



**TOWN OF LOS GATOS  
PLANNING COMMISSION  
REPORT**

MEETING DATE: 11/11/2020

ITEM NO: 3

DATE: November 6, 2020  
TO: Planning Commission  
FROM: Joel Paulson, Community Development Director  
SUBJECT: Requesting a Zoning Consistency Determination and Approval of a Conditional Use Permit (U-20-009) for a Bank (Charles Schwab Community Banking and Investment Services) on Property Zoned C-2:LHP:PD. Located at 35 University Avenue. APN 529-02-044. Property Owner: SRI Old Town LLC. Applicant: Amber DeMaglio.

**RECOMMENDATION:**

Consider a zoning consistency determination and approval of a Conditional Use Permit (U-20-009) for a bank (Charles Schwab Community Banking and Investment Services) on property zoned C-2:LHP:PD, located at 35 University Avenue.

**PROJECT DATA:**

General Plan Designation: Central Business District  
Zoning Designation: Central Business District with a Landmark and Historic Preservation Overlay, C-2:LHP  
Applicable Plans & Standards: General Plan and Commercial Design Guidelines  
Parcel Size: 4.18 acres (182,080 square feet)  
Surrounding Area:

	Existing Land Use	General Plan	Zoning
North	Commercial	Central Business District	C-2:LHP
East	Commercial	Central Business District	C-2:LHP
South	Commercial	Central Business District	C-2:LHP
West	Parking Lot	Central Business District	C-2:LHP

**PREPARED BY:** Sean Mullin, AICP  
Associate Planner

Reviewed by: Planning Manager and Community Development Director

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SUBJECT: 35 University Avenue/U-20-009

DATE: November 6, 2020

CEQA:

The project is Categorical Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities. No significant effect on the environment will occur since the project uses an existing structure with no increase in floor area.

FINDINGS:

- The project is Categorical Exempt pursuant to the adopted Guidelines for the Implementation of California Environmental Quality Act, Section 15301: Existing Facilities. No significant effect on the environment will occur since the project uses an existing structure with no increase in floor area.
- As required by Section 29.20.190 of the Town Code for granting approval of a Conditional Use Permit application.

ACTION:

The decision of the Planning Commission is final unless appealed within ten days.

BACKGROUND:

Citing the evolving nature of the traditional banking industry, the applicant requests a zoning consistency determination from the Planning Commission for a bank (Charles Schwab Community Banking and Investment Services) and seeks approval of a CUP for the use.

PROJECT DESCRIPTION:

A. Location and Surrounding Neighborhood

The subject property is located on the west side of University Avenue (Exhibit 1) and is developed with the Old Town Shopping Center commercial buildings. The subject vacant 5,337-square foot tenant space is located on the ground floor of the northern building adjacent to the corner of University Avenue and Elm Street. The property abuts commercial properties to the north, south, and east, and a parking lot to the west.

B. Project Summary

The applicant requests a zoning consistency determination from the Planning Commission for a bank (Charles Schwab Community Banking and Investment Services) and seeks approval of a CUP for the use.

PROJECT DESCRIPTION (continued):

When reviewing a CUP, the deciding body should consider the information in the applicant's submitted materials (Exhibits 4 through 7); however, the key consideration should be the proposed use since the CUP runs with the land and the operational details can change from owner to owner.

C. Zoning Compliance

The intent of the C-2 or Central Business District zone is to encourage the continuance of a viable and predominantly pedestrian-oriented business district for the Town. The C-2 zone allows for a wide variety of retail, service, entertainment, and administrative activities, which are necessary to serve a large trading area. An office use is allowed in the C-2 zone, but may not be located on the ground floor. A bank use is allowed in the C-2 zone with the approval of a CUP and may be located on the ground floor.

If the Planning Commission determines that the proposed use is a bank, the use would be allowed on the ground floor of the C-2 zone with approval of the CUP.

DISCUSSION:

A. Zoning Consistency Determination

The applicant requests a zoning consistency determination from the Planning Commission for a bank (Charles Schwab Community Banking and Investment Services). Traditionally, businesses that provide investment services have been considered office uses and may not be located on the ground floor in the C-2 zone. The applicant has provided a Project Description (Exhibit 4), Letter of Justification (Exhibit 5), and a letter speaking to zoning consistency (Exhibit 6), all of which describe the proposed use as a bank and cite the evolving nature of traditional banking. The applicant requests that the Planning Commission determine that the proposed use is a bank and seeks approval of the CUP for the use to be located on the ground floor in the C-2 zone.

B. Conditional Use Permit Application

As discussed above, if the Planning Commission determines that the proposed use is a bank, the applicant seeks approval of the CUP for the use. The applicant requests hours of operation of 8:00 a.m. to 6:00 p.m., Monday through Friday; 8:00 a.m. to 4:00 p.m., Saturday; and closed, Sunday. The applicant has provided a Project Description (Exhibit 4), Letter of Justification (Exhibit 5), and a letter speaking to zoning consistency (Exhibit 6), all of which describe the operational details of the proposed use.

DISCUSSION (continued):

C. Traffic and Parking

The site was previously a retail use with a parking requirement of one space for every 300 square feet of floor area, or 18 spaces. A bank requires one space for every 250 square feet of floor area, or 22 spaces. The site is part of the Old Town Shopping Center, which provides parking through 215 spaces onsite and 464 spaces in the Parking Assessment District (PAD). Based on an analysis of the existing uses in the Old Town Shopping Center, the additional four spaces required for the proposed use would be accommodated through the surplus spaces located onsite and in the PAD.

D. Conditional Use Permit Findings

If the determination is made that the proposed use is a bank, the Planning Commission must make the following findings in order to grant approval of a CUP:

1. The proposed use of the property is essential or desirable to the public convenience or welfare; and
2. The proposed use would not impair the integrity and character of the zone; and
3. The proposed use would not be detrimental to public health, safety, or general welfare; and
4. The proposed use of the property is in harmony with the various elements or objectives of the General Plan and the purposes of the Town Code.

With regards to the first finding, the use will relocate an existing banking and financial service business to a new location in the Central Business District. With regards to the second finding, the use will not impair the integrity of the zone because limitations will be placed in the conditions of approval to preserve the character of the Central Business District zone. With regards to the third finding, the use will not be detrimental to public health, safety, or general welfare because the conditions of approval will address any potential impacts. With regards to the final finding, the proposed use meets the objectives of the General Plan and Town Code as discussed within this report.

E. General Plan

A bank use is consistent with the Central Business District General Plan land use designation for the property with the approval of a CUP. A bank would support the mixture of community-oriented commercial goods, services, and lodging unique to the Central Business District and would maintain the small-town character of the downtown area.

The goals and policies of the 2020 General Plan applicable to this project include, but are not limited to:

DISCUSSION (continued):

- Policy LU-1.8 Commercial development of any type (office, retail, research and development, etc.) shall be designed in keeping with the small-town character of Los Gatos.
- Policy LU-2.1 Minimize vehicle miles traveled for goods and services by allowing and encouraging stores that provide these goods within walking distance of neighborhoods in Los Gatos.
- Policy LU-9.2 Maintain a variety of commercial uses, including a strong Downtown commercial area combined with Los Gatos Boulevard and strong neighborhood commercial centers to meet the shopping needs of residents and to preserve the small-town atmosphere.

F. CEQA Determination

The project is Categorical Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15301: Existing Facilities. No significant effect on the environment will occur since the project uses an existing structure with no increase in floor area.

PUBLIC COMMENTS:

Written notice was sent to property owners and tenants within 300 feet of the subject property. Public comments received before 11:00 a.m., Friday, November 6, 2020, are included as Exhibit 8.

CONCLUSION:

A. Summary

The applicant requests a zoning consistency determination from the Planning Commission for a bank (Charles Schwab Community Banking and Investment Services) and seeks approval of the CUP for the use to be located on the ground floor in the C-2 zone.

No additional square footage is proposed; therefore, there will be no increase in traffic impacts. The increased parking requirement will be accommodated with surplus spaces available onsite and in the PAD. A bank use would be in conformance with the Town Code and consistent with the General Plan.

B. Recommendation

Staff recommends that the Planning Commission review the application materials and determine whether the proposed use is a bank. If the Commission determines that the use

CONCLUSION (continued):

is a bank, based on the analysis above staff recommends approval of the CUP subject to the recommended conditions of approval (Exhibit 3). If the Planning Commission finds merit with the proposed project, it should:

1. Make the determination that the proposed use is consistent with a bank; and
2. Make the finding that the proposed project is categorically exempt, pursuant to Section 15301 of the California Environmental Quality Act as adopted by the Town (Exhibit 2); and
3. Make the findings as required by Section 29.20.190 of the Town Code for granting approval of a CUP (Exhibit 2); and
4. Approve CUP application U-20-009 with the conditions of approval attached in Exhibit 3.

C. Alternatives

Alternatively, the Commission can:

1. Continue the matter to a date certain with specific direction; or
2. Approve the application with additional and/or modified conditions; or
3. Deny the application.

EXHIBITS:

1. Location map
2. Required Findings for Conditional Use Permit
3. Recommended Conditions of Approval
4. Project Description
5. Letter of Justification
6. Zoning Consistency Determination Letter
7. Floor Plan
8. Photos
9. Public Comment received by 11:00 a.m., Friday, November 6, 2020