

AFFORDABLE HOUSING OVERLAY ZONE (AHOZ)

Town Council Public Hearing

January 22, 2013

Introduction

- **What is Affordable Housing**
- **Summary of Relevant State Housing Law**
- **Capacity vs. Reality**
- **AHOZ Sites Existing Zoning and Development Potential**
- **Why the Town is proposing the AHOZ**
- **Consequences of Not Approving the AHOZ**
- **Alternatives**
- **Outreach To-Date**
- **Recommendation**

What's Considered Affordable Housing?

Below Market Price For-Sale Unit

<i>Unit Size</i>	<i>Very Low Income</i> <i>(50% of Median)</i>	<i>Low Income</i> <i>(80% of Median)</i>	<i>Median Income</i> <i>(100%)</i>	<i>Moderate Income</i> <i>(120% of Median)</i>
	<i>Affordable For-Sale Categories</i>			
1-bedroom	\$83,448	\$203,794	\$287,241	\$300,000
2-bedroom	\$95,370	\$232,972	\$328,340	\$349,200
3-bedroom	\$107,291	\$262,037	\$369,326	\$399,600
4-bedroom	\$119,213	\$291,101	\$410,312	\$440,400

Below Market Price Rental Unit

<i>Unit Size</i>	<i>Very Low Income Rent</i> <i>(50% of FMR)</i>	<i>Low Income Rent</i> <i>(80% of FMR)</i>	<i>Moderate Income Rent</i> <i>(w/o Utilities Cost)</i>
	<i>Affordable Rent</i>		
Studio	\$583	\$932	\$2,021
1-bedroom	\$675	\$1,080	\$2,310
2-bedroom	\$813	\$1,298	\$2,626
3-bedroom	\$1,167	\$1,867	\$2,888
4-bedroom	\$1,285	\$2,055	\$3,119

Housing Types Considered Affordable

Apartments

- Subsidized Rental Units (VL to Low Income)
- Below Market Priced Rental Units (VL to Low Income)
- Market Price Rental Units (Moderate Income)



Condominium, Townhouse, & Single Family Units

- Affordable Developer For-sale Units (VL to Mod. Income)
- Below Market Priced For-sale Units (VL to Med. Income)
- Market Priced Units (Moderate Income)



What's Considered an Affordable Income?

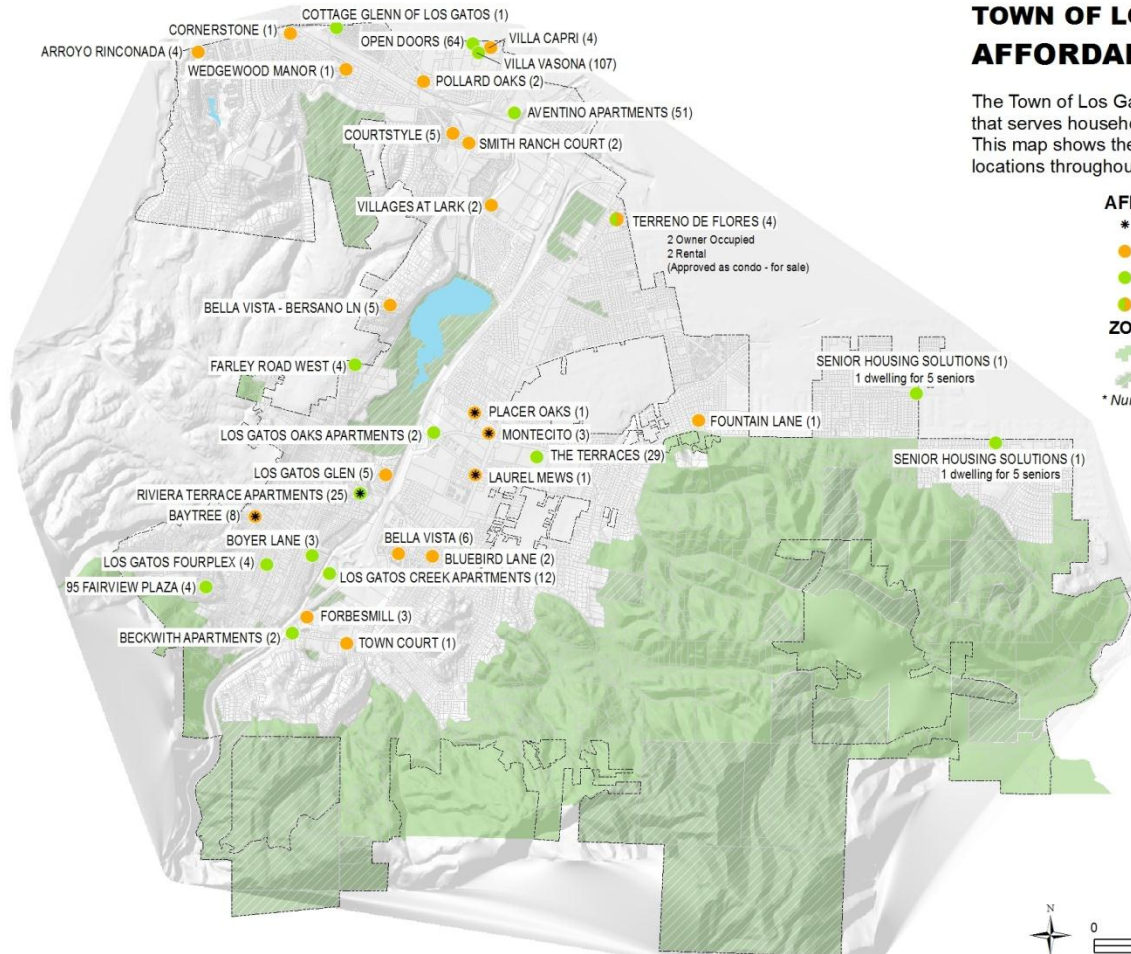
Household Size	Very Low Income (50% of Median)	Low Income (80% of Median)	Median Income (100%)	Moderate Income (120% of Median)	Above Moderate (>120% of Median)
	2012 Affordable Income Categories				Market Rate
1	\$36,750	\$53,000	\$73,500	\$88,200	\$88,201+
2	\$42,000	\$60,600	\$84,000	\$100,800	\$100,801+
3	\$47,250	\$68,150	\$95,500	\$113,400	\$113,401+
4	\$52,500	\$75,700	\$105,000	\$126,000	\$126,001+
5	\$56,700	\$81,800	\$113,400	\$136,100	\$136,101+
6	\$60,900	\$87,850	\$121,800	\$146,150	\$146,151+



Occupation & Sample Household	Income
Senior on Social Security	\$12,000
Retail Clerk	\$26,730
Home Health Aide	\$22,840
Childcare Instructor	\$34,316
Postal Service Mail Carrier	\$45,021
Elementary School Teacher	\$50,000
Secretary	\$52,838
Carpenter	\$59,276
Police Officer	\$80,000
Firefighter	\$85,705
Marketing Manager	\$132,148



Revised Affordable Housing Map



TOWN OF LOS GATOS AFFORDABLE HOUSING PROGRAM

The Town of Los Gatos has an Affordable Housing Program that serves households whose incomes range from low to moderate. This map shows the Affordable Housing programs at various locations throughout the Town of Los Gatos.

AFFORDABLE HOUSING PROPERTIES

- * Approved - Not yet constructed
- Orange dot: Owner Occupied
- Green dot: Rental
- Yellow dot: Owner Occupied/Rental

ZONING BOUNDARY

- Light green area: Hillside Residential (HR)
- Dark green area: Resource Conservation (RC)

* Number in parentheses indicates numbers of unit of each program

Sources: Town of Los Gatos
Date: January 18, 2013

State Housing and School Fee Mitigation Law

- Requires Local Governments:
 - Adequately plan to meet their existing and projected housing needs (RHNA)
 - Prepare a Housing Element every 5 to 7 years
 - Grant State Density Bonus to applicants who request it:
 - Increase densities up to 35%
 - Unlimited concessions
 - Inability for local governments to deny unless solid environmental issues
 - Request relief from any conditions if shown the conditions make the project infeasible
- Senate Bill 50 (SB50) “Schools Facilities Act”
 - Imposes limitations on local governments to require mitigation for school facilities impacts
 - Restricts local government’s ability to require any mitigation for school impacts over and above developer fees

Capacity vs. Reality

	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Individual	\$22,050	\$36,750	\$53,000	\$73,500	\$88,200
4 person Household	\$31,500	\$52,500	\$75,700	\$105,000	\$126,000
2002 – 2007 Housing Element Targets	N/A*	45	44	55	0
Actually Built	N/A	0	54	4	385
Percent Achieved		0%	100%	7.3%	
2007-2014 Housing Element Targets	77	77	100	122	186
Actual Built or Approved To-Date	0	0	4	6	100
Percent Achieved	0%	0%	4%	5%	54%
2014 – 2022 Housing Element Targets	94	95	107	131	190

* Extremely Low Income not included in previous Housing Elements

Comparison of Existing Zoning, Affordable Housing Overlay and State Density Bonus Densities

Sites	Existing Zoning	General Plan Designation	Existing Zoning + Required BMP Program Affordable Units	Existing Zoning + State Density Bonus	AHOZ
			Maximum Number of Residential Units	Maximum Number of Residential Units	Maximum Number of Residential Units
Former Courthouse	Office - Residential allowed with CUP (density 15 to 20 units per acre U/A)	Public	125	141	125
Southbay Development	Commercial Manufacturing Would require PD or Rezone	High Density Residential	170	192	256
Oka Road Site A	R-1:8	Low Density Residential	61	70	128
Oka Road Site B	R-1:8	Low Density Residential	28	32	60
Oka Road Site C	RM-5:12	Medium Density Residential	42	49	60

* If developed through a PD, the actual maximum units most likely would be higher and based on a similar density to the Aventino Apartments, which are approximately 30 U/A.

What is the Purpose of the AHOZ & Why is the Town Proposing it?

- Creates development standards/guidelines that do not presently exist to guide high quality project design
- Proactively plans for 5 properties that are ideally suited for development, if it is proposed by the owner
- Addresses State Housing Law RHNA requirements
- Only required to plan for units, but not guarantee construction
 - RHNA (2007 – 2014) = 452 units
 - RHNA (2014 – 2022) = 617 units
 - 5 income categories (Very Low - Above Moderate)
- Consistent w/ existing Town policy of mixed income residential developments
- Prefer AHOZ approach rather than rezoning 50-60 acres for residential purposes

What the AHOZ does & does not do

- **Does Not:**

- Result in a development project
- Rezone property to other uses
- Force the property owner to develop the property
- Generate impacts to properties greater than what could occur with any other development anticipated in the adopted 2020 General Plan

- **Does:**

- Provides precise development standards (setbacks, building heights, parking ratios, densities, affordability targets, etc.)
- Requires compliance with high quality Architectural and Site Standards
- Provides Concessions or incentives to develop consistent with AHOZ
- Preserves the Town's authority over development decisions

Development Process for AHOZ Sites

- Neighborhood Meeting
- Submittal:
 - A complete Architecture and Site Application
 - Environmental Documents (traffic, biology, acoustic, geology, soils, etc.)
- Technical Staff Review
- Changes made to the plans
- Technical Staff Review
- Plans Deemed Complete – Scheduled for public hearing
- Story Poles Installed
- Planning Commission Public Hearing (public notification and input)
- Town Council Public Hearing (public notification and input)

Consequences of Not Having an AHOZ-like Program

- Other types of development could occur on these properties, such as a 100% affordable project
- State will require the Town to reassess how it achieves the required RHNA
- State may decertify the Housing Element
- Likely result in significant rezoning of property to residential uses
- Lose the ability to approve development applications/issue building permits
- More vulnerable to law suits due to an invalid Housing Element
- Lose transportation and housing state and federal funding

Alternatives

- **Alternative 1:**

- Eliminate Oka Road Sites B and C.
- Yield: 509 units on the remaining three sites and 57 more units than the 2007-14 RHNA

- **Alternative 2:**

- Reduce Southbay Development density from 30 units per acre to 20 units per acre if the site were to developed prior to the approval and construction of the Vasona Light Rail extension and eliminate Oka Road Site C.
- Yield: 483 units on the remaining four sites and 31 more units than the 2007-14 RHNA

- **Risks:**

- State may not support changes – risk decertification
- Find additional sites for the 2014 – 2022 RHNA – Town would need to revisit the original list of 41 potential sites and other alternatives

Outreach

- GPC:
 - Conducted 11 advertised AHOZ meetings
 - Unanimously recommended approval
- October 15, 2012 Joint Town Council and Planning Commission Study Session
- Mailed notices to approx. 900 properties within 500 feet rather than the legally required 300 feet of the five sites
- Two, boxed 1/8 page public hearing notices in the Weekly advertising the Study Session and Planning Commission meeting
- November 14, 2012, Planning Commission Public Hearing
- FAQ's and Architecture and Site Guidelines on the What's New Section of the Town Web Site
- Neighborhood meeting on a possible residential project
- December 18, 2012, Community Meeting
- Two, boxed 1/8 page public hearing notices in the Weekly advertising the Council Meeting
- Mailed notices to approx. 900 properties within 500 feet of each site

Requested Action

- After opening and closing the public hearing, and asking the Clerk Administrator to read the title of the proposed ordinances, it is recommended the Town Council:
- Accept the Planning Commission's findings and recommendations in the form of meeting minutes (Attachment 3).
- Adopt the Addendum to the General Plan Environmental Impact Report (EIR) (Exhibit 10 of Attachment 1).
- Adopt the Resolution amending the General Plan by re-designating property at 375 Knowles and 14205 Capri Drives from Public-Quasi Public to Office Professional (Attachment 6).
- Make the required finding that the proposed Zoning Code amendments are consistent with the General Plan and its Elements (Attachment 4).
- Introduce the Ordinance of the Town of Los Gatos effecting the Zoning Code amendment (Attachment 5).
- Make the required finding that the proposed Zoning Code Map amendments applying the AHOZ designation are consistent with the General Plan and its Elements (Attachment 4).
- Adopt the five ordinances applying the AHOZ to five sites listed in this report (Attachments 7 through 11).
- Adopt the Resolution approving the Affordable Housing Overlay Zone Design Guidelines (Attachment 12).

Traffic Projections

Level of Services for Intersections near Court House, South Bay, and Oka Sites

Int. #	Intersection	Existing Control	Existing		General Plan		General Plan w/ AHOZ	
			AM LOS	PM LOS	AM LOS	PM LOS	AM LOS	PM LOS
1	Winchester Blvd. & Knowles Dr.	Signal	C	D+	C	D+	C	D+
2	Winchester Blvd. & Hwy 85 N B On-Ramp	Signal	B+	B	B	C+	B	C+
3	Winchester Blvd. & Hwy 85 N B Off-Ramp	Signal	B+	B	B-	B	B	B
5	Lark Ave. & Oka Rd.	Signal	B-	B-	C+	B	C+	B
27	Knowles Dr. & Dardanelli Lane	Signal	B+	B	B	B	B	B