



MEETING DATE: 10/15/2012  
STUDY SESSION

**COUNCIL AGENDA REPORT**

DATE: October 10, 2012  
TO: MAYOR AND TOWN COUNCIL  
FROM: GREG LARSON, TOWN MANAGER

A handwritten signature in black ink, appearing to read "Greg Larson", written over the printed name.

SUBJECT: AFFORDABLE HOUSING OVERLAY ZONE STUDY SESSION  
DISCUSS AND PROVIDE FEEDBACK REGARDING THE AFFORDABLE HOUSING OVERLAY ZONE (AHOZ), INCLUDING DEVELOPMENT STANDARDS AND DESIGN AND SITE GUIDELINES FOR FIVE PROPERTIES AT VARIOUS LOCATIONS IN LOS GATOS GENERALLY LOCATED AT: THE CORNER OF CAPRI AND KNOWLES; ONE PROPERTY EAST OF WINCHESTER AND KNOWLES; THE WEST SIDE OF OKA ROAD; AND TWO ON THE EAST SIDE OF OKA ROAD. THE ASSESSOR'S PARCEL NUMBERS ARE: 406-28-032, 424-32-069, 424-08-074, 424-08-057, and 424-08-021.

BACKGROUND:

State law requires local governments to adequately plan to meet their existing and projected housing needs, including their share of the regional housing need, which is known as the Regional Housing Needs Assessment (RHNA). Housing law is the State's primary market-based strategy to increase housing supply, affordability and choice. The law recognizes that in order for the private sector to adequately address housing needs, local governments must adopt land-use plans and regulatory programs, such as the AHOZ, that provide opportunities for housing development.

While State law specifies the analyses, assessments, and programs required for Housing Elements, it defers to the local government on how it meets its fair share of regional housing needs. Often local governments will rezone residential, industrial or commercial lands to high density residential to meet the fair share housing numbers.

As an alternative to large scale rezoning, the Town chose to develop an affordable housing overlay zone (AHOZ), which is a relatively new concept that is gaining interest, particularly in built-out communities. In March 2012, the Town Council adopted the 2007 – 2014 Housing Element, which included Action Item HOU-2.1. HOU-2.1 requires the Town to amend the

PREPARED BY: <sup>per</sup> Wendie R. Rooney, Strategic Project Director

Reviewed by: BS Assistant Town Manager PK Town Attorney \_\_\_\_\_ Finance

Town Code to include an Affordable Housing Overlay Zone consistent with the following action item:

HOU-2.1: Affordable Housing Overlay Zone: Amend the Town Code to include an Affordable Housing Overlay Zone (AHOZ), which will permit development of a property with owner-occupied or rental units at densities of a minimum of 20 units per acre by right, without discretionary review, and amend the zoning map to apply the AHOZ to each site identified in the Housing Sites Inventory while leaving the existing zoning in place as the base zone. The Town will develop new development standards specific to the AHOZ that allow for a minimum of 20 dwelling units per acre. These development standards will be similar to standards found under the RM zone such as:

- ◆ Allowing for a building height of at least three stories;
- ◆ Requiring no more than 1.5 parking spaces per unit; and
- ◆ Ensuring that the project design is compatible with its surroundings.

A landowner may choose to develop a property consistent with either the base zoning or the AHOZ. The Town will monitor the development of sites within the AHOZ. If sites are developed without use of the overlay, the Town will designate additional AHOZ sites as needed. The AHOZ will include the following incentives and requirements:

- ◆ Require that a minimum of 50 percent of housing units be affordable to households at the moderate income level and below for housing projects in the AHOZ;
- ◆ Allocate 20 percent of the Los Gatos Redevelopment Agency Housing Set-Aside Funds and the Town's BMP funds for affordable housing projects in the AHOZ; and (This is no longer applicable due to the dissolution of Redevelopment Agencies and will be removed in the final Element).
- ◆ Defer building plan check and inspection fees until units in an AHOZ project are occupied.

The AHOZ does not result in rezoning the properties. The property owners have the right to develop the properties under the existing zoning and General Plan designation or use the AHOZ development standards, but not a combination of both. The AHOZ contains development standards (setbacks, building heights, parking ratios, etc.), densities, affordability targets or ratios, incentives, and architectural and site standards. The development standards, densities and affordability ratios vary on each of the five AHOZ sites. The AHOZ is applied to the following five properties (Attachment 1):

| <b>Property</b>                     | <b>Location</b>               | <b>Assessor's Parcel No.</b> | <b>Size (acres)</b> |
|-------------------------------------|-------------------------------|------------------------------|---------------------|
| Former Courthouse and County Office | Knowles Drive and Capri Drive | 406-28-032                   | 5.2                 |
| Southbay Development – rear parcel  | Knowles Drive and Winchester  | 424-32-069                   | 7.1                 |
| Oka Road Site A                     | Oka Road next to JCC          | 424-08-074                   | 6.4                 |

|                   |                         |            |   |
|-------------------|-------------------------|------------|---|
| Oka Road – Site B | Oka Road east of Site A | 424-08-057 | 3 |
| Oka Road – Site C | Oka Road behind Site B  | 424-08-021 | 3 |

These five sites represent a 50 percent reduction in the amount of properties originally identified to have the AHOZ applied to them. The 2007-14 Housing Element was under General Plan Committee (GPC) review when the 2020 General Plan Environmental Impact Report (EIR) was certified in September 2010. The General Plan EIR identified and analyzed the impacts on ten potential sites for AHOZ designation. Through the GPC’s refinement of the AHOZ, five of the 10 properties were removed from the list of potential sites. These properties included Ditto’s Lane, two former South Bay Honda lots, the former Bentley Auto Dealership on Blossom Hill, and the former Swanson Ford site.

It is important to recognize that State Planning and Zoning laws regarding Housing Elements does not require each local government to guarantee construction of the number of units allocated through the RHNA. However, local governments are required to provide adequate opportunities for housing development on suitably zoned sites with available infrastructure. The Town’s adjusted 2007-14 RHNA is 452 units in five income categories, including extremely low, very low, low, moderate and above moderate.

Since November 2011, the GPC has been working with staff and the Town Architect on the AHOZ development and design standards. The GPC finished its work in August 2012, with the completion of the Draft “Affordable Housing Overlay Zone Design Guidelines” (Attachment 15). Implementation of the AHOZ requires Amendments to the General Plan, Town Code Text and Zoning Map to incorporate the development standards. The Planning Commission and the Town Council will consider these applications in December and January.

Finally, based on its review of the draft AHOZ general intent, development standards, and proposed incentives, on September 20, 2012, the State Department of Housing and Community Development certified the Town’s Housing Element as fulfilling State Planning and “Zoning law.

DISCUSSION:

This section will cover the following topics:

1. AHOZ Goals;
2. Application of the AHOZ;
3. AHOZ Development Standards and Affordability Ratios;
4. Incentives and Process for Securing Incentives;
5. Affordable Housing Overlay Zone Design Guidelines; and
6. GPC Review and Recommendation

*October 10, 2012*

1. **AHOZ Goals:** There are four principal goals associated with the AHOZ. The first is to ensure that the Town meets its state housing law RHNA obligation, while reserving other potential AHOZ sites for the next RHNA allocation, which will occur in the 2014 to 2022 cycle. Consequently, the GPC recommended removing a number of the sites that were previously considered for the AHOZ designations. These sites, as well as the remaining recommended AHOZ sites that are not developed in the 2007-14 RHNA Cycle, can be used to meet the upcoming 2014-22 RHNA allocation of 617 units.

The second goal is to create development standards and incentives that offer advantages that are similar or slightly better than the State Density Bonus Program to effectively preclude the use of it on the five AHOZ sites. While meeting the intent of the Housing Element Action HOU-2.1, the GPC carefully considered the maximum density that each of the AHOZ sites could accommodate while ensuring neighborhood compatibility, maintaining consistency with the Town's high standards for new development, and minimizing impacts, such as traffic and schools. The addition of up to a 35% density bonus from the State Density Bonus Program could result in densities that would be inconsistent with the Town's goals of neighborhood compatibility, quality development, and minimizing impacts. The communities of Corte Madera and Tiburon successfully used this same approach with their AHOZ, and as noted, the State Department of Housing and Community Development has certified the Town's Housing Element which clearly articulated this goal. If a developer were to request the State Density Bonus Program, the density bonus would be based on the property's underlying density rather than the AHOZ.

The third goal is to ensure that AHOZ development would have the same architecture and site qualities of existing Town residential projects. Consequently, the Town Architect prepared, for the GPC's review and consideration, Architectural and Site standards that will be used to guide and evaluate new development. In addition to providing site planning, parking, private open space, architecture and landscaping standards, the Affordable Housing Overlay Zone Guidelines demonstrate that each of the sites can accommodate a variety of housing types at various densities.

Consistent with the Town's philosophy of creating mixed income housing developments, the fourth goal is to require that each of the sites contain residential units that meet all required RHNA income categories. Consequently, each site is required to provide units for very low and below, low, moderate and above moderate income residents.

2. **Application of the AHOZ:** The AHOZ was specifically designed to not rezone the five properties where the overlay is applied. By leaving the existing zoning intact, the property owner is able to develop either under the existing zoning and applicable development standards or under the AHOZ, but not a combination of both. In the case of the five properties, the Courthouse is zoned Office, Southbay Development is zoned Commercial Manufacturing, and the three Oka Road properties are zoned residential. With the exception of the Courthouse property, the AHOZ also does not replace any of the existing General Plan Designations. As a former public institutional use, the

Courthouse property has a Public General Plan Designation. It is recommended that this property be changed to an Office General Plan Designation concurrent with the General Plan Amendment to incorporate the AHOZ into the Housing Element. The Office designation is more consistent with the surrounding uses to the west and north and will allow either office or residential development consistent with the Town Council's intent for the property. The Council formally documented its intent for this property through Resolution 2011-063 (Attachment 2).

To further encourage the property owner to utilize the AHOZ, the Town is processing all the necessary applications to implement the AHOZ, including the General Plan Amendment to the Housing Element to establish the overlay, a text amendment to the Town Code to incorporate the AHOZ development standards and affordability ratios, and a Zoning Map amendment to incorporate the AHOZ overlay on the five properties. As noted above, a General Plan Amendment to redesignate the former Courthouse and County office building property is also proposed with the implementation actions.

Lastly, the Town has processed an Addendum to the General Plan Environmental Impact Report (EIR) to assess whether the removal of five of the previously identified 10 sites from the AHOZ and the potential additional units on two of the remaining five sites through granting a density bonus and higher base density on the Southbay Development site would create any additional impacts that were not anticipated in the General Plan EIR. A traffic analysis was conducted and the removal of the five sites and the potential additional units on the Southbay Development and Courthouse properties resulted in a maximum of seven additional units over the number that was studied in the General Plan EIR. No new impacts were identified, and accordingly the Town is processing an Addendum to the EIR.

If the aforementioned actions are approved, an AHOZ site applicant would be responsible for processing an Architecture and Site application and any applicable site-specific environmental documentation.

3. **AHOZ Development Standards and Affordability Ratios:** Attachment 3 contains a table of the proposed key development standards and affordability ratios. Using the Town's existing Multi-family (RM) development standards as a starting point, the GPC thoroughly analyzed each of the five sites and made adjustments to the development standards as needed in response to the surrounding neighborhood character, transit accessibility, site characteristics and AHOZ goals. The GPC recommended using the RM standards for lot coverage and property setbacks. The GPC further suggested some minor changes to the RM building height to allow extra height for garages that are integrated into the structure (first floor of a 3-story Townhome, subterranean, or podium) and to the parking standard. As discussed further in the "Incentives Subsection," a potential developer would be allowed to modify some of the development standards if it is selected as one of the automatically granted incentives.

The affordability ratios were determined based on the RHNA income allocation and the Town's long standing policy of creating mixed income developments. The GPC recognized that the subsidized units may be smaller and have less amenitized interiors, but the exteriors would be consistent with the non-subsidized units in terms of quality of materials and architectural style. The GPC recommended that the Town allow minor adjustments to the affordability ratios for each of the sites if needed to help make a viable project, as long as the overall RHNA income ratios allocated to the Town are achieved.

The GPC recommended two additional modifications to the development standards. As noted in Attachment 3, the GPC recommended allowing flexibility in cases where increased building height may be appropriate, such as the Southbay Development site, which is adjacent to the taller Aventino Apartments and Netflix developments. The GPC recommended deferring a decision on whether to grant additional height to the Planning Commission during the Architecture and Site application process. In approving a higher building, the Planning Commission would need to make the following findings:

1. The building massing and dimensional ratios of building components create a harmonious visual balance and contribute to the architectural rhythm; and
2. The height increase is necessary to achieve excellence in architectural design and cannot be accommodated through alternative means such as lowering the building into the ground or reducing overall floor to ceiling heights.

The GPC also recommended deferring to the Planning Commission during the Architecture and Site review process consideration of the plan for integrating the subsidized units with the market-rate units. Although the Town typically requires subsidized or affordable units to be integrated with the market rate units, the Committee recognized that there may be cases where a developer proposes a stand-alone affordable component, such as an affordable senior apartment development, adjacent to the market rate multi-family or single-family units rather than integrating the two types of units. This separation may be needed to ensure the financial feasibility of the plan.

Please see Attachments 4 - 14 for a thorough review of the GPC's discussions during the drafting of the AHOZ.

4. **Incentives and Process for Securing Incentives:** As previously noted, one of the Town's goals for the AHOZ is to provide development standards and incentives to ensure the AHOZ sites offer similar or greater advantages than the State Density Bonus Law. The overall intent is to provide sufficient incentives to a developer who is willing to meet all the AHOZ requirements and to preclude the developer from using the State Density Bonus program in combination with the AHOZ. If a developer wants to use the State Density Bonus program, the density bonus would be based on the property's existing zoning and General Plan designation. By precluding the use of the State Density Bonus Program, the Town is able to better envision the type of development and ensure that it is consistent with existing Town residential development and site and architecture standards.

The State Density Bonus Program requires an automatic granting of up to three incentives. Pursuant to the State Density Bonus law, an incentive is a reduction or waiver in development standards. The GPC is recommending automatically granting four incentives for a development that meets all the stated intents of the AHOZ. The incentives would be selected from the three following categories: (A) Development Standards, (B) Processing Procedures, and (C) Financial. Each is explained in the following and the applicant has full discretion on which incentives to select.

A. Development Standards

- Parking Reduction: allow one space per unit for senior, persons with disabilities and development within 1/4 mile to the proposed Vasona Light Rail Station. Allow a reduction to 1.3 space per unit for the Southbay Development Property due to its proximity to the planned Vasona Light Rail Station.
- Density: Allow up to a 20% density bonus on the Southbay Development and Courthouse Properties.
- Setback Reduction: Allow up to a 50% reduction on not more than two property line setbacks.
- Lot Coverage: Allow an increase in lot coverage up to 50% maximum.

B. Processing Procedures

- Priority processing for Planning and Engineering Division's Architecture and Site review.
- Priority building plan check and inspections processing.

C. Financial Incentives

- Waiver of Planning and Engineering Architecture and Site application fees. This would apply to all fees except for those that are paid to the Town's technical consultants.
- Waiver of building plan check and inspection fees. This would apply to all fees except for those that are paid to the Town's technical consultants.

The offering of financial incentives would be a change to current Town policy. Historically, the Town has not offered financial incentives to encourage any types of land uses. While this would be a change to current Town policy, offsetting financial costs is a very common incentive that municipalities offer to affordable housing developers. The Town could offset the waiver of permit fees with BMP funds or General Fund. Alternatively, the Town could defer the fees until the units sell to reduce the upfront development costs. In this latter case, municipalities generally require payment at the close of escrow for the particular unit.

The GPC further recommended the following processes and procedures to encourage AHOZ development. These would be automatically provided to the applicant.

- Pre-application Conference: The Town would allow (and encourage) pre-application conferences. While this is currently allowed/encouraged, the Town has limitation of how much time staff can spend in this capacity without compensation to the Town. This concept would remove that time restriction for the five AHOZ sites if planned for affordable housing.
  - Deferral of planning, engineering and building fees to final occupancy of the residential units. Currently, these fees are due when the permit is issued.
5. **Affordable Housing Overlay Zone Design Guidelines:** The Guidelines were originally created to demonstrate that a variety of quality residential products of varying densities could be accommodated on each of the five AHOZ sites. The GPC felt that the Guidelines provide a good example of the Town's expectations for the AHOZ. However, the Committee wanted to allow flexibility and not constrain any potential AHOZ developer by requiring that only these types of housing units could be built. The Guidelines provide general sound site planning and architecture direction as well as site specific Guidelines for each of the five properties. The site specific guidelines are in response to each property's physical setting, the surrounding neighborhood, nearby uses, and environmental constraints, such as traffic and schools. Finally, the Guidelines are intended to help direct the applicant's architecture and site planning design process and would be used by staff and the decision makers when reviewing an AHOZ Architecture and Site application.
6. **GPC Review and Recommendation:** The GPC spent considerable time analyzing and discussing the various concepts presented in this report. In all, the GPC held 11 meetings between November 2011 and August 2012. All meetings were advertised and generally did not have many public members attend. The Committee heard presentations from affordable housing developers and potential AHOZ developers. The Committee spent considerable time discussing and debating the various housing types presented in the Guidelines and ultimately decided to not remove any of the examples, but instead encourage potential developers to use the Guidelines as an illustration of the architecture and site planning qualities that the Town will require for future development of these sites.

As previously noted, the minutes from each of these meetings are contained in Attachments 4 - 14. While not every detail was unanimously agreed upon, the Committee found that the AHOZ development standards, incentives, and the architecture and site guidelines meet the Town's goals for the program; the Housing Element Action HOU-2.1; and could result in providing needed quality affordable housing for Town residents. The GPC unanimously recommended approval of the AHOZ implementing actions and the draft "Affordable Housing Overlay Zone Design Guidelines."

CONCLUSION:

The AHOZ meets the Town's goals of the achieving compliance with the RHNA; could provide quality mixed income residential development; and is consistent with the Town's recently adopted and State Certified Housing Element. The GPC spent considerable time thoroughly analyzing and discussing the development standards, affordability ratios, incentives, and architecture and site guidelines. Based on its extensive review and modifications, the GPC ultimately unanimously recommended approval to the Planning Commission and Town Council of the AHOZ implementing actions and the draft "Affordable Housing Overlay Zone Design Guidelines." The formal adoption process will begin in December with a Planning Commission public hearing and Town Council public hearing in January. The implementation of the AHOZ will establish a base from which to develop the next Housing Element that will commence in 2013/2014.

FISCAL IMPACT:

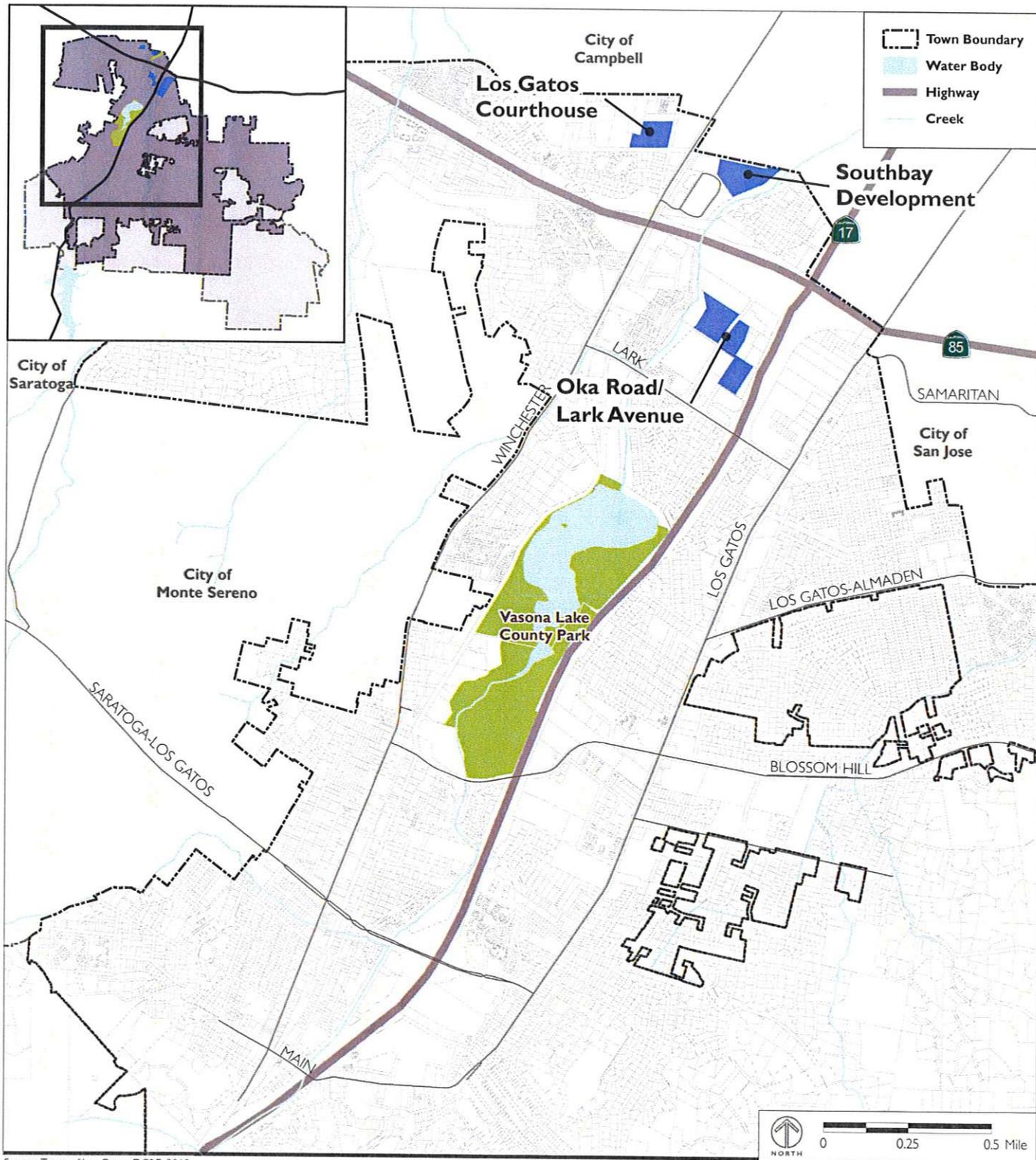
The AHOZ was developed primarily by Town staff with assistance from the Town Architect. The General Plan Implementation Fund was used to finance the "Affordable Housing Overlay Zone Design Guidelines."

Attachments:

1. Housing Element Housing Opportunity Sites (5 AHOZ Sites highlighted in blue)
2. Resolution 2011-063 (Courthouse Property)
3. AHOZ Key Development Standards and Affordability Ratios
4. GPC Minutes November 9, 2011
5. GPC Minute January 25, 2012
6. GPC Minutes February 22, 2012
7. GPC Minutes March 14, 2012
8. GPC Minutes March 28, 2012
9. GPC Minutes April 11, 2012
10. GPC Minutes April 25, 2012
11. GPC Minutes May 9, 2012
12. GPC Minutes May 23, 2012
13. GPC Minutes June 13, 2012
14. GPC Minutes August 8, 2012
15. Draft "Affordable Housing Overlay Zone Design Guidelines"

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Source: Town of Los Gatos, DC&E, 2010.

Site with Residential Development Potential

FIGURE 6-1  
 HOUSING OPPORTUNITY SITES

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**RESOLUTION 2011-063**

**RESOLUTION AFFIRMING THE GENERAL PLAN  
DESIGNATION AND ZONING OF SANTA CLARA COUNTY  
SURPLUS PROPERTY AT 375 KNOWLES DRIVE, APN 406-28-032.**

**WHEREAS**, the General Plan designation for the subject property is Public/Quasi-Public and permitted uses include: schools, libraries, police and fire stations, faith communities, and hospitals; and

**WHEREAS**, the subject property is zoned O-office and permitted uses include: offices, administrative, professional, medical, dental and optical laboratories associated with a professional use, real estate, insurance, stocks and bonds; and other similar office characterized by absence of retail sales; and

**WHEREAS**, in 2010 the Town Council approved a General Plan update that identified the site as a potential affordable housing opportunity; and

**WHEREAS**, any proposed housing project that did not meet the Town's affordable housing overlay zone requirements, would not be a permitted use;

**RESOLVED**, by the Town Council of the Town of Los Gatos, County of Santa Clara, State of California, that the Town of Los Gatos does hereby confirm permitted and preferred uses for future development of Santa Clara County surplus property at 375 Knowles Drive:

**PASSED AND ADOPTED** at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 19th day of September, 2011 by the following vote:

**COUNCIL MEMBERS:**

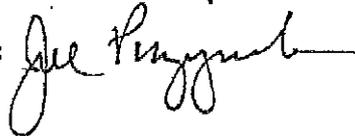
**AYES:** Steven Leonardis, Diane McNutt, Steve Rice, Barbara Spector, Mayor Joe Pirzynski

**NAYS:**

**ABSENT:**

**ABSTAIN:**

**SIGNED:**



**MAYOR OF THE TOWN OF LOS GATOS  
LOS GATOS, CALIFORNIA**

**ATTEST:**



**CLERK ADMINISTRATOR OF THE TOWN OF LOS GATOS  
LOS GATOS, CALIFORNIA**

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## AHOZ Key Development Standards and Affordability Ratios

| Property   | Development Standards |  |   |  | Density (units per acre) | Affordability Ratios   | Maximum Units  |
|------------|-----------------------|--|---|--|--------------------------|--|--|
|            | Lot Coverage          | Building Height  | Property Setbacks   | Parking                                  |                          |  |  |
| Courthouse | 40%                   | 30' with separate garage or 35' with integrate garage <sup>1</sup> | Consistent with RM Standards <sup>2</sup>   | Same as State Density Bonus <sup>3</sup> | 20                       | 30% low and below<br>20% low<br>30% moderate<br>20% above moderate | 104 without density bonus and 125 with density bonus |
| Southbay   | 40%                   | Same as above  | 25' from Knowles, 40' from the creek, 25' from Aventino/Netflix, and west to be determined through A&S. Must maintain a buffer between Aventino | Same as above                            | 30                       | 35% low and below<br>20% low<br>25% moderate<br>20% above moderate | 213 without density bonus and 256 with density bonus |
| Oka Road A | 40%                   | Same as above  | 20' front and north and 10' south side. 20' feet rear or from the flood plain, whichever is more restrictive.                                   | Same as above                            | 20                       | 25% low and below<br>25% low<br>30% moderate<br>20% above moderate | 128 – no density bonus permitted                     |
| Oka Road B | 40%                   | Same as above  | 20' front and rear and 10' sides  | Same as above                            | 20                       | 35% low and below<br>15% low<br>30% moderate<br>20% above moderate | 60 – no density bonus permitted                      |
| Oka Road C | 40%                   | Same as above  | 20' front and rear and 10' sides  | Same as above                            | 20                       | 35% low and below<br>15% low<br>30% moderate<br>20% above moderate | 60 – no density bonus permitted                      |

<sup>1</sup>. An integrated garage is define as one that comprises the first floor of a unit (such as in the case of a Townhome), underground in a cellar/basement configuration, or podium parking. Additional height for architectural projections consistent with Town Code *Section 29.10.090 - Height Restriction, Exception* are allowed through the Architecture and Site Application process. Additional height may be approved through the Architecture and Site Application process based on specified findings.

<sup>2</sup>. The Town's RM standards are: 25 feet front, 20 feet rear, 20 feet from a street side or 8 feet from a non-street side for duplex units and 10 feet from a non-street side for multi-family.

<sup>3</sup>. 0-1 bedroom unit = 1 space; 2-3 bedroom unit = 2 spaces; 4+ bedrooms = 2.5 spaces

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SUMMARY MINUTES OF A REGULAR MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON **NOVEMBER 9, 2011**, HELD AT THE TOWN COUNCIL CHAMBERS LOBBY, 110 EAST MAIN STREET, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:30 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Joe Pirzynski, Barbara Spector, John Bourgeois, Marcia Jensen, Barbara Cardillo, Todd Jarvis, Matthew Hudes

Members absent: Marico Sayoc

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

**VERBAL COMMUNICATIONS:**

*Nick Ulleseit*, member of the public, introduced himself.

**ITEM 1 REVIEW PROPOSED PROCESS FOR DEVELOPMENT AND ADOPTION OF AFFORDABLE HOUSING OVERLAY ZONE (AHOZ) STANDARDS AND GUIDELINES.**

*Wendie Rooney* gave an overview of what the Housing Element is, state law requirements of a Housing Element, Regional Housing Needs Allocation (RHNA), consequences for not having a Certified Housing Element, and what the Town has done.

The Town has identified four site areas for an AHOZ (Los Gatos Courthouse at Capri and Knowles, Southbay Development on Knowles at Winchester Boulevard, three parcels on Oka Road at Lark Avenue and Dittos Lane). To ratify the Housing Element, design guidelines and development standards are required to be prepared for each of the AHOZ areas. The guidelines will be reviewed by the Planning Commission and Town Council. To implement the AHOZ areas, Town Code and General Plan amendments will be required.

It is anticipated that the guidelines and amendments will be completed by June of 2012.

*Heather Bradley* gave an overview of each of the four AHOZ areas.

*Matthew Hudes* questioned if Albright and Riviera Terrace could be counted towards the RHNA numbers.

*Marcia Jensen* asked if the Housing Element is still in flux, why Albright, Riviera Terrace, and the North 40 couldn't be incorporated into the Housing Element as an AHOZ.

*Wendie Rooney* commented that housing for Albright cannot be counted at this time since housing is not permitted at this site until 2016. Riviera Terrace may be possible, but cautioned that the Housing Element may need to be recertified through the state, which is not an easy process. Discussed the scenario of the State's certification of the Housing Element and the Town's status with the Housing Element, and confirmed if no changes are made to the Housing Element, would not need to go back to State.

*Barbara Spector* thought Council's concern was the 20 dwelling units per acre without discretionary review.

*Joe Pirzynski* commented that in terms of why the Town Council stopped the process, Council concerns were in regards to development standards regarding number of stories, parking, 20% from redevelopment set aside funds, and number of affordable units, without discretionary review. Want to assure the State that we will be in compliance and that we can carry over the sites to the next Housing Element if not used.

*Wendie Rooney* commented that pursuant to today's rules, sites could be carried over. Clarified that the Town and architectural consultant will look at the development standards noted in the draft Housing Element.

*Marcia Jensen* questioned why we are doing this if we have a certified Housing Element.

*Wendie Rooney* clarified that the development standards is an action item to be done. As part of this Housing Element the design standards do not need to be reviewed by the State. Council has not adopted the Housing Element.

*Matthew Hudes* questioned what the ramifications of increasing the housing numbers are.

*Wendie Rooney* stated it was to the Town's benefit to use these units in the next Housing Element cycle.

*Barbara Cardillo* questioned that 50% of the units must be affordable.

*Wendie Rooney* commented each site will be evaluated individually. Developer can develop with the underlying zone or as an AHOZ. If a developer went with the underlying zone, the Town's Below Market Price (BMP) program would be required. All income levels must be met.

*Barbara Cardillo* questioned if a maximum number of affordable units would be developed and how senior housing would be part of this.

*Barbara Spector* questioned how low income units needed for AHOZ sites would impact developers wanting to develop the site.

*Wendie Rooney* commented this could be a challenge. Would need to be creative, buy down units, Town support, RDA if still around.

*Barbara Cardillo* asked if seniors who had a low income, but other assets would qualify for affordable housing.

*Wendie Rooney* stated that staff was unsure of whether assets are considered when qualifying individuals for affordable housing. She indicated that staff would research and let the Committee know at the next meeting.

*Barbara Spector* asked if RDA survives, or low income portion of RDA survives, can money be used in these areas.

*Wendie Rooney* confirmed yes, but noted different operating principles.

*Joe Pirzynski* questioned directions and with all the unknowns, what if Town Architectural Consultant Larry Cannon comes back with an analysis based on the Housing Element direction.

*Wendie Rooney* stated that Larry Cannon will study the character of each site, and the Committee will be part of developing the design guidelines for each site.

*Marcia Jensen* expressed concern with being presented with guidelines that they needed to react to.

*Wendie Rooney* commented the Committee will be able to review, pick, and choose what needs to be in the guidelines.

*Barbara Spector* questioned why development standards were being developed. Was this to help mitigate Council's concerns about the discretionary review?

*Joe Pirzynski* questioned if Larry Cannon says two stories is compatible for the courthouse site, and design standards says two stories, can developer come in with three stories to meet the housing need?

*Wendie Rooney* clarified that the developer would need to meet the guidelines, which, if using Joe Pirzynski's scenario would be two stories. Housing units would need to be made up on other sites (identified sites or other sites). Guidelines should give a level of comfort to be developed to what the community wants.

*Todd Jarvis* confirmed the objective is to come up with the necessary units and that each site can have its own development standards.

General Plan Committee

November 9, 2011

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*John Bourgeois* commented he does not believe that this can be done in one meeting for each AHOZ.

*Wendie Rooney* reviewed regular upcoming GPC dates. Meeting could start at 5 p.m. Extra dates could be added if needed.

## **ITEM 2 APPROVAL OF MINUTES**

*Joe Pirzynski* made a motion to approve the minutes of September 29, 2010. The motion was seconded by *Barbara Spector* and passed unanimously.

## **ITEM 3 ADJOURNMENT**

The meeting was adjourned at 6:45 p.m.

Prepared by:

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Sandy Baily  
Planning Manager

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TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON **JANUARY 25, 2012**, HELD AT THE TOWN COUNCIL CHAMBERS LOBBY, 110 EAST MAIN STREET, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:05 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Joe Pirzynski, Barbara Spector, John Bourgeois, Marcia Jensen, Barbara Cardillo, Todd Jarvis, Matthew Hudes, Marico Sayoc

Members absent: None

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

Guest Speaker: Jan Lindenthal, Vice President of Real Estate Development for Mid-Peninsula Housing.

**VERBAL COMMUNICATIONS:** None

To allow for the guest speaker to arrive, Item 2 was heard prior to Item 1.

**ITEM 2 REVIEW OF STATE DENSITY BONUS LAW AND TOWN HOUSING ASSISTANCE PROGRAM.**

*Wendie Rooney* gave an overview of the State Density Bonus Law, including history, key provisions, affordability requirements, bonus calculation, incentives and concessions, waiver of development standards, maximum parking ratios, land donation, and a comparison of the Town Housing Assistance program.

*John Bourgeois* asked for clarification on granting concessions.

*Wendie Rooney* replied that a developer must prove that concession is necessary to make the project feasible.

*Todd Jarvis* asked how a developer would demonstrate a need for concessions.

*Wendie Rooney* replied that a developer must prove that without a certain concession, the project would not be economically feasible.

*Joe Pirzynski* asked how a developer would demonstrate economic feasibility that is a vague standard if a developer is able to make that determination.

*Marcia Jensen* commented that as she read the law, a concession is connected to the physical preclusion of the project and a waiver is related to the economic.

*Wendie Rooney* commented that this matter has been discussed with the Town Attorney, and from what has been determined so far, there is not a distinction between the definitions.

*Marico Sayoc* asked if there is a timeline when the concession requests must be asked for by the developer.

*Wendie Rooney* responded that it would typically be at the application stage, but a developer could come back and ask for subsequent request.

*Barbara Spector* asked if that would only be allowed with a new PD application.

*Wendie Rooney* responded that it would be the case with an amendment to an existing PD and Architecture and Site Application.

*Matthew Hudes* asks if Town policy was in place prior to recent State law.

*Wendie Rooney* commented that yes, the Town should have adopted a density bonus law in 2005.

*Sandy Baily* stated that in the past, the Town's BMP program required more affordable housing units than the State law at that time.

*Marico Sayoc* asked for an explanation of Riviera Terrace.

*Wendie Rooney* commented that per the Town's density bonus policy, the affordable units were not counted toward the density.

*Marico Sayoc* asked if there are any references in the General Plan or Housing Element that state if State law is being used, then Town regulation cannot be used in addition.

*Wendie Rooney* responded no, and that the discussion of whether to continue exempting affordable units from the overall density will be addressed within the density bonus ordinance. She further stated that the Town has both inclusionary housing regulations and a density bonus policy that are separate but intertwined, where the Town does not count affordable units in the overall density.

*Marcia Jensen* asked if the Town can opt not to double count the units.

*Joe Pirzynski* commented that his recollection was that density bonuses per the General Plan needed to be executed because State law mandated it was not an "either or" proposition. The Town is bound to execute based on the current General Plan and Housing Element, inclusive of mandatory bonuses to apply Town regulations first then apply State bonus.

*Wendie Rooney* responded that a local jurisdiction has the discretion to either use the State standard solely or apply both the State standard and their own density bonus policies.

*Marcia Jensen* asked if going forward do we or do we not have an option that we're going to use Town regulations.

*Wendie Rooney* commented that staff is expecting to get clarification from Council regarding this matter.

*Matthew Hudes* commented that the Town must create an ordinance that reflects the Housing Element requirements. Is there any reason to have parts of the plan that differ from State law?

*Wendie Rooney* commented that this would be determined when the town adopted the ordinance. She said the Town may opt to use some or all of its existing provisions such as current allowances for greater bonuses on larger projects.

#### **ITEM 1 PRESENTATION BY JAN LINDENTHAL OF MID-PENINSULA HOUSING.**

Jan Lindenthal presented an overview on the challenges of developing affordable housing in the Bay Area and what jurisdictions can do to better facilitate the construction of affordable housing through the Housing Element process.

Jan briefly discussed two Mid-Pen projects in Los Gatos including Open Doors on Parr Avenue and a senior housing 4-plex on Nicholson Avenue. She discussed Mid-Pen's property management responsibilities and the extensive support services they offer residents of their housing developments.

She provided details of the current challenges to constructing affordable housing including: legal and political constraints, environmental constraints, the elimination of redevelopment funding, and foreclosures, which result in a mismatch of housing stock to housing needs. She further provided solutions including gaining local support for projects, educating the community on the issues surrounding affordable housing and pre-zoning of affordable housing sites.

She explained the financial feasibility process and how Mid-Pen secures funding for developments from various sources.

She discussed that higher densities make housing affordable, make the developments more livable and vibrant, and are better for the environment.

She shared several examples of Mid-Pen developments in Santa Clara, San Mateo, and Santa Cruz Counties and discussed Mid-Pen's newest venture in acquisition and rehabilitation of aging apartment complexes and townhome developments.

She explained that to facilitate affordable housing, communities can identify sites at the neighborhood level where increased density makes sense, build coalitions to support appropriate development, educate the community on who needs affordable housing, and support the State in finding permanent sources for affordable housing construction.

*Heather Bradley* discussed items for the next meeting of February 8, 2012, regarding various housing types and densities to get direction on types that should or should not be considered.

*Joe Pirzynski* commented that the GPC is already familiar with housing types and did not think it would be worthwhile to have that discussion.

*Wendie Rooney* commented that if the GPC does not want to have that discussion, then the next GPC meeting would have to be February 22, 2012, as Cannon Design Group will not have the Courthouse site materials ready to go for the February 8 meeting.

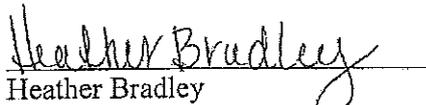
### ITEM 3 APPROVAL OF MINUTES

*Joe Pirzynski* made a motion to approve the minutes of November 9, 2011. The motion was seconded by *Barbara Spector* and passed unanimously.

### ITEM 3 ADJOURNMENT

The meeting was adjourned at 6:45 p.m.

Prepared by:

  
Heather Bradley  
Associate Planner

TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON FEBRUARY 22, 2012, HELD AT THE TOWN COUNCIL CHAMBERS LOBBY, 110 EAST MAIN STREET, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:00 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Joe Pirzynski, Barbara Spector, John Bourgeois, Marcia Jensen, Barbara Cardillo, Matthew Hudes, Marico Sayoc

Members absent: Todd Jarvis

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner; Greg Larson, Town Manager

**VERBAL COMMUNICATIONS:** Verbal Communications were taken out of order and heard at the end of the meeting.

**ITEM 1 REVIEW OF THE DRAFT HOUSING TYPES, SELECTED DEVELOPMENT STANDARDS AND AHOZ ORDINANCE COMPONENTS FOR THE FORMER COUNTY COURTHOUSE AND OFFICE PROPERTY AT 375 KNOWLES**

*Wendie Rooney* gave an overview of the background of the Affordable Housing Overlay Zone (AHOZ) and the purpose of the meeting. She summarized the County Courthouse site, which is one of the six AHOZ sites. Issues covered were the neighborhood context, site development guidelines, and housing types.

*Marico Sayoc* questioned who owned the Courthouse property and the other AHOZ sites.

*Wendie Rooney* stated the County currently owns the Courthouse property; however, it is released a RFP to surplus the properties last fall and potential owners are going through the due diligence process. *Wendie* stated that the other AHOZ sites were privately owned.

*Barbara Spector* questioned the process if someone wanted to apply for a Planned Development (PD).

*Joe Pirzynski* questioned if priority use of the Courthouse property was affordable housing and if housing agencies were offered the property.

*Heather Bradley* stated the property was offered to the Town as first right of refusal. Other public agencies and affordable housing builders were notified of the upcoming sale of the property.

*Matthew Hudes* questioned which school district the property was in.

*Heather Bradley* responded it was Campbell School District.

*Barbara Cardillo* questioned if allocations were going to be made per site.

*Wendie Rooney* stated GPC will look at each property and decide the appropriate allocation; however, the focus for this meeting is the Courthouse property.

*Greg Larson* informed the GPC that per the County's website, it is public record that the highest bidders for the Courthouse site are KT Properties for the two back parcels and El Camino Hospital for the corner parcel.

*Barbara Spector* questioned what the cost of the units would be.

*Wendie Rooney* commented she could not say what they would be sell for, but could state what the maximum income levels would be for qualified residents and noted that most likely there would be market rate units within the development to help subsidize the cost of affordable housing.

*Marcia Jensen* questioned how the housing types were thought out for this site.

*Heather Bradley* commented it was based on neighborhood compatibility. She described housing types in relationship to the existing units.

*Joe Pirzynski* commented that the existing duplexes on the southern side of Knowles do not have their entrances on Knowles Drive, which may have been in conflict with the comment that the Courthouse site should have its entrances facing the street, which is compatible with the neighborhood.

*Wendie Rooney* responded to a question from Joe Pirzynski that multi-family flats were not included as one of the housing mixes, since it was determined to not be compatible with the neighborhood. If GPC felt that product types should be considered, it could be included.

*John Bourgeois* questioned this as well and did not think it should be taken off the table, since there were similar structures in the neighborhood.

*Marcia Jensen* stated from her perspective, small lot single-family did not seem viable for affordable housing.

*Joe Pirzynski* questioned how specific the Town should be to the developer as to the type of housing.

*Wendie Rooney* commented the Town has the discretion at how it wants to use this information. The Town could either use these guidelines to help inform the potential developer of acceptable housing types or this analysis can be used for internal purposes to help the Town's decision makers see how the properties could be developed with 20 units per acre, while maintaining compatibility with the neighborhood.

*Matthew Hudes* commented that the type of housing would depend on whether or not market rate units would be included in the affordable housing development. Mixed incomes would require flexibility with developers.

*Barbara Cardillo* commented that she needs more guidance in criteria in deeming the type of housing. At this moment, we have nothing to judge the housing type.

*Marcia Jensen* questioned if the GPC was going to develop ratios of incomes types.

*Heather Bradley* requested input and direction from the GPC for heights in regards to roof pitches and wall plane heights for architectural character of the development, or should development be consistent with current Town standards.

*Marcia Jensen* requested that the PowerPoint slides that staff wanted input from be forwarded to the GPC for later review.

*John Bourgeois* commented that regulating wall plane heights could stifle an architect's creativity.

*Marico Sayoc* questioned if the justification for looking at different heights was similar to the potential developer of the North 40 discussion for height increase. She questioned if a more appropriate approach would be to review height during the architecture and site process.

*Wendie Rooney* stated we could do that. However, she noted that the Town needs to create a document with enough specificity that it meets the State's intent of the AHOZ.

*Marico Sayoc* questioned how detailed we needed to be. Does height include mechanical equipment?

*Joe Pirzynski* felt that the Town should continue to use the existing height limitation.

*Marcia Jensen* concurred to maintain existing height limitations for the RM zone.

*John Bourgeois* summarized that the entire GPC felt that the existing height limitations should be maintained.

*Heather Bradley* summarized the parking standards of the Town, the State, and what the Town's consulting architect recommended for each type of housing unit. Allowing tandem parking was also recommended by the consulting architect. Input was requested by the GPC.

*Marico Sayoc* questioned if we could use the data from the parking analysis for the Ditto's Lane project.

Staff commented we could provide that information to the Committee.

*Joe Pirzynski* questioned the basis for the Town's architect's parking methodology.

*Marcia Jensen* questioned if the Town is risking certification of the Housing Element if it did not modify the parking requirements.

*Wendie Rooney* explained the Town needs to demonstrate to the State that it is trying to achieve the AHOZ goal's with supporting analysis to justify the regulations.

*Marcia Jensen* wanted clarification from the consulting architect.

*Barbara Cardillo* questioned if the GPC could keep parking regulations the way it is, except when we have a four-bedroom unit, and then use State's requirement of 2.5 spaces.

*Barbara Spector* mentioned it would be helpful to know what the State is requesting or requiring; if we want something different and justify why. She commented that some components of the discussion were missing.

*John Bourgeois* commented that although multi-family flats are not included in the Courthouse analysis, it would still have been helpful to include in the chart for analysis purposes.

*Marcia Jensen* questioned where the recommendations are coming from and commented she did not understand. She disagrees that the Town needs to include guest parking as part of the standards.

*Joe Bourgeois* followed up on Marcia's comments and asked when the State Density Bonus requirements and Town requirements would be applicable.

*Wendie Rooney* clarified that a developer could develop with the underlying zone using the State Density Bonus or they could develop under the Town's AHOZ. If they developed under the AHOZ, staff is recommending precluding use of the State Density Bonus. Consequently, the Town should provide parking requirements that are similar to the State's.

*Heather Bradley and Wendie Rooney* discussed setbacks, density, affordable housing requirements, and ordinance options and components.

**VERBAL COMMUNICATIONS:**

*Mark Tersini* introduced himself and KT Properties as the potential buyer of part of the Courthouse site. The type of affordable project that they found would make sense for the site is senior housing. They are looking at an affordable and market rate townhouse development. They would need a density of 25 units per acre to make it work. He recommended that the GPC provide as much flexibility as it can.

*John Bourgeois* questioned the next steps.

*Wendie Rooney* commented property characteristics and development standards for the Southbay site would be discussed at the next meeting.

*Marico Sayoc* requested if reports could outline what specific decisions were being requested by the GPC.

*Marcia Jensen* wanted charts and bullet points in presentations, not pictures.

*Wendie Rooney* clarified that although the GPC will be discussing the Southbay site, no final decisions (except for height) were made for the Courthouse site.

*Joe Pirzynski* thanked Mark Tersini for his valuable input regarding the property. It would be helpful to get input regarding the other AHOZ sites.

*Barbara Cardillo* commented to only show context of the neighborhoods if it is important for the GPC to make decisions.

*Barbara Spector* commented she was surprised the Southbay's site was planned to be discussed at the next meeting when the Courthouse site has not been resolved.

*Wendie Rooney* commented that the committee has a very limited time line.

*John Bourgeois* commented that once they got through the Courthouse site, the other sites should go much more quickly.

*Joe Pirzynski* stated the need to concentrate on the Courthouse site and not box in all the sites. Recommended to discuss Courthouse site first and be prepared to discuss Southbay site if there is time.

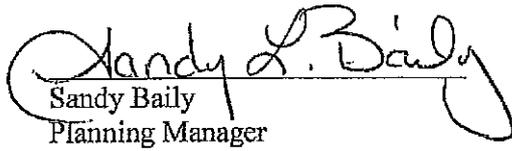
**ITEM 2 APPROVAL OF MINUTES FROM JANUARY 25, 2012**

*Joe Pirzynski* made a motion to approve the minutes from January 25, 2012. The motion was seconded by *Marcia Jensen* and passed unanimously.

**ITEM 3    ADJOURNMENT**

The meeting was adjourned at 6:55 p.m.

Prepared by:

  
Sandy Baily  
Planning Manager

TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON MARCH 14, 2012, HELD AT THE TOWN COUNCIL CHAMBERS LOBBY, 110 EAST MAIN STREET, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:15 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Joe Pirzynski, Barbara Spector, John Bourgeois, Marcia Jensen, Barbara Cardillo, Todd Jarvis, Marico Sayoc

Members absent: Matthew Hudes

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

**VERBAL COMMUNICATIONS:** Verbal Communications were taken out of order and heard at the end of the meeting.

**ITEM 1 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES AND DEVELOPMENT STANDARDS: COURTHOUSE AND SOUTHBAY SITES**

*Wendie Rooney* stated that staff was recommending that the AHOZ review process be bifurcated into two sections. Tonight's meetings will be to complete the review of the AHOZ development standards, affordability ratios, concessions, and other site specific details for each of the five properties. Once the AHOZ standards are completed, the Committee will review the general architecture and site guidelines.

*Wendie Rooney* gave overview of the Town Council's recent action to ratify the Housing Element with the elimination of the Dittos Lane AHOZ. The basis for the elimination of this site was due to neighborhood concerns and that the Dittos Lane subcommittee did not define a density that would be appropriate for the site.

*Wendie Rooney* presented the Excel decision matrix for the Courthouse AHOZ site and explained that the General Plan Committee (GPC) recommendation for each of the topics would be incorporated in the matrix.

*Barbara Cardillo* suggested that the matrix chart identify whether or not the standards meet Town code.

*Joe Pirzynski* questioned how the concessions would work.

*Wendie Rooney* explained that based on the need to create sufficient incentives for the AHOZ sites to preclude the use of the State Density Bonus, staff is recommending four automatic concessions, which is one more than the State Density Bonus Law. Staff is further recommending that if more than four are requested, the applicant would need to process a PD Application, which pursuant to Town procedures, is the process to allow unlimited exceptions from Town standards. *Ms. Rooney* summarized that the GPC would determine whether or not it supported the concession topic presented in the matrix, and if they did agree, how would the consensus be achieved.

The Committee agreed that each topic in the Courthouse Decision Matrix (dated March 14, 2012) would be discussed, and the Committee would make a determination by a raising-of-hand consensus. Consensus summary:

| <u>Topic</u>                    | <u>Consensus</u>      |
|---------------------------------|-----------------------|
| Property Setbacks               | 7-0                   |
| Parking Ratio                   | 6-1                   |
| Density (excluding concession)  | 7-0*                  |
| Lot Coverage                    | 7-0                   |
| Building Heights                | 7-0**                 |
| Courthouse Affordability Ratios | Defer to next meeting |

\* No use of Below Market Price or State Density Bonus units.

\*\* Maximum height includes rooftop mechanical equipment screening. Units with an integrated garage (stacked or subterranean) are allowed up to 35 feet otherwise maximum height is 30 feet. Height is measured per existing Town Code definition. Architectural projections are permitted pursuant to Town Code Section 29.10.090. Any additional height increase request is subject to Architecture and Site review and approval from the deciding body.

#### VERBAL COMMUNICATIONS:

*Owen Lawler* stated they could provide useful information about affordable housing if given an opportunity. Questioned Town's status of its Housing Element.

*Jan Hochhauser* commented that so far, the State's Density Bonus Program sounds more doable for a developer than what is being proposed. Recommended that a comparison of what the Town is proposing and what the State would allow may be helpful to the GPC.

*Mark Tersini* of KT Properties commented they are still pursuing purchasing the Courthouse site and will propose a development that is compatible to the neighborhood.

*John Bourgeois* requested the matrix be emailed to the Committee and requested the Committee to fill in their recommendations prior to the next meeting.

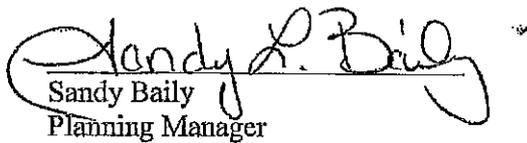
**ITEM 2 APPROVAL OF MINUTES FROM FEBRUARY 22, 2012**

*Marcia Jensen* made a motion to approve the minutes from February 22, 2012. The motion was seconded by *Joe Pirzynski* and passed unanimously.

**ITEM 3 ADJOURNMENT**

The meeting was adjourned at 6:45 p.m.

Prepared by:

  
Sandy Baily  
Planning Manager

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TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON MARCH 28, 2012, HELD AT THE LOS GATOS ADULT RECREATION CENTER, 208 E. MAIN STREET, ROOM 208, LOS GATOS, CALIFORNIA.

The meeting was called to order at 5:05 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Barbara Spector, Joe Pirzynski, John Bourgeois, Marcia Jensen, Marico Sayoc, Todd Jarvis, Matthew Hudes

Members absent: Barbara Cardillo

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

**VERBAL COMMUNICATIONS:**

*Mark Tersini* discussed his meeting with nonprofit groups. Referenced the March 28, 2012, letter he submitted to the Committee. Discussed his concern with the proposed affordability ratios and density for the Courthouse site, and how it would not support a project. They are recommending 50% market rate housing and 50% affordable housing. The senior housing component of their proposal would need an increase in height.

*Owen Lawlor* discussed senior parking ratios and how the moderate category is difficult to achieve. The options discussed could limit the development of the site.

Various Committee members requested clarification of the affordability ratio percentages and the number of units they were using as an example.

*Wendie Rooney* stated that while the Town should develop standards that are realistic from a financial prospective, it also needs to consider other factors such as RHNA numbers and Housing Element goals and policies. *Ms. Rooney* reminded the Committee that the standards under consideration for this AHOZ site are to meet Housing Element goals and not necessarily to meet the project objectives for one potential developer.

**ITEM 1 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES AND DEVELOPMENT STANDARDS: COURTHOUSE AND SOUTHBAY SITES**

*Wendie Rooney* summarized the process and the time frame.

Joe Pirzynski questioned if the Courthouse site could be bifurcated to expedite the process for this site.

Wendie Rooney responded it was possible, but would slow the overall process down. She felt that the applicant could run parallel with this process and could stay in the same timeline as this process. She emphasized that a Conceptual Development Advisory Committee application is an important step for the applicant to take.

The Committee commenced where it left off in the Courthouse Decision Matrix.

Consensus Summary:

| <u>Topic</u>   | <u>Consensus</u>   |
|--|--|
| Affordability Ratios   | 7-0  |
| <u>Concessions</u> <ul style="list-style-type: none"> <li>• Building height increase</li> <li>• Parking</li> <li>• Density<sup>1</sup></li> <li>• Setback reduction<sup>2</sup></li> <li>• Lot coverage</li> <li>• Density transfer</li> </ul>   | 7-0 – Remove as a concession; add staff’s language from the GPC memo for height increases subject to A&S review<br>7-0<br>7-0<br>7-0<br>7-0<br>Need more information on how it would work<br>- Defer to future meeting |
| <u>Concession Processing</u> <ul style="list-style-type: none"> <li>• Pre-application conference</li> <li>• Priority application processing</li> <li>• Priority plan check processing</li> </ul>   | 7-0<br>7-0<br>7-0  |
| <u>Concession Financial</u> <ul style="list-style-type: none"> <li>• Waiver or deferral of planning and engineering application fees<sup>3</sup></li> <li>• Waiver or deferral of building plan check and inspection fees</li> <li>• Waiver or deferral of traffic impact fees</li> <li>• Waiver or deferral of construction mitigation fee</li> </ul> | 7-0 – Agree with staff recommendation with no waiver of Town consultant fees.<br>7-0<br>7-0 – Remove as concession<br>7-0  |
| <sup>1</sup> Allow 20% density bonus with the same affordability ratios applied to the bonus units.<br><sup>2</sup> Maximum of two property line setbacks<br><sup>3</sup> No waiver of Town consultant fees.   |  |

*Wendie Rooney* summarized the Southbay site. Consensus summary:

| <u>Topic</u>      | <u>Consensus</u> |
|-------------------|------------------|
| Property Setbacks | 7-0              |
| Parking Ratio     | 7-0              |

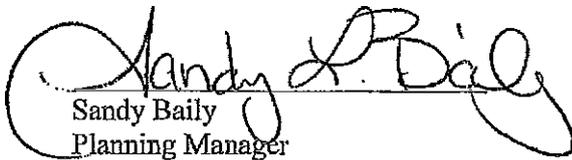
**ITEM 2 APPROVAL OF MINUTES FROM MARCH 14, 2012**

*Marico Sayoc* made a motion to approve the minutes from March 14, 2012. The motion was seconded by *Marcia Jensen* and passed unanimously.

**ITEM 3 ADJOURNMENT**

The meeting was adjourned at 6:45 p.m.

Prepared by:

  
Sandy Baily  
Planning Manager

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TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON APRIL 11, 2012, HELD AT THE LOS GATOS ADULT RECREATION CENTER, 208 E. MAIN STREET, ROOM 208, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:00 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Barbara Spector, Joe Pirzynski, John Bourgeois, Marico Sayoc, Todd Jarvis, Barbara Cardillo

Members absent: Marcia Jensen, Matthew Hudes

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

**VERBAL COMMUNICATIONS:** None

**ITEM 1 CONSIDERATION OF STAFF RECOMMENDED MODIFICATIONS TO THE TOWN'S CODIFICATION OF THE STATE DENSITY BONUS LAW**

*Wendie Rooney* summarized the background as to why this matter is before the Committee at this time and the State requirements.

**A. Waivers**

*Barbara Spector* questioned the language for justifying how a project could be economically unfeasible without a waiver. *Wendie Rooney* summarized Committee member Jensen's written comments.

*Joe Pirzynski* questioned if there were model ordinances that could be used for evaluating what is economically unfeasible and wouldn't the burden be on the applicant to justify.

*John Bourgeois* clarified what input staff wanted at this meeting.

*Wendie Rooney* commented that Marcia Jensen submitted comments and she felt that justification for allowing waivers should be allowed.

*Marico Sayoc* questioned what criteria are used to determine what is unfeasible.

*Wendie Rooney* noted that the ordinance could include submittal requirements for information such as a pro forma that demonstrates the economic feasibility of a project. She agreed with Committee Member *Pirzynski* that the burden is on the applicant to provide the need for certain concessions to make the project economic feasible. She also stated that the ordinance could

include findings that the Planning Commission and/or Council would need to make regarding the feasibility based on the applicant's pro forma.  
Consensus of Committee was to support staff's recommendation.

**B. Density Bonus and Below Market Price (BMP) Program**

*Marico Sayoc* requested a clarification on how the numbers work for the various programs.

*Wendie Rooney* commented that with the Council interpretation that the Town's General Plan Density Bonus policy does not apply to projects that also seek the State Density Bonus law ordinance, these two programs would be separate and not combined on the same project.

Consensus of Committee was to support staff's recommendation.

**C. Qualifying Projects under SB1818**

*Wendie Rooney* stated that staff is recommending that eligibility be broadened to include units designed for physically handicapped persons.

*Marico Sayoc* questioned if the BMP Program point rating system would be used for the State Bonus Program.

*Joe Pirzynski* requested further clarification regarding how tenants are selected under the State's program.

*Wendie Rooney* clarified that the BMP Program is a Town program and the Town maintains discretion over the tenant selection process. She further commented that with the proposed State Density Bonus Ordinance, the responsibility for qualifying tenants and monitoring compliance would be the owner/developers responsibility and that they would need to submit periodic documentation to the Town regarding their compliance.

*Barbra Cardillo* questioned what happens if someone qualifies under several categories.

*Barbara Cardillo* also questioned if criteria is set up regarding accommodation standards for the unit.

*Joe Pirzynski* questioned what if someone protests how points were assigned.

*Wendie Rooney* discussed that staff is not recommending to develop a point system for the State ordinance.

*Barbara Cardillo* commented that in response to Joe Pirzynski's question for the BMP Program, she was only aware of one protest. Town staff and a Community Services Commissioner met with this person and mediated the issue.

Consensus of Committee was to support staff's recommendation.

**D. Application Requirements**

*John Bourgeois* questioned the counting of reduced parking standards as an incentive or concession.

*Barbara Spector* requested further clarification on this matter.

*Joe Pirzynski* and *John Bourgeois* raised concerns about reducing parking.

*Wendie Rooney* clarified the matter and noted that the Town Attorney needs to further analyze this matter.

Based on the clarification, the consensus of the Committee was to accept staff's recommendation on this matter.

**ITEM 2 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES AND DEVELOPMENT STANDARDS: SOUTHBAY AND OKA ROAD SITES**

*Wendie Rooney* gave a quick summary of the Committee's last meeting and continued with the matrix where the Committee left off with the Southbay site.

| <u>Topic</u>  | <u>Consensus</u>            |
|---|-----------------------------|
| Density   | 6-0 <sup>1</sup>            |
| Lot coverage  | 6-0                         |
| Building heights  | 6-0 <sup>2</sup>            |
| <u>Concessions</u>  |                             |
| • Height  | 6-0                         |
| • Parking   | Defer to future meeting     |
| • Density   | 6-0                         |
| • Setback reduction   | 6-0 -- Delete as concession |
| • Lot coverage  | 6-0                         |
| • Density transfer  | Defer to future meeting     |
| <u>Concession Processing</u>                                      |                             |
| • Pre-application conference                                      | 6-0                         |
| • Priority application processing                                 | 6-0                         |
| • Priority plan check processing                                  | 6-0                         |
| <u>Concession Financial</u>                                       |                             |
| • Waiver or deferral of planning and engineering application fees | 6-0                         |
| • Waiver or deferral of building plan check and inspection fees   | 6-0                         |
| • Waiver or deferral of traffic impact fees                       | Delete as concession        |
| • Waiver or deferral of construction mitigation fee               | 6-0                         |

<sup>1</sup>Committee commented that this matter be reviewed with the School District.

<sup>2</sup>Thirty-five feet with podium parking – Architecture and Site to go higher.

Oka Road Site A:

| <u>Topic</u>   | <u>Consensus</u>                           |
|--|--|
| Setbacks   | 6-0 <sup>1</sup>                           |
| Parking ratio  | 6-0  |
| Density  | 6-0  |
| Lot coverage   | 6-0  |
| Building heights   | 6-0  |
| Affordability ratios   | 6-0  |
| <u>Concessions</u>   |  |
| • Height   | 6-0 – Delete as concession                 |
| • Parking  | 6-0  |
| • Density  | 6-0 <sup>2</sup> – Delete as concession    |
| • Setback reduction  | 6-0 – Not on creekside; same as Courthouse |
| • Lot coverage   | 6-0  |
| • Density transfer   | Defer to future meeting                    |
| <sup>1</sup> Twenty feet from rear property line or 20 feet from flood plain boundary, whichever is more restrictive, provided environmental requirements are met. |  |
| <sup>2</sup> Deleted due to singular access and circulation concerns from Highway 17 off-ramp  |  |

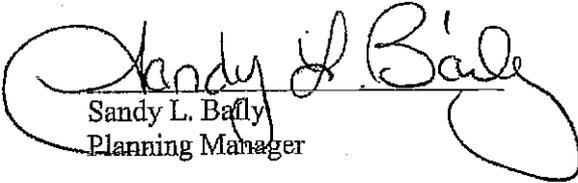
**ITEM 3 APPROVAL OF MINUTES FROM MARCH 28, 2012**

*Barbara Spector* made a motion to approve the minutes from March 28, 2012, with correction to footnotes in matrix for Courthouse site. The motion was seconded by *Todd Jarvis* and passed unanimously.

**ITEM 4 ADJOURNMENT**

The meeting was adjourned at 6:40 p.m.

Prepared by:

  
 Sandy L. Bally  
 Planning Manager

TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON APRIL 25, 2012, HELD AT THE LOS GATOS ADULT RECREATION CENTER, 208 E. MAIN STREET, ROOM 208, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:00 p.m. by Barbara Spector.

**ATTENDANCE:**

Members present: Barbara Spector, Joe Pirzynski, John Bourgeois (arrived at 5:20 p.m.), Marico Sayoc, Todd Jarvis, Barbara Cardillo, Marcia Jensen, Matthew Hudes (arrived at 5:20 p.m.)

Members absent: None

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

**VERBAL COMMUNICATIONS:**

*Beverly Bryant*, working for KT Properties, stated they have come up with good aspects for the Courthouse site and have been talking to affordable housing groups. To successfully develop the site, the parcel must be split into two parcels with affordable on one side and market rate on the other. Also, for today's market, the developer would need to transfer the density.

Committee and staff both recommended that if KT Properties submitted anything in writing for the next meeting, to include numbers as an example to justify its points, and to provide information from other jurisdictions.

*Mark Tersini* spoke in regards to the Courthouse site, and stated that KT Properties is anticipating a density of 20 units per acre. With a density bonus, the development would be 24 units per acre.

**ITEM 1 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES AND DEVELOPMENT STANDARDS: OKA ROAD SITES B AND C**

*Wendie Rooney* continued the matrix discussion where the Committee left off at its last meeting with the Oka Road B and C sites.

| <u>Topic</u>  | <u>Consensus</u>                     |
|---|--------------------------------------|
| Setbacks  | 6-0                                  |
| Parking   | 6-0                                  |
| Density   | 6-0                                  |
| Lot Coverage  | 6-0                                  |
| Height  | 6-0                                  |
| Affordability Ratio   | 6-0                                  |
| <u>Concessions</u>  |                                      |
| • Height  | 6-0                                  |
| • Parking   | 6-0                                  |
| • Density   | 6-0 -- Delete as concession          |
| • Setback   | 6-0                                  |
| • Lot coverage  | 6-0                                  |
| • Density transfer  | Defer to future meeting <sup>1</sup> |
| <sup>1</sup> One topic for future discussion is if the property is going to be subdivided, should it be reviewed as two separate parcels? |                                      |

**Oka Road Site B – Site Development Influences**

The Committee members had questions/input on the following site development influence comments:

**Circulation:** Questioned why the Town couldn't require entry drives. *Wendie Rooney* explained the "if possible" term used. An example where it may not be possible is if there was an engineering issue.

**Creek Connection:** Questioned why there is a creek connection for Site B, since the parcel is not adjacent to the creek. Committee and staff discussed connection from Site B to parcel A for the potential future trail.

**Building Massing:** Recommended to include language that this is based on housing types.

**Providing Individual Unit Entries on the Street:** Discussed if all housing types should have a frontage presence on the street. There was concern that this could force people to park on the street. Staff will wordsmith the language so it is more generic and does not require all entries to be on the street.

**Oka Road Site C – Site Development Influences**

**Noise:** Concerned that noise issues could impact where houses are located.

**Access Drive:** The Committee discussed concerns regarding the limited access to the site and the neighborhood. As a side note, concerns were addressed regarding the future development of the parcel to the south of Site C, which may be a future AHOZ site. The GPC noted that the

Town may want to reconsider if the parcel south of C should be included in the next Housing Element update.

Does the Town have the ability to do a traffic analysis for the Oka parcels?

Can the Town prioritize the development of the three Oka sites?

*Marcia Jensen* went on record that she is uncomfortable with the development of this site due to traffic and circulation concerns. It was questioned whether environmental review will be required there when Site B and C are developed due to freeway, noise, and air quality. Staff replied that an environmental review will most likely be required.

Concern was expressed about competing State law constraints of the site.

Discussion was held on the possibility of a second access.

Comprehensive planning between Sites B and C was encouraged.

Staff will bring back some language to address these comments.

The Committee made the following recommendations regarding the site influences:

- Instead of gateway feature, revise language to note it is a neighborhood identification.
- Make language clear where the front setback is. West property line should be the front setback.
- Modify Caltrans note so that landscape buffer is on subject property. The landscaping shall screen the wall along the highway.

## **ITEM 2 AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES: PROGRESS DRAFT**

*Wendie Rooney* summarized the proposed plan to review the draft guidelines for the next meeting.

Committee members requested a copy of the matrix ahead of time to help expedite their review.

Committee members were encouraged to mark up their documents. Edits not changing the intent should be submitted separately to staff.

## **ITEM 3 APPROVAL OF MINUTES FROM APRIL 11, 2012**

*Marico Sayoc* moved to approve the minutes from April 11, 2012. The motion was seconded by *Todd Jarvis* and passed unanimously.

**ITEM 4 ADJOURNMENT**

The meeting was adjourned at 6:30 p.m.

Prepared by:

  
Sandy L. Baily, Planning Manager  
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TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON MAY 9, 2012, HELD AT THE LOS GATOS LIBRARY CONFERENCE ROOM, 100 VILLA AVENUE, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:15 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Barbara Spector, Joe Pirzynski, John Bourgeois, Marico Sayoc, Todd Jarvis, Marcia Jensen, Matthew Hudes

Members absent: Barbara Cardillo

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

**VERBAL COMMUNICATIONS:**

*Mark Tersini*, KT Properties, would like clarification on when this item will be heard at the Town Council level so he can develop a timeline for his proposal. He also noted that they provided comments to the Committee, which are included in the packet.

*Wendie Rooney* summarized the items to be discussed and the timeline. She noted that the with additional density recommended for the AHOZ sites, staff is recommending conducting environmental review since the Southbay site density is exceeding the 20 units per acre that was not analyzed in the General Plan EIR.

*Wendie Rooney* discussed options for processing the Courthouse site which included bifurcating this property from the other four AHOZ sites.

*Marcia Jensen* questioned if it was legal to group all properties under one EIR on the five sites.

*Wendie Rooney* commented that yes it is. She noted that a General Plan EIR covers an entire community.

*Barbara Spector* requested clarification of the Town sponsored EIR and the AHOZ processes and if the State would need to be involved in the process. She questioned if there would be an issue if the Courthouse site was bifurcated and expedited through the process.

*Wendie Rooney* commented that KT Properties is aware of the risk.

*Barbara Spector* questioned the cost of this process.

*Marcia Jensen* questioned the State's involvement with the Courthouse site and asked if there are any benefits to the Town to bifurcate the Courthouse site from the other AHOZ sites.

*Wendie Rooney* clarified that the Courthouse site would still be part of the AHOZ and treated the same as the other sites. However, by bifurcating it from the other sites, KT Properties could continue processing their application. She further noted that they would be responsible for preparing the environmental review on the project as well as the AHOZ standards. She said that Town staff would work with KT Properties on the GPA and Town Code Text amendments that would be required to implement the AHOZ standards. Finally, she noted that by bifurcating this site from the others, KT Properties could continue processing the applications and potentially the Town would realize 50 units of affordable senior housing.

*Matthew Hudes* questioned if the Committee agreed upon bifurcating the Courthouse site and if the Committee would have another opportunity to review in totality the AHOZ standards prior to going to the Planning Commission.

*Wendie Rooney* clarified that the Committee has provided input on all components of the AHOZ, except for the Architecture Guidelines. She commented that all the AHOZ standards have been incorporated into the Architecture Guidelines that were distributed to the Committee. Finally she said that the next steps would be Planning Commission review and then Town Council review.

*John Bourgeois* questioned what action was being requested of the Committee.

*Barbara Spector* clarified that the bifurcating and expediting of the Courthouse site is one matter and whether or not KT's proposal is consistent with the Design Guidelines is another matter. She felt it should be a Council decision.

*Wendie Rooney* commented that Town Council would ultimately consider the KT Properties' proposal, but she did not originally plan to schedule the bifurcation request for Town Council.

*Joe Pirzynski* felt the Courthouse site matter should be expedited. He further stated that the Committee should make a recommendation and the matter should be scheduled with Town Council.

*Marcia Jensen* raised concerns if the process was bifurcated, is this putting the cart before the horse. Would the Courthouse site be an ordinance and would that trigger the other sites to have an ordinance?

*Barbara Spector* commented that starting the process on this one is okay, but the applicant has to clearly understand the risks of moving forward without the AHOZ review occurring first.

*Marcia Jensen* commented she does not see an advantage to the Town in duplicating the process and splitting up EIRs.

*Todd Jarvis* commented that affordable housing is needed and since the Town has an application for one of the sites, it is good to move forward.

*Marico Sayoc* questioned permit streamlining, the options, and what counts towards RHNA numbers. Since the applicant is aware of the risks, she was comfortable to move forward.

*John Bourgeois* confirmed that the Committee's consensus is to move forward.

## ITEM 1 FOLLOW-UP ITEMS

### a. Southbay Height Clarification

*Barbara Spector* commented that the Minutes stated 35 feet with podium parking and Architecture and Site (A&S) to request to go higher, and her notes confirmed height noted. Committee confirmed this.

### b. Transit Oriented Development Parking Standard: This would allow a requested concession of a reduction to 1.3 spaces per unit for the Southbay site due to its location near the planned light rail station.

Consensus to apply this to the Southbay site, and it was confirmed by the Committee.

### c. Density Consolidation (aka Density Transfer): Wendie Rooney summarized the density transfer concept and noted that the Town has actually allowed this before on the Aventino and Terreno de Flores developments. She also noted that many jurisdictions calculated density for the property as a whole, but ultimately have different levels of density on various portions of the property. She noted that this is quite common particularly with mixed use and affordable housing developments.

*Marcia Jensen* commented she understood density transfers for mixed use developments, but had a concern when the entire development was housing.

*Barbara Spector* raised a concern that the density transfer could create a bifurcated development where one side is affordable (low income) and one side is market rate; units are not intermixed.

*Joe Pirzynski* commented that analysis and control would occur during A&S; therefore, he felt comfortable to allow it.

*Marico Sayoc* commented she understands the benefits. She questioned how the Town can ensure that affordable housing is interspersed within the product type. She felt it appears to go against the intent and principles of the BMP program, and she understands that the AHOZ units are not BMP units.

*Barbara Spector* questioned how the A&S process can regulate the dispersion of affordable units within a development.

*Wendie Rooney* clarified that language would best be placed in the AHOZ ordinance.

*John Bourgeois* felt it was good to give the developer an opportunity to justify their development.

The Committee recommended that this concept be allowed as a discretionary architecture and site review item rather than a concession, as recommended by staff. The consensus of the Committee was that the ordinance as well as the Housing Element shall have a preamble which clarifies the objectives.

*Wendie Rooney* confirmed that the language will set the tone of the overall AHOZ program.

*Matthew Hudes* commented he was supportive in that it will lead to the variety of housing types we need. There are certain circumstances where development should be separated, such as senior housing where senior amenities would only cater to seniors.

**ITEM 2 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY  
ZONE DESIGN GUIDELINES: PROGRESS DRAFT**

This item was continued to the next meeting.

**VERBAL COMMUNICATIONS (Continued)**

*Beverly Bryant*, KT Properties, encouraged the Committee to review Jan Lindenthal's letter prior to the next meeting. If their project is delayed, it may not happen.

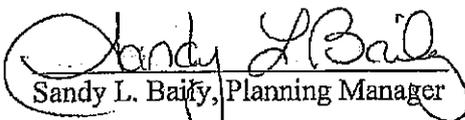
**ITEM 3 APPROVAL OF MINUTES FROM APRIL 25, 2012**

*Joe Pirzynski* moved to approve the minutes from April 25, 2012. The motion was seconded by *Marcia Jensen* and passed unanimously.

**ITEM 4 ADJOURNMENT**

The meeting was adjourned at 6:30 p.m.

Prepared by:

  
Sandy L. Bailey, Planning Manager

TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A SPECIAL MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON MAY 23, 2012, HELD AT THE LOS GATOS ADULT RECREATION CENTER, 208 E. MAIN STREET, ROOM 208, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:05 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Joe Pirzynski, John Bourgeois, Marico Sayoc, Todd Jarvis, Marcia Jensen, Matthew Hudes, Barbara Cardillo

Members absent: Barbara Spector

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager

**ITEM 1 DISCUSSION OF KT PROPERTIES' CORRESPONDENCE DATED MAY 1, 2012, WITH REGARDS TO THE COURTHOUSE AFFORDABILITY RATIOS**

*Wendie Rooney* introduced and briefly discussed this item and distributed the revised Affordable Housing Overlay Zone (AHOZ) Affordability Ratio Chart.

*Mark Tersini* introduced Scott Johnson of MidPen and turned the discussion over to him.

*Scott Johnson* discussed the affordable development proposal MidPen is working on with KT Properties. *Scott Johnson* further discussed issues of finding funding sources for affordable moderate housing.

*Matthew Hudes* questioned if funding was available in the past and if any changes were foreseen in the future.

*Scott Johnson* commented he was not expecting to see public funding levels to change. Past programs have been mortgage assistance, which no longer exists. Moderate income level first-time homebuyer programs are still available.

*John Bourgeois* questioned how the Town would meet the RHNA numbers if it waived moderate income level units.

*Mark Tersini* responded he is not aware how they could address that number; they are basing their proposal on what will work financially.

*Wendie Rooney* further responded that there may be some ability to regain those units elsewhere. *Ms. Rooney* clarified that the Town is neutral on this request.

*Marcia Jensen* questioned if during the next Housing Element update, how will the State react if the Town has not met its moderate income levels.

*Wendie Rooney* responded that the Town is only required to provide an opportunity to achieve these units. The Town is not obligated to have the units constructed.

*Joe Pirzynski* commented that the Town wants to develop affordable units. There will be no penalty if you cannot produce them. There will be a penalty if you cannot project and plan for the units. There may be rewards for jurisdictions that can produce their units which would probably be in transportation funding. We may never be able to get funding for moderate housing.

*Wendie Rooney* commented there are better opportunities through the regular development process to meet moderate housing needs as opposed to low and very low.

*Barbara Cardillo* questioned the numbers in the chart for moderate housing.

*John Bourgeois* asked if moderate housing would be easier to produce if Los Gatos was not a high income community.

*Scott Johnson* stated it might be for ownership units.

*Matthew Hudes* questioned what the trade-offs may be.

*Todd Jarvis* suggested entertaining a time limit for allowing this. If the time limit is not met, it reverts back. Questioned what would be a reasonable time limit.

*Joe Pirzynski* commented to not be too restrictive in time limits.

*Marcia Jensen* stated that it could be a request as part of the project application. Ordinances should be policy based, not project based. Expressed concern about meeting needs and wants of a developer prior to application of a development.

*Marico Sayoc* questioned if an exception would be a variance.

*Wendie Rooney* clarified it would not be a variance. She further commented that if the Town did not support the change to the affordability ratios for the property, then the applicant would need to process a planned development application to request the change.

*Marcia Jensen* questioned how it would be a planned development application. Could it be included in the AHOZ ordinance?

*Wendie Rooney* cautioned to not weaken the AHOZ ordinance by including a clause that applicants can request to deviate from the affordable levels without any findings or criteria.

The Committee discussed options and thought that criteria should be developed in the AHOZ ordinance for the deciding body to determine if deviations would be acceptable.

*Barbara Cardillo* discussed another option that if the Town is exceeding its RHNA goals, could the Town have flexibility in swapping the numbers? Once the housing number is reached for that income level, no more flexibility is allowed.

*Wendie Rooney* commented that any of the options could be a possibility in developing an ordinance.

*Mark Tersini* commented that he liked the concept of having flexibility with the numbers. The process would be smoother going under the AHOZ zone as opposed to a planned development application.

*Wendie Rooney* summarized: Build into all the overlay zones flexibility for affordability ratios and develop criteria for reviewing and approving requests to modify ratios.

*Barbara Cardillo* further summarized that one property should not end up being completely moderate.

*Marico Sayoc* commented that economic diversity still needs to be at each site.

*Barbara Cardillo* commented each property should have at least two of the categories.

*Wendie Rooney* commented staff will bring back wording to a future meeting.

*Joe Pirzynski* asked if the General Plan Committee's (GPC) comments will be forwarded to the Planning Commission and Town Council. *Wendie Rooney* confirmed that they would be.

*Marcia Jensen* requested that the GPC get a copy of the Conceptual Development Advisory Committee report for this item.

## **ITEM 2 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES: PROGRESS DRAFT**

The Committee began the review of the draft AHOZ Guidelines and completed the Introduction and General Design Guidelines Sections. The Committee will discuss the Housing Types Design Standards Guidelines at the next meeting.

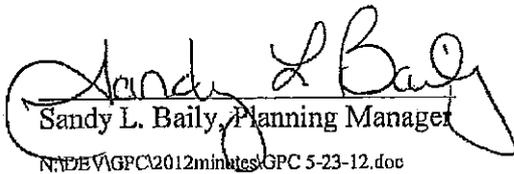
**ITEM 3 APPROVAL OF MINUTES FROM MAY 9, 2012**

*Marcia Jensen* moved to approve the minutes from May 9, 2012. The motion was seconded by *Todd Jarvis* and passed unanimously.

**ITEM 4 ADJOURNMENT**

The meeting was adjourned at 6:20 p.m.

Prepared by:

  
Sandy L. Baily, Planning Manager

TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A REGULAR MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON **JUNE 13, 2012**, HELD AT THE LOS GATOS ADULT RECREATION CENTER, 208 E. MAIN STREET, ROOM 208, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:30 p.m. by John Bourgeois.

**ATTENDANCE:**

Members present: Barbara Spector, Joe Pirzynski, John Bourgeois, Marico Sayoc, Marcia Jensen, Barbara Cardillo

Members absent: Todd Jarvis, Matthew Hudes

Staff present: Wendie Rooney, Director of Community Development; Sandy Baily, Planning Manager; Heather Bradley, Associate Planner

Guest present: Justin Tahara

**ITEM 1 CONTINUED REVIEW OF THE AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES: PROGRESS DRAFT**

Committee continued the review of the Design Guidelines and discussed unit type.

Committee questioned if small lot single family type of units are appropriate. Concern was raised that the potential large size of these units would not be typical for affordable housing and could potentially impact schools.

Committee discussed whether or not this product type is appropriate to encourage affordable housing. Committee decided to proceed with review of product types and to discuss the appropriateness later.

Staff will check to verify if second units count towards RHNA numbers.

Committee requested definitions for condominium, townhouse, airspace coop, flat.

Committee completed review of unit type and retained the small lot single family type of units.

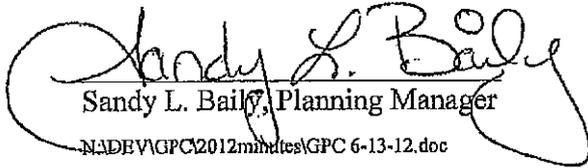
**ITEM 2 APPROVAL OF MINUTES FROM MAY 23, 2012**

*Marcia Jensen* moved to approve the minutes from May 23, 2012, with edits. The motion was seconded by *Marico Sayoc*. *Barbara Spector* abstained. Motion passed.

**ITEM 4 ADJOURNMENT**

The meeting was adjourned at 6:50 p.m.

Prepared by:

  
Sandy L. Bailey, Planning Manager  
NADEVGPC2012minutes\GPC 6-13-12.doc

TOWN OF LOS GATOS  
110 East Main Street, Los Gatos, CA 95030 (408) 354-6872

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SUMMARY MINUTES OF A REGULAR MEETING OF THE GENERAL PLAN COMMITTEE OF THE TOWN OF LOS GATOS ON AUGUST 8, 2012, HELD AT THE LOS GATOS ADULT RECREATION CENTER, 208 E. MAIN STREET, ROOM 208, LOS GATOS, CALIFORNIA.

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The meeting was called to order at 5:32 p.m. by Commissioner Bourgeois.

**ATTENDANCE:**

Members present: Barbara Spector, Joe Pirzynski, John Bourgeois, Marico Sayoc, Marcia Jensen, Barbara Cardillo, Todd Jarvis, Matthew Hudes

Members absent: None

Staff present: Wendie Rooney, Director of Community Development; Erwin Ordoñez, Senior Planner; Suzanne Avila, Senior Planner

**ITEM 1     BELOW MARKET PRICE HOUSING PROGRAM GUIDLEINES AND  
                  ORDINANCE REVISIONS**

Director Wendie Rooney briefly noted the 2009 update of the BMP Housing Ordinance and Guidelines and introduced Erwin Ordoñez who summarized the changes and responded to questions from the Committee.

The Committee reviewed proposed changes to the BMP Program guidelines, asked various questions and made the following revisions to the prepared draft:

- Reference to restrictions should be amended to read: "The Program further intends to ensure, to the greatest extent possible, that rent and re-sale of these housing units will remain affordable to median and low income levels for the longest feasible time as approved by an authorized body."
- Reference to mortgage financing should be amended to read: "All loans used to purchase or refinance BMP units must be fixed rate and fixed term without balloon payments to minimize homeowner exposure to increased risks of mortgage default.
- Reference to First Time Homebuyer definition should be amended to read: "Exception is made consistent with the Federal Housing and Urban Development (HUD) definitions (e.g. people who were homeowners prior to a divorce, a displaced homemaker, a single parent who has only owned with a former spouse, a widow/widower of a veteran, etc.) and for tenants residing in rental apartment proposed to be converted to a condominium or other common interest ownership prior to a Notice of Intent to Convert the development to an ownership residential unit."
- Formatting for Initial Sales Prices examples should be improved for clarity.

Marcia Jensen made a motion to forward the draft BMP Guidelines to the Town Council with a recommendation for approval. The motion was seconded by Joe Pirzynski and passed unanimously.

**ITEM 2 CONSIDERATION OF FINAL AFFORDABLE HOUSING OVERLAY ZONE DESIGN GUIDELINES**

Director Wendie Rooney discussed the progress in preparing the most recent draft of the Affordable Housing Overlay Zone Design Guidelines since the last meeting.

The Committee reviewed "highlighted" revisions to the draft and discussed additional refinements that should be made. After discussion, the Committee unanimously recommended approval to the Planning Commission and Town Council with the following additional changes to the prepared draft (motion Pirzynski, Spector second):

- Introductory paragraph should be revised to reflect the Committee's and Director Rooney's revised text "The Town of Los Gatos has a rich heritage of varied homes ranging from small cottages to larger homes..."
- Second paragraph of Introduction should delete typo: "the" Los Gatos.
- Housing Types, second paragraph, highlight should be revised to read "...density bonus provision allowed by the AHOZ."
- Design Guidelines parking section should include new bullet item: "6. In housing developments without garage parking, bicycle parking will be required per VTA standards."
- Small Lot Single-Family Detached Homes Characteristics should be revised from: typical densities range from "15-24 DU/acre" to: "15-20 DU/acre" to reflect 2,500 s.f. lot minimum.
- Cottage Cluster Housing Development Standards Building Placement section highlight should read "Structures facing public streets must have similar articulated facades on both the street and courtyard facades."
- Cottage Cluster Housing Development Standards Massing and Articulation section highlight should read "Pitched roofs are required for all structures and should include the use of varied pitched roof styles, gables or dormers."
- South Bay Development Site section should be revised to reflect the Flood Plain Management Plan.
- Oka Road/ Lark Avenue Sites A & B should be revised to reflect the Flood Plan Management Plan.

Joe Pirzynski made a motion to forward a recommendation for approval of the Affordable Housing Overlay Zone Design Guidelines to the Planning Commission and Town Council. The motion was seconded by Barbara Spector and passed unanimously.

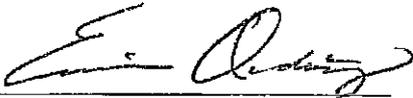
**ITEM 3 APPROVAL OF MINUTES FROM JUNE 13, 2012**

Barbara Spector made a motion to approve the minutes from June 13, 2012. The motion was seconded by Marico Sayoc and passed unanimously.

**ITEM 4 ADJOURNMENT**

The meeting was adjourned at 6:25 p.m. The next regular meeting of the General Plan Committee is scheduled for August 22, 2012.

Prepared by:



Erwin Ordoñez, Senior Planner

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