



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 04/20/2021

ITEM NO: 13

DATE: April 15, 2021
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Consider a Request for Approval for a Zone Change from R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) to C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay) and a General Plan Amendment to Change the Land Use Designation from Medium Density Residential to Central Business District, for Property Located at **4 Tait Avenue**. APN: 510-44-054. Zone Change Application Z-20-002 and General Plan Amendment Application GP-20-001. Property Owner: Town of Los Gatos. Applicant: Jim Foley.

RECOMMENDATION:

Consider a request for approval for a zone change from R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) to C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay) and a General Plan amendment to change the Land Use designation from Medium Density Residential to Central Business District, for property located at 4 Tait Avenue.

BACKGROUND:

The subject parcel is owned by the Town and located at the northeast corner of Tait Avenue and West Main Street in the Broadway Historic District. The building on the property was constructed in 1927. The property was originally built as the Town's Fire House with an associated dwelling unit for the driver of the new fire truck, and previously served as the home of the Los Gatos Museum.

In March 2019, the Town Council authorized an Exclusive Negotiating Agreement with Imwalle Properties to help guide the negotiations of a Lease Agreement. The decision was predicated on the fact that the proposal would allow the properties to remain in Town control, maintain the

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Senior Planner

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

BACKGROUND (continued):

historic value of the properties, require no monetary resources from the Town, and ultimately provide an annual revenue stream to the Town. Since that time, the Lease Agreements were negotiated between Town staff and Imwalle and were presented in open session for consideration by Council on August 4, 2020. At that meeting, the Town Council authorized the Town Manager to execute long term lease agreements with Tait Firehouse LLC and Forbes Mill LLC for the property located at 4 Tait Avenue and 75 Church Avenue. It should be noted that among other key elements of the lease agreements, the Master Tenant (Imwalle) is required to get Landlord (the Town) approval for permitted uses and subtenants.

The applicant is requesting approval of a zone change from R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) to C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay) and a General Plan amendment to change the Land Use designation from Medium Density Residential to Central Business District to allow the applicant to lease the existing building for commercial uses (Attachment 1, Exhibit 5). The Landmark and Historic Preservation Overlay Zone (LHP) would remain if the applications were approved. At this time, no modifications to the building are proposed.

DISCUSSION:

A. General Plan Committee

At its January 13, 2021 meeting, the General Plan Committee (GPC) reviewed the application and recommended approval of the General Plan amendment to the Planning Commission and Town Council. The motion by the GPC included consideration of comments by members discouraging restaurant and personal service uses in this location.

B. Planning Commission

At its February 24, 2021 meeting, the Planning Commission reviewed the applications and recommended approval of the General Plan amendment and zone change to the Town Council (Attachments 1-3), with a discussion of potential future uses of the site.

C. General Plan Land Use Designations

The applicant is proposing a General Plan amendment to change the Land Use designation from Medium Density Residential to Central Business District. The Central Business District Land Use designation applies exclusively to the downtown and accomplishes the following:

DISCUSSION (continued):

- Encourages a mixture of community-oriented commercial goods, services, and lodging unique in its accommodation of small-town style merchants and maintenance of small-town character;
- Maintains and expands landscaped open spaces and mature tree growth without increasing setbacks; and
- Integrates new construction with existing structures of historical or architectural significance and emphasizes the importance of the pedestrian.

The Medium Density Residential Land Use designation (5 -12 dwelling units per acre) provides for multiple-family residential, duplex, and/or small single-family homes.

The subject parcel is bound by parcels with a Medium Density Residential General Plan Land Use designation to the north, south, and west (Attachment 1, Exhibit 1). The parcel to the east has a Central Business District General Plan Land Use designation.

D. General Plan Goals and Policies

Applicable General Plan goals and policies that should be used to evaluate the proposed General Plan amendment and zone change applications for this site include, but are not limited to:

Land Use Goals

- LU-1 To preserve, promote, and protect the existing small-town character and quality of life within Los Gatos.
- LU-6 To preserve and enhance the existing character and sense of place in residential neighborhoods.

Land Use Policies

- LU-1.4 Infill projects shall be designed in context with the neighborhood and surrounding zoning with respect to the existing scale and character of surrounding structures, and should blend rather than compete with the established character of the area.
- LU-1.8 Commercial development of any type (office, retail, research and development, etc.) shall be designed in keeping with the small-town character of Los Gatos.
- LU-6.1 Protect existing residential areas from the impacts of nonresidential development.

DISCUSSION (continued):

- LU-6.2 Allow nonresidential activity in residential areas only when the character and quality of the neighborhood can be maintained.
- LU-6.3 Protect existing residential areas from adjacent nonresidential uses by assuring that buffers are developed and maintained.
- LU-6.4 Prohibit uses that may lead to the deterioration of residential neighborhoods, or adversely impact the public safety or the residential character of a residential neighborhood.
- LU-6.5 The type, density, and intensity of new land use shall be consistent with that of the immediate neighborhood.

Community Design Goals

- CD-6 To promote and protect the physical and other distinctive qualities of residential neighborhoods.
- CD-10 To maintain the historic character of the Downtown.
- CD-12 To preserve significant historic and architectural features within the Town.
- CD-13 To support and encourage thoughtful rehabilitation or reuse of historic structures.

Community Design Policies

- CD-6.1 Reduce the visual impact of new construction and/or remodels on the Town and its neighborhoods.
- CD-10.1 Encourage the preservation, restoration, rehabilitation, reuse, and maintenance of existing buildings Downtown.
- CD-12.1 Avoid demolishing historic buildings, unless the Planning Commission finds, based on substantial evidence, that there is no feasible means to ensure the preservation of the structure.
- CD-12.2 Encourage the preservation, maintenance, and adaptive reuse of existing residential, commercial, or public buildings.

E. Zoning

The applicant is proposing a zone change from R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) to C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay). The proposed zoning would be consistent with the General Plan Land Use designation if the proposed General Plan amendment is approved. Permitted uses in the C-2 zone are those involving the conduct of commerce and general business and the sale of commodities necessary for the needs of residents and visitors of the Town, including retail, office, limited manufacturing, and

DISCUSSION (continued):

wholesaling without warehousing. Single-family and two-family residential is a permitted use in the C-2 in conjunction with other permitted uses in the C-2 (part of a mixed-use project). Multi-family is currently allowed with approval of a Conditional Use Permit. The commercial uses proposed by the applicant (Attachment 1, Exhibit 5) would not be allowed in the current residential zone.

The subject parcel is bound by parcels with a R-1D:LHP zoning designation to the north, south, and west (Attachment 1, Exhibit 1). The parcel to the east has a C-2 zoning designation.

PUBLIC COMMENTS:

The applicant reached out to surrounding neighbors during the review process and provided a copy of their letter as well as a summary of the comments received (Attachment 1, Exhibit 6). An additional letter from the applicant was received on April 14, 2021, and is included as Attachment 7.

Written notice of the Town Council hearing was sent to property owners and tenants within 300 feet of the subject property. Public comments received between 11:01 a.m., Wednesday, February 24, 2021, and 11:00 a.m., Thursday, April 15, 2021, are included in Attachment 8.

CONCLUSION:

A. Summary

The proposed General Plan amendment and zone change would be consistent with the existing pattern of land uses and zones adjacent to downtown (Attachment 1, Exhibit 1). Additionally, reuse of the existing historic structure is supported by the General Plan goals and policies.

B. Recommendation

Based on the analysis above, and the recommendations of the Planning Commission and General Plan Committee, staff recommends that the Town Council consider the existing and proposed General Plan Land Use and zoning designations and approve the proposed amendments. If the Town Council finds merit with the proposed amendments, it should:

1. Make the required finding that there is no possibility that this project will have a significant impact on the environment; therefore, the project is not subject to the California Environmental Quality Act, Section 15061 (b)(3) (Attachment 4);

CONCLUSION (continued):

2. Make the required finding that the General Plan amendment is internally consistent with the existing goals and policies of the General Plan and its Elements (Attachment 1, Attachment 4);
3. Adopt a Resolution approving General Plan Amendment Application GP-20-001 amending the General Plan Land Use designation from Medium Density Residential to Central Business District (Attachment 5);
4. Make the required finding that the proposed zone change is consistent with the General Plan and its Elements in that the proposed zoning is consistent with the proposed General Plan Land Use designation (Attachment 4); and
5. Introduce an Ordinance of the Town of Los Gatos effecting a zone change from R-1D:LHP (Single-Family Residential Downtown with a Landmark and Historic Preservation Overlay) to C-2:LHP (Central Business District with a Landmark and Historic Preservation Overlay) for the property located at 4 Tait Avenue (Attachment 6), by title only, with any specific changes identified and agreed upon by the majority of the Town Council.

C. Alternatives

Alternatively, the Town Council could:

1. Continue the matter to a date certain with specific direction;
2. Remand the applications to the Planning Commission with specific direction; or
3. Deny the applications.

COORDINATION:

The Community Development Department coordinated with the Parks and Public Works Department, the Santa Clara County Fire Department, and the Town Attorney's Office in the review of the proposed project.

ENVIRONMENTAL ASSESSMENT:

The project is Categorically Exempt pursuant to the adopted Guidelines for the Implementation of the California Environmental Quality Act, Section 15061(b)(3), in that it can be seen with certainty that there is no possibility that the proposed amendments to the General Plan and Town Code will have a significant effect on the environment, because the project does not include any modification that would affect the historical significance of the building.

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SUBJECT: 4 Tait Avenue/Z-20-002/GP-20-001

DATE: April 15, 2021

Attachments:

1. February 24, 2021 Planning Commission Staff Report with Exhibits 1-7
2. February 24, 2021 Planning Commission Desk Item with Exhibit 8
3. February 24, 2021 Planning Commission Verbatim Minutes
4. Draft Findings
5. Draft Resolution for the General Plan Amendment, with Exhibit A
6. Draft Ordinance for the Zone Change, with Exhibit A
7. Letter from the Applicant
8. Public comments received by 11:00 a.m., Thursday, April 15, 2021