community Recreation, a local nonprofit organization. Their programs include case management, long-term care ombudsman services, meal delivery, health education, service referrals, exercise classes, and social events and activities. Low-income seniors can receive free groceries at the Los Gatos Adult Recreation Center through Second Harvest Food Bank. The Los Gatos-Monte Sereno Police Department also provides free daily check-in calls to seniors who register for the program.

Several developments, shown in Table 2-5, currently provide 150 housing units for lower-income senior households in Los Gatos. In addition to those affordable senior housing developments, there are residential care facilities in the Town.

[14] U.S. Census, 2010.

TABLE 2-5 **AFFORDABLE SENIOR HOUSING, MAY 2014**

Name	Address	Number of Units	Eligibility
Villa Vasona	626 W. Parr Avenue	107	HUD Section 8, $37,150 income per person
Los Gatos Fourplex	221-227 Nicolson Avenue	4	Low- and moderate-income seniors
The Terraces of Los Gatos	800 Blossom Hill Road	29	80% of AMI
Blossom Hill	14390 Blossom Hill Road	5	35% of AMI
Anne Way	185 Anne Way	5	35% of AMI

According to the State of California Community Care Licensing Division, in 2014 there was one adult day care facility able to accommodate 30 seniors, seven residential care for the elderly facilities with a total capacity to house 324 residents, and one hospice able to serve 6 seniors.[15]

f. Households with Persons with Disabilities

The Federal Rehabilitation Act of 1973, Section 104.3(j) defines a disabled person as "any individual who has a physical or mental impairment which substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment." The unique housing needs of persons with disabilities vary greatly depending on physical and developmental abilities. Some persons with disabilities benefit from wheelchair accessible housing improvements, proximity to public transportation, and affordable housing.

According to the 2011 ACS, approximately 7.9 percent of the population in Los Gatos, or 2,176 persons, have a disability that is either mental or physical and that affects their mobility or self-care. Approximately 69 percent of these persons have a disability that affects their ability to work. According to the San Andreas

[15] State of California Department of Social Services Community Care Licensing Division, http://ccld.ca.gov/PG3581.htm, accessed April 30, 2014.

Regional Center, a community-based, nonprofit organization for Santa Clara County, 39 children in Los Gatos have autism spectrum disorders, 76 have developmental disabilities, 14 have cerebral palsy, 22 have epilepsy, and 18 children have other developmental challenges. Within the Town, there are 9 adults that have autism spectrum disorders, 18 have developmental disabilities, 4 have cerebral palsy, 1 has epilepsy, and 3 adults have other developmental challenges. All of the people counted by the San Andreas Regional Center utilize their resources. There are Los Gatos residents with disabilities who are not included in this database because they are not clients of the San Andreas Regional Center.

General support services for the disabled are available through the San Andreas Regional Center, located north of Los Gatos in the City of Campbell. However, this Center does not provide housing cost support. The cost of housing is prohibitively expensive for those on Supplemental Security Income (SSI), which provided an average of $1,248 per month for individuals with disabilities in 2014.

The following list presents available resources for persons with disabilities in Los Gatos.

- **San Andreas Regional Center**, Santa Clara County Office, 300 Orchard City Drive, Suite 170, Campbell, CA 95008. The San Andreas Regional Center is a community-based, nonprofit corporation funded by the State of California to serve people who have developmental disabilities or face learning challenges. San Andreas Regional Center provides prevention, diagnostic, and educational services.
- **Silicon Valley Independent Living Center**. Main Branch, 2202 N. First Street, San Jose, CA 95131. The Silicon Valley Independent Living Center is a non-profit corporation that provides comprehensive services for persons with a variety of disabilities. Their services include counseling, housing referral and placement, independent living skills training and other services.
- **Mental Health Advocacy Project**. Law Foundation of Silicon Valley. 152 N. Third Street, 3rd Floor, San Jose, CA 95112. Started in 1978 by the Law Foundation of Silicon Valley, the Mental Health Advocacy Project is the only legal assistance organization in Santa Clara County providing legal services specifically for persons with disabilities. Their services include providing assistance with public benefits such as SSI; addressing housing issues such as evictions; discrimination and complaints associated with housing abuse and neglect; landlord/tenant conflicts and habitability; and providing general

technical assistance to housing and service providers for persons with disabilities.

- **Shelter Plus Care Program**, Housing Authority of the County of Santa Clara, 505 West Julian Street, San Jose, CA 95110. The Shelter Plus Care Program, a HUD program administered by the Housing Authority of the County of Santa Clara (HACSC), provides rental assistance in conjunction with supportive services for homeless persons with disabilities.

C. Housing Stock

This section describes housing conditions in Los Gatos and includes a discussion of housing types, vacancy rates, and homeownership and rental costs. Because data are obtained from several sources, including the U.S. Census and the State of California Department of Finance, data referenced in this chapter will vary slightly from others.

1. Housing Units by Type

According to the California Department of Finance, there are 13,185 total housing units in Los Gatos in 2014.[16] Of these, 58 percent, or 7,690 units, are single-family detached units. Approximately 14 percent, or 1,776 units, are single-family attached units including condominiums and townhomes. Approximately 28 percent, or 3,665 units, of all homes in Los Gatos are multifamily. Of these, approximately one-third is in structures with two to four units and two-thirds are in structures with five or more units. Mobile homes comprise less than one percent of the housing stock. The community's housing stock also includes 401 second units. These relatively affordable units are an important housing resource for renters.. Figure 2-3 shows the housing stock by type.

2. Vacancy Rates

The vacancy rate is defined by the percentage of units that are vacant and/or for sale or for rent at a given time. A vacancy rate of 3 percent or less for for-sale units and a vacancy rate of 5 percent or less for rental units are considered low vacancy rates. Low vacancy rates typically indicate strong demand for housing in a community.

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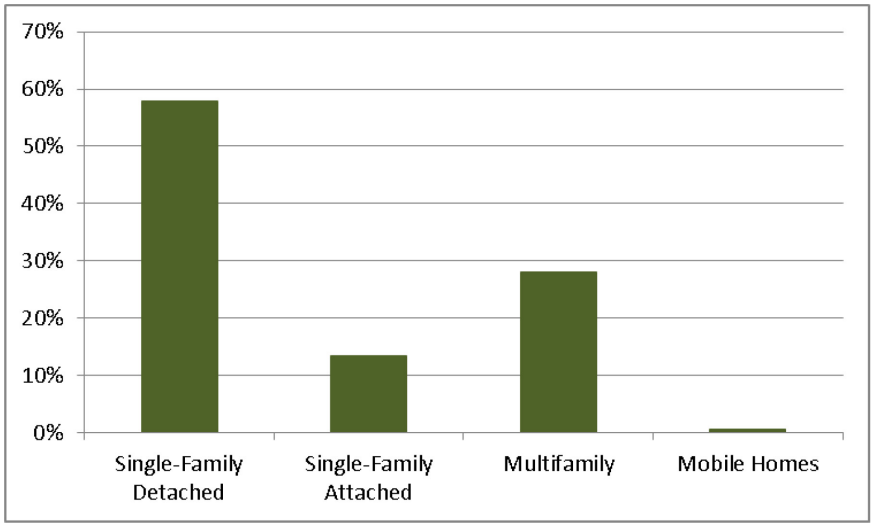
[16] State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

FIGURE 2-3 **TOWN HOUSING MIX, 2014**



Source: State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

According the DOF, in 2014 Los Gatos had a relatively low vacancy rate of 5 percent.[17] According to the 2010 Census, of the Town's vacant units, approximately one-third were rental units.[18] However, recent changes to the housing market may have decreased the percentage of vacancies consisting of rental units. According to Cassidy Turley, at the close of the second quarter of 2014 multi-family vacancies in the Bay Area were at just 3.8 percent.[19]

3. Age of Housing Stock

According to the 2011 ACS, almost one-third of the housing units in Los Gatos were built in the 1960s. Another one-third of the housing was built before 1960. Table 2-6 provides the full age distribution of the housing stock in Los Gatos.

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[17] State of California, Department of Finance, *Table 2: E-5 Population Estimates for Counties and the State, 2011-2014 with 2010 Benchmark*, Sacramento, California, April 30, 2014.

[18] U.S. Census, 2010.

[19] Cassidy Turley, *Bay Area Multi-Family Snapshop Q2 2014,* July 2014, www.c*assidyturley.com.*

TABLE 2-6 **AGE OF HOUSING STOCK, 2011**

Year Built	Number of Units	Percent of Total
1949 or earlier	1,823	14%
1950 to 1959	1,848	15%
1960 to 1969	33,515	28%
1970 to 1979	2,834	22%
1980 to 1989	1,063	8%
1990 to 1999	828	7%
2000 to 2010	721	6%
Total	**12,632**	100%

Source: American Community Survey, 2011.

4. Housing Conditions

Overall, the housing stock of Los Gatos is in good condition, and few areas require reconstruction or rehabilitation. The last comprehensive housing conditions survey for the Town was conducted in 1983-84 and estimated that approximately 4.5 percent, or about 580 units, of the total housing stock at the time in Los Gatos was in need of rehabilitation. According to Town building inspectors, approximately 3 percent of units are in need of rehabilitation as of 2014.[20] According to the Town's Building Department, units in need of the most rehabilitation were rebuilt after the 1989 Loma Prieta Earthquake. Much of the older housing stock is also located near the downtown area and was mostly encompassed by a redevelopment project area, which had invested funds in rehabilitating and building new housing in the project area. The Los Gatos housing market continues to have a high purchase and resale demand, and retrofitting and otherwise improving existing homes is a common practice.

[20] Erwin Ordoñez, AICP, EDFP, email correspondence regarding Building Department information with PlaceWorks on March 26, 2014.

5. Housing Affordability

Over the last decade, the national housing market has experienced highs and lows based on lending practices and the economy. However, home prices in Los Gatos continue to be some of the highest in Santa Clara County.

a. Homeownership Costs

The Town of Los Gatos is a very desirable place to live and as a result, demand outpaces development and housing prices are generally high. According to the 2011 ACS, the median home value in Los Gatos was approximately $1 million, the fourth highest in the County out of 15 cities. Despite the downturn of the national economy in the mid-2000s, home values in Los Gatos were not significantly impacted..

The 2013 median price for a home in Los Gatos is $1.2 million, the sixth highest median home sales price in Santa Clara County, behind Los Altos, San Martin, Saratoga, Palo Alto, and Cupertino.[21] DataQuick reports that the median price of home sales in Los Gatos increased by almost 16 percent since December 2012. Based on this data, buying a single-family detached or attached home in the Town is an unlikely option for lower- and moderate-income households without substantial financial assistance. Table 2-7 provides a summary of median home sales prices in Santa Clara County.

One of the ways that the Town encourages and provides housing affordable to moderate and low income buyers is the Below Market Price (BMP) Program. In 2014, the Town had an inventory of over 60 affordable for-sale units through the BMP Program. For example, in 2014 the low income sales price for 3 bedroom and 2.5 bathroom units was approximately $265,000 and the moderate income price was $410,000. This Program includes considerations for school employees, first responders, Town employees, seniors, persons with disabilities, and other residents who may find purchasing adequate housing difficult in Los Gatos.

b. Rental Costs

In general, rental costs in Los Gatos have increased over the last decade. Los Gatos is a highly sought-after community and as such, home prices are typically high when compared to other jurisdictions within Santa Clara County. Furthermore, in the previous planning period many apartment units were built or

[21] *DataQuick Real Estate News,* California Home Sale Price Medians by County and City, December 2013, DQNews.com.

TABLE 2-7 **MEDIAN HOME SALES PRICES, SANTA CLARA COUNTY, DECEMBER 2013**

City	# Sold in Dec. 2013	Median Sales Price December 2013	% Change in Price, 2012 to 2013
Los Altos	46	$2,333,000	9.6
San Martin	3	$2,125,000	254.2
Saratoga	35	$1,910,000	27.2
Palo Alto	38	$1,819,750	(3.4)
Cupertino	37	$1,425,000	31.1
Los Gatos	**59**	**$1,211,667**	**15.9**
Mountain View	36	$995,500	2.5
Sunnyvale	37	$890,188	23.1
Campbell	44	$808,500	15.6
Santa Clara	98	$802,833	27.0
San Jose	783	$656,157	17.9
Milpitas	62	$614,000	36.1
Morgan Hill	55	$587,750	7.8
Gilroy	45	$524,500	

Note: Data for the City of Monte Sereno is not available from this source.
Source: *DataQuick Real Estate News*, http://www.DQNews.com, accessed May 5, 2014.

renovated, thus improving the multi-family housing stock and simultaneously increasing rents. The 2011 ACS reports the median gross rent of all rental units in the Town at $1,752.[22] An online survey of available multi-family apartments had a median asking rental price of $2,400.[23] The differences between the two surveys indicates that vacant rental units in Los Gatos are likely new or recently renovated

[22] American Community Survey, 2011.

[23] Craigslist.org and Trulia.com accessed on May 7, 2014.

and, therefore, command higher asking rents than the majority of the rental housing stock. Table 2-8 provides current median asking rents of vacant apartments in Los Gatos.

The Town encourages and provides affordable rental housing through the BMP Program. BMP units cannot be rented for greater than 80 percent of the fair market rents as determined by the Santa Clara County Housing Authority. The Town's restricted affordable rental housing stock includes a four-plex, four apartment communities, a senior four-plex, and a senior apartment community. There is typically a waitlist for these affordable units. The Town's 401 documented second units are another important source of rental housing that can be affordable to moderate and lower income households.

c. Overall Housing Affordability

The affordability of housing is a balance between a household's income and the market-driven cost for adequate housing. State housing policy defines housing affordability as housing costs equaling no more than 30 percent of a household's annual income. However, equity and tax benefits of owning a home may make a higher percentage like 35 percent reasonable for some owners.

Table 2-9 shows the maximum affordable monthly rent, maximum affordable purchase price, and the affordability gaps for lower-income 4-person households in Los Gatos based on 2014 HUD income limits. A comparison between the ACS median rent (which includes units of all sizes) indicates that the rental market could readily serve above moderate-, moderate-, and low-income households. The comparison based on new and renovated two-bedroom units currently available as advertised through two popular websites (i.e., Craigslist.org and Trulia.com) indicates that only moderate-income household are readily served by the Town's rental housing stock. Very low- and extremely low-income 4-person households would need to severely overpay or receive financial assistance in order to afford adequately sized rental housing. With a median home sales price over $1 million, the affordability gap for lower- and moderate-income home buyers would be over half a million dollars for most units. In the Town of Los Gatos, lower-income households would be best served by rental housing.

TABLE 2-8 MEDIAN MULTI-FAMILY RENTAL COSTS, 2014

Bedroom Size	Median Asking Rent
One Bedroom	$1,643
Two Bedroom	$3,157
Overall Median Monthly Rent	$2,400

Note: The median monthly rent is estimated based on a combination of new or newly remodeled one- and two-bedrooms and older one-bedrooms on the market in Los Gatos. It is estimated that 50 percent of one-bedroom apartments and 90 percent of two-bedroom apartments currently on the market in Los Gatos are new or newly remodeled units.
Source: Craigslist.org and Trulia.com accessed on May 7, 2014.

TABLE 2-9 HOUSEHOLD INCOMES AND AFFORDABILITY, 2014

Income Level for 4-Person Household	Maximum Monthly Income[a]	Affordable Monthly Rent	ACS Rent Affordability Gap ($1,752 median rent[b])	Online Survey Affordability Gap ($3,157 median rent[c])	Affordable Single-Family Home Sales Price[d]
Extremely Low Income	$2,654	$796	($956)	($2,361)	$91,500
Very Low Income	$4,421	$1,326	($426)	($1,831)	$181,600
Low Income	$7,075	$2,123	$371	($1,034)	$317,100
Moderate Income	$10,550	$3,165	$1,413	$8	$494,631

[a] 2014 HUD Income Limits for 4-person household divided by 12 to determine monthly income.
[b] Rental affordability gap is based on the median rent provided by the American Community Survey and not the vacant asking rent survey performed online that grossly favored new apartments.
[c] Affordability gap is based on the median rent provided by online listings for two-bedroom apartments in May 2014 on www.craigslist.com and www.trulia.com. The available units were all renovated or recently constructed units.
[d] Estimate rounded and based on monthly income with 10 percent down payment and 30-year amortized loan, with an allowance for taxes, HOA fees, insurance and a monthly expenditure of 30 percent of income for housing

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3 PROJECTED HOUSING NEEDS

California's Housing Element law requires each city and county to develop a local housing strategy to address local existing and projected housing needs. This chapter describes the process of determining the projected housing need by income category.

A. Regional Housing Needs Allocation

Regional governments are required by State law to estimate and allocate the number of housing units needed among each member community by income level. This new housing unit projection is called the Regional Housing Needs Allocation (RHNA) and is broken down by income level with the goal of fairly distributing affordable housing throughout the region. The Town of Los Gatos is located in Santa Clara County, one of the nine Bay Area counties that is represented by the Association of Bay Area Governments (ABAG). A city or county's share of the regional housing need reflects the number of new units needed to accommodate expected household growth, account for attrition in the housing stock, maintain a healthy vacancy rate, and avoid an overconcentration of lower income households in one jurisdiction.

ABAG estimates the total 2014–2022 RHNA for Los Gatos to be 619 housing units for the 2015–2023 planning period.. The planning period is an eight year time frame for implementing goals, policies, and programs of this Housing Element. The RHNA is divided into four household income categories: very low, low, moderate, and above moderate income. These categories are defined as households earning up to 50, 80, 120, and more than 120 percent of the Santa Clara County Area Median Income (AMI), respectively. As noted in Chapter 2, the Santa Clara County AMI in 2014 is $105,500. Although the RHNA does not include extremely low income households, State Housing Element law requires each jurisdiction to estimate the projected housing need for extremely low income households earning up to 30 percent of the AMI. Table 3-1 provides the RHNA by income level for Los Gatos.

B. Conservation of At-Risk Housing Units

As required by State law, Housing Elements must address the issue of existing affordable and other subsidized housing developments that are at risk of conversion

TABLE 3-1 **RHNA BY INCOME LEVEL FOR LOS GATOS, 2014-2022 (SEE TABLE H-1)**

Income Category	Housing Need (Number of Housing Units)	Percent of Total Housing Need
Very Low Income (31% to 50% AMI)*	201	32.5%
Low Income (51% to 80% AMI)	112	18.1%
Moderate Income (81% to 120% AMI)	132	21.3%
Above Moderate Income (Above 120% AMI)	174	28.1%
Total	**619**	**100.0%**

* AMI, or Area Median Income, is based on State of California definitions. The Santa Clara County AMI is $105.500. In accordance with State housing element law, the Town assumes that half of the very low income RHNA are extremely low income households (100 extremely low income houesholds, 16.2 percent of the total housing need).

to market-rate housing within 10 years after the beginning of the planning period (through 2025). Housing units that are subject to the termination of a government subsidy program or the termination of rental restrictions are considered at-risk units. Table 3-2 lists all subsidized units in Los Gatos in 2014. This inventory indicates the type of governmental assistance received, the potential date of conversion to market-rate and the total number of senior housing units that could potentially be lost, if any, from each development. For each development, Table 3-2 indicates whether each housing unit is at risk of conversion over the next ten years.

Villa Vasona was the only property at risk of conversion to market rate within the previous 2007-2014 planning period. Villa Vasona contains 107 senior units, which are subsidized by a HUD Section 8 contract and are therefore subject to a restriction expiration. The Section 8 contract expired on May 31, 2010 and was subsequently renewed for an additional five years. In 2012, the affordability was extended to 2067. There are no affordable units at risk of converting to market rate within 10 years from the beginning of the 2015–2023 planning period. During the planning period the Town purchased, rehabilitated, and sold an affordable unit to a income qualified buyer. The Town has a positive track record for preserving affordable rental and for-sale housing units.

TABLE 3-2 **INVENTORY OF EXISTING SUBSIDIZED UNITS, 2014**

Name	Address	Ownership	Housing Type	Total Assisted Units	Subsidy Type	Number of Elderly Units	At Risk of Conversion?	Earliest Date of Expiration
Below Market Price (BMP) Program Units								
Forbes Mill		Private	Owner-Occupied	3	BMP agreement	-	No	Does not expire
Arroyo Rinconada		Private	Owner-Occupied	4	BMP agreement	-	No	Does not expire
Courtstyle		Private	Owner-Occupied	5	BMP agreement	-	No	Does not expire
Pollard Oaks		Private	Owner-Occupied	2	BMP agreement	-	No	Does not expire
Fountain Lane		Private	Owner-Occupied	1	BMP agreement	-	No	Does not expire
Town Court		Private	Owner-Occupied	1	BMP agreement	-	No	Does not expire
Bella Vista – Village		Private	Owner-Occupied	5	BMP agreement	-	No	Does not expire
Bella Vista – Vasona		Private	Owner-Occupied	2	BMP agreement	-	No	Does not expire
The Village		Private	Owner-Occupied	2	BMP agreement	-	No	Does not expire
Los Gatos Glen		Private	Owner-Occupied	5	BMP agreement	-	No	Does not expire
Mill Road		Private	Owner-Occupied	2	BMP agreement	-	No	Does not expire
Villa Capri		Private	Owner-Occupied	4	BMP agreement	-	No	Does not expire
Smith Ranch		Private	Owner-Occupied	2	BMP agreement	-	No	Does not expire
Terreno de Flores		Private	Owner-Occupied	2	BMP agreement	-	No	Does not expire
The Terraces	800 Blossom Hill Road	American Baptist Homes of the West (ABHOW)	Renter-Occupied, Elderly	29	BMP agreement	29	No	Does not expire

TABLE 3-2 **INVENTORY OF EXISTING SUBSIDIZED UNITS, 2014** (CONTINUED)

Name	Address	Ownership	Housing Type	Total Assisted Units	Subsidy Type	Number of Elderly Units	At Risk of Conversion?	Earliest Date of Expiration
Beckwith Apartments		Private	Renter-Occupied	2	BMP agreement	–	No	Does not expire
Farley Road West		Private	Renter-Occupied	4	BMP agreement	–	No	Does not expire
Los Gatos Oaks		Private	Renter-Occupied	2	BMP agreement	–	No	Does not expire
Naramore (Pollard)		Private	Renter-Occupied	1	BMP agreement	–	No	Does not expire
Boyer (University Avenue)		Private	Renter-Occupied	3	BMP agreement	–	No	Does not expire
Blossom Hill Road	517 Blossom Hill Road	Private	Renter-Occupied	2	BMP agreement	–	No	Does not expire
Aventino Apartments	14300 Winchester Boulevard	Sobrato Land Holdings, Inc.	Renter-Occupied	51	BMP agreement	–	No	Does not expire
Other Restricted Affordable Units								
Riviera Terrace	135 Riviera Drive	Sobrato Interests IV	Renter-Occupied	25	Density Bonus	0	No	Does not expire
Los Gatos Fourplex	221 -227 Nicholson Avenue	Mid-Peninsula Housing Coalition	Renter-Occupied: Elderly	4	State and Town funds	4	No[a]	None[a]
95 Fairview Plaza	95 Fairview Plaza	Community Housing Developers	Renter-Occupied	4	State and Town funds for acquisition and rehabilitation	–	No	[No project-based rent subsidies]
Open Doors	634 Parr Avenue	Mid-Peninsula Housing Coalition	Renter-Occupied	64	Low Income Tax Credits HCD CDBG	–	No	2046
Villa Vasona	626 W. Parr Avenue	PMG Properties (managed by The Mcferrin Group)	Renter-Occupied: Elderly and/or disabled	107	HUD Section 8	107	Yes	2067

TABLE 3-2 **INVENTORY OF EXISTING SUBSIDIZED UNITS, 2014** (CONTINUED)

Name	Address	Ownership	Housing Type	Total Assisted Units	Subsidy Type	Number of Elderly Units	At Risk of Conversion?	Earliest Date of Expiration
Los Gatos Creek Village Apartments	31 Miles Avenue	Community Housing Developers	Renter-Occupied	12	CDBG Redevelopment	–	No	2049
Blossom Hill	14390 Blossom Hill Road	Senior Housing Solutions[b]	Renter-Occupied: Elderly	5	CDBG Redevelopment Agency Town of Los Gatos (99-year), Lenders for Community Development (50-year) Housing Trust of Santa Clara County (30-year)	5	No	2033
Anne Way	185 Anne Way	Senior Housing Solutions[b]	Renter-Occupied: Elderly	5	Town of Los Gatos (99-year) County of Santa Clara (30-year) LCD (55-year)	5	No	2038

[a] This property is in a Planned Development zone, which prohibits conversion of affordable units, unless the site zoning is amended.
[b] Senior Housing Solutions was formerly called Project Match, as referred to in the 2002-2007 Los Gatos Housing Element.

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4 CONSTRAINTS TO HOUSING DEVELOPMENT

Housing development is affected by public regulations and other forces. This chapter discusses both governmental and non-governmental constraints that affect housing in Los Gatos. Governmental constraints are policies, requirements, or other actions imposed by various levels of government on land and housing ownership and development. Federal and State agency regulations that may constrain development are beyond the control of the Town and are therefore not addressed in this document. Non-governmental constraints are other conditions that impact housing development such as market factors, environmental setting, and construction costs.

A. Governmental Constraints

Potential governmental constraints that impact housing development in Los Gatos include land use and zoning regulations, building code standards and code compliance, Town design and development standards, governmental fees and exactions, processing and permitting time, and local housing programs.

1. Land Use

The Town of Los Gatos General Plan regulates residential development, identifying appropriate residential development densities within the following six residential land use designations.

- *Hillside Residential.* Single-family homes of up to one dwelling unit per acre.
- *Low Density Residential.* Single-family homes of up to five dwelling units per acre.
- *Medium Density Residential.* Multi-family and small single-family homes at 5 to 12 dwelling units per acre.
- *High Density Residential.* Multi-family development at 12 to 20 dwelling units per acre.
- *Mobile Home Park.* Mobile homes at 5 to 12 dwelling units per acre.

The Mixed Use Commercial designation in the Los Gatos General Plan also allows residential uses as a part of mixed-use development, but does not specify a minimum or maximum residential density. Residential uses are allowed in all office and commercial zones in Los Gatos with a conditional use permit.

2. Town Code

The Town of Los Gatos Municipal Code provides zoning regulations that are more specific than the General Plan Land Use designations. This section describes residential development standards, overlay zones, zoning for secondary dwelling units, and density bonuses. This section also analyzes constraints on housing for persons with disabilities.

a. Residential Development Standards

There are seven residential zoning districts in Los Gatos. Table 4-1 provides the regulations for each zone.

- Resource Conservation (RC)
- Hillside Residential (HR)
- Single-Family Residential (R-1)
- Single-Family Residential Downtown (R-1 D)
- Duplex Residential (RD)
- Multi-Family Residential (RM)
- Mobile Home Residential (RMH)

As shown in Table 4-1, development standards for each residential district would not impede a project's ability to achieve maximum densities on a site. The 30-foot height limit for all residential designations allows for up to three building stories and a maximum density of 20 dwelling units per acre in the RM zone.

Table 4-1 also provides the parking requirements for residential development in Los Gatos, by zoning district. Parking is often a significant component of the cost of residential development and can be viewed as a constraint to the provision of housing. The Town has provided some flexibility in its parking requirements, particularly for Planned Developments and for some developments providing affordable units for elderly and disabled persons, generally easing the constraint of parking requirements on the development of higher density and affordable units.

b. Overlay Zones

Three overlay zones in the Town Code, the Planned Development (PD) zone, the Landmark and Historic Preservation (LHP) zone, and the Affordable Housing Overlay Zone (AHOZ) apply to housing development in Los Gatos.

In the LHP overlay zone sites, new construction is subject to special standards regarding appearance.

TABLE 4-1 **RESIDENTIAL DEVELOPMENT STANDARDS BY ZONING DISTRICT**

Zoning District	Density Range	Minimum Lot Area	Maximum Height (Feet)	Front Yard Setback (Feet)	Side Yard Setback (Feet)	Rear Yard Setback (Feet)	Parking Per Unit (No. of Spaces)	Other
RC	1 unit per lot	20 acres	30	30	20	25	2	
HR	HR-1: 1-5 acres per unit HR-2.5: 2.5-10 acres per unit HR-5: 5-40 acres per unit HR-20: 20-160 acres per unit	40,000 sq. ft.	30	30	20	25	2	Density ranges are dependent on hillside slope calculations.
R-1	R-1:8	8,000 sq. ft.	30	25	8	20	2	
	R-1:10	10,000 sq. ft.	30	25	10	20	2	
	R-1:12	12,000 sq. ft.	30	25	10	20	2	
	R-1:15	15,000 sq. ft.	30	25	12	25	2	
	R-1:20	20,000 sq. ft.	30	30	15	25	2	
	R-1:30	30,000 sq. ft.	30	30	16	25	2	
R-1 D	5-12 units per acre	5,000 sq. ft. for single-family 8,000 sq. ft. for duplex	30	15	5	20	2 for single-family 1.5 per unit for duplex	Architecture and site approval required for duplex buildings.
RD	5-12 units per acre	8,000 sq. ft.	30	25	8	20	2	
RM	R-M: 5-12. 5-12 units per acre R-M: 12-20. 12-20 units per acre.	8,000 sq. ft.	30	25	8-10	20	Resident: 1.5 per unit[a] Visitor: 1 per unit[b]	Height may exceed 30 feet if the building has cellar parking.
RMH	Up to 12 units per acre	5 acres	30	25	8	20		Architecture and site approval required, except for a new mobile home on an existing mobile pad.

[a] For condominiums and townhouses in the RM zoning district, two parking spaces for residents and one additional space for visitors is required.
[b] The Town requires 1.5 parking spaces per unit in the RM zone. The Town's deciding body has the discretion to allow up to 1 additional space for visitor parking.

The PD overlay provides alternative standards for development that encourages consistency with site characteristics, including flexibility in setback and height requirements.[1] The minimum lot size for a site in the PD overlay zone is 40,000 square feet. If the site were to provide housing for low-income seniors, no minimum site area is specified.

The AHOZ is intended to provide affordable housing on the Southbay site (see Table 6-1). The AHOZ promotes densities, development standards and incentives that will encourage the production of housing affordable to all income levels of the Town's RHNA allocation. The properties can be developed consistent with the AHOZ development standards, densities and incentives or under the existing zoning requirements, but not both.

The AHOZ permits development at a density of 20 units per acre by right, with an Architecture and Site approval, for projects in which at least half of the units are affordable to lower- or moderate-income households. Upon adoption in 2013, the AHOZ created objective development standards. The AHOZ provides a 30 foot building height with an automatic allowance for 35 feet for integrated (first floor) garage or podium parking. Additional height can be granted through the Architecture and Site Plan review process. The 40 percent lot coverage and parking reduction is consistent with the State Density Bonus maximum parking requirements. Further parking reductions are allowed for properties within a quarter mile of the planned Vasona Light Rail Station, for senior-only housing and housing for persons with disabilities. All other property development standards are consistent with the Town's RM Standards.

The AHOZ also allows up to four automatic concessions. The concessions include reductions in parking, setbacks, or an increase in lot coverage; planning and building processing fee deferrals or waivers and construction mitigation impact fee deferrals or waiver. The deferrals are automatic and the waiver applies if it is requested as one of the four concessions. Finally, the AHOZ allows affordable developments consistent with the AHOZ standards priority planning review, building plan check review and building inspections.

[1] Sites developed within the PD overlay zone may be developed in compliance with the underlying zone or with the PD overlay zone regulations. Regulations from the overlay and underlying zone cannot be combined for developments.

c. Multi-family Housing

In Los Gatos, two-family dwellings, or duplexes, are allowed by right in the RD zone. Multi-family housing is allowed by right in the RM zone. Single room occupancy units are permitted as multi-family units. State Housing law requires that multi-family housing be treated the same as other residential uses in the same zone.

In the RM zone, the Town requires that developers of multi-family apartments include 1.5 parking spaces per unit, regardless of the number of bedrooms in the unit, plus up to one visitor space with Town discretionary approval. Allowing up to one additional visitor space with discretionary approval may increase asking rents if the cost to build parking is passed on to the tenant.

d. Manufactured Housing

Manufactured, otherwise known as prefabricated or factory-built, housing is constructed off-site and then transported to the property. It is allowed in all residential districts in Los Gatos.

e. Transitional and Supportive Housing

According to California Health and Safety Code Section 50675.2, transitional housing is rental housing with, at most, a six-month limit on the length of stay for tenants. Transitional housing would be available to homeless individuals and/or families in need of temporary housing until they can secure more permanent housing. The Town of Los Gatos Zoning Code uses the State's definitions for transitional housing. Transitional housing is permitted as a residential use consistent with State law.

According to California Health and Safety Code Section 50675.14, supportive housing is housing that is linked to on- or off-site services and is occupied by low-income persons with mental disabilities, chronic health issues or substance abuse issues or persons with disabilities that were developed before age 18. Supportive housing has no limit on the length of stay for tenants. Supportive housing in Los Gatos consists of small-family home residential care facilities, which are permitted in all residential zoning districts except Mobile Home Residential (RMH). In Los Gatos, licensed residential care facilities for six or less persons are allowed by right in all residential districts consistent with California Health and Safety Code Section 1267.8.

f. Second Dwelling Units

Second dwelling units are an important tool to create housing that can be affordable in Los Gatos. A second dwelling unit is a permanent structure that

contains independent living facilities and is located on the same property as a larger, primary structure. Second dwelling units are allowed on conforming lots in the R-1, RM, and R1-D zones. In Action HOU-1.2 of the Housing Element, the Town commits to allowing lower income second dwelling units on non-conforming lots over 10,000 square feet and in the Hillside Residential zone on lots over 5 acres.

All second units require a second dwelling unit application. The total number of second units, which is 401 units as of May 2014 in Los Gatos, includes the number of existing, legal second units located in the Town. Of these 401 secondary units, 14 units were approved between 2007 and 2014.

3. Building Code and Code Compliance

In addition to the General Plan land use designations and Town Code, Los Gatos has recently adopted updated building codes that enforce Town regulations with the purpose of protecting the lives, health, property, and public welfare of Los Gatos residents. Each Code is an enforcement of State and local standards and is not considered a constraint on housing production in Los Gatos. The following 2013 California Building Codes have been adopted, as amended by the Town:

- Part 1 California Administrative Code
- Part 2 California Building Code, Volumes 1 and 2
- Part 2.5 California Residential Code
- Part 3 California Electrical Code
- Part 4 California Mechanical Code
- Part 5 California Plumbing Code
- Part 6 California Energy Code
- Part 8 California Historical Building Code
- Part 9 California Fire Code
- Part 10 California Existing Building Code
- Part 11 California Green Building Standards Code (CALGreen)
- Part 12 California Referenced Standards Code

The Town also has a Code Compliance program that enforces the Town zoning regulations and building and safety codes. The program reviews and responds to code complaints. The Town has adopted the 2012 International Code for Property Maintenance and the 2012 International Existing Building Code, Chapters 9, 14, and Appendices A1, A2, A3, A4, and A5. Affordable units developed under the Below Market Price (BMP) Program must undergo an annual compliance audit.

4. On- and Off-Site Improvements

The Town requires standard on- and off-site improvements for development, which are intended to meet health and safety requirements of the community. These standard improvements are not considered a constraint on development because the Town does not include improvements beyond what is required to meet health and safety requirements. Subdivision design standards for the Town, described in the Town Code starting at Section 29.10.06701, include the following on- and off-site improvements:

- Parking bays may be required on narrow streets where parking may be prohibited on either or both sides of the street.
- Roadways must be paved with asphalt concrete.
- Sidewalks are required on all streets in a subdivision unless the lots will be 20,000 feet in size or more.
- Curbs and gutters must be constructed on all streets.
- Culverts, storm drains, and drainage structures will be required in a subdivision.
- Sanitary sewers with house service laterals are required to serve each lot, with some exceptions in hillside areas.
- Underground utilities with connections are required for each lot.
- Street lighting shall be installed in accordance with Town standards.

5. Development Standards and Design Guidelines

The Town has adopted Residential Design Guidelines for single-family and two-family dwelling units, which incorporate the Town's previous Residential Pre-1941 Design Guidelines for historically-significant structures, sites, and districts in Los Gatos. The Town has also adopted Hillside Development Standards and Guidelines. These sets of development standards and design guidelines are used in the development and design review process for Los Gatos and complement the Town Code zoning regulations. The Hillside Development Standards and Guidelines were adopted in January 2004. The Residential Design Guidelines were updated and adopted in 2008. These sets of standards and guidelines are summarized below.

a. Residential Design Guidelines

Residential Design Guidelines in Los Gatos address the following design characteristics for single-family and two-family dwelling units in all zoning districts except for the RC and HR zones:

- **Historic Designations.** When necessitated by the designating ordinance, Historic Preservation Committee review of a development is required for developments that affect a historically designated property or are located in a historic district.

- **Site Development**. This section focuses on the design and layout of the housing development in relation to its site. Site planning issues addressed include site design, solar orientation, shadow effect, and easements and dedications.

- **Building Design.** This section focuses on the design and layout of development in relation to the surrounding neighborhood. Issues addressed include harmony and compatibility with the streetscape and surrounding structures; the scale and mass of the development including second-story additions, significant remodels, demolitions and replacement structures, exterior material and colors, building components, energy conservation, and privacy. Neighborhood compatibility for replacement structures shall be based on the following criteria:
  - Existing architectural style of surrounding neighborhood.
  - Size of the lot on which the development is located.
  - Size of homes adjacent to the development and along the street on which the development is located.
  - Transitioning neighborhood.
  - Impacts on the site and surrounding property.

- **Landscaping/Open Space.** This section addresses tree preservation in accordance with Town Code Section 29.10.0965, adherence to the Town's Landscaping Policies for Application for Zoning and Subdivision Approvals, and screening of outdoor areas for compliance with landscaping and fencing requirements.

The Los Gatos Residential Design Guidelines promote safe, compatible, and well-designed housing in Los Gatos. These standards are not a constraint on housing development.

b. Hillside Development Standards and Guidelines

Hillside Development Standards and Guidelines are consistent with the Town's policies and complement and coordinate with the Town's Hillside Specific Plan. These standards and guidelines apply to all areas zoned HR, RC, and some lots zoned R-1 as noted on the Town's Hillside Area Map. The goal of these standards and guidelines is to encourage high-quality design that incorporates sustainable development and open space preservation.

The following summarizes the Hillside Development Standards and Guidelines for Los Gatos:

- **Constraints Analysis and Site Selection.** Developers must conduct a constraints analysis as deemed necessary by the Town, consult with neighbors, meet with Town staff to discuss the development site, and conduct a view analysis for the development site. The constraints analysis, as required by the Town, requires that developers of hillside property identify the Least Restrictive Development Area (LRDA), or areas deemed most feasible for development on hillsides. For the view analysis, developers must analyze aesthetic impacts; preserve hillside and ridgeline views; and preserve natural features, riparian corridors, and wildlife.

- **Site Planning.** This section describes site planning standards and guidelines that minimize physical and aesthetic impacts to the site topography. Standards and guidelines discuss grading, drainage, driveways and parking, and safety regarding geologic and fire hazards.

- **Development Intensity.** This section outlines the maximum allowable floor area of development based on lot size.

- **Architectural Design.** The following architectural design characteristics are addressed in this section:
  - Neighbor-friendliness
  - Sustainability
  - Fire safety
  - Building height
  - Bulk and mass
  - Roofs
  - Architectural features and detailing
  - Materials and colors

- **Site Elements.** The specific elements of a hillside development site are addressed:
  - Fences and walls
  - Driveway entries
  - Retaining walls
  - Outdoor lighting
  - Accessory buildings, swimming pools, and sport courts
  - Impervious surfaces
- **Landscape Design.** Because hillside sites are more prone to erosion, landslides, mudslides, and fire and water hazards than flatter sites in Los Gatos, the following concepts are addressed in the landscaping standards and guidelines for hillside development:
  - Fire safety
  - Garden and turf locations and plant selection
  - Irrigation
  - Impervious surfaces
  - Plant materials
  - Tree preservation
- **Planned Development Projects.** This section describes standards and guidelines that relate specifically to hillside Planned Developments (PDs) in Los Gatos. Additional restrictions are placed on the LRDA for PDs. This section includes standards and guidelines focusing on site preparation, drainage, lot configuration and building locations, street layout and driveways, and trail design.

6. Governmental Fees and Exactions

Governmental fees can be a significant portion of the cost of housing development and can therefore be considered a constraint to housing development. Table 4-2 below provides all of the planning and development fees that may apply to residential development projects in Los Gatos during fiscal year 2014/2015. Fees are due at the time an application is submitted, except for projects in the Affordable Housing Overlay Zone, which can waive or defer their fees as one of four development incentives.

Development fees are a standard component of new construction. Although these fees can add to the cost of residential development, they are necessary for new development to pay its fair share of municipal services and infrastructure for new development. Without adequate development fees, the Town would be unable to serve future growth with adequate municipal services. According to the Town of

TABLE 4-2 2014/2015 RESIDENTIAL PLANNING AND DEVELOPMENT FEES

		Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
1	**ZONING APPROVALS**						
A	Architecture and Site Applications						
1	Development Review Committee (DRC) Approval						
	a. New single-family detached (HR & RC zone)	$7,172.00	$286.88	N/A	$717.20	$519.97	$8,696.05
	b. New single-family detached (HR & RC zones) per unit, as part of a Planned Development	$4,982.00	$199.28	N/A	$498.20	$361.20	$6,040.68
	c. New single-family or two-family units	$4,943.00	$197.72	N/A	$494.30	$358.37	$5,993.39
	d. New single-family or two-family (any other zone) per unit, as part of a Planned Development	$3,532.00	$141.28	N/A	$353.20	$529.80	$4,556.28
	e. Minor projects (a development proposal that does not significantly change the size, mass, appearance or neighborhood impact of a structure, property or parking lot)	$1,791.00	$71.64	N/A	$179.10	$129.85	$2,171.59
2	Planning Commission Approval						
	a. Supplemental fee for DRC applications as determined in Section 1.A.(1) or minor residential development applications that require Planning Commission approval	$2,595.00	$103.80	N/A	$259.50	$188.14	$3,146.44
	b. New two-family unit	$7,538.00	$301.52	N/A	$753.80	$546.51	$9,139.83
	c. New nonresidential	$8,653.00	$346.12	N/A	$865.30	$627.34	$10,491.76
	d. New multi-family	$7,868.00	$314.72	N/A	$786.80	$570.43	$9,539.95
	e. Demolition request with a Planned Development Application	$1,791.00	$71.64	N/A	$179.10	$129.85	$2,171.59
	f. All other	$4,387.00	$175.48	N/A	$438.70	$318.06	$5,319.24
B	Conditional Use Permits						
1	Conditional Use Permit	$5,074.00	$202.96	N/A	$507.40	$367.87	$6,152.23
2	Conditional Use Permit (when consolidated with another application for new development)	$843.00	$33.72	N/A	$84.30	$61.12	$1,022.14
3	Applications that require TC Approval (this fee supplements the above established fees)	$2,595.00	$103.80	N/A	$259.50	$188.14	$3,146.44
	a. Transcription Fee of PC Minutes	Actual Cost ($500 min.)	N/A	N/A	N/A	N/A	**N/A**
C	Variance	$3,732.00	$149.28	N/A	$373.20	$270.57	$4,525.05
D	Rezoning (other than Planned Development)						
1	Without General Plan or Specific Plan Amendment	Actual Cost ($5,000 min.)	$200 (min.)	$500 (min.)	$500 (min.)	N/A	$6,200.00
2	With General Plan or Specific Plan Amendment	Actual Cost ($7,000 min.)	$280 (min.)	$700 (min.)	$700 (min.)	N/A	$6,680.00
3	Transcription Fee of PC Minutes	Actual Cost ($500 min,)	N/A	N/A	N/A	N/A	**Varies**
E	Planned Development						
1	Without General Plan or Specific Plan Amendment	Actual Cost	YES	YES	YES	N/A	Varies
2	Without General Plan or specific Plan Amendment (HR or RC Underlying Zone)	Actual Cost	YES	YES	YES	N/A	Varies
3	With General Plan or Specific Plan Amendment	Actual Cost	YES	YES	YES	N/A	Varies
4	With General Plan or Specific Plan Amendment (HR or RC Underlying Zone)	Actual Cost	YES	YES	YES	N/A	Varies
5	Town Council Modification to a Planned Development	Actual Cost ($5,000 min.)	$200 (min.)	$500 (min.)	$500 (min.)	N/A	$6,200.00
6	DRC Modification to a Planned Development Zone	Actual Cost ($3,000 min.)	$120 (min.)	$300 (min.)	$300 (min.)	N/A	$5,720.00
7	Publication costs for the Planned Development Ordinance shall be paid by the applicant.						

TABLE 4-2 RESIDENTIAL PLANNING AND DEVELOPMENT FEES (CONTINUED)

		Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
8	Transcription Fee of PC Minutes	Actual Cost ($500 min. deposit.)	N/A	N/A	N/A	N/A	$5,720.00
F	Minor Residential Development	$1,791.00	$71.64	N/A	$179.10	N/A	$2,041.74
G	Agricultural Preserve Withdrawal	$3,386.00	$135.44	N/A	$338.60	N/A	$3,860.04
H	Planning Division Certificates of Use and Occupancy						
1	Change of Use	$275.00	$11.00	N/A	$27.50	N/A	$313.50
2	Change of occupancy (excluding change of proprietor of a continuing business enterprise)	$134.00	$5.36	N/A	$13.40	N/A	$152.76
3	Use/occupancy clearance if Conditional use permit is required or occupancy of a new secondary dwelling unit	No fee	No fee	No fee	No fee	N/A	No fee
L	Secondary Dwelling Units						
1	New or existing unit	$1,322.00	$52.88	N/A	$132.20	N/A	$1,507.08
2	Two existing units	$1,137.00	$45.48	N/A	$113.70	N/A	$1,296.18
M	Mobile Home Park Conversion Permit	Actual Cost ($5,000 deposit)	Varies	Varies	Varies	N/A	Varies
N	Town Code Amendments	Actual Cost ($5,000 deposit)	N/A	N/A	N/A	N/A	Varies
2	**SUBDIVISIONS**						
A	Lot Line Adjustment (DRC Approval)	$1,700.00	$68.00	N/A	$170.00	$123.25	$2,061.25
B	4 Lots or Less	$7,104.00	$284.16	$710.40	$710.40	$515.04	$9,324.00
C	4 Lots or Less (as part of a Planned Development) (DRC Approval)	$2,828.00	$113.12	$282.80	$282.80	$205.03	$3,711.75
D	5 Lots or More	$11,263.00	$450.52	$1,126.30	$1,126.30	$816.57	$14,782.69
E	5 Lots or More (as part of a Planned Development) (DRC Approval)	$3,316.00	$132.64	$331.60	$331.60	$240.41	$4,352.25
F	Vesting Tentative Map	Fee to be based on lots	Varies	Varies	Varies	Varies	Varies
G	Lot Merger and Reversion to Acreage (DRC Approval)	$842.00	$33.68	N/A	$84.20	$61.05	$1,020.93
H	Condominium	$5,948.00	$237.92	$594.80	$594.80	$431.23	$7,806.75
I	Condominium (as part of a Planned Development)	$2,828.00	$113.12	$282.80	$282.80	$205.03	$3,711.75
J	Certificate of Compliance (DRC Approval)	$3,409.00	$136.36	N/A	$340.90	$247.15	$4,133.41
K	DRC applications that requires Planning Commission approval (this fee supplements the above established fees)	$2,595.00	$103.80	N/A	$259.50	$188.14	$3,146.44
3	**MISCELLANEOUS APPLICATION FEES**						
A	Time Extensions to Approved Applications	50% of Current Fee	Varies	Varies	Varies	Varies	Varies
B	Modification of Approved Application	75% of Current Fee	Varies	Varies	Varies	Varies	Varies
C	Conceptual Development Advisory Committee Review	$2,891.00	$115.64	N/A	$289.10	N/A	$3,295.74
4	**ENVIRONMENTAL ASSESSMENT FEES**						
A	Categorical Exemption	No Fee	N/A	N/A	N/A	N/A	No Fee
B	Initial Study (Deposit)*	$5,000.00	N/A	N/A	N/A	Yes	Varies
C	Draft Initial Study Review	$2,225.00	N/A	N/A	N/A	$161.31	$2,386.31
D	Environmental Impact Report	Consultant's Fee	N/A	N/A	N/A	N/A	Varies
E	Draft EIR Review Fee	$11,194.00 Plus 10% EIR Cost	N/A	N/A	N/A	Varies	Varies
F	Impact Monitoring Program (AB3180)	Actual Cost on an hourly basis plus cost of Consultant (if necessary)	N/A	N/A	N/A	N/A	Varies

TABLE 4-2 **RESIDENTIAL PLANNING AND DEVELOPMENT FEES** (CONTINUED)

		Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
5	**OTHER**						
A	Pre-application Conference Fee	Actual Cost	Varies	Varies	Varies	N/A	Varies
B	Peer/Technical Review	$2,000 deposit plus 10% of actual cost for admin. charge	N/A	N/A	N/A	N/A	Varies
C	Fees for Additional Tech Review and/or DRC Review	Actual Cost	N/A	N/A	N/A	N/A	Varies
D	Building Permit Plan Check Fee	20% of Building Fee	N/A	N/A	N/A	N/A	Varies
E	Surcharges						
1	Permit Tracking Maintenance and Update Surcharge	4% of Development Application Fee	N/A	N/A	N/A	N/A	Varies
2	General Plan Update Surcharge	.5% of Bldg. Valuation for new construction and additions or 10% of zone change & subdivision fee		N/A	N/A	N/A	Varies
3	Route 85 Study Plan Surcharge **	10% of Development Application Fee for property in Route 85 Study Area Plan		N/A	N/A	N/A	Varies
5	North 40 Study Plan Surcharge	Actual Cost on proportionate basis	N/A	N/A	N/A	N/A	Varies
K	Appeals						
1	Fee to Appeal Planning Commission Decision to Town Council	$351.00 per single-family, $1,408.00 per multi-family map	N/A	N/A	N/A	N/A	Varies
2	Fee to remand applications from Town Council to Planning Commission where no error was made by Planning Commission	Fee based on actual cost of time and materials	N/A	N/A	N/A	N/A	Varies
3	Fee to Appeal Director of Community Development or Development Review Committee decision to Planning Commission	$176.00 per residential	N/A	N/A	N/A	N/A	Varies
4	Tree Appeals	$72.00	N/A	N/A	N/A	N/A	$72.00
5	Appeal Transcription fee of Planning Commission minutes	Actual Cost min. $500 deposit	N/A	N/A	N/A	N/A	Varies
L.	Research Services Minimum Charge	Actual Cost min. $100 deposit	N/A	N/A	N/A	N/A	Varies

* The $5,000 deposit is a deposit only. The specific cost of the Initial Study and any required special studies shall be borne by the applicant. The deposit shall be increased before the Town will authorize work exceeding the amount on deposit.
** Not charged to the following application 1H, 1J, 1K, 3C, 3D, and 3E.

Los Gatos' Community Development Department Planning Division, developing a new single-family home in Los Gatos typically costs at least $10,000 in planning fees. Multi-family units in Los Gatos are generally developed as part of a Planned Development, typically costing at least $30,000 in planning fees. These fees include Planning Commission or Design Review Committee approval, fees associated with a Planned Development that does not require a General Plan or Specific Plan amendment, and fees related to finalizing the map and Certificate of Compliance. Note that multi-family housing in multi-family zones no longer requires a CUP and associated fees.

Many variables affect the total amount of fees charged by the Town and outside agencies that provide services to homes in Los Gatos. To illustrate the potential fees that could be charged for residential development, two hypothetical projects were created. Fee calculations based on the 2014/2015 fee schedule for the Town of Los Gatos for these sample projects are provided in Table 4-3. The first scenario is a single-family detached home subdivision consisting of ten 3,000-square-foot homes on a new road. It is assumed that a Mitigated Negative Declaration would be prepared as part of the project. The second scenario is a 148-unit multi-family apartment project. It is assumed that each unit would be 1,000 square feet and that an Environmental Impact Report would be prepared. The development application fees shown are cumulative, meaning that the Advanced Planning Fee, Permit Tracking Fee, and Engineering Development Review Fees are already included. These particular fees are equal to 10 percent, 4 percent, and 15 percent of the base application fees, respectively. Details on application fees and cumulative fees are provided for all residential development permits in Table 4-2.

In addition to these development and engineering fees, developers must pay the following impact fees that are intended to offset the cost of new residential development to public services in Los Gatos:

- School Impact Fee (Los Gatos Union School District): $3.20 per square foot
- Construction Activities MitigationFee—Ordinance 2189: $1.12 per square foot
- Traffic Impact Mitigation Fee: $854 per new average daily trip generated
- Plumbing Permit Fee: $0.11 per square foot
- Storm Drainage Fee (West Valley Sanitation District): $3,884.00 per acre for the initial unit within a project, $146.00 for each additional unit
- Sewer Connection Fee (West Valley Sanitation District): $11,000 per single-family attached and detached unit and $10,000 per multi-family unit

These impact fees are included in the calculations for the sample project scenarios in Table 4-3.

As shown in Table 4-3, Town and other Agency fees for the single-family sample project scenario constitute 5.3 percent of the total development cost per unit. Town and Other Agency fees do not pose a constraint to single-family or multi-family housing development in Los Gatos. The multi-family sample project scenario shows that Town and other Agency fees comprise 3.2 percent of the total development cost per unit. These typical project scenarios, as well as recent and ongoing residential projects in Los Gatos, demonstrate that Town fees are not hindering residential development.

7. Processing and Permitting Time

Each stage of the residential development process must go through some form of Town approval. According to Town staff, a single- or multi-family infill residential application typically processes in approximately three to six months, unless environmental review is required. Hillside residential applications on average take four to six months to process. Mixed-use projects are processed in approximately four to eight months, unless environmental review is required. With environmental review, the process generally takes 6 to 18 months, depending on the size and complexity of the project.

Processing of a typical, market rate single- or multi-family housing application includes the following steps:

- Submission of an Architectural and Site Application.
- Distribution of application to Town Planning, Building Engineering, Parks, Police, and Fire District departments. Application is also submitted to other relevant public agencies, such as utility districts and school districts, for review.
- Staff review of application and staff conference with applicant to resolve any concerns or plan deficiencies, including design issues.
- If deemed complete, staff continues processing the application and begins environmental review, if necessary.
- Completion of environmental review and traffic impact analysis, as appropriate. Arborist review, architectural review, and/or geotechnical review may be conducted during this time through the Development Review Committee.

TABLE 4-3 **TOWN FEES FOR TYPICAL RESIDENTIAL PROJECT SCENARIOS**

Category	Fees Structure	10-Unit Single-Family Project	148-Unit Multi-Family Project
Development Application Fees			
Development Review Committee Approval	$4,556.28 per unit/building	$45,562.80	$4,556.28
Supplemental Design Review Committee	$3,347.55	$3,347.55	$3,347.55
New Multi-Family	$10,149.72	N/A	$10,149.72
Planned Development without General Plan Amendment	Varies; $13,452 assumed	$13,452.00	$13,452.00
Subdivision as part of a Planned Development	$4,609.24	$4,609.24	N/A
Vesting Tentative Map	Varies; $6,325.00 assumed	$6,325.00	$6,325.00
Certificate of Compliance	$4,397.61	$4,397.61	$4,397.61
Initial Study Deposit	$5,750	$5,750.00	N/A
Draft Initial Study Review	$2,558.75	$2,558.75	N/A
Environmental Impact Report	Varies; $130,000 assumed	N/A	$130,000.00
Draft EIR Review	$11,194.00 plus 10% EIR cost	N/A	$27,823.00[a]
Impact Mitigation Monitoring	Varies; $5,000 assumed	N/A	$5,000.00
Building Permit Plan Check	20% of building fee; $1,550 single-family and $3,420 multi-family building fees assumed	$310.00	$684.00
Permit Tracking Fee	4% of development application fee	Included in the fees above	Included in the fees above
Advanced Planning Fee	10% of development application fee	Included in the fees above	Included in the fees above
Engineering Development Review Fee	15% of development application fee	Included in the fees above	Included in the fees above
Engineering Fees			
Grading Permit	$296 plus first $50,000 of value 10% of estimated cost of improvements, next $50,000 of value at 8% of estimated cost of improvements	$65,000.00	$70,000.00
Roads	$1.00 per square foot of building area	$30,000.00	$148,000.00
Encroachment Permit	Varies; $2,000 assumed	$2,000.00	$2,000.00

TABLE 4-3 **TOWN FEES FOR TYPICAL RESIDENTIAL PROJECT SCENARIOS** (CONTINUED)

Category	Fees Structure	10-Unit Single-Family Project	148-Unit Multi-Family Project
C3 Storm Drainage Review	$2,500 minimum deposit; two reviews are common	$5,000.00	$5,000.00
Parking Study	Varies; $5,000.00 assumed	$5,000.00	$5,000.00
Map Check	Varies; based on consultant's fee plus 25% administrative fee	$10,000.00	$5,000.00
Town Impact Fees			
Traffic Impact Mitigation Fee	$854 per new average daily trip generated	$81,130.00	N/A[b]
Plumbing Permit Fee	$0.11 per square foot	$3,300.00	$16,280.00
Construction Activities Mitigation Fee	$1.12 per square foot	$33,600.00	$165,760.00
Total Town Fees[c]		$321,342.95	$622,775.26
Total Town Fees Per Unit		$32,134.30	$4,207.94
Town Fees as Percentage of Total Development Cost Per Unit[d]		5.3%	3.2%
Outside Agency Development Fees			
Schools	$3.20 per square foot	$96,000.00	$473,600.00
Storm Drainage	$3,884/ac for initial unit, $146 for each unit after	$11,800.80	N/A
Sewer Connection	$11,000 per single-family unit, $10,000 per multifamily unit	$110,000.00	$1,480,000.00
Total Outside Agency Development Fees		$217,800.80	$1,953,600.00

[a] Includes 15 percent engineering development review fee.
[b] The Traffic Impact Mitigation Fee may be waived for projects with an affordable housing component. Typical new multi-family development in Los Gatos includes affordable units.
[c] Impact fees charged by outside agencies are not included in the total Town fees above. Outside agencies that collect fees from new residential development include the Los Gatos Union School District, West Valley Sanitation District, and San Jose Water Company.
[d] The cost of total development per unit was calculated using Town fees, fee estimates from the Los Gatos Union School District and West Valley Sanitation District, and construction costs per square foot based on data provided through correspondence between PlaceWorks and Eric Morely, Principal, Morley Bros on May 30, 2014. The San Jose Water Company was unable to provide estimates for the development scenarios because they calculate costs based on project-specific construction needs, not on a per unit, square foot, or meter basis.
Note: The Town of Los Gatos does not collect a park impact or Quimby Act fee.
Source: PlaceWorks, Town of Los Gatos, 2015.

- Approval is required by the following bodies:
  - Development Review Committee (with appeal to the Planning Commission and further appeal to the Town Council) for projects that require no change in the General Plan or zoning.
  - For hillside development applications, Planning Commission approval may be required depending on the project's potential impacts on the surrounding properties and the community.
  - Town Council for projects that require a change in the General Plan or zoning, and for Planned Developments.

Processing for a typical mixed-use housing project includes the following steps:

- Submission of application, including application for a Conditional Use Permit (CUP), and an Architectural and Site Application.
- Distribution of application to Town Planning, Building Engineering, Parks, Police, and Fire District departments. Application is also submitted to other relevant public agencies, such as utility districts and school districts, for review.
- Staff review of application and staff conference with applicant to resolve any concerns or plan deficiencies, including design issues.
- If deemed complete, staff continues processing the application and begins environmental review, if necessary.
- Completion of environmental review and traffic impact analysis, as appropriate. Arborist review, architectural review, and/or geotechnical review may be conducted during this time through the Development Review Committee.
- Approval is required by one or both of the following bodies:
  - Planning Commission (with appeal to the Town Council) for projects that require no change in the General Plan or zoning, and for use permits, including the CUP and Architectural and Site Application.
  - Town Council for projects that require a change in the General Plan or zoning, and for Planned Developments.

Design and neighborhood compatibility issues also often lengthen the permitting and processing time. To address this problem, the Town contracts out to an architectural consultant to review plans and provide recommendations on development applications. According to Town staff, the use of an architectural

consultant has reduced the amount of processing time for development applications.

Architectural, geotechnical, and arborist reviews are conducted early in the development application process. These reviews are conducted during the review of the Planned Development or Architecture and Site applications and do not lengthen the processing time. These reviews also streamline the public hearing process, allowing the Planning Commission to rely on the recommendations of Town staff and architectural consultants and to receive qualified input from an arborist and a geotechnical consultant, leading to a more efficient approval process.

8. Local Housing Programs

State Housing Element law requires that an analysis of governmental constraints on housing production include local government programs that regulate housing development in any way, including imposing housing cost limitations or encouraging changes in density. Los Gatos has six local housing programs that are potential constraints on market-rate housing production in the Town. The Below Market Price Program, Affordable Housing Fund, Rental Dispute Resolution Program, Density Bonus Program, State Density Bonus Program, and the Affordable Housing Overlay are discussed below.

a. Below Market Price (BMP) Program

The BMP Program implements the Town of Los Gatos's inclusionary zoning ordinance, which requires that a portion of new residential construction in Los Gatos be dedicated to affordable housing. Los Gatos's inclusionary zoning ordinance was adopted in 1979 as one of the first of such programs in California.

The BMP Program promotes the development of affordable housing units by providing standards and guidelines that require the development of a certain number of quality affordable units per rental or owner development project, based on the size of the project. The BMP Program requires the development of affordable housing where sales and rents cannot be more than 80 percent of the current HUD Fair Market Rents (FMR) as determined by the Santa Clara County Housing Authority. The BMP Program allows low- and moderate-income households the opportunity to purchase low- and moderate-income housing in Los Gatos.

Table 4-4 shows the FMR for fiscal year 2014 used for the Town of Los Gatos' BMP Program. Table 4-5 lists the requirements for new residential construction as implemented by the BMP Program. The BMP Program requirements apply to all

TABLE 4-4 **HUD FAIR MARKET RENTS IN SANTA CLARA COUNTY, FY 2014**

Number of Bedrooms	0	1	2	3	4
Fair Market Rent	$1,105	$1,293	$1,649	$2,325	$2,636
BMP Rent	$884	$1,034	$1,319	$1,860	$2,109

Source: Town of Los Gatos website, www.losgatosca.gov, and the Housing Authority of the County of Santa Clara website, www.hacsc.org, accessed on May 14, 2014.

TABLE 4-5 **BMP PROGRAM GUIDELINES**

Total Number of Market-Rate Units	Number of Affordable Units Required[a]
5 to 19	10% of total market-rate units
20 to 100	(22.5% of total market-rate units) – 2.5
More than 100	20% of total market-rate units

[a] Calculations that result in a fraction of one-half or more shall be rounded up to the next whole number. Required affordable units will be of the same ownership tenure as that of the market-rate units in a residential development. In developments that contain both renter- and owner-occupied units, the required affordable units will be designated in a similar tenure ratio to that of the market-rate units.
Source: Town of Los Gatos Below Market Price Housing Program Guidelines

residential development projects that include five (5) or more residential units or parcels which involve:

1. New construction of ownership or rental housing units, including mixed-use developments and addition of units to existing projects, or
2. Subdivision of property for single family or duplex housing development, or
3. Conversion of rental apartments to condominiums or other common interest ownership, or
4. Conversion of non-residential use to residential use.

The intent of the BMP Program is to provide a supply of affordable housing for households who work or currently reside in Los Gatos. However, there may be circumstances when the construction of a BMP unit is impractical. The Town will consider, at its discretion, a fee payment in lieu of constructing BMP units for Planned Unit Developments with an underlying HR zone or for residential developments with five to nine units. The required in-lieu fee of 6 percent of the building permit valuation for the entire project must be paid to the Town prior to issuance of the certificate of occupancy for the market-rate units.

Additionally, the Town Council may consider off-site construction of BMP units for continuum care facilities, residential developments in the HR zone, or residential developments with five to nine units provided that developers provide sufficient justification that an on-site BMP is infeasible.

Affordable units developed under the BMP Program are subject to deed restrictions approved by the Town Council. If units are to be resold, the Town determines the resale price and resells the unit through the BMP. Through this process, each affordable housing unit remains affordable in perpetuity.

Because the BMP Program regulates the number of affordable units required as part of new residential construction in Los Gatos, the program could be considered a constraint on market-rate housing development. However, because the BMP Program requires the construction of affordable units with every new development in Los Gatos, the Town sees this program as an opportunity to create and preserve affordable housing for the community. As of May 2014, over 60 for-sale units in Los Gatos have been developed under the BMP Program. Developers have successfully developed BMP units utilizing the density bonus program. Note that the BMP units are not counted when calculating the density of a project. Based on a long track record of successful development and preservation of affordable housing through the BMP Program, Los Gatos does not consider the program to be a constraint on affordable housing development.

b. Affordable Housing In-Lieu Fee Fund

In-lieu fees are paid into the Town's Affordable Housing Fund and are calculated as 6 percent of building permit valuation as determined by the Building Official. As previously noted, these fees may be paid by developers of new residential construction with five or more units but less than 10 units or new residential construction in a Planned Unit Development with an underlying zone of HR, instead of building an affordable housing unit under the BMP Program. All residential construction over 10 units must build affordable units. Payment of

in-lieu fees is required for the approval of Hillside Planned Developments with five or more residential sites. This additional fee levied on developers could be considered a constraint on housing development; however, because the fees are paid into a fund that will be used to develop more affordable housing in Los Gatos, these fees are not considered a constraint. Use of the Affordable Housing Fund includes, but is not limited to:

- Subsidizing the cost of owner-occupied units to make them affordable to low- and/or moderate-income households.
- Purchasing rental units to make them affordable to low- and/or moderate-income households.
- Purchasing land for the future development of affordable housing.
- Developing affordable housing.
- Supplementing affordable housing projects developed through the Los Gatos Redevelopment Agency.
- Funding administration of the program, as approved by the Town Council in its annual budget process.

c. Rental Dispute Resolution Program

The Los Gatos Rental Dispute Resolution Program provides conciliation, mediation and arbitration services for both renters and landlords in Los Gatos. The program is administered by Project Sentinel, a local non-profit organization contracted by the Town. This program is not considered a constraint on housing development in Los Gatos. Los Gatos renters may also contact Neighborhood Housing Services Silicon Valley for assistance.

The Town helps preserve affordable rental housing costs through the Rental Mediation and Dispute Resolution Ordinance which applies to rental complexes of three or more units. The ordinance sets an annual limit on rent increased to 5 percent unless the landlord is able to demonstrate capital or financing costs to justify a greater increase. The Town has similar rent controls for mobile home units.

Mobile homes are an affordable housing resource in the Town of Los Gatos. They are often owned by seniors, households on fixed incomes, and households within the lower and moderate income categories. Mobile home tenants are in the unique position of having made a substantial investment in a housing unit for which

ground space is rented. The Mobile Home Ordinance establishes rent increase control within mobile home parks to ensure that a variety of housing types, including mobile homes, remain viable options to lower and moderate income households in the community. Rents in mobile home parks cannot be increased by more than 5 percent annually unless operations and maintenance expenses significantly increased within the most recent year in comparison to the previous year.

d. Density Bonus Program

The Density Bonus Program allows qualified projects to add up to 100 percent of the units provided by the General Plan land use designation as long as these additional units are restricted to seniors, disabled persons, very low and/or low-income households.

Between 1985 and 1990, the Town approved 115 density bonus units. Between 1990 and 2002, the Town approved 29 additional density bonus units, including density bonuses for the Los Gatos Creek Village Apartments and Open Doors. In 2012, the Town approved the Riviera Terrace Apartment expansion project which included 24 affordable density bonus units.

Because the Density Bonus Program provides opportunities to build additional, affordable units in Los Gatos, this program is not considered a constraint on housing development.

e. State Density Bonus Program

The Town adopted the State Density Bonus Program in June 2012. The program allows densities, incentives, concessions and maximum parking standards consistent with State law. In addition the Town modified the program to apply to senior and physically handicap populations.

The Town has not processed a request for a State Density Bonus since the ordinance was adopted in June 2012 because the Town's BMP Program and General Plan policies exempt affordable housing units from the calculated density in a project. The State Density Bonus Program provides opportunities to build additional, affordable units in Los Gatos; consequently, this program is not considered a constraint on housing development.

f. Affordable Housing Overlay Zone

The Town adopted the AHOZ, and it applies to one property in the Housing Sites Inventory (see Table 6-2). The AHOZ allows densities (up to 20 units per acre on

designated sites), development standards, and concessions that will encourage affordable housing. The Housing Element includes a program to modify the affordability requirements in the Town Code to require a minimum of 40 percent affordable units on the Southbay AHOZ site instead of the currently prescribed affordability levels. Affordability would be for low and very low income households.

9. Constraints on Housing for Persons with Disabilities

State law requires that the Housing Element analyze governmental constraints to housing for persons with disabilities. How a jurisdiction defines "family" in its zoning regulations can be a potential constraint to facilitating housing for persons with disabilities. The existing definition of "family" in the Town Code is "one (1) or more persons who comprise a single housekeeping unit" or "households of six (6) or fewer persons living in a residential care facilities small--family home as defined by the California Community Care Facilities Act."

In Los Gatos, group homes are defined by the Town Code as synonymous with small-family home residential care facilities, which are defined by the Town Code as "a residential care facility in the dwelling of a licensee in which care or supervision is provided for six or fewer persons. Whether or not unrelated persons are living together, a residential facility that serves six or fewer persons shall be considered a residential use of property for the purposes of this article. In addition, the residents and operators of such a facility shall be considered a family for the purposes of any law or zoning ordinance which relates to the residential use of property." Group homes are permitted by right in all residential districts, consistent with State law, and are permitted with a conditional use permit in the Office (O), Neighborhood Commercial (C-1), Central Business District (C-2), and Restricted Highway Commercial (CH) zones. The Town imposes no spacing or concentration requirements on any of the allowed residential care facilities. Large family home residential care facilities, which have a capacity for 7 to 12 children or 7 to 15 adults, are allowed in all districts with a conditional use permit, except where large family homes are prohibited in the RMH, LM, and CM districts.

Generally, the Town facilitates housing for persons with disabilities by following the accessibility requirements of the California Title 24 Multifamily Accessibility Regulations for multi-family housing of three or more units. Housing rehabilitation assistance and accessibility improvements are provided through the Town's Community Services and Community Development departments.

The Town encourages accessibility improvements by requiring that specific design features be incorporated into all new residential home projects as a condition of approval. These requirements include:

- A wooden backing that is no smaller than 2 inches by 8 inches in all bathroom walls, at water closets, showers, and bathtubs. It will be located 34 inches from the floor to the center of the backing, suitable for the installation of grab bars.
- All passage doors of at least 32 inches wide on the accessible floor.
- A primary entrance that is a 36-inch-wide door, including a 5-foot by 5-foot level landing, no more than 1-inch out of plane with the immediate interior floor level, with an 18-inch clearance.

In 2013, the Town adopted a procedure for requesting reasonable accommodation for persons with disabilities seeking equal housing access under the Federal Fair Housing Act and the California Fair Employment and Housing Act and in accordance with State housing law. A request for reasonable accommodation may include a modification or exception to the standards and practices for the siting, development, and use of housing or housing-related facilities that would eliminate regulatory barriers to accessible housing. Requests for reasonable accommodation shall be reviewed by the Planning Director within 45 days of the request. However, if the request is concurrent with a discretionary land use application then the body overseeing the discretionary land use application will also make a determination on the reasonable accommodation request. There are seven mandatory criteria for granting a reasonable accommodation request:

- The housing will be used by an individual disabled under the Federal Fair Housing Act and the California Fair Employment and Housing Act.
- The request is necessary to make specific housing available to an individual with a disability.
- The request would not impose an undue financial or administrative burden on the Town.
- The request would not require a fundamental alteration in the nature of a Town program or law, including but not limited to land use and zoning.
- There would be no impact on surrounding uses.
- Due to physical attributes of the property or structures the request is necessary.

- There is no alternative reasonable accommodation which may provide an equivalent level of benefit.

By adopting a formal procedure the Town has provided an objective process with clear directions for both the applicant and the decision makers. This is a benefit to persons with disabilities and is not a constraint on housing.

B. Non-Governmental Constraints to Housing Development

Market constraints to housing development in Los Gatos are the primary non-governmental impediment to housing production. The Town is located near Silicon Valley jobs and offers residents desirable amenities such as an historic downtown and a school district in which student performance ranks in the top four percent of the State.[2] The high cost of buildable land is primarily a result of constrained supply, as described below.

1. Land Costs

Most single-family vacant parcels are zoned for one or two units per acre, with the average costs per acre ranging from $3 to $4 million dollars. According to a local realtor with Sereno Group Real Estate, smaller vacant parcels are uncommon, costing approximately $1 to 1.5 million for an 8,000 to 10,000 square-foot, single-family lot.[3] According to Morely Bros., a local urban infill development and investment company, land value accounts for 40 to 50 percent of new home prices.[4]

There are few vacant parcels zoned for multi-family development, and such parcels demand premium prices because of the high demand to live in Los Gatos. Additionally, most parcels have existing improvements that increase acquisition costs. The land costs for multi-family development sites cost $90 to $115 per square foot, or approximately $3.5 million to $5 million per acre. On average, the

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[2] "Best High Schools Rankings by State," U.S. News & World Report, www.usnews.com/education/best-high-schools, accessed May 14, 2014.

[3] Chris Ray, Realtor, Sereno Group, personal communication with PlaceWorks, May 27, 2014.

[4] Eric Morley, Principal, Morley Bros., personal communication with PlaceWorks, May 30, 2014.

land cost for large parcels for multi-family development is at least $5 million per acre.[5]

2. Construction Costs

Construction costs vary based on the types of materials used and the complexity of building design and parking. For example, parking on grade is an affordable parking solution that decreases the cost of building a multi-family project. Structured or podium-style parking increases the construction cost and that expense is passed on, in part, to the future owner or renter. The quality of finished materials for new housing such as flooring, cabinetry, and countertops, will often double construction costs given that the majority of new housing in Los Gatos is targeted to higher end buyers.

As of summer 2014, given the high cost and regulatory density limitations, multifamily apartments are generally more expensive to develop than condominiums, which makes condominiums more desirable development projects for developers. According to the San Jose-based real estate company Morely Bros., Inc., condominiums are estimated to sell for between $750,000 and $900,000 in Los Gatos

Efficiencies in construction related to producing attached units of similar or identical floor plans are apparent in the lower construction costs for apartments, townhomes, and condominiums (without podium parking) relative to condominiums with podium parking and single-family detached homes. These estimated costs account for labor, equipment, and materials only. In general, half of the construction costs are associated with labor and equipment and half with materials.[6]

- Single-family detached: $150 to $185 per square foot.
- Multi-family apartments: $90 to $115
- Attached townhouses: $110 to $125 per square foot.
- Three- and four-story condominiums: $120 to $140 per square foot.
- Three- to four-story condominiums with structured podium parking: $220 to $275 per square foot.

[5] Eric Morley, Principal, Morley Bros., personal communication with PlaceWorks, May 30, 2014.

3. Availability of Financing

The residential real estate market is strong in the Town of Los Gatos. Local realtors and developers have noted that Los Gatos was affected by the home mortgage foreclosure crisis that plagued many communities in the late 2000s. Adjustable rate mortgages, jumbo loans (those above $417,000), and Government-insured Federal Housing Administration home purchase loans, in addition to all-cash offers, are common in Los Gatos. Adequate financing through local banks is available to the Los Gatos community.[7]

The Housing Trust of Santa Clara County offer three low-interest, down payment or closing cost loan programs for income qualified buyers in Los Gatos. Participation in this program includes homebuyer education classes. The County of Santa Clara Office of Affordable Housing administers three homebuyer assistance programs. The Home Investment Partnerships Program offers down payment assistance for first-time buyers. The Mortgage Credit Certificate Program reduces the federal income taxes of qualified borrowers purchasing qualified homes, thus acting like a mortgage subsidy. The Downpayment Assistance Program for First-time Buyers offers a $40,000 subsidy for borrowers meeting a maximum income limit and maximum purchase price limit.

4. Environmental Constraints

The Town is generally built out and many undeveloped properties are constrained by topography. Development on steep hillsides and in sensitive habitats is intentionally constrained by federal, state, and local regulations to protect public health and safety as well as to preserve natural resources. The Town is adjacent to other builtout communities and nestled against the Santa Cruz Mountains, limiting opportunities for expansion. The following key environmental issues could potentially affect housing development:

- **Sensitive habitat.** Water bodies, such as Los Gatos Creek, could potentially be sensitive biological habitat. Potential impacts on natural communities are mitigated by policies in the Safety Element and the Environment and Sustainability Element of the Los Gatos General Plan.

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[6] Eric Morley, Principal, Morley Bros., personal communication with PlaceWorks, May 30, 2014.

[7] Megan Doonan, Loan Advisor, RMP Mortgage, personal communication with PlaceWorks, May 13, 2014.

- **Hazards.** Geology and soil characteristics (such as seismicity and slope instability), fire and flood hazards, and hazardous materials could affect where housing could be built. There are several areas where slopes make development inappropriate. Potential impacts associated with hazards are mitigated by policies in the Safety Element of the Los Gatos General Plan, the Hillside Development Standards and Guidelines, and state and federal agencies such as the State Department of Toxic Substances Control, the Federal Emergency Management Agency, and the U.S. Environmental Protection Agency

- **Noise and Air Quality.** Noise and air quality impacts associated with Highways 17 and 85, other high-volume arterial roadways, and the Union Pacific Railroad line parallel to and south of Highway 85 could potentially impact housing. The California Building Code and the Noise Element of the Los Gatos General Plan contain policies and standards that mitigate noise impacts, and the regulations of the Bay Area Air Quality Management District require careful study and mitigation of health risks from poor air quality.

Environmental constraints to housing development are mitigated where public healthy, safety, and welfare can be protected.

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5 REVIEW OF 2007-2014 HOUSING ELEMENT

In order to effectively plan for the future, it is important to reflect back on the goals of the previous Housing Element and to identify those areas where progress was made and those areas where continued effort is needed. State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of the Element
- Progress in Implementation
- Appropriateness in Goals, Objectives and Policies

A. Effectiveness of the Element

The Town's 2007 Housing Element identified the following goals:

- Expand the choice of housing opportunities for all economic segments of the community by supporting the development of affordable housing in a variety of types and sizes, including a mixture of ownership and rental housing.
- Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing that is compatible with the neighborhood and the community.
- Preserve existing residential opportunities including the existing affordable housing stock.
- Ensure that all persons have equal access to housing opportunities.
- Retain and expand affordable housing opportunities for seniors.
- Mitigate Town governmental constraints to affordable housing development.
- Maintain the Town's 2005 jobs-to-household ratio of 1.5 jobs per household.
- Encourage residential construction that promotes green building and energy conservation practices.
- Ensure that the Town has sufficient resources and take appropriate measures to implement the Housing Element.

In order to achieve these goals, the 2007 Housing Element listed a series of policies and actions. The policies covered a range of housing concerns, including appropriate zoning for lower and moderate income households, assisting in developing affordable housing, removing governmental constraints, conserving the

existing affordable housing stock, preventing the conversion of affordable units to market rate, and promoting equal housing opportunities for all persons. The policies comply with State Housing Law guidelines. Table 5-1 identifies all of the actions the Town committed to in the 2007 Housing Element. The table also includes a description of the progress that was made during the 2007–2014 planning period.

B. Progress in Implementation

To assess the Town's progress in implementing the 2007 Housing Element, the following key areas were reviewed:

1. Production of Housing

The 2007 Housing Element identified a Regional Housing Needs Allocation of 562 housing units in Los Gatos between January 1, 2007 and June 30, 2014. The RHNA was divided into the following income categories:

- 77 units affordable to extremely low-income households
- 77 units affordable to very low-income households
- 100 units affordable to low -income households
- 122 units affordable to moderate-income households
- 186 units affordable to above moderate income households

As shown in Table 5-2, during the 2007–2014 planning period, 228 new units were added to the Town's housing stock, achieving almost 41 percent of the Town's RHNA. This indicates that residential growth was slower than anticipated, which may be a reflection of the turmoil in the national economy as well as significant changes to lending practices that occurred during that time frame. Units affordable to moderate- and lower-income households that were created during the planning period include density bonus rental units (Riviera Terrace), attached townhomes produced through the BMP program, small-lot single-family homes produced through the BMP program, and some second units.

2. Preservation of "At Risk" Units

The Villa Vasona development was identified in the 2007 Housing Element as a development at risk of conversion to market rate. Villa Vasona contains 107 senior units, which are subsidized by a HUD Section 8 contract and are subject to restriction expiration. The Section 8 contract expired on May 31, 2010 and was subsequently renewed for an additional five years. In 2012, the affordability was

TABLE 5-1 **PROGRESS IN IMPLEMENTING ACTIONS (2007-2014)**

No.	Actions	Accomplishments (2007-2014)	Comments
1.1	Continue to implement the Below Market Price (BMP) program and evaluate it annually to ensure it is not a constraint to development.	In 2014, there are over 60 owner units and 95 rental units in the BMP program. Thirteen (13) of the owner unit sales closed during the 2007–2014 planning period. Five (5) BMP units were constructed during the planning period, including 2 single-family homes and 3 attached units.	The BMP program will be continued.
1.2	Continue the second unit incentive program and review it to ensure its effectiveness.	During the 2007-2014 planning period, 14 second units were permitted.	This action is being discontinued due to lack of funding and program participation Second units will be encouraged through a new program..
1.3	Continue to comply with State Density Bonus Law.	The Town Code was amended in June 2012. One project utilized density bonus provisions and included 24 affordable housing units.	The Town is in compliance with State Density Bonus Law.
1.4	Implement the Town's 2009 Affordable Housing Strategy using Redevelopment Housing Set-Aside Funds and In-Lieu Fees.	The State dissolved all redevelopment agencies by February 2012. Redevelopment Low and Moderate Income Housing Set-Aside Funds are no longer available. BMP In-Lieu fees were used to preserve a BMP unit pay for West Valley Community Services Comprehensive Emergency Assistance Program, including rental assistance to prevent homelessness, assistance to prevent eviction, deposit assistance to house un-housed persons, and utility assistance to prevent utility shut off; BMP Consultant services; and associated BMP transaction costs for units sold to qualified buyers.	Remove action. Continue to use BMP In-Lieu fees for affordable housing activities.
1.5	Hold an annual outreach meeting with affordable housing developers.	During the planning period, staff met several times individually with local non-profit housing developers to discuss the proposed AHOZ, AHOZ design guidelines, and several potential housing development sites. Staff did not host a Town-sponsored outreach meeting but instead participated in several Santa Clara County housing groups' events, which included events for the major non-profit housing developers in the Bay Area: Silicon Valley Leadership Group Housing Action Coalition meetings, Affordable Housing Week events, and the Project Sentinel Fair Housing Symposium. In addition, staff regularly attends the Urban County Joint Powers Authority CDBG Technical Advisory Committee, Santa Clara County/Cities Regional Housing Work Group, and the Santa Clara County CDBG Coordinators/ Housing Managers Quarterly Meeting.	Continue to reach out to and collaborate with the affordable housing development community.
1.6	Encourage the Redevelopment Agency to work with housing developers.	The State dissolved all redevelopment agencies by February 2012.	Delete action.
2.1	Establish an Affordable Housing Overlay Zone (AHOZ) within which housing at a minimum density of 20 units per acre is permitted by right if at least 50 percent of the units are affordable to households at or below the moderate income level.	The Town adopted the Affordable Housing Overlay Zone in November 2013.	Completed. Can be deleted.

TABLE 5-1 **PROGRESS IN IMPLEMENTING ACTIONS (2007-2014)** (CONTINUED)

No.	Actions	Accomplishments (2007-2014)	Comments
2.2	Maintain adequate AHOZ sites to meet the RHNA in the event of a rezone or if an AHOZ site develops at less than 20 units per acre.	The Town continues to maintain adequate sites.	
3.1	Preserve at-risk affordable housing units.	The affordability restriction at Villa Vasona, the only development at risk of converting to market rates, was preserved through 2067.	Completed. Can be deleted.
3.2	Conserve rental housing by continuing to implement Section 29.20.155 of the Town Code (addresses conversions of residential uses).	The Town continues to monitor conversions of residential uses. No conversions were made during the planning period.	
3.3	Continue to provide Housing Conservation Program assistance to property owners to improve their housing units. Strive to improve at least 15 units through this program.	No funding available. Alternate rehabilitation funds are available through the County CDBG/HOME funded program.	Update to reflect County resources.
3.4	Continue to support countywide programs such as the Home Access Program.	The Town continues to support County programs.	
4.1	Provide a list of developments that include affordable units online.	The Town maintains a Housing Programs webpage that provides local and countywide affordable housing resources.	http://www.losgatosca.gov/345/Housing-Programs
4.2	Continue to administer the Rental Dispute Mediation and Arbitration Program and consider revisions if needed to make it more effective.	The Town continues to provide rental dispute assistance administered by Project Sentinel. Details and tips are provided on the Town's Housing Resources webpage.	
4.3	Amend the Town Code to comply with SB 2: define emergency shelter and permit them by right in the CM zoning district.	The Town Code was amended to comply with Senate Bill 2 in 2013.	Completed. Can be deleted.
4.4	Continue to provide support for community and non-profit organizations serving the homeless in Los Gatos.	The Town continues to work with the Los Gatos-Monte Sereno Police Department and County of Santa Clara to understand and support the local homeless population. The Town funds the West Valley Community Services CEAP programs to prevent and end homelessness. The Town also participates in Urban County Community Development Block Grant (CDBG) Joint Powers Agreement (JPA) where the Town has continually supported funding for Continuum of Care Services , emergency shelters, transitional housing, and permanent supportive housing.	
4.5	Support the efforts of the Santa Clara County Fair Housing Consortium and continue to make referrals through Project Sentinel.	Town staff has regularly attended Fair Housing meetings to do outreach to non-profit developers and service providers, as well as to keep updated on recent developments with fair housing laws on both the state and federal level. Staff also disseminates information learned to other Town Departments and contract service providers as necessary.	
4.6	Meet with nonprofit groups on at least an annual basis to discuss strategies and actions for affordable housing development.	As noted in the row for Action 1.5, above, the Town met with nonprofit groups several times during the 2007–2014 planning period.	
4.7	Continue to support the County of Santa Clara's Continuum of Care Plan and Destination: Home efforts.	As noted in the row for Action 4.4, above, this is an ongoing effort.	

TABLE 5-1 **PROGRESS IN IMPLEMENTING ACTIONS (2007-2014)** (CONTINUED)

No.	Actions	Accomplishments (2007-2014)	Comments
5.1	Provide regularly updated senior housing resource materials at the Adult Recreation Center.	This is an ongoing effort.	
6.1	Regularly review Town planning and zoning regulations and remove constraints to affordable housing as appropriate.	The Town Staff Community Development Department work plan is prepared on an annual basis and prioritizes tasks based on Town Council priorities. Constraints to emergency, transitional, permanent supportive, and group housing were removed. The Conditional Use Permit (CUP) for multi-family housing in the RM zone was removed.	
6.2	Amend the Town Code to include a reasonable accommodation ordinance.	The Town Code was amended to include reasonable accommodation procedures in 2013 (Section 29.10.505–530).	
6.3	Remove constraints and encourage accessible housing in new residential developments.	Constraints were removed by adopting the reasonable accommodation ordinance in 2013.	Town will explore opportunities for universal design enhancements.
6.4	Give priority to special needs housing by allowing reduced processing time and streamlined procedures.	This is an ongoing effort on an as-needed basis.	
6.5	Continue to review and streamline the development process for housing developments that will guarantee affordable units on a long term basis for lower- and moderate-income households.	Staff regularly reviews procedures to improve the efficiency of the land use entitlement process.	
6.6	Conduct a study to evaluate the Conditional Use Permit requirement for multifamily uses in the Multi-Family (RM) zone.	The Town Code was amended in 2013 to remove the Conditional Use Permit requirement for multi-family uses in the Multi-Family (RM) Zone.	Completed. Can be deleted.
6.7	Conduct a study to evaluate parking space requirements as a potential constraint to housing development in the RM zone.	The parking standards are not a constraint to housing development.	Completed. Can be deleted.
6.8	Amend the definition of "family" in the Town Code to comply with Fair Housing Law.	The Town Code was amended to define family as "one or more persons who comprise a single household and who live together as a single housekeeping unit. This definition also includes households of 6 or fewer persons living in a residential care facilities small family home as defined by the California Community Care Facilities Act."	Completed. Can be deleted.
6.9	Amend the Town Code to include definitions of "supportive and transitional housing" consistent with California Health and Safety Code Section 50675.2.	The Town Code was amended in 2013 to comply with SB 2 and to be consistent with the California Health and Safety Code.	Completed. Can be deleted.
6.10	Amend the Town Code definition of "group home" to comply with California Health and Safety Code Section 1566.3.	The Town Code was amended in 2013 to comply with the California Health and Safety Code.	Completed. Can be deleted.
6.11	Amend the Town Code to allow family home residential care facilities for 6 or fewer persons within all residential districts by right, consistent with California Health and Safety Code Section 1566.3.	The Town Code was amended in 2013 to comply with the California Health and Safety Code.	Completed. Can be deleted.
8.1	Continue to enforce State of California Title 24 requirements for energy conservation.	This is an ongoing effort.	

TABLE 5-1 **PROGRESS IN IMPLEMENTING ACTIONS (2007-2014)** (CONTINUED)

No.	Actions	Accomplishments (2007-2014)	Comments
9.1	Prepare an annual housing report for the review of the Town Council.	The Town completed annual housing reports for the Town Council and submitted them to HCD.	Occurs annually.
9.2	Consider additional staff support for the management and planning of housing programs and funding for the Town.	A Senior Planner was hired to provide management of Town housing programs.	Completed.
9.3	Deliver the adopted Housing Element to the San Jose Water Company and the West Valley Sanitation District so they can prioritize resources for future affordable housing developments.	The Town shared the Housing Element following adoption and certification.	Continue upon each certification.

TABLE 5-2 **NEW CONSTRUCTION NEED VS. HOUSING UNITS PRODUCED, 2007-2014**

Affordability	New Construction Need	Housing Units Produced	Percent Achieved
Extremely Low	77	1	1.3%
Very Low	77	1	1.3%
Low	100	41	41.0%
Moderate	122	5	4.1%
Above Moderate	186	180	96.8%
Total	**562**	**228**	40.6%

extended to 2067. No other developments in Los Gatos were identified as at-risk units in the 2007 Housing Element. The Town also used Housing In-Lieu fees to purchase an existing low income BMP unit in the Bella Vista development prior to a Trustee Sale, and then rehabilitated the unit for resale to another income qualified household.

A complete list of affordable housing units is provided in Chapter 3 of the Technical Appendix (Table 3-2).

3. Rehabilitation of Existing Units

The Town had established a goal of rehabilitating 15 total housing units between 2007 and 2014. The Town purchased and rehabilitated one affordable unit at Bella Vista. The State of California eliminated Redevelopment Agencies during the previous planning period, and therefore Redevelopment Agency Low and Moderate Income Housing Set-Aside Funds that would have been used for rehabilitation were no longer available. Income-eligible Town residents can apply for home rehabilitation programs through the County, Habitat for Humanity and Rebuilding Together Silicon Valley.

C. Appropriateness in Goals, Objectives and Policies

The goals, objectives, and policies identified in the 2007 Housing Element were appropriate for the 2007-2014 timeframe because they directly relate to the program requirements listed by the California Department of Housing and Community Development. Like all communities with a Redevelopment Agency, the elimination of this Agency and removal of Low and Moderate Income Housing Set-Aside Funds affected the Town's ability to meet rehabilitation goals. Fortunately the Town was successful in rehabilitating and preserving the affordable unit that was at-risk of converting to market rates.

As for new construction, the greatest progress was made in producing housing in the above low- and moderate-income categories. Residential development in the Town met approximately 41 percent of the RHNA for new units affordable to low income households. The Town's above moderate income development was six units less than the RHNA. Costs of housing continue to be high in Los Gatos, making affordable housing difficult to develop in the Los Gatos market. The Town successfully provided the governmental framework to encourage and facilitate affordable housing through density bonus, BMP program incentives, and by encouraging second units.

Quantified objectives were achieved with regard to preservation of affordable, at-risk units, and progress was made toward rehabilitating the existing housing stock. The affordability restriction at the Villa Vasona property was extended to 2067.

D. Summary

Like many communities, the Town of Los Gatos experienced less development than expected from 2007–2014 due to the downturn in the national economy, and therefore, did not achieve its total quantified objective for new residential construction. Negative market conditions were compounded by the elimination of Redevelopment Agencies and Low and Moderate Income Housing Set-Aside Funds. However, the Town has successfully implemented affordable housing development incentives in a challenging market. The goals, objectives, policies, and actions in the 2007–2014 Housing Element complied with State Housing Law and provided proper guidance for housing development in the Town. In this Housing Element update, objectives for each of the goals will be modified as appropriate to more specifically respond to the housing environment in Los Gatos from 2015 to 2023.

Policies will also be modified as needed to respond to current Housing Element Law and existing and anticipated residential development conditions.

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6 HOUSING SITES INVENTORY

State law requires that the Housing Element identify a list of housing sites that can accommodate the jurisdiction's RHNA. This chapter identifies potential sites and provides an analysis of their ability to accommodate the Town's RHNA numbers.

A. Strategy to Meet RHNA

To determine the availability of land for housing development in Los Gatos, Town staff identified as wide of a range as possible of vacant sites and sites with residential development potential in Los Gatos for initial consideration in the inventory of available housing sites. These sites were initially identified as part of the Town's 2007-2014 Housing Element update using available GIS data, current Assessor's data, and a review of the Town's General Plan land use designations and the Town Code Zoning Regulations, as well as direction from the General Plan Committee. For the 2015-2023 planning period, these sites were reevaluated by Town staff, the Housing Element consultant, and the Housing Element Advisory Board (HEAB). The HEAB identified the following components for inclusion in the community's strategy for meeting its housing needs during the course of over ten public meetings for the Housing Element update:

- Maintaining the existing Second Unit Program for non-hillside areas.
- Expanding the Second Unit Program area to allow units on larger non-conforming lots and hillside areas.
- Reserving up to 13.5 acres of the pending North 40 Specific Plan housing capacity for the provision of affordable units.
- Maintaining the existing residential zoning for the vacant parcels on Oka Road to allow market rate development.
- Including one AHOZ site known as Southbay.

Table 6-1 summarizes the units generated through this strategy, by income category, and compares them to Los Gatos's RHNA to demonstrate that these strategies meet and exceed the RHNA.

This final set of strategies is further described below.

Table 6-2 presents the available sites that are appropriate and suitable for development in Los Gatos to meet the Town's RHNA. Table 6-3 shows other vacant and underutilized sites in Los Gatos, located in the Oka Road/Lark Avenue

TABLE 6-1 **SUMMARY OF COMMUNITY STRATEGIES TO MEET RHNA**

	Very Low	Low	Mod.	Above Mod.	Total
RHNA – Total Units Needed (2015-2023)	**201**	**112**	**132**	**174**	**619**
Approved Units	0	2	6	49	57
Southbay (AHOZ)	45	9	68	26	148
Second Units under the Town's Existing Program	0	0	28	0	28
Proposed Enhanced Second Unit Program: Non-Conforming Lots & Hillside Lots	0	27	0	0	27
Proposed North 40 Specific Plan	156	84	30	0	270
Vacant Housing Element Sites (based on existing zoning): Oka Road Sites	0	0	0	99	99
Total Units	201	128	132	174	629
Units Above RHNA	0	+10	0	0	+10

area. Although these sites were not selected as part of the formal RHNA strategy, these sites are available for development during the 2015-2023 Housing Element period. As shown in Table 6-3, these sites have a development capacity of 41 units under existing zoning, and could provide 6 units under the Town's BMP Program. Figure 6-1 provides a map of the potential housing opportunity sites and includes site names that correspond to Table 6-2. This table includes the Assessor Parcel Number (APN) (where available), General Plan land use designation, zoning designation, acreage, and existing use for each site. Also included in the table are the allowable density and realistic development capacity of each site as well as an indication of any potential development constraints that reduce realistic development capacity.

TABLE 6-2 **AVAILABLE SITES TO MEET RHNA**

Site	APN	Existing Zoning	GP Land Use Designation	Allowable Density[a] (Units/Acre)	Proposed Zoning Designation	Proposed Density (Units/Acre)	Parcel Acreage	Developable Acreage[b]	Realistic Development Capacity (Units)	Existing Use	Infrastructure Capacity	Environmental Constraints
Existing AHOZ Site												
Southbay Development	424 32 077	CM/AHOZ	High Density Residential	12-20	CM/AHOZ	20	7.5	7.4[c]	148	Offices	Yes	(Mitigated) potential liquefaction, private easements
Second Units												
Under the Town's Existing Program	Various	Various	Various	--	--	--	--	--	28	Various	--	--
Proposed Enhanced Second Unit Program: Non-Confirming Lots and Hillside Lots	Various	Various	Various	--	--	--	--	--	27	Various	--	--
Proposed North 40 Specific Plan[d]												
North 40	424-07-081 thru 083, and -100	RC	Mixed Use Commercial	20	North 40 Specific Plan	20	24.7	24.7	270 maximum	Agriculture, Residential	--	(Mitigated) potential liquefaction
North 40	424-07-009, -010, -052 thru -054, -063 thru -065, -094, and -095	R-1:8	Mixed Use Commercial	20	North 40 Specific Plan	20	8	8	160	Agriculture, Residential	--	(Mitigated) potential liquefaction
North 40	424-06-115 and -116	R-1:8	Mixed Use Commercial	20	North 40 Specific Plan	20	1.2	1.2	24	Agriculture, Residential	--	(Mitigated) potential liquefaction
North 40	424-07-024 thru -027, -031 thru -037, -070, -084, and -090	R-1:8	Mixed Use Commercial	20	North 40 Specific Plan	20	3.2	3.2	64	Residential	--	(Mitigated) potential liquefaction
North 40	424-07-085 and -086	CH	Mixed Use Commercial	20	North 40 Specific Plan	20	1.5	1.5	30	Commercial	--	(Mitigated) potential liquefaction
Vacant Housing Element Sites: Oka Road Sites												
Site A	424 08 074	R-1:8	Low Density Residential	0-5	R-1:8	5	6.4	6.4	32	Orchard	Yes	(Mitigated) floodplain, cultural resources, noise, potential liquefaction
Site B	424 08 057	R-1:8	Low Density Residential	0-5	R-1:8	5	3.0	3.0	15	Orchard	Yes	(Mitigated) floodplain, cultural resources, noise, potential liquefaction
Site C	424 08 021	RM-5:12	Medium Density Residential	5-12	RM-5:12	12	4.3	3.0	52	Orchard; small farming structure	Yes	(Mitigated) floodplain, cultural resources, noise, potential liquefaction
Total							**59.8**	**58.4**	**572**			

Notes: '--' = Not Applicable
[a] Allowable density is based on the density allowed under the existing zoning for the site.
[b] Lot consolidation is suggested for parcels that are less than 1 acre to increase feasibility of development.
[c] Reduction in developable acreage is due to a private ingress/egress easement and private storm drain easement on the property.
[d] The Draft North 40 Specific Plan includes the rezoning of 13.5 acres at a density of at least 20 units per acre to yield 270 residential units. A maximum of 270 units for all North 40 sites is included in the total development capacity of available sites to meet the RHNA; there are multiple ways of achieving that yield depending upon which sites are developed.

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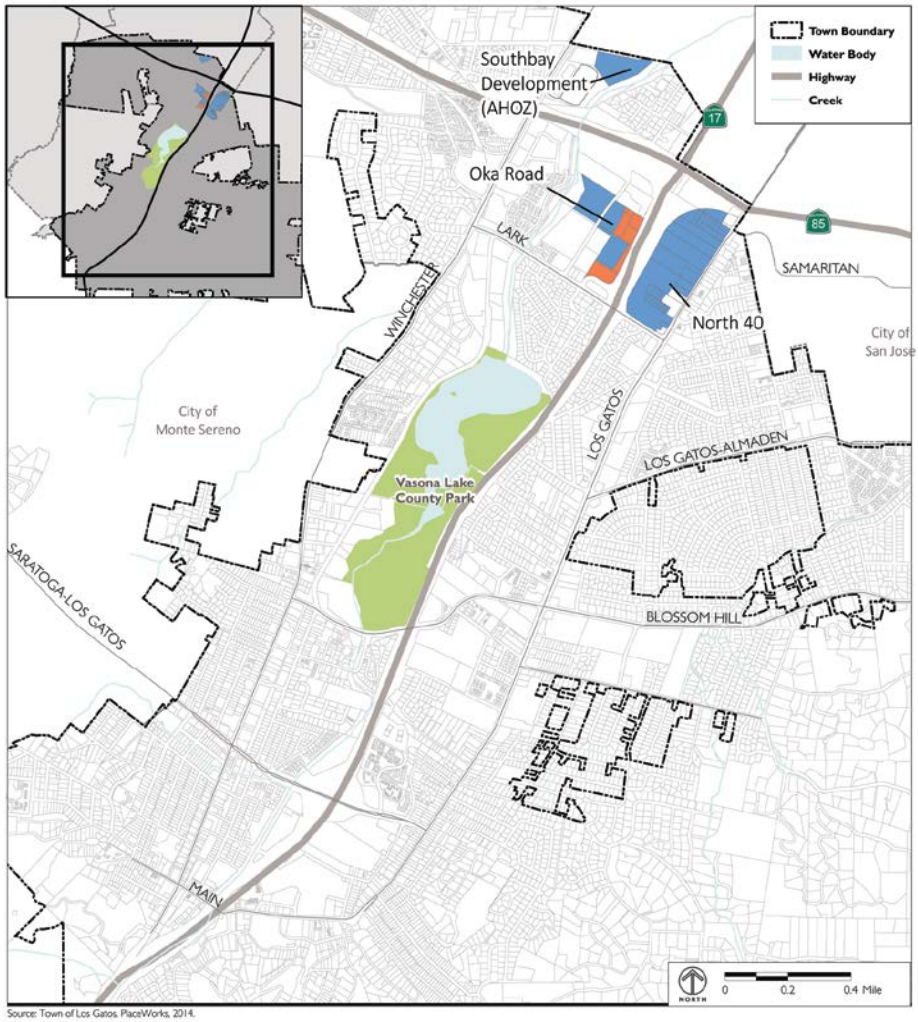
TABLE 6-3 **VACANT/UNDERUTILIZED LANDS INVENTORY**

Site	Address	APN	Existing Zoning	GP Land Use Designation	Allowable Density[a] (Units/Acre)	Parcel Acreage	Developable Acreage[b]	Realistic Development Capacity (Units)	Required BMP Units	Existing Use
Oka Road Sites										
Site D	Oka Rd. (no address)	424 08 029	R-1:8	Low Density Residential	0-5	0.3	0.3	1.5	0	Orchard
Site E	14800 Oka Rd.	424 08 058	R-1:8	Low Density Residential	0-5	1.4	1.4	7	1	Single-family house
Site F	Oka Rd. (no address)	424 08 059	R-1:8	Low Density Residential	0-5	1.0	1.0	5	1	Orchard (frontage to single family)
Site G	Noddin Ave. (no address)	424 08 060	R-1:8	Low Density Residential	0-5	1.3	1.3	6.5	1	Orchard (frontage to single family)
Site I	No address	424 08 016	R-1:8	Low Density Residential	0-5	1.0	1.0	5	1	Orchard
Site J	16603 Lark Avenue	424 08 017	RM-5:12	Medium Density Residential	5-12	2.5	1.3	16	2	Orchard; single-family house
Total							**6.3**	**41**	**6**	

[a] Allowable density is based on the density allowed under the existing zoning for the site.
[b] Lot consolidation is suggested for parcels that are less than 1 acre to increase feasibility of development.

Figure 6-1 RHNA Strategy Sites/Vacant and Underutilized Lands



Source: Town of Los Gatos, PlaceWorks, 2014.

RHNA Strategy Sites

Vacant/Underutilized Lands

B. Residential Development Potential to Meet RHNA

A majority of the parcels in this analysis are non-vacant sites with residential development potential. The realistic development capacity has been determined based on the status and/or existing condition of existing uses for each of the sites, identified in Figure 6-1 and Table 6-2, and is discussed in more detail below.

1. Approved Units

Since January 1, 2014, the Town has approved entitlements for the construction of two (2) new low-income units, six (6) new moderate-income units, and forty-nine (49) new above moderate (market rate) units. This production is counted towards achieving the RHNA for the 2015-2023 Housing Element, leaving a remaining total RHNA of 562 units.

2. Existing Affordable Housing Overlay Zoning (AHOZ) Sites

The Town's Affordable Housing Overlay Zoning (AHOZ) program has been fully implemented and complies with the 2007-2014 Housing Element requirements. One AHOZ site has been identified in this Housing Element cycle to meet the Town's RHNA. If developed under the AHOZ program, the site has an approved density of 20 dwelling units per acre, which is the default density specified by State HCD for the provision of affordable housing in suburban communities.

a. Southbay Development

The convenient location of the Southbay Development site, near Highway 17, Highway 85, and the future Vasona Light Rail Station, as well as its large size with over seven developable acres, makes it optimal for residential development. The parcel is 7.4 acres and contains aging office buildings. The General Plan designates the property for High Density Residential development.

3. Existing Second Units Program

As shown in Table 6-4 at the end of this chapter, the Town of Los Gatos has a documented inventory of 400 approved second units and this inventory has helped satisfy the housing needs of the community for the last three decades. Based on available market data for current asking rents and the affordable rent levels categories (i.e. Very-Low, Low and Moderate Income) calculated from the published Federal Housing and Urban Development (HUD) Area Median Income (AMI) data, the Town is able to classify current asking rents for second units in the Moderate Income category (i.e. less than $2,021 for studio, $2,310 for 1-bedroom, or $2,626 for 2-bedroom units).

Additionally, based on the Town's existing Second Unit Ordinance and its documented permit history of approving an average of four (4) units per year during the last consecutive 3-year period, the Town is projecting that at least 28 second units will be created during the next eight-year period of the new Housing Element (See Table 1, Row 4). These units would completely satisfy the Town remaining RHNA for moderate-income units and could result in a surplus of 10 units. The estimate assumes that these units would be constructed on conforming non-hillside residential lots based on the Town's existing Second Unit Ordinance. The estimate is a very conservative estimate of 3.5 units per year when compared to the actual 8 dwelling units per year average production track record since the Town began allowing second units in 1985.

Current zoning regulations limit potential impacts of the construction of new second units by applying design and development standards that restrict unit size (750 square feet if attached, 950 square feet if detached); require conformance with applicable zoning setbacks, building height limits, and lot coverage limits; require additional parking, building form/design consistency, and compatible materials; and include the unit in floor area ratio calculations.

4. Proposed Enhanced Second Units Program

Second units are currently allowed on all conforming residential zoned parcels but prohibited on non-conforming residential lots regardless of size and on Hillside Residential or Resource Conservation zoned parcels in the Hillside Specific Plan area.

To build on the Town's track record of allowing second units as a viable affordable housing type, under Action HOU-1.2, the Town is proposing to amend its Town Code with specific enhancements to also allow for the construction of second units on residential non-conforming lots 10,000 square feet or greater, and on hillside residentially-zoned lots 5 acres or greater.

The expansion of properties where new second units would be allowed has a secondary beneficial effect of increasing the distribution of affordable units throughout all the geographic neighborhoods in Los Gatos—especially in the hillside areas where only a handful of small caretaker quarters were previously allowed through a Conditional Use Permit process that involved a public hearing.

As a pre-requisite for obtaining approvals in the Second Unit Program expanded area, participating homeowners would be required to record a deed restriction on

the title record of properties specifying that the second unit shall be offered at a reduced rent that is affordable to a lower income renter (i.e. less than 80 percent of AMI) if the unit is occupied by someone other than a member of the household.

Town GIS maps and databases were reviewed in Spring 2014 to determine that there are approximately 110 non-conforming lots with sizes of 10,000 square feet or more that could accommodate a second unit. It is estimated that approximately 20 percent of landowners of nonconforming lots may take advantage of amended requirements to allow second units. This would produce approximately 2.8 units per year, or 22 units over the 2015-2023 planning period.

Under Action HOU-1.2, the Town is also proposing to amend its Town Code to permit second units on in the Town's Hillside Residential zone on lots over five acres. Town GIS maps and databases were reviewed in Spring 2014 to determine that there are approximately 25 lots in the Hillside Residential zone with sizes of 5 acres or more that could accommodate a second unit. Assuming that approximately 20 percent of landowners of non-conforming lots would take advantage of the amended requirements, it is estimated that approximately 0.6 units per year would be produced, or five units over the 2015-2023 planning period.

5. Affordable Housing Component in Pending North 40 Specific Plan

The North 40 Specific Plan area is an approximately 40-acre property bounded by Los Gatos Boulevard to the east, Highway 17 to the west, Lark Avenue to the south, and Highway 85 to the north. It is the largest site remaining for possible development in Los Gatos. This area is covered by a North 40 Specific Plan Overlay designation in the Los Gatos General Plan that requires the preparation and adoption of a specific plan that will determine the mix of uses, dimensional standards, architectural standards, phasing, and infrastructure to support the development of the property prior to approval of any entitlements.

A Draft North 40 Specific Plan was published in 2013[1], the Environmental Impact Report has been certified by the Town Council, and the Council is currently considering the Specific Plan (2015). The Plan action includes the rezoning of 13.5 acres at a density of at least 20 units per acre to yield 270 residential units. The Housing Element includes a program that commits the Town to rezoning 13.5 acres within the North 40 Specific Plan Area at a minimum density of 20 units per acre within three years of the Housing Element adoption.

[1] Town of Los Gatos, *Draft North40 Specific Plan*, May 2013, available online at http://www.losgatosca.gov/DocumentCenter/Index/354.

Although the North 40 Specific Plan has not yet been adopted, the Town has already received a development application in anticipation of the specific plan being approved. Therefore, the Town estimates that the North 40 Specific Plan area has a realistic ability to provide housing for the 2015-2023 planning period.

6. Oka Road

There are three parcels at Oka Road, north of Lark Avenue. Parcels A and B are currently designated as single-family residential for up to 5 units per acre, while Parcel C is designated as medium-density residential for up to 12 units per acre. Although the official RHNA strategy recommended by the HEAB documents the potential for 74 market rate units that could be accommodated on the vacant/underdeveloped parcels on Oka Road, existing zoning on these sites would allow up to 99 units.

The Oka Road sites are primarily orchard property. Therefore, the realistic development capacity of the sites would not be reduced.

C. Zoning Appropriate to Accommodate Housing

Apart from the sites listed in Tables 6-2 and 6-3, there are approximately 505 acres of vacant land in Los Gatos, of which approximately 285 acres are zoned for residential use. Under existing zoning, these vacant lands have the residential capacity for approximately 360 new housing units. These lands are located within the following zones:

- The Town has approximately 245 total acres of vacant HR (Hillside Residential) zoned land that allows 0.2 to 1.0 dwelling units per acre, which can accommodate approximately 110 units of market rate above moderate-income housing.
- The Town has approximately 1 acre of vacant R-1D (Single-Family Residential Downtown) zoned land that allows two dwelling units per parcel, which can accommodate approximately 25 units of market rate above moderate-income housing.
- The Town has approximately 30 acres of vacant R-1 (Single-Family Residential) zoned land that allows one dwelling unit per parcel, which can accommodate approximately 105 units of market rate above moderate-income housing.

- The Town has approximately 1 acre of vacant RD (Residential Duplex) zoned land that allows two dwelling units per parcel, which can accommodate approximately 5 units of market rate above moderate-income housing.
- The Town has less than 1 acre of vacant RM-5:12 (Multi Family Residential 5-12) zoned land that allows up to 12 dwelling units per acre, which can accommodate approximately 5 units of market rate above moderate-income housing.
- The Town has approximately 2 acres of vacant RM-12:20 (Multiple-Family Residential 12-20) zoned land that allows up to 20 dwelling units per acre, which can accommodate 35 units of market rate above moderate-income housing.
- The Town has approximately 6 acres of vacant RMH (Residential Mobile Home Park) zoned land that allows up to 12 dwelling units per acre, which can accommodate approximately 75 units of market rate above moderate-income housing.

Higher density developments often have lower construction costs and are more likely to be able to provide affordable housing opportunities. This site analysis focuses on developing housing that targets a density of 20 dwelling units per acre. According to California Government Code Section 65583.2(c)(3)(B), this is the density standard appropriate to accommodate affordable housing in Santa Clara County.[2]

Under existing land use controls and site improvement requirements, affordable residential projects have been successfully built at or above 20 dwelling units per acre within recent years in Los Gatos. For example, the Aventino Apartments, located near the Southbay Development site in Los Gatos, includes 290 units built on a 12.3-acre site with a density of approximately 24 dwelling units per acre. Aventino was built utilizing a density bonus. More recently, an affordable housing development was built at 31 Miles Avenue and includes 12 units on a site that is less than a one-half acre at a density of about 26 dwelling units per acre.

Los Gatos's existing zoning allows for a density of up to 20 dwelling units per acre within the Multi-Family Residential (R-M) zone. Development standards for the

[2] Under California Government Code, Santa Clara County is identified as a Suburban Jurisdiction, which sets a default density standard of at least 20 dwelling units per acre to appropriately accommodate housing for lower-income households.

R-M zone in Los Gatos do not hinder development at 20 dwelling units per acre. In the R-M zone, a maximum allowable lot coverage of 40 percent and a maximum height of 35 feet (approximately three building stories) for a development would be equivalent to a maximum floor-to-area ratio (FAR) of 1.2. Assuming an average size of 1,200 square feet per residential unit, a density of 20 dwelling units per acre is achievable on a one-acre site. Additionally, more multi-family properties in Los Gatos and the surrounding areas are being developed with underground parking. For example, Aventino Apartments offers underground parking.

The Town adopted the Affordable Housing Overlay Zone and it applies to one property in the Housing Site Inventory. The Housing Element includes a program to modify the affordability requirements in the Town Code to require a minimum of 40% affordable units on the Southbay AHOZ site instead of the currently prescribed affordability levels.

The AHOZ provides a 30-foot building height with an automatic allowance for 35 feet for integrated (first floor) garage or podium parking. Additional height can be granted through the Architecture and Site Plan review process. The 40 percent lot coverage and parking reduction are consistent with the State Density Bonus maximum parking requirements. Further parking reductions are allowed for properties within a quarter mile of the planned Vasona Light Rail Station, for senior-only housing and housing for persons with disabilities.

The AHOZ also allows up to four automatic concessions. The concessions include reductions in parking, setbacks, or an increase in lot coverage; planning and building processing fee deferrals or waivers and construction mitigation impact fee deferrals or waiver. The deferrals are automatic and the waiver applies if it is requested as one of the four concessions. Finally, the AHOZ allows affordable developments consistent with the AHOZ standards priority planning review, building plan check review and building inspections.

D. Potential Development Constraints

This section describes the infrastructure capacity and potential environmental issues that could impact realistic development capacity of each housing site. Based on this analysis, there are no environmental constraints or infrastructure capacity issues that could potentially reduce the realistic development capacity of each identified housing site.

1. Infrastructure Capacity

The following sections describe the current infrastructure and service available for water and wastewater systems in Los Gatos. There are no major infrastructure capacity or service distribution issues for housing development in Los Gatos that could reduce the realistic development capacity of the proposed housing sites.

a. Water

The San Jose Water Company (SJWC) is one of the largest privately-owned water systems in the United States, providing high-quality water and service to nearly one million residents of Santa Clara County since it was established in 1866. SJWC's service area spans 139 square miles, including most of the Town of Los Gatos. Pipelines throughout the service area are selected for replacement or rehabilitation based on the likelihood and consequence of failure. The Town and SJWC regularly collaborate to annually replace or rehabilitate pipelines infrastructure within its jurisdiction.[3] According to the SJWC, the realistic development capacity of up to 655 new units on the identified housing sites would increase the demand for water by 163,750 gallons of water per day at 250 gallon of water per housing unit per day. The Los Gatos Draft 2020 General Plan Environmental Impact Report (EIR) includes this estimated water use increase in its water supply impact analysis and determined that the SJWC would have sufficient capacity to meet water service demands.[4] Therefore, water capacity does not constitute a significant constraint that would reduce realistic development capacity of the identified housing sites.

b. Sanitary Sewer

The West Valley Sanitation District (WVSD) manages the sanitary sewer system in Los Gatos. Similar to the water infrastructure, portions of the sanitary sewer infrastructure are old and need to be upgraded or replaced. The WVSD regularly monitors, upgrades, and replaces sanitary sewer lines.[5]

Some areas of the Town that have been incorporated through annexation have pre-existing on-site septic systems. No potential housing sites are located where on-site septic systems are used. The Town requires connection to public sewer for development of property in excess of one unit.

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[3] Jacob Walsh, Planning Supervisor, San Jose Water Company, personal communication with PlaceWorks, July 17, 2014.

[4] *Los Gatos Draft 2020 General Plan Environment Impact Report*, 2010, Town of Los Gatos, page 4.14-23.

[5] West Valley Sanitation District, http://www.westvalleysan.org/healthand environment/, accessed June 24, 2014.

The realistic development capacity of up to 655 new housing units on the identified housing sites would generate approximately 79,255 gallons of wastewater per day at 121 gallons per housing unit per day. The 79,255 gallons of wastewater per day represents less than 1 percent of the total WVSD wastewater allocation and would be within the current capacity of 12.1 million gallons per day, as determined by the Los Gatos Draft 2020 General Plan EIR.[6] Therefore, sanitary sewer capacity would not constitute a constraint that would reduce the realistic development capacity of the identified housing sites.

2. Environmental Constraints

This section analyzes environmental constraints, including geology and soils, biological resources, hazards and hazardous materials, noise, and cultural resources. There are no potential environmental constraints on any of the identified sites that could reduce realistic development capacity.

a. Geology and Soils

This section analyzes the potential environmental constraints associated with seismic shaking, landslides, and slope instability in Los Gatos.

i. Seismic Shaking

The San Andreas, Shannon, and Monte Vista faults are most likely to produce strong seismic shaking in Los Gatos.[7] The Shannon and Monte Vista faults run through a portion of Los Gatos. Housing developed on the proposed sites would be regulated by the Safety Element of the General Plan and the Town's adopted Building Code and would therefore incorporate mitigation measures that reduce the impact of seismic shaking.

ii. Landslides and Slope Instability

All properties within the Housing Site Inventory are generally level and would not have landslide or slope instability issues. Hillside areas are often prone to having steep slopes and a higher risk for landslides. Therefore, Hillside Residential sites on which second units are constructed under Action HOU-1.2 may also be susceptible to landslides. The General Plan Safety Element regulates hillside development and mitigates any potential impacts associated with developing housing on slopes in

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[6] *Los Gatos Draft 2020 General Plan Environment Impact Report*, 2010, Town of Los Gatos, page 4.14-28.

[7] Town of Los Gatos, 2000, *General Plan 2000 Draft Environmental Impact Report*, page 4.1-10.

Los Gatos. The Town of Los Gatos also requires geotechnical reports by a registered geologist if any land instability issues are identified.

iii. Potential Liquefaction

Liquefaction is the process by which the strength and stiffness of saturated soil is reduced by ground shaking. It is defined as the transformation of a granular material, such as sand and gravel, from a solid state into a liquefied state, as a consequence of increased pore-water pressure. Structures which are constructed on soils which are prone to liquefaction are subject to damage and possible collapse as a result of settlement and lateral spreading due to liquefaction. The Oka Road sites are entirely within a liquefaction zone, according to Figure 4.5-3 of the Town of Los Gatos 2020 General Plan EIR. Portions of the Southbay AHOZ site and the Proposed North 40 Specific Plan area are also within a liquefaction zone.

The Town Code and the California Building Code address construction on sites subject to liquefaction. Potentially unstable soils discovered during excavation are required by provisions of the Town Building Code to be removed and replaced with engineered fill, or otherwise treated to provide appropriate foundation support and to protect them from failures such as liquefaction. Adherence to the Seismic Zone 4 soil and foundation support parameters of the Town Building Code and the grading requirements, as required by Town and State law, ensures the maximum practicable protection available from soil failures, under static or dynamic conditions, for structures and their associated trenches, excavations and foundations.

b. Biological Resources

This section analyzes the presence of potential jurisdictional wetlands, special-status species, and sensitive natural communities on the identified housing sites. Most of the sites considered in this inventory are already developed with other urban uses and thus have low habitat value.

i. Wetlands

According to the U.S. Department of Fish and Wildlife Service National Wetlands Inventory, there are no potential jurisdictional wetlands in Los Gatos. Therefore, wetlands would not impact the realistic development capacity of the housing sites.

ii. Special-Status Species

According to the California Natural Diversity Database (CNDDB), which lists occurrences of special-status plants and animals, there are no known records of federal or State-listed plants in Los Gatos. There are federally listed wildlife species

that are known to occur in the Town. Development on all sites would be regulated by the Environment and Sustainability Element of the General Plan and related State and federal agencies, such as the Department of Fish and Game, which would mitigate any impacts associated with the presence of special-status species.

iii. Sensitive Natural Communities

Development on all sites would adhere to policies in both the Environment and Sustainability and Open Space Elements of the General Plan, which would mitigate any impacts associated with sensitive natural communities.

c. Hazards and Hazardous Materials

This section describes the potential development constraints associated with wildfires, flooding, and hazardous facilities and materials.

i. Fire Hazards

State regulations require that all municipalities address Very High Fire Severity Zone hazards, as defined by the State of California, if they are located within the jurisdiction of that municipality. There are some Very High Fire Severity Zones located in the hillside areas of Los Gatos. Most of the Hillside Residential sites on which second units may be constructed under Action HOU-1.2, are within the Very High Fire Severity Zone. The Los Gatos Lodge AHOZ sites are within the Moderate and High Fire Severity Zones. Second units would be required to meet the same fire prevention and protection requirements imposed by the Town for main structures. These requirements include, but are not limited to, Class A roofing, adequate water pressure, sprinklers, and a 100-foot defensible zone around the structure.

The Los Gatos General Plan addresses areas that are susceptible to potential wildfire hazards. The General Plan provides goals and policies in the Safety Element that regulate housing development so that wildfire hazards would not impact the realistic development capacity of the housing sites. The Hillside Development Standards and Guidelines specifically provide policies that promote fire safety and minimize wildfire hazards. Moreover, all development within fire hazard severity zones must be reviewed by the Santa Clara County Central Fire Protection District, which serves the Town and surrounding communities.

ii. Flood Hazards

The majority of the Town and housing opportunity sites are within the 500-year floodplain. Housing on these sites would be regulated by the Safety Element of the

General Plan and would therefore be designed to mitigate these hazards. Therefore, realistic development capacity would not be reduced by flood hazards.

iii. Hazardous Facilities and Materials

According to the California Department of Toxic Substances Control, there are currently no hazardous sites or facilities, including federal Superfund sites, State response sites, voluntary cleanup sites, or school cleanup sites in Los Gatos. Therefore, the realistic development capacity of the identified housing sites would not be reduced by the presence of any hazardous facilities or materials in Los Gatos. If hazardous facilities or materials are found to be present in Los Gatos, adhering to policies in the General Plan Safety Element and federal and State regulations would reduce any impacts associated with such sites and facilities. Additionally, the Town has a hazardous waste and substances statement supplement for all development applications, which contains a list of sites obtained from the State of California and U.S. Environmental Protection Agency (EPA) Hazardous Waste and Substances Sites List.[8]

d. Noise

Noise from Highways 17 and 85 could potentially affect development on the Oka Road sites and Southbay AHOZ site. Noise from Los Gatos Boulevard could potentially affect development in the North 40 Specific Plan area. The Oka Road sites could also be potentially affected by noise from the active railroad line parallel to and south of Highway 85. The Noise Element of the General Plan regulates noise levels and design standards for development that mitigate such noise impacts. Therefore, realistic development capacity would not be affected.

e. Air Quality

The California Air Resources Board (CARB) recommends that new residential construction be set back 500 feet from freeways to avoid chronic health effects from air pollution exposure.[9] The CARB's setback recommendation is general and does not distinguish between different types of freeways in California or the prevailing dispersion conditions that are site specific. When siting new sensitive receptors, such as residences, the Bay Area Air Quality Management District (BAAQMD) Air Quality Guidelines advise that lead agencies examine existing or

[8] Town of Los Gatos website, Development Review Application package, http://www.losgatosca.gov/DocumentCenter/View/361, accessed September 25, 2014.

[9] California Air Resources Board, 2005, *Air Quality and Land Use Handbook: A Community Health Perspective*, page 4.

future proposed sources of TAC and/or $PM_{2.5}$ emissions that would adversely affect individuals within a planned project. Site planning methods and building design features, such as filtration systems, could reduce potential impacts associated with air pollution.

Proximity of new housing to roadways with more than 10,000 vehicles per day (including Highway 17, Highway 85, and Los Gatos-Saratoga Road) could potentially pose health risks associate with air pollution. Potential housing projects on the Oka Road sites would be adjacent need to be evaluated to determine whether they exceed the BAAQMD screening thresholds for cancer risks and $PM_{2.5}$. If so, BAAQMD's CEQA guidelines would recommend that future development projects on these sites conduct a site-specific Health Risk Assessment to determine whether proposed housing would expose sensitive receptors to significant risks, prior to approval of a specific housing project on these sites.

f. Cultural Resources

According to the 1999 Los Gatos General Plan Update Initial Study, potential Native American archaeological sites are typically located near creeks in Los Gatos. An archaeological evaluation would be required for development on the Oka Road sites near Los Gatos Creek.

TABLE 6-4 **EXISTING SECOND UNITS IN LOS GATOS**

Date Permit Issued	Address	APN	No. of Units
9/2/1965	238 Almendra Ave	510-14-017	1
12/12/1979	16230 Shannon	532-02-074	1
2/10/1982	11 Euclid	529-30-055	1
2/6/1985	88 Fairview Plaza	510-43-013	1
5/20/1985	15880 Rose	410-19-036	1
6/24/1985	252 San Mateo (Unit 630)	410-14-001	1
7/1/1985	742 Bicknell Rd	407-07-011	1
7/10/1985	4 Palm	510-42-042	1
8/19/1985	156 Highland	529-36-024	1
8/26/1985	4 Monroe Court	529-09-021	1
8/26/1985	115 Broadway	510-45-077	1
8/26/1985	550 University	529-09-005	1
8/26/1985	117 Broadway	510-45-076	1
8/26/1985	60 Rogers	529-33-003	1
8/26/1985	125 Greendale	424-13-031	1
8/26/1985	138 Loma Alta	532-29-035	1
8/29/1985	18 Peralta	510-42-031	1
9/16/1985	122 Los Gatos	532-29-079	1
9/16/1985	15980 Rose	410-19-017	1
10/6/1985	15825 Union	523-42-010	1
10/6/1985	139½ Wissahickon	510-400-004	1
10/6/1985	269 Los Gatos	529-24-018	1
10/11/1985	15690 Winchester	424-27-015	1
10/11/1985	33 College Ave	529-29-019	1
10/11/1985	16904 Kennedy	532-35-074	1
10/11/1985	16400 Bonnie Ln	532-02-072	1
10/14/1985	229 Johnson Ave	532-28-025	1
10/14/1985	80 Broadway	510-45-026	1
10/14/1985	185 Loma Alta	532-29-036	1
10/14/1985	26 Montgomery	410-17-053	1
10/14/1985	15910 Union	527-42-009	1
10/14/1985	128 Harding	532-36-037	1
10/14/1985	16900 Cypress Way	532-23-053	1
10/14/1985	233 Harding	532-35-011	1
10/14/1985	25 Bayview Ave	510-42-009	1
10/15/1985	37 Broadway	510-45-058	1
10/17/1985	33 Glen Ridge	510-42-023	1
10/17/1985	218 Massol Ave	510-17-015	1
10/17/1985	51 Ellenwood	510-19-011	1
10/22/1985	15895 Union	523-42-014	1
11/1/1985	156 Loma Alta	532-28-028	1
11/1/1985	17121 Wild	424-30-080	1
11/1/1985	52A Hernandez	510-19-058	1
11/1/1985	17390 High	532-23-047	1
11/5/1985	16494 Harwood Rd	567-19-027	1
11/15/1985	14850 Blossom Hill Rd	527-18-011 (012 & 013)	1
11/25/1985	312 Bella Vista Ave	529-22-029	1
11/25/1985	16770 Chirco Dr	424-21-021	1
11/26/1985	8 Palm	510-42-044	1
12/6/1985	15854 Edmund	523-23-047	1
12/6/1985	133 Glen Ridge	510-19-032	1
12/6/1985	221 Tait Ave	510-17-005	1
12/6/1985	16623 Shannon	523-05-021	1
12/6/1985	78 Alpine Ave	529-37-024	1
12/6/1985	16170 Camino Del Sol	424-11-005	1
12/8/1985	16920 Farley	529-14-069	1
12/20/1985	15860-B Winchester	529-11-040	1
12/23/1985	113 Wilder	510-18-011	1
12/30/1985	225 Tait Ave	510-17-003	1
1/4/1986	17615 Wedgewood	409-17-009	1
1/5/1986	116 Harding	532-36-035	1
1/6/1986	15129 Lester	424-17-008	1
1/6/1986	68 Chester	529-08-014	1
1/8/1986	51 Ashler	510-15-001	1
1/8/1986	25 Hernandez	510-42-054	1
1/12/1986	513 University	529-07-026	1
1/14/1986	17231 Wedgewood	409-14-005	1
1/14/1986	207 Los Gatos	529-24-031	1
1/14/1986	249 Los Gatos	529-24-022	1
1/15/1986	201 Hollywood	532-37-061	1
1/15/1986	45 Glen Ridge	510-42-022	1
1/15/1986	215 Ambassador Ct	529-32-004	1
1/15/1986	202 Hollywood	532-37-058	1
1/15/1986	546 San Benito	410-15-024	1
1/27/1986	118 University	529-02-014	1
1/29/1986	140 Wilder	510-17-078	1
2/1/1986	16696 Magneson	523-06-021	1
2/1/1986	381 Pennsylvania	510-41-057	1

TABLE 6-4 **EXISTING SECOND UNITS IN LOS GATOS** (CONTINUED)

Date Permit Issued	Address	APN	No. of Units
2/5/1986	205 Johnson Ave	532-29-003	1
2/5/1986	345 Pennsylvania	510-41-065	1
2/5/1986	18481 Overlook	510-40-019	1
2/5/1986	17461 High	532-23-043	1
2/10/1986	16321 Shannon	523-07-038	1
2/14/1986	16331 Short	523-10-004	1
2/18/1986	327 University	529-04-060	1
2/21/1986	333 Los Gatos	529-22-021	1
2/21/1986	44 Broadway	510-45-018	1
2/21/1986	15428 Benedict Ln	424-22-020	1
2/21/1986	15000 Winchester	424-30-045	1
2/21/1986	439 Dardanelli	406-27-003	1
2/21/1986	208 Johnson Ave	529-38-010	1
2/21/1986	16309 Short	523-10-003	1
2/21/1986	16883 Spencer	532-07-045	1
2/21/1986	533 N Santa Cruz Ave	410-15-038	1
3/3/1986	17474 Shelburne	529-11-031	1
3/11/1986	124 Pinta Court	532-13-038	1
3/17/1986	60 Central Ave	529-35-041	1
3/17/1986	17721 Foster	537-03-047	1
3/17/1986	16345 W Mozart	424-45-031	1
3/17/1986	16700 Cypress Way	532-23-057	1
3/17/1986	16615 Ferris Ave	532-07-052	1
3/17/1986	17070 Crescent Dr	532-22-017	1
3/17/1986	151-A Central Ave	529-36-003	1
3/18/1986	213½ Caldwell	529-22-003	1
3/24/1986	311-315 Almendra Ave	510-14-028	1
4/4/1986	15925 Quail Hill	527-02-007	1
4/11/1986	15955 Union	523-42-016	1
4/14/1986	316 Los Gatos	532-36-031	1
4/14/1986	103 Panighetti Pl	532-29-075	1
4/22/1986	122 University	529-02-015	1
5/1/1986	35 Palm	510-41-021	1
5/1/1986	303 Bachman Ave	510-17-082	1
5/19/1986	82-84 Bentley	529-05-031	1
5/19/1986	18 Montgomery	410-17-056	1
5/20/1986	31 Ashler	410-15-006	1
6/5/1986	201 Wilder	510-17-029	1
6/9/1986	9 Chestnut	510-40-136	1
6/11/1986	346 Los Gatos	532-35-026	1
6/23/1986	16371 W Mozart	424-45-034	1
6/23/1986	15090 Blossom Hill Rd	527-16-002	1
6/23/1986	143 Bella Vista	529-25-003	1
6/23/1986	16570 Garden	424-19-039	1
6/23/1986	15626 Francis Oaks	527-10-002	2
6/26/1986	203 Alexander Ave	510-15-009	1
6/30/1986	109½ Tait Ave	510-18-037	1
7/6/1986	76 Alpine Ave	529-37-008	1
7/6/1986	43 Fillmer	532-35-051	1
7/7/1986	16887 Kennedy	532-07-031	1
7/7/1986	15990 Cerro Vista Ct.	537-26-063	1
7/7/1986	564 University	529-09-008	1
7/7/1986	107 Edelen	529-02-022	1
7/28/1986	5 Palm	510-41-024	1
8/4/1986	31-33 Bayview Ave	510-42-008	1
8/14/1986	76 Alpine Ave	529-37-008	1
8/23/1986	15961 Quail Hill	527-02-002	1
9/17/1986	17671 Foster	537-03-037	1
9/19/1986	115 Alpine Ave	529-38-039	1
10/6/1986	475 University	529-07-053	1
12/5/1986	121 & 123 Tait Ave	510-18-034	1
12/5/1986	231A Tait	510-17-083	1
1/12/1987	14742 Eastview	409-27-021	1
1/21/1987	466 University	529-06-018	1
3/8/1987	323 Pennsylvania	510-43-044	1
4/23/1987	209 Belmont	510-15-021	1
5/20/1987	119 Harding	532-35-022	1
5/20/1987	130 Harding	532-36-038	1
5/20/1987	198½ Broadway	510-43-001	1
5/20/1987	16171 Camino Del Sol	424-35-007	1
5/20/1987	138 Wilder	510-17-077	1
5/20/1987	116 Tait Ave	510-18-018	1
5/20/1987	17516 High	532-23-029	1
5/20/1987	251 W Main	510-45-007	1
5/20/1987	34 Ashler	410-14-044	1
5/20/1987	365 Pennsylvania	510-41-060	1
5/20/1987	401 Surmont	527-20-002	1
5/20/1987	500 University	529-08-015	1

TABLE 6-4 **EXISTING SECOND UNITS IN LOS GATOS** (CONTINUED)

Date Permit Issued	Address	APN	No. of Units
5/20/1987	346 Bella Vista Ave	529-22-035	1
5/20/1987	302A Los Gatos	529-24-017	1
5/20/1987	24 Kimble	529-32-016	1
5/20/1987	33 Walnut	510-41-007	1
5/20/1987	115 Panighetti Pl	532-29-076	1
5/20/1987	409 University	529-07-040	1
5/20/1987	1210 Pollard	409-05-018	1
5/20/1987	1220 Pollard	409-05-017	1
5/20/1987	224½ Massol Ave	510-17-017	1
5/20/1987	45 Palm	510-41-054	1
5/20/1987	138 Wood	510-47-027	1
5/20/1987	139 Tait Ave	510-18-030	1
5/20/1987	16982½ Kennedy	532-35-060	1
5/20/1987	90 Highland	529-36-041	1
5/20/1987	16405 Kennedy Rd	532-15-002	1
5/20/1987	138-140 Johnson Ave	529-38-005	1
5/20/1987	56 Oak Grove	529-30-026	1
5/22/1987	17035 Pine Street	529-20-010	1
5/27/1987	45 Whitney	532-29-070	1
6/1/1987	431 University	529-07-037	1
6/12/1987	334 Los Gatos	532-35-024	1
6/16/1987	89 Fairview Plaza	510-43-020	1
6/19/1987	213 Edelen	529-04-021	2
6/29/1987	90 Fairview Plaza	510-43-014	1
7/8/1987	69 Ellenwood	510-20-010	1
7/8/1987	16141 (or 16151) Short	523-09-028	1
7/13/1987	66 Ellenwood	510-20-020	1
7/21/1987	331/331A/333 Bella Vista Ave	529-23-004	2
7/30/1987	39 Bayview Ave	510-42-006	2
8/4/1987	41 Walnut	510-41-006	1
8/4/1987	17082 Summit	424-30-035	1
8/7/1987	17 Glen Ridge	510-42-026	1
8/7/1987	474 Wraight	529-06-032	1
8/14/1987	187 Loma Alta	532-30-044	1
8/31/1987	16660 Cypress Way	532-23-102	2
9/11/1987	46 & 48 Broadway	510-14-019	1
9/14/1987	15 - 15½ Stacia	532-37-002	1
9/16/1987	64 Fairview Plaza	510-43-008	1
9/21/1987	229 Glen Ridge	510-16-003	2
9/28/1987	324 & 326 Bella Vista Ave	529-22-032	1
9/30/1987	16759 Frank	529-15-020	1
9/30/1987	14950 Los Gatos	424-10-003	1
10/14/1987	17216 Buena Vista Ave	424-30-050	1
10/19/1987	17129 Summit	424-30-040	1
10/19/1987	71½ Broadway	510-45-053	1
10/21/1987	25 Grove (AKA 25 Oak Hill Wy)	529-35-004	1
10/27/1987	125 Massol Ave	510-18-058	1
10/30/1987	85 Bentley	529-04-014	1
11/16/1987	15970 Cerro Vista Ct.	537-26-061	1
11/16/1987	13, 15, 17 Montgomery	410-17-011	2
11/17/1987	220 & 221½ Massol Ave	510-17-016	1
11/18/1987	509 Monterey Ave	410-15-051	1
11/18/1987	22 & 24 Glen Ridge	510-42-020	1
11/20/1987	20-B Loma Alta	532-29-019	1
11/23/1987	115½ Wilder	510-18-010	1
11/23/1987	130 Broadway	510-45-078	2
11/24/1987	329 University	529-04-059	1
11/24/1987	111 Loma Alta	532-29-056	1
12/2/1987	309 & 311 W Main	510-45-004	1
12/3/1987	71 College Ave	529-29-041	1
12/3/1987	141 Massol Ave	510-18-061	1
12/7/1987	440 San Benito	410-16-050	1
12/7/1987	423 San Benito	410-17-055	1
12/9/1987	45 Tait Ave	510-44-003	1
12/14/1987	511 University	529-07-027	2
1/6/1988	15520 El Gato	523-23-023	1
1/6/1988	63 Grove	529-35-010	2
1/6/1988	2½ Brickway Ct	529-09-017	1
1/7/1988	100½ Wilder	510-17-069	1
1/22/1988	230 University	529-04-005	2
1/26/1988	80 Highland	529-36-040	1
1/26/1988	23 Kimble	529-33-050	1
1/26/1988	17481 Wedgewood	409-15-024	1
1/28/1988	218 Tait Ave	510-17-034	1
1/28/1988	16720 Magneson Lp	523-06-019	1
2/4/1988	222 Bachman Ave	510-14-051	2
2/4/1988	52 Hernandez	510-20-059	1
2/8/1988	532 San Benito	410-15-058	1

TABLE 6-4 **EXISTING SECOND UNITS IN LOS GATOS** (CONTINUED)

Date Permit Issued	Address	APN	No. of Units
2/23/1988	354 Bella Vista Ave	529-22-037	2
3/1/1988	333-339 W Main	510-45-030	2
3/1/1988	17390 High	532-23-047	1
3/3/1988	10 Montgomery	410-17-057	1
3/3/1988	15830 Winchester	529-11-046	1
3/7/1988	125A & B College Ave	529-51-051	1
3/11/1988	15985 Shannon	527-01-005	1
3/14/1988	455, 457, 459 University	529-07-033	2
3/21/1988	64 Broadway	510-45-023	1
3/22/1988	222 University	529-04-004	1
3/22/1988	215 & 217 Edelen	529-04-020	1
3/22/1988	14970 Blossom Hill Rd	527-16-006	1
3/22/1988	15460 Francis Oaks Wy	527-13-005	1
3/22/1988	222 University	529-04-004	1
3/22/1988	241 San Mateo Ave	410-14-030	1
3/23/1988	218 Tait Ave	510-17-034	1
3/28/1988	15525 Shannon	537-25-005	1
3/28/1988	38 & 40 Oak Hill	529-34-076	1
3/28/1988	432 Los Gatos	532-07-113	1
3/28/1988	16665 Magneson Lp	523-06--23	1
3/29/1988	18 Glen Ridge	510-42-019	1
3/29/1988	14849 Los Gatos	424-07-064	1
3/29/1988	45 Montgomery	410-17-004	1
3/29/1988	95 Wadsworth	510-41-039	1
4/1/1988	205 Bella Vista Ave	529-24-005	1
4/1/1988	335 Johnson Ave	532-28-011	1
4/4/1988	225-227 Bella Vista Ave	529-24-003	1
4/5/1988	17451 High	532-23-044	1
4/18/1988	15876 Shannon	537-26-009	1
4/19/1988	16 Chestnut	510-40-012	1
4/19/1988	208 Carlester	424-16-024	1
4/19/1988	14731 Winchester	409-23-003	1
4/19/1988	8 Bayview Court	510-42-047	1
4/28/1988	439 Los Gatos	529-20-007	1
4/29/1988	301-A Los Gatos	529-22-027	1
5/11/1988	14610 Quito	407-14-003	1
5/19/1988	56 Broadway	510-45-021	1
6/19/1988	14331 Capri Dr	406-32-004	2
6/27/1988	54 Los Gatos	532-29-017	2
7/10/1988	17045 Pine Street	529-20-011	1
8/17/1988	477 University	529-07-029	2
8/31/1988	475 San Benito	410-17-046	1
10/10/1988	16494 Harwood Rd	567-19-027	1
10/20/1988	14737 Eastview	409-30-021	1
11/21/1988	17590 Bruce Ave	410-12-019	1
11/21/1988	17620 Bruce Ave	410-12-016	1
12/1/1988	17175 Wedgewood	409-14-002	1
12/7/1988	15736 Winchester	424-27-011	1
12/7/1988	101-105 Highland Oaks	424-18-034	1
12/7/1988	148 Loma Alta	532-28-066	1
12/7/1988	124 Edelen	529-02-036	1
12/7/1988	74 Broadway	510-45-025	1
12/13/1988	129 New York	529-25-010	1
12/13/1988	425 Monterey	410-16-034	1
12/13/1988	225-227 Wilder	510-17-024	2
12/13/1988	104 Edelen	529-02-024	1
12/13/1988	16250 Blossom Hill Rd	523-07-003	1
12/18/1988	80 Fairview Plaza	510-43-012	2
12/21/1988	114 Edelen	529-02-026	1
12/21/1988	100 Wood	510-47-029	2
12/28/1988	16795 Leroy	529-15-085	2
12/28/1988	12 Montgomery	410-17-056	1
12/28/1988	39 Fillmer	532-35-052	1
12/28/1988	311 Johnson Ave	532-28-017	1
12/28/1988	101 Broadway	510-45-041	1
12/28/1988	15 Oak Hill	529-35-006	1
12/31/1988	119 Panighetti Pl	532-29-078	1
12/31/1988	412 University	529-06-008	2
12/31/1988	15300 Kennedy Rd	537-15-028	1
12/31/1988	138 Stacia	532-29-091	1
1/13/1989	17915 Foster Rd	537-03-078	2
1/19/1989	431 San Benito	410-17-054	1
1/31/1989	318 Los Gatos	532-36-032	1
1/31/1989	101/103/103A Fairview Plaza	510-43-017	2
3/1/1989	19 Glen Ridge	510-42-025	1
4/4/1989	15894 Winchester	529-11-038	1
4/11/1989	202 Bella Vista Ave	529-24-007	1
5/19/1989	103 University	529-03-011	1

TABLE 6-4 **EXISTING SECOND UNITS IN LOS GATOS** (CONTINUED)

Date Permit Issued	Address	APN	No. of Units
5/20/1989	16737 Leroy	529-15-030	1
6/23/1989	103 Edelen	529-02-023	1
6/23/1989	49 Los Gatos	529-26-007	2
7/8/1989	207 & 209 Edelen	529-04-022	1
10/4/1989	30 Tait Ave	510-44-059	1
12/20/1989	131 Wilder	510-18-006	1
2/10/1990	16900 Roberts	529-18-006	1
2/21/1990	16810 Farley Rd	529-15-001	1
3/20/1990	45 Broadway	510-45-057	1
10/25/1990	111 & 113 Edelen	529-02-021	1
12/5/1990	240 & 242 University	529-04-007	2
12/5/1990	244 University	529-04-092	1
1/25/1991	42 Wadsworth	510-41-043	1
4/2/1992	529 San Benito	410-18-016	2
11/10/1993	131 Broadway	510-45-037	1
9/14/1995	16725 Shannon	523-06-005	1
12/23/1997	722 Bicknell Rd	407-07-006	1
6/19/1998	141 & 143 College Ave	529-31-091	1
7/15/1998	16085 Shannon	523-10-006	1
5/13/1999	10 Reservoir	529-29-039	2
5/13/1999	16463 Ferris	532-07-041	1
6/13/2001	365 Broadway	510-45-054	1
7/17/2001	11 Peralta	510-42-039	2
7/17/2001	228 Los Gatos	532-37-006	1
3/3/2004	408 Bella Vista Ave	529-21-037	1
9/20/2004	15401 Francis Oaks	527-11-003	1
4/20/2005	216 Almendra Ave	510-14-014	1
12/13/2006	14680 Quito	407-14-001	1
2/8/2008	246 Harding	532-36-068	1
3/12/2008	15040 Los Gatos	424-35-020	1
6/27/2008	110 Highland	529-36-034	1
11/25/2009	159 Stacia	532-31-024	1
4/12/2010	140 Cleland	529-34-107	1
6/29/2010	106 Tait Ave	510-18-016	1
11/5/2010	18 Palm	510-42-052	1
1/19/2011	202 Tait Ave	510-17-030	1
2/1/2011	16755 Chirco Dr	424-20-034	1
2/23/2011	16161 Short	523-09-029	1
2/28/2012	16200 Shannon	532-02-024	1
8/22/2012	255 Los Gatos	529-24-021	1
8/24/2012	100 Montclair	407-11-007	1
3/14/2013	111 Belwood Gateway	527-31-019	1
11/18/2013	175 Prospect Avenue	529-33-013	1
Date not specified	525½ University	529-07-025	4
Date not specified	14271, 14273, 14275 Mulberry	409-15-015	5
Date not specified	509 Monterey Ave	410-15-051	1
Date not specified	39 Reservoir Rd	529-33-022	2
Date not specified	321 & 323 Los Gatos	529-22-024	1
Date not specified	114 Nina Ct	532-13-065	1
Date not specified	16433 Peacock	532-02-054	1
TOTAL UNITS	**400**		

Source: Town of Los Gatos, 2014.

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Town of Los Gatos
2015-2023 Housing Element

for the Town of Los Gatos