

TOWN OF LOS GATOS

General Plan 2020

2007 - 2014

Housing Element

Technical Appendix



Technical Appendices

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1 BACKGROUND

The Technical Appendix for the Town of Los Gatos 2007-2014 Housing Element presents a detailed population and housing stock report, including the following sections (also noted in Chapter 1, Introduction, to this Housing Element):

- ◆ **Background:** A detailed description of what is included in the Housing Element Technical Appendix to satisfy Housing Element state law requirements.
- ◆ **Housing Needs Assessment:** Detailed demographic, economic, and housing data for the Town.
- ◆ **Projected Housing Needs:** A description and analysis of the Town’s “fair share” of housing, called its Regional Housing Needs Allocation (RHNA), and an inventory of subsidized housing units with an indication of which units could be at risk of conversion to market rate. This section also includes information on funding resources for housing development.
- ◆ **Constraints to Housing Development:** An analysis of the constraints to providing housing for all income levels.
- ◆ **Review of the 2003 Housing Element:** A review of the goals, objectives, and policies of the previous Housing Element and brief descriptions of accomplishments.
- ◆ **Housing Sites Inventory:** An inventory of residential land resources, including suitable sites for housing, homeless shelters, and transitional housing. This section includes a map of the potential housing sites and analyzes in detail the Town’s ability to accommodate its RHNA, which is allocated to Los Gatos by ABAG.

Los Gatos’s previous Housing Element, which covered the planning period from January 1, 2002 to June 30, 2007, was certified by California Department of Housing and Community Development (HCD) as being in compliance with State Housing Element law. The updated Housing Element and its Technical Appendix will reflect the planning period from July 1, 2007 to June 30, 2014. According to HCD, the next Los Gatos Housing Element Update is due June 30, 2009. Housing built, under construction and/or approved between January 1, 2007 and June 30, 2009 that is not accounted for in the previous Housing Element will be accounted for in this 2007-2014 Update.

The 2007-2014 Housing Element Technical Appendix is based on the most current population and housing data for Los Gatos as of Fall 2008 at the time that this

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Housing Element was developed. Because data is not available from a central source, sources used to obtain data include 2000 U.S. Census information, Claritas (a private data vendor), State of California Department of Finance and the U.S. Department of Housing and Urban Development (HUD). The Town and HCD recognize that the use of different sources will lead to slight variations in data; however, the use of these sources for obtaining data is in compliance with Housing Element state law. The Town and HCD also recognize that economic and market information are not static, and that the Town will to the extent that data can be obtained at the time of this report address the current volatility in real estate markets relative to existing housing data.

2 HOUSING NEEDS ASSESSMENT

This chapter provides an assessment of the housing needs for the Town of Los Gatos, including a description of population, household and employment trends and the current housing stock in Los Gatos.

A. Population

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

1. Population Trends

The Town of Los Gatos is located in Santa Clara County. With an estimated population of 1,837,075 as of January 1, 2008, Santa Clara County continues to have the highest population among the nine counties of the San Francisco Bay Area.¹ The Association of Bay Area Governments (ABAG) projects that the population of Santa Clara County will increase from 1,763,000 persons in 2005 to 2,085,300 in 2020, an 18 percent increase during a 15-year time period.

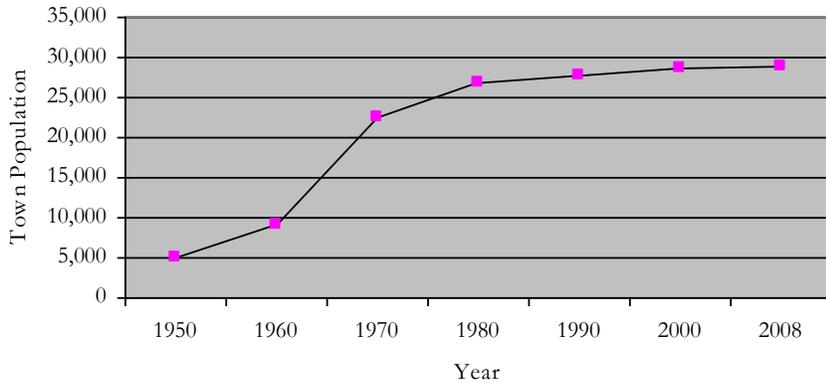
The population growth of Los Gatos has remained fairly small and stable in the last three decades. The current population of Los Gatos is estimated to be 28,813.² Figure 2-1 indicates population growth by decade, including the current year, for Los Gatos. ABAG projects that the population of Los Gatos will increase by approximately 6 percent during the 2005-2020 time period, continuing at a similar rate of growth as in the past three decades.³

¹ State of California, Department of Finance, *Table 1: E-4 Population Estimates for Counties and the State, 2001-2008 with 2000 Benchmark*, Sacramento, California, May 2008.

² Neilsen Claritas, 2008.

³ *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006, page 190.

FIGURE 2-1 POPULATION BY YEAR, 1950-2008



Sources: U.S. Census Population Estimates 1950-2000; State of California Department of Finance Table 2: E-4 Population Estimates for Cities, Counties and the State, 2001-2008 with 2000 Benchmark; Neilsen Claritas, 2008.

2. Population by Race/Ethnicity

The 2000 U.S. Census estimates that the predominant population of Los Gatos is White (over 80 percent of the population). The Asian population represents approximately 8 percent of the population, the Hispanic/Latino population approximately 5 percent, and the Black population at less than 1 percent of the total population of Los Gatos.

3. Population by Age

The current median age in Los Gatos is estimated to be 45 years, compared to 30 years in 1970.⁴ The increase in median age demonstrates that the population of Los Gatos is aging, with a larger percentage of the population being 21 years of age and older. The aging population is demonstrated in Table 2-1, which shows the percentage change in Los Gatos's population by age from 1970 to 2008.

⁴ Neilsen Claritas, 2008 and U.S. Census, 1970.

TABLE 2-1 POPULATION BY AGE, 1970-2008

Age Group	1970^a	2008^b	Percentage Change
Under 18 years	8,097	5,754	(23.9%)
18-20 years	973	776	(20.2%)
21-64 years	11,993	17,260	43.9%
65+ years	2,672	5,023	88.0%
Total	23,735	28,813	

^a U.S. Census, 1970.

^b Nielsen Claritas, 2008.

4. Employment Projections and the Jobs/Housing Balance

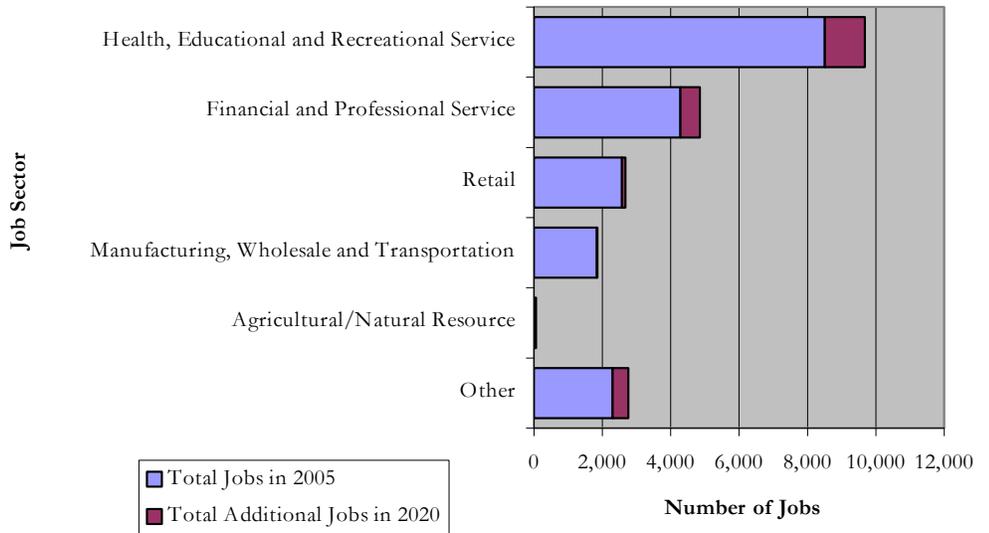
ABAG estimates that there were 12,170 households and 18,650 jobs in Los Gatos in 2005, indicating that Los Gatos has approximately 1.5 jobs per household.⁵ This jobs/housing ratio has remained the same in Los Gatos since 2000.

The jobs/housing ratio measures the balance between the number of jobs and the number of households located in Los Gatos. A healthy jobs/housing ratio is typically between 1 and 1.5 jobs per household, indicating that there is a balance of employment opportunities to support the community.

ABAG projects that by 2020, the number of jobs in Los Gatos will increase by approximately 2,695, or 12 percent, to a total of 20,850. The number of households is expected to increase by approximately 650, or 5 percent, to a total of 12,820. These projections indicate that the jobs/housing ratio for Los

⁵ *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006, page 191-2. Note: 2005 job and housing numbers were used for this analysis because 2008 job numbers were unavailable.

FIGURE 2-2 PROJECTED JOB GROWTH, 2005-2020



Source: *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006.

Gatos is expected to increase, resulting in more jobs per household and a potential demand for more housing to accommodate these new jobs.

Figure 2-2 charts employment by sector for 2005 and shows the projected increase in jobs. The Health, Educational and Recreational Sector had the most jobs in Los Gatos in 2005 as well as the largest projected increase in jobs compared to other sectors.⁶

B. Households

The household data in this section include the current and projected number of households in Los Gatos, the household size, and a breakdown of households by

⁶ The Health, Educational, and Recreational Services Sector is defined by ABAG as a combination of several classifications from the North American Industrial Classification System (NAICS). This classification includes: Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Other Services.

income level as well as tenure. This section also includes an analysis of households overpaying for housing and an analysis of special needs households in Los Gatos.

1. Current and Projected Households

The 2000 U.S. Census estimated that there were 11,988 households in Los Gatos. The majority of these households (61 percent) were family households, defined by the U.S. Census as households with two or more persons who are related by birth, marriage, or adoption. The majority of non-family households (76 percent) were individuals living alone. According to the California Department of Finance, there are 12,636 total housing units in Los Gatos. From 2005 to 2020, ABAG projects that the number of households in Los Gatos will increase by approximately 5.3 percent to 12,820.⁷

2. Household Size

The average household size in Los Gatos is very stable, having remained at approximately 2.35 persons per household since 1990 and projected to remain essentially the same until 2020.⁸

3. Households by Income Level

In 2005, the mean household income in Los Gatos was estimated to be \$136,400, which was the fifth highest household income in Santa Clara County.⁹ ABAG projects that mean household incomes in Los Gatos will increase to \$144,800 by 2010 and \$153,700 by 2015. Table 2-2 provides the mean household income for all 15 incorporated cities and towns within Santa Clara County in 2005.

Table 2-3 lists maximum household income levels by household size. These income levels are used by federal, State and local programs to determine eligibility for housing assistance in Los Gatos. These income levels are based on an area median household income (AMI) for Santa Clara County of \$97,800.

Using U.S. Census data, the U.S. Department of Housing and Urban Development (HUD) develops housing data under the Comprehensive Housing Affordability Strategy (CHAS) for jurisdictions eligible for HOME Investment Partnerships

⁷ *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006, page 191.

⁸ *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006, pages 180 and 183.

⁹ *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006, page 181.

(HOME) program funds and Community Development Block Grant (CDGB) funds. The HOME and CDBG programs, both administered by HUD, are federal block grant programs that provide funds for local affordable housing development programs. According to CHAS 2000 data,¹⁰ the majority of households in Los Gatos have income levels greater than 80 percent of AMI in Santa Clara County. Low-, very low- and extremely low-income households comprise less than 20 percent, or 2,349 households, of all households in Los Gatos. An estimated 7.5 percent, or 900 out of the 11,900 total households, are considered extremely low-income, with incomes below 30 percent of AMI. See Table 2-4 for the breakdown of households by income level in Los Gatos.

4. Overpaying Households

State and federal agencies define an “overpaying” household as one in which more than 30 percent of annual income is spent on housing costs. According to CHAS 2000 data, approximately 31 percent of all homeowners in Los Gatos, or 2,410 households, and 34 percent of all renters in Los Gatos, or 1,422 households, are overpaying for their housing.

¹⁰ The Town is using the most recent data available and recognizes that a five-year Housing Element cycle may need to rely on data that is on the 10-year cycle of the U.S. Census.

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TABLE 2-2 2005 MEAN HOUSEHOLD INCOMES, SANTA CLARA COUNTY

Rank	City/Town	Mean Estimated Household Income in 2005
1	Los Altos Hills	\$269,000
2	Monte Sereno	\$222,700
3	Saratoga	\$190,200
4	Los Altos	\$178,500
5	Los Gatos	\$136,400
6	Palo Alto	\$133,100
7	Cupertino	\$125,800
8	Morgan Hill	\$104,000
9	Milpitas	\$99,700
10	Sunnyvale	\$92,200
11	Mountain View	\$90,800
12	San Jose	\$89,300
13	Santa Clara	\$84,800
14	Campbell	\$83,900
15	Gilroy	\$76,800

Source: *Projections 2007: Forecasts for the San Francisco Bay Area to the Year 2035*, Association of Bay Area Governments, December 2006, page 181.

When broken down by household income level, the percentage of households overpaying in Los Gatos becomes more significant. A total of 1,142 lower-income households in Los Gatos, of which 545 are homeowners and 597 are renters, overpay for their housing. A majority of extremely low-income and very low-income homeowners overpay for their housing, while a majority of

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TABLE 2-3 FY 2008 MAXIMUM HOUSEHOLD INCOME LEVELS, SANTA CLARA COUNTY

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

Source: Department of Housing and Urban Development, FY2008 Income Limits.

TABLE 2-4 HOUSEHOLDS BY INCOME LEVEL, 2000

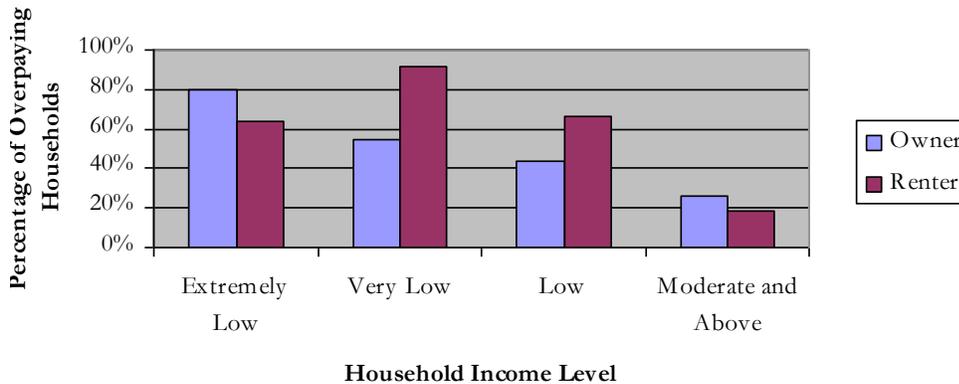
	Extremely Low (30% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate and Above (80% or Greater AMI)	Total
Number of Households	900	677	772	9,611	11,960
Percent of Total Households	7.5%	5.7%	6.5%	80.4%	100% ^a

^a Due to rounding, the percentages do not add up to exactly 100 percent.

Source: HUD, Comprehensive Housing Affordability Strategy (CHAS), 2000.

extremely low-income, very low-income, and low-income renter households overpay for their housing in Los Gatos. Figure 2-3 shows the percentage of homeowners and renters in Los Gatos that are overpaying for housing, by household income level. This measurement helps determine which households are potentially lacking housing that is affordable to their income level.

FIGURE 2-3 OVERPAYING HOUSEHOLDS BY INCOME LEVEL, 2000



Source: HUD, CHAS, 2000.

5. Household Tenure

The majority of households in Los Gatos are owner-occupied. The 2000 U.S. Census estimated that 65 percent, or 7,827 households, were owner-occupied, and 35 percent, or 4,161 households, were renter-occupied. According to CHAS 2000 data, half of the 900 extremely low-income households in Los Gatos were homeowners and half were renters. The proportion of homeowners to renters in Los Gatos has remained essentially the same since 1990.

Compared to the percentage of owner-occupied units in Santa Clara County and the state, Los Gatos has a higher percentage of homeowner units, with Santa Clara County at 59.8 percent and the State at 56.9 percent.

6. Households with Special Needs

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

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

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

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

a. Extremely Low-Income Households

As noted above, extremely low-income households are households defined as having incomes less than 30 percent of AMI. The annual income for an extremely low-income household in Santa Clara County is \$31,850 or less for a four-person household, as shown in Table 2-5. Households that are on Social Security Insurance (SSI) or disability insurance are typically extremely low-income households.

As shown in, Los Gatos had approximately 900 extremely low-income households, which is about 7.5 percent of the total number of households in Los Gatos, in 2000. A majority of both extremely low-income renters and owners in Los Gatos are overpaying, living in overcrowded situations, or lacking kitchen or plumbing facilities. Specifically, 72 percent of extremely low-income households in Los Gatos are overpaying for housing. Of all households in Los Gatos, approximately 34 percent are overpaying for housing.

To project the housing needs for extremely low-income households, Los Gatos assumes that 50 percent of its RHNA for very low-income households (defined as less than 50 percent of AMI) in Los Gatos is the extremely low-income household need. Los Gatos's RHNA, described in more detail in

TABLE 2-5 HOUSING NEEDS FOR EXTREMELY LOW-INCOME HOUSEHOLDS

	Renters	Owners	Total
Total Number of Extremely Low-Income Households	449	451	900
Percent with Any Housing Problems ^a	70.4%	80.0%	75.2%
Percent with Cost Burden ^b of 30% or Greater of Income	63.9%	80.0%	72.0%
Percent with Cost Burden ^b of 50% or Greater of Income	56.6%	74.1%	65.3%

^a "Housing problems" is defined by HUD as a cost burden greater than 30 percent of AMI (overpaying); more than one person per room, excluding bathrooms and kitchens (overcrowding); and/or housing without a complete kitchen or plumbing facilities.

^b "Cost burden" is defined by HUD as the portion of a household's total gross income that is spent on housing costs.

Source: HUD, CHAS, 2000.

Chapter 3 of this Technical Appendix, estimates a need of 154 units affordable at the very low-income level; consequently, the Town's projected need for extremely low-income households would be 77 units.

To address the range of needs for extremely low-income households, Los Gatos supports and makes referrals to the Housing Authority of the County of Santa Clara, which administers Section 8 Vouchers, Welfare-to-Work Vouchers, the Family Self-Sufficiency Program, and public housing. More information on these programs can be found in Chapter 3 under Section D.2, Santa Clara County Resources.

Additionally, the Town has included a policy and actions to further address the housing needs of extremely low-income households in Los Gatos. Under Policy HOU-1.3, the Town will work with its Redevelopment Agency to develop housing that is affordable to extremely low-income households. Under Action HOU-1.5, the Town will work with affordable housing developers on an annual basis, provide expedited permit processing, identify funding opportunities, and provide other incentives similar to incentives developed under the Affordable Housing Overlay Zone (AHOZ) under Action HOU-2.1. Under Action HOU-1.6, the Town will dedicate a percentage of the Redevelopment Agency's Housing Set-Aside Funds to the development of housing affordable to extremely low-income households.

b. Homeless Population

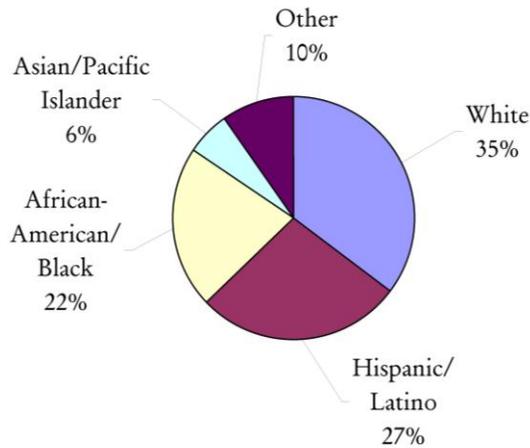
Homelessness is an issue of significant concern in Santa Clara County. Santa Clara County conducts the Santa Clara Homeless Census and Survey, which is a report of a point-in-time count, including comprehensive, qualitative interviews of homeless persons in the county. The Los Gatos Housing Element update references the 2007 Santa Clara County Homeless Census and Survey.¹¹

In 2007, the Santa Clara County Homeless Census and Survey's point-in-time count estimated that 5,101 homeless persons lived on the street and 2,101 homeless people lived in shelters and transitional housing, for a total of 7,202 homeless persons in the county. Santa Clara County estimates that there were approximately 18,000 persons who were homeless at some point during 2006.¹² While the homeless population is overwhelmingly male (approximately 70 percent), this population is racially/ethnically diverse. Figure 2-4 provides a breakdown of the estimated homeless population in Santa Clara County by race/ethnicity. Compared to the race/ethnicity of the total population of Los Gatos as estimated by the 2000 U.S. Census and described in Section A.2 of this chapter, the homeless population is much more diverse than the total population of Los Gatos. Over 80 percent of the total population in Los Gatos is estimated to be White, while only 35 percent of the homeless population in Santa Clara County, as shown in Figure 2-4, is estimated to be White. Approximately 5 percent of the total population of Los Gatos is estimated to be Hispanic/Latino, while approximately 27

¹¹ The 2009 point-in-time homeless census was conducted in January 2009. Results are anticipated to be after publication of this report.

¹² *2007 Santa Clara County Homeless Census and Survey*, County of Santa Clara and Applied Survey Research, 2007, page 4.

Figure 2-4 Homeless Population by Race/Ethnicity in Santa Clara County, 2007



Note: "Other" includes American Indian, Alaskan Native and persons of multiple races/ethnicities.
Source: Santa Clara County Homeless Census and Survey, 2007.

percent of the homeless population in Santa Clara County is estimated to be Hispanic/Latino. Less than 1 percent of the total population in Los Gatos is estimated to be Black, while more than 20 percent of the homeless population in Santa Clara County is estimated to be Black.

According to the 2007 Santa Clara County Homeless Census and Survey, approximately 80 percent of the homeless population in Santa Clara County is unemployed.¹³ Approximately one-third of the homeless in Santa Clara County reported job loss or unemployment as the reason for their homelessness. The second major reason cited was alcohol or drug abuse. Other reasons for homelessness in Santa Clara County include incarceration, domestic violence, illness or medical problems, and mental health issues.

The 2007 Santa Clara County Homeless Census and Survey estimated that there were 30 homeless persons in Los Gatos, specifically, 16 of which were unsheltered

¹³ 2007 *Santa Clara County Homeless Census and Survey*, County of Santa Clara and Applied Survey Research, 2007, page 9.

individuals and 14 of which lived in cars, recreational vehicles or vans or outdoor encampments. The number of homeless persons in Los Gatos represents less than 0.5 percent of the total point-in-time count of homeless persons in Santa Clara County.¹⁴ The Los Gatos Police Department confirms that the number of homeless persons in Los Gatos as estimated by the 2007 County Homeless Census and Survey remains an accurate estimate for the Town.¹⁵

i. Available Resources for the Homeless

Los Gatos currently does not have any emergency or transitional shelters within town limits. Instead, the Town contributes funds in support of shelters under the auspices of the County's Continuum of Care strategy. The County's Continuum of Care approach includes prevention services, the provision of emergency shelters and the provision of transitional and permanent affordable housing. The Town of Los Gatos has contributed CDBG funds toward construction costs for HomeSafe and the Sobrato Living Center in Santa Clara. Both of these facilities provide emergency, transitional and permanent affordable housing opportunities available to the Los Gatos community. Additional limited resources provided by the Town include food and shelter vouchers from the Salvation Army as well as food pantries at local churches, including St. Mary's and St. Luke's and Calvary Church.

ii. Site and Zoning Requirements

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

¹⁴ "2007 Santa Clara County Homeless Census and Survey," County of Santa Clara and Applied Survey Research, 2007, page 28.

¹⁵ Captain Dave Gravel, Los Gatos Police Department, personal communication with DC&E, October 28, 2008.

Because California Health and Safety Code Section 1566.3 requires that all licensed residential care facilities for six or less persons be allowed by-right in all residential districts, Actions HOU-6.9 and HOU-6.10 amend the Town Code definitions for “small family home residential care facility” and “group home” to be consistent with State law.

Because Los Gatos does not have a homeless or transitional shelter within Town limits, the Town intends to amend its Zoning Code to allow an emergency shelter by right in the Controlled Manufacturing (CM) zoning district. This zone comprises approximately 57 acres of land located primarily along Winchester Boulevard, Lark Avenue, and University Avenue. Of the 57 acres designated in the CM zone, approximately 2 acres are vacant, on parcels less than one acre in size.¹⁶ Of the non-vacant sites in the CM zoning district, the average parcel size is approximately 2.5 acres. All sites in the CM zone are within approximately 0.5 miles of the future Vasona Light Rail station and existing El Camino Hospital of Los Gatos. All of these sites are along or in proximity to VTA Community Bus Route 48, which extends from the VTA Light Rail Winchester Station to the Los Gatos Civic Center with a stop at the El Camino Hospital of Los Gatos.

c. Overcrowded and Large Family Households

The U.S. Census defines an overcrowded household as one that is occupied by more than one person per room, excluding bathrooms and kitchens. Households with more than 1.5 persons per room are considered severely overcrowded. In Los Gatos, 312 households, or 2.6 percent of the total number of households, are overcrowded.¹⁷ Approximately 40 percent of these overcrowded households are severely overcrowded. The majority of overcrowded and severely overcrowded households in Los Gatos – 239 households – are renter-occupied.¹⁸

The U.S. Census defines a large family household as a household with five or more persons. Approximately 6.4 percent of Los Gatos households, or 760 households, are large family households.¹⁹ Approximately three-quarters of these large family households, or 567 households, are homeowners. Typically, large family renter households are more likely to be overcrowded because of the limited availability of appropriately sized rental housing. Because most of the large family households in

¹⁶ County of Santa Clara, Town of Los Gatos Assessor Parcel Data, 2006.

¹⁷ U.S. Census, 2000.

¹⁸ U.S. Census, 2000.

¹⁹ CHAS, 2000.

Los Gatos are owner-occupied, overcrowding does not seem to be a significant problem for the town.

d. Single-Parent Households

Single-parent households are families with either a male or female head of household and children under 18 years of age. Single-parent households are more likely to be vulnerable to the housing market; their single household income can affect their ability to afford a home. Of all family households in Los Gatos that consist of married couples, about 2 percent have incomes below the poverty level. Of the single-parent households, 13 percent have incomes below the poverty level.²⁰ The statistics have changed very little from 1990 Census data regarding family households below the poverty level.

According to the 2000 U.S. Census, single-parent households represent 611 households, or about 19 percent of households with families in Los Gatos. The majority of these single-parent households, 494 households, have a female head of household.

e. Senior Households

As of 2008, 5,023 persons age 65 or over represent the senior population residing in Los Gatos.²¹ Of all households in Los Gatos, approximately 24 percent, or 2,860 households, have at least one or more seniors.²² Almost 78 percent of all senior households in Los Gatos are homeowners, which is an almost 10 percent increase from the 69 percent senior homeowner households identified in the 1990 U.S. Census.

Several developments, shown in Table 2-6, currently provide housing for lower-income senior persons in Los Gatos.

f. Households with Persons with Disabilities

According to the 2000 U.S. Census, approximately 6.7 percent of the population in Los Gatos, or 1,776 persons, have a disability that is either mental or physical and that affects their mobility or self-care. Approximately 67 percent of these persons have a disability that affects their ability to work.

General support services for the disabled are available through the San Andreas Regional Center, a community-based, nonprofit organization for Santa Clara

²⁰ U.S. Census, 2000.

²¹ Neilsen Claritas, 2008.

²² CHAS data, 2000.

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County that is located north of Los Gatos in the City of Campbell. However, this Center does not provide housing cost support. The cost of housing is prohibitively expensive for those on Supplemental Security Income (SSI), which provided an average of \$800 to \$900 per month for individuals with disabilities in 2007 to 2008.

TABLE 2-6 AFFORDABLE SENIOR HOUSING, JUNE 2008

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

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

◆ **Silicon Valley Independent Living Center.** Main Office, 2306 Zanker Road, San Jose, CA 95131. The Silicon Valley Independent Living Center is a non-profit corporation that provides comprehensive services for persons with a variety of disabilities. Their services include counseling, housing referral and placement, independent living skills training and other services.

Mental Health Advocacy Project, Law Foundation of Silicon Valley. 111 W. Saint John Street, Suite 315, San Jose, CA 95113. Started in 1978 by the Law Foundation of Silicon Valley, the Mental Health Advocacy Project is the only legal assistance organization in Santa Clara County providing legal services specifically for persons with disabilities. Their services include providing assistance with public benefits such as SSI; addressing housing issues such as evictions; discrimination and complaints associated with housing abuse and neglect; landlord/tenant conflicts and habitability; and providing general technical assistance to housing and service providers for persons with disabilities.

◆ **Shelter Plus Care Program,** Housing Authority of the County of Santa Clara, 505 West Julian Street, San Jose, CA 95110. The Shelter Plus Care Program, a HUD program administered by the Housing Authority of the County of Santa

Clara (HACSC), provides rental assistance in conjunction with supportive services for homeless persons with disabilities.

C. Housing Stock

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

1. Housing Units by Type

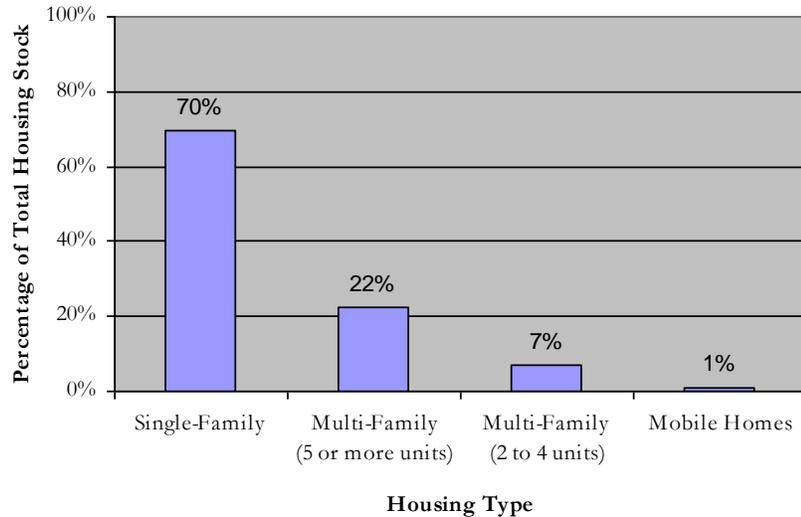
According to the California Department of Finance, there are 12,952 total housing units in Los Gatos in 2008.²³ Approximately 70 percent, or 9,013 units, are single-family units. Approximately one-fifth of these units are single-family attached units, which includes condominiums and townhouses. Approximately 22 percent, or 2,880 units, of all housing units in Los Gatos are multi-family, which includes structures with five or more units. The remaining 8 percent, or 1,059 units, include multi-family housing structures that have two to four units and a small number of mobile homes. Figure 2-5 shows the housing stock by type.

2. Vacancy Rates

The vacancy rate is defined by the percentage of units that are vacant and/or for sale or for rent at a given time. A vacancy rate of 3 percent or less for for-sale units and a vacancy rate of 5 percent or less for rental units are considered

²³ State of California, Department of Finance Population and Housing Estimates, E-5, January 1, 2008.

FIGURE 2-5 HOUSING STOCK BY TYPE, JANUARY 2008



Source: State of California, Department of Finance Population and Housing Estimates, E-5, January 1, 2008.

low vacancy rates. Low vacancy rates typically indicate strong demand for housing in a community.

According to the 2000 U.S. Census, Los Gatos has an overall 3.1 percent vacancy rate. A majority of these vacant units (75 percent) are rental units.

3. Age of Housing Stock

According to the 2000 U.S. Census, almost one-third of the housing units in Los Gatos were built in the 1960s. Another one-third of the housing was built before 1960. Table 2-7 provides the full age distribution of the housing stock in Los Gatos.

4. Housing Conditions

Overall, the housing stock of Los Gatos is in good condition, and few areas require reconstruction or rehabilitation. The last comprehensive housing

TABLE 2-7 AGE OF HOUSING STOCK, AS OF MARCH 2000

Year Built	Number of Units	Percent of Total
1949 or earlier	2,129	17%
1950 to 1959	1,761	14%
1960 to 1969	3,599	29%
1970 to 1979	3,018	24%
1980 to 1989	1,089	9%
1990 to 2000	808	7%
Total	12,404	

Source: U.S. Census, 2000.

conditions survey for the Town was conducted in 1983-84 and estimated that approximately 4.5 percent, or about 580 units, of the total housing stock in Los Gatos is in need of rehabilitation. According to Town building inspectors, this percentage remains an accurate estimate of the number of units in need of rehabilitation today.²⁴ According to the Town's Building Department, most aging housing stock was rebuilt after the 1989 Loma Prieta Earthquake.²⁵ Much of the older housing stock is also located near the downtown area and is mostly encompassed by a redevelopment project area, which has invested funds in rehabilitating and building new housing in the project area. The Los Gatos housing market continues to have a high purchase and resale demand.²⁶

5. Housing Affordability

In general, the cost of a home has increased significantly in Los Gatos in recent years. Homeownership and rental costs in Los Gatos continue to be some of the highest in Santa Clara County.

²⁴ Anthony Ghioffi, Building Official, Town of Los Gatos, personal communication with Wendie Rooney, Community Development Director, Town of Los Gatos, March 22, 2010.

²⁵ Anthony Ghioffi, Building Official, Town of Los Gatos, personal communication with DC&E, November 3, 2008.

²⁶ Anthony Ghioffi, Building Official, Town of Los Gatos, personal communication with DC&E, November 3, 2008.

a. Homeownership Costs

Housing prices are high in Los Gatos. Over half of all owner-occupied homes in Los Gatos are valued at one million dollars or more.²⁷ Despite the recent economic downturn, Los Gatos continues to have some of the highest home prices in Santa Clara County.

The current median price for a home in Los Gatos is \$1 million, placing Los Gatos in second place (with Cupertino) for the highest median home sales price in Santa Clara County, behind Los Altos.²⁸ As of December 2008, DataQuick reports that the median price of Los Gatos has dropped by almost 30 percent since December 2007, when it was \$1.4 million and the third highest price in the county. Table 2-8 provides a summary of median home sales prices in Santa Clara County.

b. Rental Costs

In general, rental costs in Los Gatos have gone down since 2001. The previous housing element for Los Gatos indicated that the average rent per month in Los Gatos in 2001 was \$1,883, a 27 percent increase from that of 1999. According to a recent survey of online rental listings in Los Gatos, the average rent per month in Los Gatos in 2008 is \$1,690. The previously high average rent in 2001 coincides with the height of the “dot-com” boom, which greatly affected the Silicon Valley housing market. Table 2-9 provides current average rents in Los Gatos. Current rents for a one-bedroom and two-bedroom/one bath unit are comparable to the rents provided in the previous

²⁷ Neilsen Claritas, 2008.

²⁸ *DataQuick Real Estate News*, California Home Sale Price Medians by County and City, December 2008, DQNews.com.

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**TABLE 2-8 MEDIAN HOME SALES PRICES, SANTA CLARA COUNTY,
DECEMBER 2008**

County/City	# Sold in Dec. 2008	December 2008	December 2007	% Change in Price, 2007 to 2008
Los Altos	11	\$1,743,000	\$1,617,000	7.8
Los Gatos	23	\$1,000,000	\$1,400,000	(28.6)
Cupertino	15	\$1,000,000	\$1,100,000	(9.1)
San Martin	5	\$786,000	\$892,500	(11.9)
Saratoga	12	\$750,000	\$1,562,500	(52.0)
Mountain View	29	\$700,000	\$730,000	(4.1)
Campbell	25	\$630,000	\$715,000	(11.9)
Sunnyvale	37	\$599,000	\$706,000	(15.2)
Santa Clara	52	\$470,500	\$623,750	(24.6)
Morgan Hill	47	\$460,000	\$642,500	(28.4)
Milpitas	39	\$435,000	\$563,500	(22.8)
San Jose	764	\$390,000	\$625,000	(37.6)
Palo Alto	9	\$385,000	\$1,179,000	(67.4)
Gilroy	55	\$375,000	\$605,750	(38.1)
Santa Clara County	1,134	\$430,000	\$664,000	(35.2)

Note: Data for the City of Monte Sereno is not available from this source.

Source: *DataQuick Real Estate News*, <http://www.DQNews.com>, accessed February 5, 2009.

Housing Element update. It is likely that the proportion of newer, one bedroom units is higher than that of older two-bedroom units on the market, which could push the cost of one-bedroom units in Los Gatos up.

TABLE 2-9 AVERAGE MULTI-FAMILY RENTAL COSTS, 2008

Bedroom Size	Average Monthly Rent
One Bedroom	\$1,447*
Two Bedroom/One Bath	\$1,423
Two Bedroom/Two Bath	\$2,200
Overall Average Monthly Rent	\$1,690

* The average monthly rent for one-bedroom units is estimated based on a weighted average of new or newly remodeled one-bedrooms and older one-bedrooms on the market in Los Gatos. It is estimated that 40 percent of one-bedrooms currently on the market in Los Gatos are new or newly remodeled units.

Source: Craigslist.org, Apartments.com.

c. Overall Housing Affordability

Table 2-10 analyzes the affordability of housing in Los Gatos based on 2008 HUD Income Limits.

TABLE 2-10 HOUSEHOLD INCOMES AND AFFORDABILITY, 2008

Income Level for 4-Person Household	Monthly Income^a	Affordable Housing Payment (30% of Monthly Income)	Average Monthly Rent (\$1,690^b) Affordable?	Affordable Single-Family Home Sales Price^c
Extremely Low Income	\$2,654	\$885	No	\$120,000
Very Low Income	\$4,421	\$1,474	No	\$200,000
Low Income	\$7,075	\$2,358	Yes	\$325,000

^a 2008 HUD Income Limits for 4-person household divided by 12 to determine monthly income.

^b Average monthly rent is calculated based on a survey of rental listings as shown in Table 2-8.

^c Estimate rounded and based on monthly income with 10 percent down payment and 30-year amortized loan, with an allowance for taxes and insurance.

3 PROJECTED HOUSING NEEDS

This chapter describes the number of housing units that must be built, renovated or conserved in order to meet the current and future housing needs in Los Gatos.

A. Regional Housing Needs Allocation

Regional governments are required by State law to estimate and allocate the number of housing units needed among each member community. This estimated number of housing units is called the Regional Housing Needs Allocation (RHNA) and is broken down by income level with the goal of fairly distributing affordable housing throughout the region. The Town of Los Gatos is located in Santa Clara County, one of the nine Bay Area counties that is represented by the Association of Bay Area Governments (ABAG). ABAG estimates the total RHNA for Los Gatos to be 562 housing units for the planning period starting July 1, 2007 and ending June 30, 2014. Table 3-1 provides the RHNA by income level for Los Gatos.

B. RHNA Adjusted New Construction Need for 2009-2014 Planning Period

The Town's previous Housing Element update covered the planning period ending June 30, 2007. According to HCD regulations, housing developments that were not counted toward the previous Housing Element and that were built, under construction and/or approved after January 1, 2007 and before submission of the current Housing Element by June 30, 2009 can be counted toward an adjusted RHNA for the 2007 to 2014 planning period. Table 3-2 below lists all housing developments not counted toward the previous Housing Element and built, under construction and/or approved between January 1, 2007 and June 30, 2009.

As shown in Table 3-2, 110 total units were built, proposed, under construction and/or approved between the previous Housing Element planning

TABLE 3-1 RHNA BY INCOME LEVEL, 2007-2014

Income Category	Housing Need (Number of Housing Units)	Percent of Total Housing Need
Extremely Low Income (Less than 30% AMI*)	77	13.7%
Very Low Income (31% to 50% AMI)	77	13.7%
Low Income (51% to 80% AMI)	100	17.8%
Moderate Income (81% to 120% AMI)	122	21.7%
Above Moderate Income (Above 120% AMI)	186	33.1%
Total	562	100.0%

* AMI, or Area Median Income, is based on State of California definitions.

period and the current planning period starting July 1, 2009. Table 3-3 adjusts the RHNA to account for the units listed in Table 3-2.

C. Conservation of At-Risk Housing Units

As required by State law, Housing Elements must address the issue of existing affordable and other subsidized housing developments that are at risk of conversion to market-rate housing within the next 10 years. Housing units that are subject to the termination of a government subsidy program or the termination of rental restrictions are considered at-risk units. Table 3-4 lists all subsidized units in Los Gatos from 2007 to 2017. This inventory indicates the type of governmental assistance received, the potential date of conversion to market-rate and the total number of senior housing units that could potentially be lost, if any, from each development. For each development, Table 3-4 indicates whether each housing unit is at risk of conversion over the next ten years, which includes the current and subsequent five-year Housing Element planning periods.

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TABLE 3-2 HOUSING UNITS BUILT, PROPOSED, UNDER CONSTRUCTION, AND/OR APPROVED, JANUARY 1, 2007 - JUNE 30, 2009

Project Name	Status	Total Units	Number of Units by Income Level				Above Moderate	Affordability
			Very Low	Low	Moderate			
237 Almendra Ave.	Approved	1	0	0	0	1	Market rate	
245 Almendra Ave.	Approved	1	0	0	0	1	Market rate	
80 Reservoir Rd.	Under Construction	1	0	0	0	1	Market rate	
90 Reservoir Rd.	Under Construction	1	0	0	0	1	Market rate	
100 Reservoir Rd.	Under Construction	1	0	0	0	1	Market rate	
110 Reservoir Rd.	Under Construction	1	0	0	0	1	Market rate	
14830 Blossom Hill Rd.	Approved	1	0	0	0	1	Market rate	
20103 Foster Rd.	Approved	1	0	0	0	1	Market rate	
16461 S. Kennedy Rd.	Approved	1	0	0	0	1	Market rate	
52 Oak Hill Way	Approved	1	0	0	0	1	Market rate	
117 Isabella Ct.	Approved	1	0	0	0	1	Market rate	
118 Dover St.	Approved	1	0	0	0	1	Market rate	
215 Bean Ave.	Approved	1	0	0	0	1	Market rate	
15275 Suview Rd.	Approved	1	0	0	0	1	Market rate	
15700 Shady Ln.	Approved	1	0	0	0	1	Market rate	
16111 Kennedy Rd.	Under Construction	1	0	0	0	1	Market rate	
16575 Kennedy Rd.	Approved	1	0	0	0	1	Market rate	
16330 Englewood Ave.	Built	1	0	0	0	1	Market rate	
140 Cleland Ave.	Approved	1	0	0	0	1	Market rate	

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TABLE 3-2 HOUSING UNITS BUILT, PROPOSED, UNDER CONSTRUCTION, AND/OR APPROVED, JANUARY 1, 2007 - JUNE 30, 2009 (CONTINUED)

Project Name	Status	Total Units	Number of Units by Income Level				Affordability
			Very Low	Low	Moderate	Above Moderate	
14329 Mulberry Dr.	Approved	1	0	0	0	1	Market rate
15588 Corinne Dr.	Constructed	1	0	0	0	1	Market rate
16357 Chiquita Ave.	Under Construction	1	0	0	0	1	Market rate
16010 Stephenie Rd.	Under Construction	1	0	0	0	1	Market rate
590 Monterey Ave.	Under Construction	1	0	0	0	1	Market rate
149 Cardinal Ln.	Built	1	0	0	0	1	Market rate
380 Pinchurt Ave.	Built	1	0	0	0	1	Market rate
16538 Topping Wy	Under Construction	1	0	0	0	1	Market rate
460 Monterey Ave.	Under Construction	1	0	0	0	1	Market rate
514 San Benito Ave.	Approved	1	0	0	0	1	Market rate
16863 Leroy Ave.	Under Construction	1	0	0	0	1	Market rate
230 Wooded View Dr.	Under Construction	1	0	0	0	1	Market rate
17140 Mill Rise Wy	Approved	1	0	0	0	1	Market rate
Thrash House	Under Construction	19	0	0	2	17	Moderate income and above
South Bay Honda	Proposed	24	0	1	1	22	Low-income and above
Swanson Ford	Proposed	35	0	3	3	29	Low-income and above
	Total	110	0	4	6	100	

TABLE 3-3 ADJUSTED RHNA FOR 2007-2014 PLANNING PERIOD

	A	B	(A minus B)
Income Category	New Construction Need (RHNA)	Units Built, Under Construction and/or Approved since Jan. 1, 2007	Adjusted RHNA
Extremely Low	77	0	77
Very Low	77	0	77
Low	100	4	96
Moderate	122	6	116
Above Moderate	186	100	86
Total Units	562	110	452

Villa Vasona was the only property at risk of conversion to market rate within the 2007-2017 planning period. Villa Vasona contains 107 senior units, which are subsidized by a HUD Section 8 contract and are therefore subject to a restriction expiration; the Section 8 contract expired on May 31, 2010 and was subsequently renewed for an additional five years.¹

Under State law, the Housing Element must provide a cost analysis of preserving at-risk units by replacing the units or preserving the units through rehabilitation and/or rental subsidy programs.

¹ Bobbi Rosenquist, The Mcferrin Group, personal communication with Joel Paulson, Senior Planner, Town of Los Gatos, November 3, 2010.

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TABLE 3-4 INVENTORY OF EXISTING SUBSIDIZED UNITS, 2007-2017

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

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TABLE 3-4 INVENTORY OF EXISTING SUBSIDIZED UNITS, 2007-2017 (CONTINUED)

Name	Address	Ownership	Housing Type	Total Assisted Units	Subsidy Type	Number of Elderly Units	At Risk of Conversion?	Earliest Date of Expiration
The Terraces	800 Blossom Hill Road	American Baptist Homes of the West (ABHOW)	Renter-Occupied, Elderly	29	BMP agreement	29	No	Does not expire
Beckwith Apartments		Private	Renter-Occupied	2	BMP agreement	–	No	Does not expire
Farley Road West		Private	Renter-Occupied	4	BMP agreement	–	No	Does not expire
Los Gatos Oaks		Private	Renter-Occupied	2	BMP agreement	–	No	Does not expire
Naramore (Pollard)		Private	Renter-Occupied	1	BMP agreement	–	No	Does not expire
Boyer (University Avenue)		Private	Renter-Occupied	3	BMP agreement	–	No	Does not expire
Blossom Hill Road	517 Blossom Hill Road	Private	Renter-Occupied	2	BMP agreement	–	No	Does not expire
Aventino Apartments	14300 Winchester Boulevard	Sobrato Land Holdings, Inc.	Renter-Occupied	51	BMP agreement	–	No	Does not expire
Other Subsidized Units								
Los Gatos Fourplex	221 -227 Nicholson Avenue	Mid-Peninsula Housing Coalition	Renter-Occupied: Elderly	4	State and Town funds	4	No ^a	None ^a
95 Fairview Plaza	95 Fairview Plaza	Community Housing Developers	Renter-Occupied	4	State and Town funds for acquisition and rehabilitation	–	No	[No project-based rent subsidies]

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TABLE 3-4 INVENTORY OF EXISTING SUBSIDIZED UNITS, 2007-2017 (CONTINUED)

Name	Address	Ownership	Housing Type	Total Assisted Units	Subsidy Type	Number of Elderly Units	At Risk of Conversion?	Earliest Date of Expiration
Open Doors	634 Parr Avenue	Mid-Peninsula Housing Coalition	Renter-Occupied	64	Low Income Tax Credits HCD CDBG	–	No	2046
Villa Vasona	626 W. Parr Avenue	PMG Properties (managed by The McFerrin Group)	Renter-Occupied: Elderly and/or disabled	107	HUD Section 8	107	Yes	May 21, 2010
Los Gatos Creek Village Apartments	31 Miles Avenue	Community Housing Developers	Renter-Occupied	12	CDBG Redevelopment	–	No	2049
Blossom Hill	14390 Blossom Hill Road	Senior Housing Solutions ^b	Renter-Occupied: Elderly	5	CDBG Redevelopment Agency Town of Los Gatos (99-year), Lenders for Community Development (50-year) Housing Trust of Santa Clara County (30-year)	5	No	2033
Anne Way	185 Anne Way	Senior Housing Solutions ^b	Renter-Occupied: Elderly	5	Town of Los Gatos (99-year) County of Santa Clara (30-year) LCD (55-year)	5	No	2038

^a This property is in a Planned Development zone, which prohibits conversion of affordable units, unless the site zoning is amended.

^b Senior Housing Solutions was formerly called Project Match, as referred to in the 2002-2007 Los Gatos Housing Element.

Within the 2007-2017 planning period, the Villa Vasona property's 107 senior units are considered to be at risk of termination of their Section 8 contract. Thus, this background report must estimate and compare costs for preserving units through new construction and for preserving units through tenant-based rental assistance.

- ◆ **New Construction/Replacement.** One strategy for preserving at-risk units is to construct a similar number of units in a development with similar amenities as the at-risk property. The cost of constructing these new units is estimated based on information from local developers and the Town Building Department and summarized in Table 3-5. Based on the assumptions and estimates in Table 3-5, the new construction costs of a 107-unit project of similar size and type would be approximately \$14,646,000.
- ◆ **Tenant-Based Rental Assistance.** Tenant-based rental subsidies are similar to Section 8 vouchers and are a vehicle to preserve affordable housing for very low-income households. The rental subsidy would be equivalent to the difference between the Fair Market Rent (FMR) and the cost of housing for a very low-income household. Table 3-6 provides an estimate of the rental subsidies required to preserve the Villa Vasona units. The estimates are calculated based on 81 studio units and 26 1-bedroom units, the total number of currently subsidized units in the Villa Vasona property. Based on the assumptions and estimates provided in Table 3-6, the total cost of providing a tenant-based rental subsidy, assuming a typical 20-year affordability, would be \$2,288,900.

Based on the estimates in Tables 3-5 and 3-6, the cost of replacing Villa Vasona through new construction, at \$14.6 million, would be higher than the cost of continuing to provide direct rental subsidies (approximately \$2.3 million).

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TABLE 3-5 NEW CONSTRUCTION/REPLACEMENT COSTS, DECEMBER 2008

Cost/Fee Type	Cost per Unit
Land Acquisition ^a	\$46,729
Construction ^b	\$60,750
Financing/Other ^c	\$29,400
Total Cost per Unit	\$136,879
Total Cost for 107 Units^d	\$14,646,053

^a Estimated based on \$100 per square foot land costs for 50,000 square-foot housing development.

^b Estimated based on 50,000 square-foot assisted senior living development.

^c Estimated based on Town of Los Gatos Residential Planning and Development Fees for multi-family project as part of Planned Development.

^d Based on 81 studio units and 26 1-bedroom units affordable to very low-income households.

Source: Local developers, <http://www.rsmeans.com/calculator/index.asp?specialUser=FSONL>.

TABLE 3-6 TENANT-BASED RENTAL SUBSIDY FOR VILLA VASONA APARTMENTS, 2008

	Studio (Cost per Unit)	1-Bedroom (Cost per Unit)	Total Cost ^a
Affordable Monthly Rent Income for Very Low-Income Households ^b	\$1,076	\$1,179	\$114,246
Monthly Rent Allowed by FMR ^c	\$928	\$1,113	\$106,779
		Monthly Subsidies ^d	\$7,467
		Annual Subsidies	\$89,604
		20-Year Subsidies ^e	\$2,288,904

^a Based on 81 studio units and 26 1-bedroom units affordable to very low-income households.

^b Based on 2008 HUD income limits for very low-income households and estimated under California Health and Safety Code definitions of affordable housing, which establishes that an affordable rent is between 30 and 35 percent of household income.

^c FMR for Villa Vasona Apartments, HUD Multifamily Assistance and Section 8 Contracts Database, as of December 4, 2008.

^d Difference between affordable monthly rent income for very low-income households and monthly rent allowed by FMR.

^e Future value calculation using a 2.5% inflation rate over 20 years.

D. Housing Resources

The Town of Los Gatos has identified several sources of funding for potential development and preservation resources for affordable housing units in Los Gatos. These sources include local, county, State and federal funds and programs.

1. Town Resources

The Town of Los Gatos has several local programs that provide funding and/or subsidies for the development and preservation of affordable housing in Los Gatos.

a. Density Bonus Program

The Density Bonus Program, described in detail in Chapter 4, allows qualified projects to add up to 100 percent of the units provided by the General Plan land use designation as long as these additional units are

TABLE 3-7 HOUSING SET-ASIDE FUNDS, LOS GATOS REDEVELOPMENT AGENCY, FY 2009/2010 TO 2013/2014

Fiscal Year	Housing Set-Aside Funds
Fund balance through FY 2008/2009	\$8,448,000
FY 2009/2010 only	\$1,771,000
FY 2010/2011 only	\$1,808,000
FY 2011/2012 only	\$1,845,000
FY 2012/2013 only	\$1,883,000
FY 2013/2014 only	\$1,922,000
Total (FY 2009/2010 to 2013/2014)	\$9,229,000

restricted to seniors, disabled persons, very low and/or low-income households. To date, 218 units have been provided through this program. The most recent developments receiving approval through the Density Bonus Program are the Los Gatos Creek Village Apartments and the Open Doors development.

b. Below Market Price (BMP) Program

As described in more detail in Chapter 4 of this document, the Town’s BMP Program, which is administered by the Housing Authority of the County of Santa Clara (HACSC) and the Los Gatos Community Development Department, requires the development of a certain number of quality affordable units per development project in Los Gatos, based on the size of the project. Affordable units developed under the BMP Program are subject to deed restrictions approved by the Town Council, which ensure that the units remain affordable in perpetuity. The BMP Program preserves affordable housing in Los Gatos by requiring the development of these long-term affordable units.

c. Affordable Housing Fund

The Town’s Affordable Housing Fund, which acts as a depository for in-lieu fees paid under the BMP Program and as part of the approval process for Hillside Planned Developments with five or more residential building sites, is a financial

resource for both preserving and developing affordable housing in Los Gatos. This in-lieu fee fund can support projects including, but not limited to:

- ◆ Subsidizing the cost of converting owner-occupied units into affordable units.
- ◆ Purchasing market-rate rental units for conversion to affordable units.
- ◆ Purchasing land for future development of affordable units.
- ◆ Providing funds to develop affordable housing.
- ◆ Providing funds to supplement affordable housing developed through the Los Gatos Redevelopment Agency.

As of June 30, 2008, there is approximately \$1,380,800 in the fund.

d. Housing Conservation Program

The Town adopted the Housing Conservation Program in 1976 to provide assistance in rehabilitating lower-income housing units. Through this program, the Town currently provides technical and financial assistance to owners of affordable housing. Town loans and grants are available for repairs correcting code violations, accessibility modifications, seismic retrofit and the addition of bedrooms to alleviate overcrowded households. Currently, approximately \$500,000 is available through the Housing Conservation Program for loans and grants.

e. State Density Bonus Program

The Town adopted the State Density Bonus Program in June 2012. The Town's adopted program provides all the advantages of the State Mandated Program, including density bonuses, concessions, incentives, and parking reductions.

2. Santa Clara County Resources

Santa Clara County provides a variety of housing-related financial support services.

a. Santa Clara County Office of Affordable Housing

The Office of Affordable Housing administers Community Development Block Grants (CDBG) and Department of Housing and Community Development (HCD) loans and grants. Some of these affordable housing programs are described below.

- ◆ **Community Development Block Grants.** HUD provides CDBG funds on an annual basis that assist urban communities in providing facilities and services. Los Gatos is located in the San Jose-Sunnyvale-Santa Clara metropolitan statistical area (MSA), which makes Los Gatos eligible for CDBG grants.² According to the County Office of Affordable Housing, the FY 2008/2009 CDBG Budget consisted of \$1,727,669 and served seven cities, including the Town of Los Gatos and some unincorporated areas. The Town received \$133,214 (including \$15,000 for administration). Annual grant amounts have steadily decreased over recent years.³
- ◆ **CalHome Program.** HCD's CalHome Program provides funding to nonprofit corporations and localities to assist first-time homebuyers through its Building Equity and Growth in Neighborhoods (BEGIN) program. This program is funded by Proposition 1c and Proposition 46. Although the Town of Los Gatos did not submit an application for grants in FY 2008/09, the Town is eligible to receive funding through this program.⁴
- ◆ **Mortgage Credit Certificates (MCC) Program.** The MCC program provides assistance to first-time homebuyers by reducing the amount of federal taxes owed on a mortgage by as much as 15 percent. Under the program, the purchase price for the resale of an existing residence is \$570,000; the purchase price for a new home is \$630,000. The income eligibility limits start at \$94,500 for a moderate income one- or two-person household and \$63,000 for a low-income one- or two-person household. As of 2008, MCC funds are currently available for eligible homebuyers in Los Gatos.

b. Housing Authority of the County of Santa Clara

The HACSC administers several federal programs and a waiting list for low-income applicants to be placed into affordable units as they become available. In Los Gatos, the HACSC assists in the placement of residents into available BMP units. The HACSC keeps a waiting list of potential residents under a contract with the Town.

² OMB Bulletin No. 08-01, November 20, 2007 <http://www.whitehouse.gov/omb/bulletins/fy2008/b08-01.pdf>.

³ Judy Borah, Management Analyst, County of Santa Clara, personal communication with DC&E, August 5, 2008.

⁴ Gwen Espinoza, BEGIN Program Representative, Department of Housing and Community Development, personal communication with DC&E, August 5, 2008.

The HACSC manages the Family Self-Sufficiency Program and the Welfare-to-Work Voucher Program, described below. The HACSC also administers two federal programs – the Section 8 Voucher program and the Low-Income Housing Tax Credit Properties program.

- ◆ **Family Self-Sufficiency Program (FSS).** The FSS is administered by the HACSC and provides rental assistance for low-income families. FSS provides assistance for job training, child care and transportation with the requirements that participants maintain employment or are enrolled in school or job training. HUD matches program participants' earned income paid to rent and deposits the match into an escrow account which is later awarded to the participant upon completion of the program.
- ◆ **Welfare-to-Work Voucher Program.** The Welfare-to-Work Program is also administered by the HACSC and is much like the FSS program described above, but participants are families drawn from the CalWORKs program.
- ◆ **Federal Low Income Housing Tax Credits (LIHTCs).** LIHTC programs provide federal tax breaks that are administered by the State for projects that are entirely or partially restricted to low-income tenants. The tax credits encourage developers and their investors to take a federal tax credit equal to a large percentage of building acquisition, development or rehabilitation costs in exchange for maintaining low-income units in multi-family rental projects. The project owner must enter into a Land Use Restriction Agreement to maintain the low-income units for at least 30 years.
- ◆ **Section 8 Voucher Program.** The Section 8 Rental Vouchers and Certificates Program provides rental assistance through the HACSC, under contract to HUD. The program permits very-low income households to obtain access to market-rate or near market-rate rental units by covering the difference in cost between the rent and the tenant's adjusted income. Section 8 voucher holders who are seniors, disabled or who are enrolled in or graduated from the Family Self-Sufficiency Program may use their voucher payments on a home mortgage rather than rent. According to HACSC, Los Gatos currently leases 67 vouchers. HACSC has lobbied HUD to increase the maximum rent amounts permitted for vouchers in Santa Clara County to provide more incentive to property owners to participate in the program.

3. Federal Resources

Along with the federal programs administered by Santa Clara County and HACSC, the Federal Home Loan (FHL) Bank system also manages some grant programs for

affordable housing development. The regional district bank supporting projects in California, Nevada and Arizona is the Federal Home Loan Bank of San Francisco, which is one of 12 regional district banks established by Congress to support residential mortgage lending. The following grant programs are administered by the FHL Bank system.

- ◆ **Affordable Housing Program (AHP).** The AHP is a competitive program that provides grants through member banks to developers and community organizations for construction, rehabilitation, and financing of affordable housing. The AHP grants can be used with other programs to increase project feasibility.
- ◆ **Homeownership Preservation Subsidy (HPS) Program.** The HPS program provides grants to member banks to restructure or refinance mortgage loans for eligible low- and moderate-income homeowners at risk of foreclosure.

4. Non-Profit Agencies

There are several non-profit agencies that have assisted in providing and conserving affordable housing in Los Gatos. These agencies are the Housing Trust of Santa Clara County, Mid-Peninsula Housing Coalition, Community Housing Developers, Inc., Silicon Valley Habitat for Humanity, Senior Housing Solutions, Catholic Charities of Santa Clara County and American Baptist Homes of the West.

a. Housing Trust of Santa Clara County

The Housing Trust of Santa Clara County administers several programs, which provide financial assistance for affordable housing. The Affordable Multi-Family Rental Program, described under Section D.2 above, provides loans for developers of affordable multi-family projects. The First-Time Homebuyer Program provides below-market secondary financing loans for homebuyers who have not owned a home in Santa Clara County for at least three years. The program also provides below-market secondary financing loans to reduce monthly mortgage payments by reducing the first loan's interest rate and by paying off private mortgage insurance.

The Affordable Multi-Family Rental Program is administered by the Housing Trust of Santa Clara County, a non-profit community-based organization located in the City of San Jose. The Rental Program provides loans and grants for the acquisition, preservation, new construction or rehabilitation of affordable housing throughout Santa Clara County, including within the Town of Los Gatos. This Rental Program assists developers of affordable rental projects to close financial feasibility gaps in the projects and to reduce pre-development costs. According to

the regulations of this program, 30 percent of units must be affordable to household incomes of 30 percent of AMI and the remaining units must be affordable to household incomes of 80 percent of AMI or below.

This program also provides:

- ◆ Long-term loans of up to \$500,000 with a 55-year term;
- ◆ Construction gap loans of up to \$15,000 per affordable unit, up to a maximum of \$500,000 total for a project; and
- ◆ Predevelopment loans of up to \$2,500 per affordable unit, up to a maximum of \$150,000 total for a project.

Applications for this program must be submitted by a 501(c)3 organization or public agency that is sponsoring the project.

b. Mid-Peninsula Housing Coalition

The Mid-Peninsula Housing Coalition is a non-profit developer that has been building, acquiring and rehabilitating affordable housing in the San Francisco and Monterey Bay regions since 1970. The Coalition currently owns two affordable housing developments in Los Gatos and is not pursuing any other projects in Los Gatos at this time.⁵

c. Community Housing Developers, Inc.

Community Housing Developers, Inc. (CHD) is a non-profit housing developer that works throughout Santa Clara County and is based in San Jose. CHD built and currently owns Los Gatos Creek Village Apartments and also rehabilitated and owns the Los Gatos Fourplex at 95 Fairview Plaza in Los Gatos.

d. Silicon Valley Habitat for Humanity

Silicon Valley Habitat for Humanity built a three-bedroom detached home in 2003 on Charles Street in Los Gatos. The affordability restrictions are limited to the 30-year terms of the occupant's home loan. When the loan is repaid, the occupant will have the option to sell the house at market rate. Silicon Valley Habitat for Humanity is not pursuing other projects in the Town at this time.⁶

⁵ Susan Moffit, Development Department Project Manager, Mid-Peninsula Housing Coalition, personal communication with DC&E, August 5, 2008.

⁶ Robert Freiri, Executive Director, Habitat for Humanity Silicon Valley, personal communication with DC&E, August 6, 2008.

e. Senior Housing Solutions

The Town of Los Gatos pledged a total of \$300,000 for FY 2005/2006 through FY 2008/2009 to Senior Housing Solutions, formerly called Project Match, to rehabilitate a home in Los Gatos. Senior Housing Solutions manages two affordable housing developments in Los Gatos, Blossom Hill and Anne Way.

f. Catholic Charities of Santa Clara County

Catholic Charities of Santa Clara County, located in San Jose, provides HUD-certified housing counseling services and provides case management services to formerly homeless individuals and families who have found housing through Catholic Charities. Catholic Charities owns several supportive housing facilities throughout the County.

g. American Baptist Homes of the West

American Baptist Homes of the West developed and manages the Terraces of Los Gatos, a continuing care retirement community located at 800 Blossom Hill Road in Los Gatos. The organization is a non-profit operator of affordable developments throughout California and the West Coast.

4 CONSTRAINTS TO HOUSING DEVELOPMENT

Housing development is affected by both market forces and public regulations and policies. This chapter discusses both governmental and non-governmental constraints that affect housing in Los Gatos.

A. Governmental Constraints

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

1. Land Use

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

- ◆ *Hillside Residential.* Single-family homes of up to 1 dwelling unit per acre.
- ◆ *Low Density Residential.* Single-family homes of up to 5 dwelling units per acre.
- ◆ *Medium Density Residential.* Multi-family and small single-family homes at 5 and 12 dwelling units per acre.
- ◆ *High Density Residential.* Multi-family development at 12 to 20 dwelling units per acre.
- ◆ *Mobile Home Park.* Mobile homes at 5 to 12 dwelling units per acre.

The Mixed Use Commercial designation in the Los Gatos General Plan also allows residential uses as a part of mixed-use development, but does not specify a minimum or maximum residential density.

Residential uses are allowed in all office and commercial zones in Los Gatos with a conditional use permit.

2. Town Code

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

a. Residential Development Standards

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

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

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

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

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TABLE 4-1 RESIDENTIAL DEVELOPMENT STANDARDS BY ZONING DISTRICT

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

^a For condominiums and townhouses in the RM zoning district, two parking spaces for residents and one additional space for visitors is required.

^b The Town requires 1.5 parking spaces per unit in the RM zone. The Town's deciding body has the discretion to allow up to 1 additional space for visitor parking.

b. Overlay Zones

Two overlay zones in the Town Code, the Planned Development (PD) and the Landmark and Historic Preservation (LHP) zones, apply to housing development in Los Gatos. In addition, the Town has developed the Affordable Housing Overlay Zone (AHOZ) for the five properties listed in the Housing Sites Inventory in Table 6-1 of Chapter 6.

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

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

The AHOZ is intended to provide affordable housing on the five properties listed in the Housing Sites Inventory. The AHOZ promotes densities, development standards and incentives that will encourage the production of housing affordable to all income levels of the Town's RHNA allocation. The properties can be developed consistent with the AHOZ development standards, densities and incentives or under the existing zoning requirements, but not both.

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

The AHOZ also allows up to four automatic concessions. The concessions include reductions in parking, setbacks, or an increase in lot coverage; planning and building processing fee deferrals or waivers and construction mitigation impact fee

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

deferrals or waiver. The deferrals are automatic and the waiver applies if it is requested as one of the four concessions. Finally, the AHOZ allows affordable developments consistent with the AHOZ standards priority planning review, building plan check review and building inspections.

c. Multi-family Housing

In Los Gatos, two-family dwellings, or duplexes, are allowed by right in the RD zone. Multi-family housing is allowed in the RM zone with a Conditional Use Permit (CUP). State Housing law requires that multi-family housing be treated the same as other residential uses in the same zone. Requiring a CUP for multi-family housing in the RM zone may unduly constrain affordable housing development in Los Gatos. Action HOU-6.6 of this Housing Element calls for the Town to conduct a study to evaluate removal of the CUP requirement for multi-family housing, thereby allowing multi-family housing by right in the RM zone.

In the RM zone, the Town requires that developers of multi-family apartments include 1.5 parking spaces per unit, plus up to 1 visitor space with Town discretionary approval. Requiring 1.5 parking spaces per unit and allowing up to 1 additional visitor space with discretionary approval may unduly constrain affordable housing development in Los Gatos given the cost to build parking. Action HOU-6.7 calls for the Town to conduct a study to evaluate reducing the parking requirement for multi-family apartments in the RM zone.

d. Manufactured Housing

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

e. Transitional and Supportive Housing

According to California Health and Safety Code Section 50675.2, transitional housing is rental housing with, at most, a six-month limit on the length of stay for tenants. Transitional housing would be available to homeless individuals and/or families in need of temporary housing until they can secure more permanent housing. Los Gatos currently does not define “transitional housing” in the Town Code. Action HOU-6.9 would amend the Town Code to include a definition for transitional housing that is consistent with State law and permits transitional housing as a residential use in Los Gatos.

According to California Health and Safety Code Section 50675.14, supportive housing is housing that is linked to on- or off-site services and is occupied by low-

income persons with mental disabilities, chronic health issues or substance abuse issues or persons with disabilities that were developed before age 18. Supportive housing has no limit on the length of stay for tenants. Supportive housing in Los Gatos consists of small family home residential care facilities, which are permitted in all residential zoning districts except Mobile Home Residential (RMH). Because California Health and Safety Code Section 1267.8 requires that licensed residential care facilities for six or less persons be allowed by right in all residential districts, Action HOU-6.11 amends the Town Code to permit small family home residential care facilities in all residential districts.

f. Secondary Dwelling Units

Secondary dwelling units are an important tool to create housing that can be affordable in Los Gatos. A secondary dwelling unit is a permanent structure that contains independent living facilities and is located on the same property as a larger, primary structure. Secondary dwelling units are allowed on conforming lots in the R-1, RM, and R1-D zones.

Los Gatos has a secondary dwelling unit incentive program, administered under the Below Market Price (BMP) program that offers a no-interest construction loan to a property owner for development of a deed-restricted, affordable secondary dwelling unit. All secondary units require a secondary dwelling unit application. The total number of secondary units, which is 416 units as of August 2008 in Los Gatos, includes the number of existing, legal secondary units located in the Town as well as the number of secondary units that could potentially be created in new residential developments in the RM, R-1 D, and PD zones. Of these 416 secondary units, 19 units were approved between 1999 and 2007.

3. Building Code and Code Compliance

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

- ◆ 2007 California Building Code
- ◆ 2007 California Reference Standards Code
- ◆ 2007 California Plumbing Code (based on 2006 Uniform Mechanical Code)
- ◆ 2007 California Mechanical Code
- ◆ 2007 California Electrical Code (based on 2005 National Electrical Code)

- ◆ 2007 California Energy Code
- ◆ 2007 California Fire Code (based on 2006 International Fire Code)
- ◆ 2007 California Existing Building Code
- ◆ 2007 California Historical Building Code
- ◆ 2006 International Building Code

The Town also has a Code Compliance program that enforces the Town zoning regulations and building and safety codes. The program reviews and responds to code complaints. Affordable units developed under the Below Market Price (BMP) Program must undergo an annual compliance audit.

4. On- and Off-Site Improvements

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

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

5. Development Standards and Design Guidelines

The Town has adopted Residential Design Guidelines for single-family and two-family dwelling units, which incorporate the Town's previous Residential Pre-1941

Design Guidelines for historically-significant structures, sites, and districts in Los Gatos. The Town has also adopted Hillside Development Standards and Guidelines. These sets of development standards and design guidelines are used in the development and design review process for Los Gatos and complement the Town Code zoning regulations. The Hillside Development Standards and Guidelines were adopted in January 2004. The Residential Design Guidelines were updated and adopted in 2008. These sets of standards and guidelines are summarized below.

a. Residential Design Guidelines

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

- ◆ **Historic Designations.** When necessitated by the designating ordinance, Historic Preservation Committee review of a development is required for developments that affect a historically designated property or are located in a historic district.
- ◆ **Site Development.** This section focuses on the design and layout of the housing development in relation to its site. Site planning issues addressed include site design, solar orientation, shadow effect, and easements and dedications.
- ◆ **Building Design.** This section focuses on the design and layout of development in relation to the surrounding neighborhood. Issues addressed include harmony and compatibility with the streetscape and surrounding structures; the scale and mass of the development including second-story additions, significant remodels, demolitions and replacement structures, exterior material and colors, building components, energy conservation, and privacy. Neighborhood compatibility for replacement structures shall be based on the following criteria:
 - Existing architectural style of surrounding neighborhood.
 - Size of the lot on which the development is located.
 - Size of homes adjacent to the development and along the street on which the development is located.
 - Transitioning neighborhood.
 - Impacts on the site and surrounding property.
- ◆ **Landscaping/Open Space.** This section addresses tree preservation in accordance with Town Code Section 29.10.0965, adherence to the Town's Land-

scaping Policies for Application for Zoning and Subdivision Approvals, and screening of outdoor areas for compliance with landscaping and fencing requirements.

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

b. Hillside Development Standards and Guidelines

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

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

- ◆ **Constraints Analysis and Site Selection.** Developers must conduct a constraints analysis as deemed necessary by the Town, consult with neighbors, meet with Town staff to discuss the development site, and conduct a view analysis for the development site. The constraints analysis, as required by the Town, requires that developers of hillside property identify the Least Restrictive Development Area (LRDA), or areas deemed most feasible for development on hillsides. For the view analysis, developers must analyze aesthetic impacts; preserve hillside and ridgeline views; and preserve natural features, riparian corridors, and wildlife.
- ◆ **Site Planning.** This section describes site planning standards and guidelines that minimize physical and aesthetic impacts to the site topography. Standards and guidelines discuss grading, drainage, driveways and parking, and safety regarding geologic and fire hazards.
- ◆ **Development Intensity.** This section outlines the maximum allowable floor area of development based on lot size.
- ◆ **Architectural Design.** The following architectural design characteristics are addressed in this section:
 - Neighbor-friendliness
 - Sustainability

- Fire safety
- Building height
- Bulk and mass
- Roofs
- Architectural features and detailing
- Materials and colors

◆ **Site Elements.** The specific elements of a hillside development site are addressed:

- Fences and walls
- Driveway entries
- Retaining walls
- Outdoor lighting
- Accessory buildings, swimming pools, and sport courts
- Impervious surfaces

◆ **Landscape Design.** Because hillside sites are more prone to erosion, landslides, mudslides, and fire and water hazards than flatter sites in Los Gatos, the following concepts are addressed in the landscaping standards and guidelines for hillside development:

- Fire safety
- Garden and turf locations and plant selection
- Irrigation
- Impervious surfaces
- Plant materials
- Tree preservation

◆ **Planned Development Projects.** This section describes standards and guidelines that relate specifically to hillside Planned Developments (PDs) in Los Gatos. Additional restrictions are placed on the LRDA for PDs. This section includes standards and guidelines focusing on site preparation, drainage, lot configuration and building locations, street layout and driveways, and trail design.

6. Governmental Fees and Exactions

Governmental fees can be a significant portion of the cost of housing development and can therefore be considered a constraint to housing development. Table 4-2 below provides the 2009-2010 planning and development fees in Los Gatos. Fees are due at the time an application is submitted.

In addition to these planning and development fees, developers must pay the following impact fees (provided in dollars per square foot, or per unit if flat rate) that are intended to offset the cost of new residential development to public services in Los Gatos:

- ◆ School Impact Fee (Los Gatos Union School District): \$2.97 per sf
- ◆ Road Impact Fee: \$0.15 per sf
- ◆ Local Traffic Impact Fee: Actual cost of development review and consultant report fee
- ◆ Sewer Impact Fee: \$196 per unit (flat rate)

According to the Town of Los Gatos's Community Development Department Planning Division, developing a new single-family home in Los Gatos typically costs at least \$4,800 in fees. Multi-family units in Los Gatos are generally developed as part of a Planned Development, so that new multi-family housing will typically cost at least \$30,000 in total fees. These fees include Planning Commission approval, fees associated with a Planned Development that does not require a General Plan or Specific Plan amendment, and related impact fees. Multi-family housing in the Multi-family Residential (RM) zone requires a Conditional Use Permit, resulting in an additional planning fee of approximately \$870, unless the development is part of a Planned Development application. These fees represent approximately less than 1 percent of total development costs for multi-family housing and are comparable to the planning fees of nearby communities such

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TABLE 4-2 2009-2010 RESIDENTIAL PLANNING AND DEVELOPMENT FEES

	Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
1 ZONING APPROVALS						
A Architecture and Site Applications						
1 Development Review Committee (DRC) Approval						
a. New single-family detached (HR & RC zone)	\$5,523.00	\$220.92	N/A	\$552.30	\$552.30	\$6,848.52
b. New single-family detached (HR & RC zones) per unit, as part of a Planned Development	\$4,144.00	\$165.76	N/A	\$414.40	\$414.40	\$5,138.56
c. New single-family or two-family units	\$3,916.00	\$156.64	N/A	\$391.60	\$391.60	\$4,855.84
d. New single-family or two-family (any other zone) per unit, as part of a Planned Development	\$2,938.00	\$117.52	N/A	\$293.80	\$293.80	\$3,643.12
e. Minor projects (a development proposal that does not significantly change the size, mass, appearance or neighborhood impact of a structure, property or parking lot)	\$1,490.00	\$59.60	N/A	\$149.00	\$149.00	\$1,847.60
2 Planning Commission Approval						
a. Supplemental fee for DRC applications as determined in Section 1.A.(1) or minor residential development applications that require Planning Commission approval	\$2,158.00	\$86.32	N/A	\$215.80	\$215.80	\$2,675.92
b. New two-family unit	\$3,916.00	\$156.64	N/A	\$391.60	\$391.60	\$4,855.84
c. New nonresidential	\$6,089.00	\$243.56	N/A	\$608.90	\$608.90	\$7,550.36
d. New multiple-family	\$5,538.00	\$221.52	N/A	\$553.80	\$553.80	\$6,867.12
e. Demolition request with a Planned Development Application	\$1,490.00	\$59.60	N/A	\$149.00	\$149.00	\$1,847.60
f. All other	\$3,649.00	\$145.96	N/A	\$364.90	\$364.90	\$4,524.76
B Conditional Use Permits						
1 Conditional Use Permit						
	\$4,221.00	\$168.84	N/A	\$422.10	\$422.10	\$5,234.04
2 Conditional Use Permit (when consolidated with another application for new development)						
	\$701.00	\$28.04	N/A	\$70.10	\$70.10	\$869.24
3 Conditional Use Permit for Restaurant						
Minor Restaurant (DRC Approval)						
	\$2,569.00	\$102.76	N/A	\$256.90	\$256.90	\$3,185.56
Major Restaurant (PC Approval)						
	\$4,221.00	\$168.84	N/A	\$422.10	\$422.10	\$5,234.04
4 Applications that require TC Approval (this fee supplements the above established fees)						
	\$2,158.00	\$86.32	N/A	\$215.80	\$215.80	\$2,675.92
a. Transcription Fee of PC Minutes	Actual Cost (\$500 min.)	N/A	N/A	N/A	N/A	Varies
C Variance						
	\$3,104.00	\$124.16	N/A	\$310.40	\$310.40	\$3,848.96
D Rezoning (other than Planned Development)						
1 Without General Plan or Specific Plan Amendment						
	\$4,531.00	\$181.24	\$453.10	\$453.10	\$453.10	\$6,071.54
2 With General Plan or Specific Plan Amendment						
	\$6,937.00	\$277.48	\$693.70	\$693.70	\$693.70	\$9,295.58
3 Transcription Fee of PC Minutes						
	Actual Cost (\$500 min.)	N/A	N/A	N/A	N/A	Varies
E Planned Development						
1 Without General Plan or Specific Plan Amendment						
	\$19,121.00	\$764.84	\$1,912.10	\$1,912.10	\$1,912.10	\$25,622.14
2 Without General Plan or specific Plan Amendment (HR or RC Underlying Zone)						
	\$25,169.00	\$1,006.76	\$2,156.90	\$2,156.90	\$2,156.90	\$33,726.46
3 With General Plan or Specific Plan Amendment						
	\$22,622.00	\$904.88	\$2,262.20	\$2,262.20	\$2,262.20	\$30,313.48
4 With General Plan or Specific Plan Amendment (HR or RC Underlying Zone)						
	\$28,664.00	\$1,146.56	\$2,866.40	\$2,866.40	\$2,866.40	\$38,409.76

**TOWN OF LOS GATOS
2020 GENERAL PLAN
2007 - 2014 HOUSING ELEMENT: TECHNICAL APPENDIX
CONSTRAINTS TO HOUSING DEVELOPMENT**

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

	Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
5 Town Council Modification to a Planned Development	75% of Current Fee	Varies	Varies	Varies	Varies	Varies
6 DRC Modification to a Planned Development Zone	\$7,575.00	\$303.00	\$757.50	\$757.50	\$757.50	\$10,150.50
7 Publication costs for the Planned Development Ordinance shall be paid by the applicant.						
8 Transcription Fee of PC Minutes	Actual Cost (\$500 min.)	N/A	N/A	N/A	N/A	Varies
F Minor Residential Development	\$1,490.00	\$59.60	N/A	\$149.00	N/A	\$1,698.60
G Agricultural Preserve Withdrawal	\$2,816.00	\$112.64	N/A	\$281.60	N/A	\$3,210.24
H Planning Division Certificates of Use and Occupancy						
1 Change of Use	\$229.00	\$9.16	N/A	\$22.90	N/A	\$261.06
2 Change of occupancy (excluding change of proprietor of a continuing business enterprise)	\$112.00	\$4.48	N/A	\$11.20	N/A	\$127.68
3 Use/occupancy clearance if Conditional use permit is required or occupancy of a new secondary dwelling unit	No fee	No fee	No fee	No fee	N/A	No fee
I Hazardous Materials Storage Facility Application	\$1,240.00	\$49.60	N/A	\$124.00	N/A	\$1,413.60
J Home Occupation Permit	\$141.00	\$5.64	N/A	N/A	N/A	\$146.64
K Sign Application						
1 New Permanent Sign	\$309.00	\$12.36	N/A	\$30.90	N/A	\$352.26
2 Temporary Nonresidential	\$65.00	\$2.60	N/A	\$6.50	N/A	\$74.10
3 Change of Face Only	\$127.00	\$5.08	N/A	\$12.70	N/A	\$144.78
4 Sign Program	\$1,470.00	\$58.80	N/A	\$147.00	N/A	\$1,675.80
L Secondary Dwelling Units						
1 New or existing unit	\$946.00	\$37.84	N/A	\$94.60	N/A	\$1,078.44
2 Two existing units	\$1,311.00	\$52.44	N/A	\$131.10	N/A	\$1,494.54
M Mobile Home Park Conversion Permit	Actual Cost (\$5,000 min.)	Varies	Varies	Varies	N/A	Varies
N Town Code Amendments	Actual Cost (\$2,000 min.)	N/A	N/A	N/A	N/A	Varies
O Administrative Land Use Permit						
1 Minor telecommunications facility (i.e. microcell, 8021 lb or equivalent)	\$124.00	\$4.96	N/A	\$12.40	N/A	\$141.36
2 Major telecommunications facilities which do not require a Conditional Use Permit	\$1,497.00	\$59.88	N/A	\$1490.70	N/A	\$1,706.58
2 SUBDIVISIONS						
A Lot Line Adjustment (DRC Approval)	\$1,414.00	\$56.56	N/A	\$141.40	\$141.40	\$1,753.36
B 4 Lots or Less	\$5,907.00	\$263.28	\$590.70	\$590.70	\$590.70	\$7,915.38
C 5 Lots or More	\$9,368.00	\$374.72	\$936.80	\$936.80	\$936.80	\$12,553.12
D Vesting Tentative Map	Fee to be based on the number of lots under 2B or 2C	Varies	Varies	Varies	Varies	Varies
E Lot Merger and Reversion to Acreage (DRC Approval)	\$700.00	\$28.00	N/A	\$70.00	\$70.00	\$868.00
F Condominium	\$4,947.00	\$197.88	\$494.70	\$494.70	\$494.70	\$6,628.98
G Certificate of Compliance (DRC Approval)	\$2,834.00	\$113.36	N/A	\$283.40	\$283.40	\$3,514.16
H DRC applications that requires Planning Commission approval (this fee supplements the above established fees)	\$2,158.00	\$86.32	N/A	\$215.80	\$215.80	\$2,675.92
3 MISCELLANEOUS APPLICATION FEES						
A Time Extensions to Approved Applications	50% of Current Fee	Varies	Varies	Varies	Varies	Varies

TOWN OF LOS GATOS
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2007-2014 HOUSING ELEMENT: TECHNICAL APPENDIX
CONSTRAINTS TO HOUSING DEVELOPMENT

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

	Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
B Modification of Approved Application	75% of Current Fee	Varies	N/A	Varies	Varies	Varies
C Conceptual Development Advisory Committee Review	\$1,675.00	\$67.00	N/A	\$167.50	N/A	\$1,909.50
D Push Cart Permit	\$327.00	\$13.08	N/A	\$32.70	N/A	\$372.70
E Auto Dealer Events						
1 Small promotional events	\$62.00	\$2.48	N/A	\$6.20	N/A	\$70.68
2 Large promotional events	\$307.00	\$12.28	N/A	\$30.70	N/A	\$349.98
4 ENVIRONMENTAL ASSESSMENT FEES						
A Categorical Exemption	No Fee	N/A	N/A	N/A	N/A	No Fee
B Initial Study (Deposit)*	\$3,500 min.	N/A	N/A	N/A	N/A	\$3,500 min.
C Negative Declaration	\$1,850.00	N/A	N/A	N/A	\$185.00	\$2,035.00
D Environmental Impact Report	Consultant's Fee	N/A	N/A	N/A	N/A	Varies
E Draft EIR Review Fee	\$10,241 Plus 10% EIR Cost	N/A	N/A	N/A	\$1,024.10	Varies
F Impact Monitoring Program (AB3180)	Actual Cost on an hourly basis plus cost of Consultant (if necessary)	N/A	N/A	N/A	N/A	Varies
5 OTHER						
A Pre-application Conference Fee	Actual Cost	Varies	Varies	Varies	N/A	Varies
B Fence Height Exceptions	\$184.00	N/A	N/A	N/A	N/A	\$184.00
C Request For Service Not Covered By Any Other Fee	Actual Cost	Varies	Varies	Varies	N/A	Varies
D Peer/Technical Review	\$1,500 deposit plus 10% of actual cost for administrative charge	N/A	N/A	N/A	N/A	Varies
E Fees for Additional Tech Review and/or DRC Review	Actual Cost	N/A	N/A	N/A	N/A	Varies
F Microfilming Files	Actual Cost	N/A	N/A	N/A	N/A	Varies
G Building Permit Plan Check Fee	20% of Building Fee	N/A	N/A	N/A	N/A	Varies
H Surcharges						
1 Permit Tracking Maintenance and Update Surcharge	4% of Development Application Fee (\$1.00 min.)	N/A	N/A	N/A	N/A	Varies
2 General Plan Update Surcharge	0.5% of Bldg. Valuation for new construction and additions or 10% of zone change and subdivision fee		N/A	N/A	N/A	Varies
3 Route 85 Study Plan Surcharge **	10% of Development Application Fee for property in Route 85 Study Plan Area		N/A	N/A	N/A	Varies
4 Advanced Planning Projects	10% of Development Application Fee	N/A	N/A	N/A	N/A	Varies
5 North 40 Study Plan Surcharge	Actual Cost on proportionate basis	N/A	N/A	N/A	N/A	Varies
I Applications for Work Unlawfully Completed	Double Current Application Fee	N/A	N/A	N/A	N/A	Varies
J Consultation	Actual Cost on an hourly basis	N/A	N/A	N/A	N/A	Varies
K Appeals						
1 Fee to Appeal Planning Commission Decision to Town Council	\$321 per residential \$1,288 per commercial, multi-family or tentative Map Appeal	N/A	N/A	N/A	N/A	Varies
2 Fee to remand applications from Town Council to Planning Commission where no error was made by Planning Commission	50% of original application fee(s)	N/A	N/A	N/A	N/A	Varies

TOWN OF LOS GATOS
 2020 GENERAL PLAN
 2007-2014 HOUSING ELEMENT: TECHNICAL APPENDIX
 CONSTRAINTS TO HOUSING DEVELOPMENT

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

	Application Fee	4% Permit Tracking Fee PLTRACK	10% General Plan Update GPUPDATE	10% Advance Planning Special Project PLANAP	7.25% Engineering Dev Review Services Fee ENGDEV	Total Fee
3 Fee to Appeal Director of Community Development or Development Review Committee decision to Planning Commission	\$161 per residential \$645 per commercial	N/A	N/A	N/A	N/A	Varies
4 Tree Appeals	\$65.00	N/A	N/A	N/A	N/A	\$60.00
5 Appeal Transcription fee of Planning Commission minutes	Actual Cost min. \$500 deposit	N/A	N/A	N/A	N/A	Varies
L. Research Services Minimum Charge	Actual Cost min. \$100 deposit	N/A	N/A	N/A	N/A	Varies
M Zoning Research						
1 Basic zoning letter	\$184.00	N/A	N/A	N/A	N/A	\$184.00
2 Legal non-conforming verification	\$431.00	N/A	N/A	N/A	N/A	\$431.00
3 Reconstruction of legal non-conforming structures (Burndown Letter)	\$184.00	N/A	N/A	N/A	N/A	\$184.00

*The \$3,500 deposit is a deposit only. The specific cost of the Initial Study and any required special studies shall be borne by the applicant. The deposit shall be increased before the Town will authorize work exceeding the amount on deposit.

**Not charged to the following application 1H, 1J, 1K, 3C, 3D, and 3E.

as Saratoga. The Town finds that these fees do not constrain development in Los Gatos.

7. Processing and Permitting Time

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

Processing of a typical single-family housing application includes the following steps:

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

Processing for a typical multi-family housing project includes the following steps:

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

Requiring a CUP for multi-family housing is a potential constraint on multi-family housing development within the Town and can lengthen the permitting and processing time. This Housing Element includes Action HOU-6.6, which requires the Town to study removal of the CUP requirement for multi-family uses.

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

The architectural, geotechnical, and arborist reviews are conducted early in the development application process. These reviews are conducted during the review

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

8. Local Housing Programs

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

a. Below Market Price (BMP) Program

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

The BMP Program promotes the development of affordable housing units by providing standards and guidelines that require the development of a certain number of quality affordable units per rental or owner development project, based on the size of the project. The BMP Program requires the development of affordable housing where rents cannot be more than 80 percent of the current HUD Fair Market Rents (FMR) as determined by the HACSC. Table 4-3 shows the FMR for FY 2007/2008 used by the Town of Los Gatos's BMP Program.

Table 4-4 lists the requirements for new residential construction as implemented by the BMP Program. The BMP Program requirements apply to all residential development projects that include five (5) or more residential units or parcels which involve:

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

4. Conversion of non-residential use to residential use.

The Town will consider, at its discretion, a fee payment in lieu of constructing BMP units for Planned Unit Developments with an underlying HR zone or for residential developments with five to nine units.

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

Affordable units developed under the BMP Program are subject to deed restrictions approved by the Town Council. If units are to be resold, the Town determines the resale price and resells the unit through the BMP

TABLE 4-3 HUD FAIR MARKET RENTS, SANTA CLARA COUNTY HOUSING AUTHORITY, FY 2007/2008

Number of Bedrooms	0	1	2	3	4	5	6
Fair Market Rent	\$928	\$1,076	\$1,293	\$1,859	\$2,047	\$2,354	\$2,661

TABLE 4-4 BMP PROGRAM GUIDELINES

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

^a Calculations that result in a fraction of one-half or more shall be rounded up to the next whole number. Required affordable units will be of the same ownership tenure as that of the market-rate units in a residential development. In developments that contain both renter- and owner-occupied units, the required affordable units will be designated in a similar tenure ratio to that of the market-rate units.

Program. Through this process, each affordable housing unit remains affordable in perpetuity.

Because the BMP Program regulates the number of affordable units required as part of new residential construction in Los Gatos, the program could be considered a constraint on housing development. However, because the BMP Program requires the construction of affordable units with every new development in Los Gatos, the Town sees this program as an opportunity to preserve affordable housing for the Los Gatos community. As of September 2008, 134 units in Los Gatos have been developed under the BMP Program. Developers have successfully developed BMP units utilizing the density bonus program. Additionally, under the Secondary Unit Incentive Program, the Town offers no-interest construction loans to facilitate the development of affordable, deed-restricted secondary dwelling units. Based on the successful development and

preservation of affordable housing through the BMP Program, Los Gatos does not consider the program to be a constraint on affordable housing development.

b. Affordable Housing In-Lieu Fee Fund

In-lieu fees are paid into the Town's Affordable Housing Fund and are calculated as 6 percent of building permit valuation as determined by the Building Official. As previously noted, these fees may be paid by developers of new residential construction with 5 or more units but less than 10 units or new residential construction in a Planned Unit Development with an underlying zone of HR, instead of building an affordable housing unit under the BMP Program. All residential construction over 10 units must build affordable units. Payment of in-lieu fees is required for the approval of Hillside Planned Developments with five or more residential sites. This additional fee levied on developers could be considered a constraint on housing development; however, because the fees are paid into a fund that will be used to develop more affordable housing in Los Gatos, these fees are not considered a constraint. Use of the Affordable Housing Fund includes, but is not limited to:

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

c. Rental Dispute Resolution Program

The Los Gatos Rental Dispute Resolution Program provides conciliation, mediation and arbitration services for renters in Los Gatos. The program is administered by Project Sentinel, a local non-profit organization contracted by the Town. This program is not considered a constraint on housing development in Los Gatos.

d. Density Bonus Program

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

Between 1985 and 1990, the Town approved 115 density bonus units. Between 1990 and 2002, the Town approved 29 additional density bonus units, including density bonuses for the Los Gatos Creek Village Apartments and Open Doors. The Town has not approved any density bonus units since 2002.

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

e. State Density Bonus Program

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

The Town has not processed a request for a State Density Bonus since the ordinance was adopted in June 2012. The State Density Bonus Program provides opportunities to build additional, affordable units in Los Gatos; consequently, this program is not considered a constraint on housing development.

f. Affordable Housing Overlay Zone

The Town adopted the Affordable Housing Overlay Zone (AHOZ) and applied it to the five properties on the Housing Sites Inventory (Table 6-1). The AHOZ allows densities, density bonuses, development standards and concessions that will encourage affordable housing of all income levels in the Town's RNHA. Since the AHOZ encourages and provides incentives to develop affordable housing, the program is not considered a constraint on housing development.

9. Constraints on Housing for Persons with Disabilities

State law requires that Housing Elements analyze governmental constraints to housing for persons with disabilities. How a jurisdiction defines "family" in its zoning regulations can be a potential constraint to facilitating housing for persons with disabilities. The existing definition of "family" in the Town Code is "one (1) or more persons related by blood or marriage, or a group of not more than five (5)

persons, not including servants, who need not be related by blood or marriage, living as a single housekeeping unit.” This Housing Element includes an Action (Action HOU-6.8) to amend the definition of family to include occupancy standards for unrelated adults and to comply with Fair Housing Law.

In Los Gatos, group homes are defined by the Town Code as residential care facilities of any capacity that provide services to a group of adults or children. These residential care facilities also provide housing for persons with disabilities. Group homes require a conditional use permit in all residential districts and are prohibited in the Mobile Home Residential (RMH), Commercial-Industrial (LM), and Controlled Manufacturing (CM) zones. Because State law requires that licensed residential care facilities for six or fewer persons be allowed by right in all residential districts, the Housing Element includes an Action (Action HOU-6.10) to amend the definition of “group home” to be a licensed residential care facility for six or more persons. The Town imposes no spacing or concentration requirements on any of the allowed residential care facilities. Los Gatos also has two other types of residential care facilities: small family homes, which have a capacity for six or fewer persons, are allowed in all residentially-zoned districts without a use permit; large family homes, which have a capacity for seven or more persons, are allowed in all districts with a conditional use permit, except where large family homes are prohibited in the RMH, LM, and CM districts.

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

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

- ◆ A wooden backing that is no smaller than 2 inches by 8 inches in all bathroom walls, at water closets, showers, and bathtubs. It will be located 34 inches from the floor to the center of the backing, suitable for the installation of grab bars.
- ◆ All passage doors of at least 32 inches wide on the accessible floor.

- ◆ A primary entrance that is a 36-inch-wide door, including a 5-foot by 5-foot level landing, no more than 1-inch out of plane with the immediate interior floor level, with an 18-inch clearance.

B. Non-Governmental Constraints to Housing Development

Market constraints to housing development in Los Gatos are the primary non-governmental impediment to housing production. The Town is located near Silicon Valley jobs, and offers residents desirable amenities such as an historic downtown and a school district in which student performance ranks in the top 5 percent of the State.² The high cost of buildable land is primarily a result of constrained supply, as described below.

1. Land Costs

Most single-family vacant parcels are zoned for one or two units per acre, with the average costs per acre ranging from \$3 to \$4 million dollars.³ According to a local realtor with Sereno Group Real Estate, smaller vacant parcels are uncommon, costing approximately \$1 million for an 8,000 to 10,000 square-foot, single-family lot.

Land value accounts for 50 to 60 percent of the sale price of homes built in the 1960s and 1970s.⁴ However, for new homes, the cost of construction has risen, so the value of the land accounts for 30 to 40 percent of new home prices.⁵

There are few unimproved parcels zoned for multi-family development, and such parcels demand premium prices because of the high demand to live in Los Gatos. Additionally, most parcels have existing improvements that increase acquisition costs. The land costs for multi-family development sites cost \$90 to \$110 per

² “Student performance in Los Gatos ranks in the top 5% in the state,” Los Gatos School District Excellence in Education Initiative, http://www.lgusd.k12.ca.us/E2_Initiative.htm, accessed July 2008.

³ Tim Stanley, Vice President of Construction, Greenbrier Homes, personal communication with DC&E, July 18, 2008.

⁴ Bob Campbell, Executive Director, Senior Housing Solutions, personal communication with DC&E, July 14, 2008.

⁵ Tim Stanley, Vice President of Construction, Greenbrier Homes, personal communication with DC&E, July 18, 2008.

square foot, or approximately \$3.5 million to \$4.5 million per acre.⁶ On average, the land cost for large parcels for multi-family development is at least \$5 million per acre.⁷

2. Construction and Soft Costs

Construction costs for a 2,000-square-foot single-family home in Los Gatos averaged about \$200,000 to \$270,000, or \$100 to \$135 per square foot, as of July 2008.⁸ In general, construction costs for multi-family units in a 4- to 6-unit per acre development are \$100 per square foot, while units in a large, single-family home on 1- or 2-acre parcels cost up to \$200 per square foot to develop. Based on July 2008 construction costs, a low-rise 20,000-square-foot multi-family development costs approximately \$158 per square foot to build.⁹

As of summer 2008, given the high cost and regulatory density limitations, multi-family apartments are generally more expensive to develop than condominiums, which makes condominiums more desirable development projects for developers. According to the San Jose-based real estate company Morely Bros., Inc., condominiums are estimated to sell for between \$750,000 and \$900,000 in Los Gatos.¹⁰

More detailed cost estimate ranges for local construction costs are listed below. These estimated costs account for labor and materials only. In general, half of the construction costs are associated with labor and equipment and half with materials.

- ◆ Single-family detached: \$100 to \$135 per square foot
- ◆ Attached townhouses: \$135 to \$145 per square foot
- ◆ Three- and four-story multi-family condominiums: \$150 to \$190 per square foot

⁶ Eric Morely, Principal, Morely Bros., LLC, personal communication with DC&E, August 5, 2008.

⁷ Chris Ray, Realtor, Sereno Group Real Estate, personal communication with DC&E, July 15, 2008.

⁸ Tim Stanley, Vice President of Construction, Greenbrier Homes, personal communication with DC&E, July 18, 2008 and Eric Morely, Principal, Morely Bros. LLC, personal communication with DC&E, August 5, 2008.

⁹ RSMean's Quick Cost Calculator, Reed Construction Data, <http://www.rsmeans.com/calculator/index.asp?specialUser=FSONL>, Accessed July, 2008.

¹⁰ Eric Morely, Principal, Morely Bros., LLC, personal communication with DC&E, August 5, 2008.

- ◆ Three- to four-story multi-family condominiums with structured podium parking: \$220 to \$275 per square foot¹¹

3. Availability of Financing

The residential real estate market is strong in the Town of Los Gatos. Local realtors and developers have noted that Los Gatos has not been affected by the recent home mortgage foreclosure crisis and that adequate financing through local banks is available to the Los Gatos community.¹²

¹¹ Los Gatos Gateway is one of the few projects in Los Gatos with concrete podium parking.

¹² Eric Morely, Principal, Morely Bros., LLC, personal communication with DC&E, August 5, 2008.

5 REVIEW OF 2003 HOUSING ELEMENT

The Town's previous Housing Element was adopted in 2003. In order to effectively plan for the future, it is important to reflect back on the goals of the 2003 Element and to identify those areas where progress was made and those areas where additional effort is needed. In fact, State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

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

A. Effectiveness of the Element

The Town's 2003 Housing Element identified the following goals:

- ◆ To improve the choice of housing opportunities for senior citizens, families and singles and for all income groups through a variety of housing types and sizes, including a mixture of ownership and rental housing.
- ◆ To preserve existing moderately priced and historically significant housing.
- ◆ To improve the quality of existing housing and prevent blight.
- ◆ To eliminate racial discrimination, disability discrimination and all other forms of discrimination, which can prevent free choice in housing.
- ◆ To make infrastructure projects and residential and nonresidential developments compatible with environmental quality and energy conservation.
- ◆ To reduce the homeless population.
- ◆ To provide housing affordable to people who work in the Town.

In order to achieve these goals, the 2003 Element listed a series of policies and programs. Table 5-1 identifies the policies and programs of the 2003 Element. The table also includes a description of the actions that were taken from 2002

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TABLE 5-1 PROGRESS IN ACHIEVING 2003 POLICIES AND PROGRAMS (2002-2007)

No.	Implementing Strategies	Accomplishments (2002-2007)	Comments
H.P.1.1	Continue to designate sufficient residentially-zoned land at appropriate densities to provide adequate sites to meet Los Gatos's new construction need for 2002-2007.		
H.P.1.2	Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing.		
H.P.1.3	Develop and utilize all available funding resources in order to provide the maximum amount of affordable housing as feasible.		
H.I.1.1	<p>Adequate Land Inventory: The Town will ensure that there is sufficient land available at appropriate zoning categories to meet its need for very low and moderate income households. In order to achieve this, the Town will assess the progress of the development community in providing very low income units during the latter part of 2003. If it appears that an insufficient number of very low, low and moderate income units are being produced, the Town will consider rezoning up to five acres of land within a ½-mile radius of the future Vasona light rail station to a higher density (refer to the target area map in the Housing Element Technical Appendix).</p>	<p>The Town created a Planned Development Overlay Zone at 14300 Winchester Boulevard for the 290-unit Aventino Apartments complex, which includes 51 affordable housing units. The Aventino Apartments are within a one-half mile radius from the planned Vasona light rail station.</p>	
H.I.1.2	<p>Density Bonus: Continue to provide up to a 100% density bonus for developments that include housing for elderly, handicapped and/or very low and low-income households. Eligibility requirements are as follows:</p> <p>A. All housing projects on lots in excess of 40,000 square feet must be processed as Planned Developments in order to receive a density bonus.</p> <p>B. Housing restricted to elderly, handicapped and very low and low income residents shall be eligible for a density bonus up to 100% of the units permitted by the land use designation as shown on the land use plan or any specific plan and incentives based on the State Density Bonus law.</p> <p>C. Town density bonuses will also be granted for residential projects that actively facilitate and encourage use of transit or directly provide transit services to residents.</p> <p>D. Concessions to the Town's density, traffic, and parking regulations may be granted for mixed-use projects that provide residential units in non-residential zones.</p>	<p>The Town continues to provide up to a 100% density bonus for developments that include affordable housing for very low-income, low-income, elderly, and handicapped households. Information regarding the density bonus program is included on the website.</p>	<p>No new projects using density bonuses have been proposed in the Town.</p>
	<p>E. BMP (Below Market Price) units are not included when calculating density for a property.</p> <p>The Town will develop marketing materials that will ensure that Town staff and developers are aware of the various features of the density bonus program.</p>		

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TABLE 5-1 PROGRESS IN ACHIEVING 2003 POLICIES AND PROGRAMS (2002-2007) (CONTINUED)

No.	Implementing Strategies	Accomplishments (2002-2007)	Comments
H.I.1.3	Development Standards: Continue to review and, where feasible, reduce development standards (e.g. parking requirements, open space requirements, etc.) for housing developments that will guarantee affordable units on a long-term basis for low and moderate-income households.	Development standards have been reduced for Aventino Apartments at 14300 Winchester Boulevard and for 15350 Winchester Boulevard. The Aventino Apartments received parking reductions and a building height that exceeded height limitations. The development at 15350 Winchester Boulevard received lot size and setback requirement reductions.	Developers of Planned Developments can request a modification of development standards.
H.I.1.4	Mixed Use Developments: Encourage mixed-use developments that provide affordable housing close to employment centers and/or transportation facilities.	The Town has implemented a mixed-use General Plan land use designation along Los Gatos Boulevard.	
H.I.1.5	Below Market Price (BMP) Program: Continue to implement the BMP Program in order to increase the number of affordable units in the community. Continue policy that BMP units are counted in addition to maximum density allowed on a site. Evaluate changing eligibility criteria to very low and low-income households.	The Town has continued to implement the BMP program through the 2002-2007 period. From 2002 to 2007, the Town added 75 BMP units to the housing stock.	
H.I.1.6	Second Unit Program: Revise existing second unit program to encourage the production of more second units on residential parcels. Evaluate existing parking, square footage, transfer of credits, and other requirements to determine whether revisions would encourage the development of more second units.	The second unit program was updated in 2003 and 2006 to allow second unit applications to be considered ministerially and to allow a revision in the parking requirements.	No second units have been added to the Town's housing stock between 2002 and 2007.
H.I.1.7	Consistency with Housing Element/Community Benefit: Continue policy that all approvals of residential developments of three or more units must include a finding that the proposed development is consistent with the Town's Housing Element, and addresses the Town's housing needs as identified in the Housing Element. Further, review of potential developments shall include a determination that affordable units provided beyond the minimum BMP requirements are to be considered as a significant community benefit.	As development projects of three or more units were approved, the Town ensured that the proposed development was consistent with the Housing Element and addressed the Town's housing needs as identified in the Housing Element. All units provided beyond the minimum BMP requirements were considered a significant community benefit.	
H.I.1.8	Annual Housing Report: Prepare an annual housing report for the review of the Town Council including information on progress made towards achieving new construction need, affordable housing conserved/developed, effectiveness of existing programs and recommendations for improvement. Consult with non-profit providers, special need providers, and other community resources in preparation and evaluation of the report.		Annual reports have not been prepared.

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TABLE 5-1 PROGRESS IN ACHIEVING 2003 POLICIES AND PROGRAMS (2002-2007) (CONTINUED)

No.	Implementing Strategies	Accomplishments (2002-2007)	Comments
H.I.1.9	Redevelopment Housing Set-Aside Funds/In-Lieu Fees: Develop a strategy for use of Redevelopment Housing Set-Aside funds and In-Lieu fees from the BMP Program. Consider the needs as identified in this Housing Element (e.g. Preservation of At Risk Units, Development of Units Affordable to Very Low and Low-Income Households, etc.) in the development of funding conditions and incentives.	The Town of Los Gatos is currently working on an affordable housing strategy to be completed in early 2009. The strategy includes policies on increasing and preserving housing and recommendations on the development of a potential loan program.	The Redevelopment Agency is required to prepare a five-year implementation plan that addresses the Housing Set-Aside funds. The most recent Plan addresses the FY 2004/05 to FY 2008/09 period.
H.I.1.10	Mortgage Credit Certificate (MCC) Program: Continue to encourage Los Gatos households to participate in MCC and other financial assistance programs (e.g. Teacher Mortgage Assistance) provided in the County of Santa Clara.	The MCC Program is available to Los Gatos households, and the Town encourages participation in the Program.	
H.P.2.1	Encourage the maintenance and improvement of existing housing units.		
H.P.2.2	When evaluating new developments, evaluate the impact of development on the Town's jobs/housing ratio.		
H.P.2.3	Encourage residential construction that promotes energy conservation.		
H.I.2.1	Housing Conservation Program: Continue to provide Housing Conservation Program assistance to property owners to improve their housing units. Undertake the following actions to increase program productivity: A. Conduct a housing condition survey in neighborhoods with older housing stock. B. If needed, redesign program goals and objectives to respond to results of housing condition survey. C. Redesign marketing materials and aggressively market program to potential applicants.	The Town markets the Housing Conservation Program on the Town's website and through the Town newsletter.	The Town has not conducted an updated housing condition survey during the 2002 to 2007 time period. According to the Town Building Department, any aging housing stock was primarily rebuilt after the 1989 Loma Prieta Earthquake. In the Los Gatos housing market, demand remains high for purchasing, remodeling, and reselling homes.
H.I.2.2	Home Access Program: Continue to support countywide programs, such as the Home Access Program, that provide assistance with minor home repairs and accessibility improvements for lower-income households.	The Town continues to support countywide programs that provide assistance with repairs and improvements. Between 2002 and 2007, the Town contributed \$45,000 toward such programs.	
H.I.2.3	Jobs/Housing Balance: As part of the development review process, evaluate applications that have significant number of jobs or housing in regard to the potential impact on the Town's jobs/housing ratio. The objective is to maintain the Town's 2002 ratio of 1.5 jobs per household/housing unit. However, the jobs/housing balance shall not be used as a criteria for denying projects that include affordable housing opportunities.		In June 2007, the Town simultaneously approved development of the Netflix headquarters and Aventino apartments, which includes affordable units.

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TABLE 5-1 PROGRESS IN ACHIEVING 2003 POLICIES AND PROGRAMS (2002-2007) (CONTINUED)

No.	Implementing Strategies	Accomplishments (2002-2007)	Comments
H.I.2.4	Energy Conservation Opportunities: Continue to enforce Title 24 requirements for energy conservation and evaluate utilizing some of the other suggestions as identified in Chapter 9 of the Housing Element Technical Appendix to encourage developers to exceed Title 24 requirements.	<p>Title 24 requirements continue to be enforced by the Town. Of the 2003 Housing Element's Chapter 9 energy efficient methods, the Town has done the following:</p> <ol style="list-style-type: none"> 1. Implemented a tree ordinance which requires a tree replacement based on the canopy of removed trees. 2. Adopted water-efficient landscape standards. 3. Required narrower streets for projects in Planned Development zones. <p>The Town includes voluntary green building standards in its Hillside Development Standards and Guidelines, adopted in 2004. The Town has also adopted a voluntary green building program following Build-It-Green standards.</p>	
H.I.2.5	Weatherization Program: Support the weatherization program administered countywide by the County of Santa Clara. This program assists very low-income homeowners with weatherization improvements to their home.	The Town markets to its residents the weatherization program alongside the Town's Housing Conservation Program.	
H.P.3.1	Support preservation and conservation of existing housing units that provide affordable housing opportunities for Town residents and workers and strive to ensure that at least 30% of the housing stock are rental units.		
H.I.3.1	Mobile Home Preservation: Preserve mobile homes (68 total) and adopt mobile home park conversion policies to preserve existing housing opportunities and to ensure the provision of affordable units similar to the existing park's unit capacity.	<p>A total of 68 mobile homes at Bonnie View Park, located at 14685 Oka Road, have been preserved.</p> <p>Mobile home park conversion policies have been adopted in the 2003 Housing Element. Zoning regulations under Article II, Division 8 of the Town Code address the conversion of mobile home parks.</p>	
H.I.3.2	Preserve "At Risk" Affordable Housing Units: Monitor the 220 publicly assisted, multi-family housing units in the Town to ensure that they retain their affordability status. These developments include Villa Vasona, The Terraces, Open Doors, Los Gatos Fourplex, 95 Fairview Plaza and the Los Gatos Creek Village Apartments. Develop a strategy to retain affordability of units at Villa Vasona, which is scheduled to have its Section 8 assistance expire in November 2004. A notification procedure for tenants that will be developed cooperatively between the Town and the property owner shall be included in the strategy.		The Town proactively contacts the Villa Vasona property when its Section 8 contract is expiring to determine its affordability status. The developer of Villa Vasona did renew the Section 8 contract in 2004, which now expires in 2010.

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TABLE 5-1 PROGRESS IN ACHIEVING 2003 POLICIES AND PROGRAMS (2002-2007) (CONTINUED)

No.	Implementing Strategies	Accomplishments (2002-2007)	Comments
H.I.3.3	Rental Housing Conservation Program: The Town's existing multi-family, privately owned rental units provide housing opportunities for households of varied income levels. The Town will continue to implement Section 29.20.155 of the Town Code that addresses conversions of residential use, specifically, Section 29.20.155(a)(2) that requires that any proposed conversion satisfy the housing goals and policies as set forth in the General Plan.	The Town continues to implement Section 2920.155 of the Town Code to address residential use conversions.	
H.P.4.1	Support housing programs that protect individuals' rights.		
H.P.4.2	Continue to provide assistance to service providers of special needs households such as seniors, disabled and homeless.		
H.I.4.1	Rental Dispute Resolution Program: Continue the administration of the Rental Dispute Resolution Program and consider revisions as necessary to make the program as effective as possible in protecting both tenants and landlords.	The Town continues to administer the Rental Dispute Resolution Program. No revisions have been necessary.	
H.I.4.2	Santa Clara County Fair Housing Consortium: Support the efforts of the Santa Clara County Fair Housing Consortium, which includes the Asian Law Alliance, Mid-Peninsula Citizens for Fair Housing, Project Fair Sentinel, and the Mental Health Advocate Program. These organizations provide resources for Los Gatos residents with tenant/landlord, housing discrimination and fair housing concerns.	The Town encourages and supports the Santa Clara County Fair Housing Consortiums as resources for housing issues.	
H.I.4.3	Support for Non-Profit Affordable Housing Providers: Recognize and support the efforts of non-profit affordable housing organizations that provide housing services in Los Gatos. Encourage the participation of these providers in developing housing and meeting the affordable housing needs of Los Gatos households. Non-profit groups will be invited to work cooperatively with the Town in developing strategies and actions for affordable housing.	The Town has worked with Senior Housing Solutions, Habitat for Humanity and Catholic Charities of Santa Clara County to develop housing and provide housing services in Los Gatos.	
H.I.4.4	Homeless: Increased Range of Housing Opportunities: Continue to support the County of Santa Clara's "Continuum of Care" plan to provide housing opportunities for homeless households' including emergency shelter, transitional housing, and permanent affordable housing opportunities.	The Town has provided a total of \$12,000 in support of the Continuum of Care plan between 2002 and 2007.	
H.I.4.5	Disabled: Remove Constraints and Encourage Accessible Housing in Residential Developments: Continue to require "universal design" features in all new residential developments. Adopt Reasonable Accommodations Regulation that will allow for reduced processing time and streamlined procedures for appropriate zoning/land use applications.	The Town maintains residential development guidelines and guidelines in the BMP Program that call for universal design features in all new housing.	A Reasonable Accommodation Ordinance has not been adopted by the Town.

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TABLE 5-1 PROGRESS IN ACHIEVING 2003 POLICIES AND PROGRAMS (2002-2007) (CONTINUED)

No.	Implementing Strategies	Accomplishments (2002-2007)	Comments
H.I.5.1	Housing Management: Consider additional staff support for the management and planning of housing programs and funding for the Town.	No additional staff have been hired for management and planning of housing programs and funding for the Town.	

to 2007 and the progress that was achieved in addressing the 2003 Housing Element's goals and policies.

B. Progress in Implementation

To assess the Town's progress in implementing the 1997 Housing Element, the following key areas were reviewed:

1. Production of Housing

The 2003 Housing Element identified a need for new construction of 234 housing units in Los Gatos between 2002 and 2007. This new construction need specifically identified the following affordable units:

- ◆ 45 units affordable to very-low-income households
- ◆ 44 units affordable to low-income households
- ◆ 55 units affordable to moderate-income households

Table 5-2 compares the new construction need by affordability to actual housing units produced in 2002 to 2007 in Los Gatos.

From January 1, 2002 to January 1, 2007, there were 443 housing units added to the Town's housing stock. Although it appears that the Town exceeded its total new construction need by almost twice the number of housing units identified for 2002-2007, a majority of the housing produced is affordable to above-moderate income households, which are not included in the new construction need, as shown in Table 5-2.

The Town did not meet its very low-income and moderate income housing needs. As shown in Table 5-2, no very-low-income units and only four moderate-income units were produced in the Town. The Town exceeded its new construction need of 44 low-income units, producing 54 total low-income units in the 2002-2007 time period.

TABLE 5-2 NEW CONSTRUCTION NEED VS. HOUSING UNITS PRODUCED, 2002-2007

Affordability	New Construction Need	Housing Units Produced	Percent Achieved
Very Low	45	0	0.0%
Low	44	54	100%
Moderate	55	4	7.3%
Above Moderate	-	385	-
Total	234	443	

2. Preservation of “At Risk” Units

The Villa Vasona development was identified in the 2003 Housing Element as a development at risk of conversion to market rate. Villa Vasona was subsidized by the HUD Section 8 program, which was scheduled to expire in November 2004. The Section 8 subsidy was renewed during the 2002-2007 time period. The Villa Vasona development included rental units for seniors and disabled persons. No other developments in Los Gatos were identified as at-risk units in the 2003 Housing Element.

3. Rehabilitation of Existing Units

The Town had established a goal of rehabilitating 10 to 20 total housing units between 2002 and 2007. The number of units actually rehabilitated during this time period was 11 units total. Therefore, the program achieved its objective.

C. Appropriateness in Goals, Objectives and Policies

The majority of the goals identified in the 2003 Housing Element are appropriate for the 2007-2014 time frame. Objectives for each of the goals will be modified as appropriate to more specifically respond to the housing environment in Los Gatos in 2009.

D. Summary

The Town achieved 100 percent of its total quantified objective for new residential construction between 2002 and 2007 and exceeded its objective for new construction of units affordable to low-income households. However, the Town did not achieve its new construction objectives for units affordable to very low- and moderate-income households. Costs of housing continue to be high in Los Gatos, making affordable housing difficult to develop in the Los Gatos market.

Quantified objectives were achieved with regard to preservation of affordable, at-risk units and rehabilitation of the existing housing stock. The Villa Vasona property was at risk of conversion during the last housing cycle; the property's Section 8 contract was subsequently renewed in 2004. Eleven housing units have been rehabilitated between 2002 and 2007.

6 HOUSING SITES INVENTORY

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

A. Sites Inventory

To determine the availability of land for housing development in Los Gatos, Town staff identified as wide of a range as possible of vacant sites and sites with residential development potential in Los Gatos for initial consideration in the inventory of available housing sites. These sites were identified using available GIS data as of July 2008, current Assessor's data, and a review of the Town's General Plan land use designations and the Town Code Zoning Regulations. Town staff then conducted a site suitability analysis for each site that evaluated potential development constraints including infrastructure capacity and environmental constraints. Based on direction from the General Plan Committee, Town staff then identified a subset of these potential housing sites, which based on this sites analysis is most likely to be realistically developed within the Housing Element planning period to meet the Town's RHNA. This final set of potential housing sites is further described below.

Figure 6-1 provides a map of the potential housing opportunity sites and includes site names that correspond to Table 6-1. Table 6-1 presents the sites inventory, by individual parcel, of the locations that are appropriate and suitable for development in Los Gatos. This table includes the Assessor Parcel Numbers (APNs), General Plan land use designation, zoning designation, acreage, and existing use for each site. Also included in the table are the allowable density and realistic development capacity of each site as well as an indication of any potential development constraints that reduce realistic development capacity.

Figure 6-1 Housing Opportunity Sites

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 HOUSING SITES INVENTORY

TABLE 6-1 AVAILABLE LAND INVENTORY SUMMARY, TOWN OF LOS GATOS

Site	APN	Existing Zoning	GP Land Use Designation	Allowable Density ^a (Units/Acre)	Proposed Zoning Designation ^b	Proposed Density (Units/Acre)	Parcel Acreage	Developable Acreage ^c	Realistic Development Capacity (Units)	Existing Use	Infrastructure Capacity	Environmental Constraints
Los Gatos Courthouse												
Single Site	406 28 032	O	Public	-	O/AHOZ	20	5.2	5.2	104	Vacant (former Los Gatos Courthouse and clinic)	Yes	None
Southbay Development												
Single Site	424 32 069 ^d	CM	High Density Residential	12-20	CM/AHOZ	-30	7.5	7.1 ^e	3 213	Offices	Yes	None
Oka Road/Lark Avenue												
Site A	424 08 074	R-1:8	Low Density Residential	0-5	R-1:8/AHOZ	20	6.4	6.4	128	Orchard	Yes	(Mitigated) floodplain, cultural resources, noise
Site B	424 08 057	R-1:8	Low Density Residential	0-5	R-1:8/AHOZ	20	3.0	3.0	60	Orchard	Yes	(Mitigated) floodplain, cultural resources, noise
Site C	424 08 021	RM-5:12	Medium Density Residential	5-12	RM-5:12/AHOZ	20	4.3	3.0	60	Orchard; small farming structure	Yes	(Mitigated) floodplain, cultural resources, noise
Dittos Lane												
Total							26.4	24.7	565			

^a Allowable density is based on the density allowed under the existing zoning for the site. Where residential use is not permitted under existing zoning, no existing allowable density is identified.

^b Zoning would be amended as needed to accommodate new Affordable Housing Overlay Zone (AHOZ).

^c Lot consolidation is suggested for parcels that are less than 1 acre to increase feasibility of development.

^d New subdivision, pending new APN number.

^e Reduction in developable acreage is due to a private ingress/egress easement and private storm drain easement on the property.

B. Analysis of Sites with Residential Development Potential

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

Sites that are less than one acre are typically more difficult to develop and lot consolidation can often increase the feasibility of development. The Town would facilitate and encourage landowners with sites less than one acre to consider lot consolidation within each site area as appropriate for residential development.

1. Los Gatos Courthouse

The Los Gatos Courthouse, which is currently vacant, is located on the southeast end of this site. Another vacant structure, formerly a mental health clinic, sits on the southwest end of the site. The remainder of the site is vacant land. The property is currently owned by Santa Clara County, which has plans to relocate the courthouse to Downtown San Jose. Santa Clara County has declared this site as surplus property. Given the vacant structures and vacant land as well as relocation of the courthouse, the entire site would be considered for redevelopment. The realistic development capacity would not be reduced by existing structures on the property. As County-owned property, any residential development on the site must include a minimum of 20 percent affordable units. If the property were sold to a private developer, this 20 percent minimum affordability requirement would still apply. The Town has expressed interest in purchasing the property or partnering with other entities to develop affordable housing on the site.

2. Southbay Development

The convenient location of the Southbay Development site, near Highway 17, Highway 85, and the future Vasona Light Rail Station, as well as its large size with over seven developable acres, makes it optimal for residential development. An aging office building is located on the site. The property has a current vacancy rate of close to 20 percent. Conceptual development applications have recently been submitted to the Town proposing residential uses on the site. Projects for which conceptual development applications are submitted are not considered pending, entitled, or approved since they are submitted prior to initiation of the development review process. Conceptual development applications are submitted to the Town's Conceptual Development Advisory Committee, whose purpose is to advise

prospective applicants on the consistency of a potential project with Town policy prior to the applicant's initiation of the development review process.

The realistic development capacity would be slightly reduced on this site because of a private ingress/egress easement and private storm drain easement on the site. Due to the it's proximity to the planned Vasona Light Rail Extension, the Town has approved an increased density for the site from 20 to 30 units per acre.

3. Oka Road/Lark Avenue

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

C. Additional Sites Planned for Housing

Town staff are working closely with a developer to build housing and mixed use in the North Forty area, shown in Figure 6-1. The 2020 General Plan designates this area as the North Forty Specific Plan Overlay and includes guiding principles for both residential and non-residential development within the Overlay. These guiding principles require that a minimum of 20 percent of units developed within the Overlay be affordable to households at the moderate income level or below.

D. Zoning Appropriate to Accommodate Housing for Lower-Income Households

Higher density developments often have lower construction costs and are more likely to be able to provide affordable housing opportunities. This site analysis focuses on developing housing that targets a density of 20 dwelling units per acre. According to California Government Code Section 65583.2(c)(3)(B), this is the density standard appropriate to accommodate affordable housing in Santa Clara County.¹

¹ Under California Government Code, Santa Clara County is identified as a Suburban Jurisdiction, which sets a default density standard of at least 20 dwelling units per acre to appropriately accommodate housing for lower-income households.

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

Los Gatos's existing zoning allows for a density of up to 20 dwelling units per acre within the Multi-Family Residential (R-M) zone. Development standards for the R-M zone in Los Gatos do not hinder development at 20 dwelling units per acre. In the R-M zone, a maximum allowable lot coverage of 40 percent and a maximum height of 35 feet (approximately three building stories) for a development would be equivalent to a maximum floor-to-area ratio (FAR) of 1.2. Assuming an average size of 1,200 square feet per residential unit, a density of 20 dwelling units per acre is achievable on a one-acre site. Additionally, more multi-family properties in Los Gatos and the surrounding areas are being developed with underground parking. The recently-developed Aventino Apartments offers underground parking and a density of 24 dwelling units per acre.

The Southbay Development site's underlying zoning is Controlled Manufacturing (CM), which currently prohibits multi-family residential uses. However the CM zone has a maximum allowable lot coverage of 50 percent and a maximum allowable height of 35 feet, or three building stories, so that the maximum FAR in this zone is 1.5. Similar to the CH zone, a density of 20 dwelling units per acre would be feasible and achievable on the Southbay Development site.

The South Bay Honda site is designated Mixed Use Commercial, which has a maximum allowable lot coverage of 50 percent and allowable height of 35 feet, so that the maximum FAR would be 1.5. Under this land use designation, and even assuming 50 percent of a development to be commercial uses and 50 percent to be residential, a density of 20 dwelling units per acre would be feasible and achievable on the 1.5-acre South Bay Honda site.

The Town adopted the Affordable Housing Overlay Zone and applied it to the five properties in the Housing Site Inventory. The AHOZ allows a density of 20 units per acre on the Los Gatos Courthouse property and the three Oka Road properties. The Southbay Development property is proposed at 30 units per acre.

Both the Los Gatos Courthouse and the Southbay Development properties are allowed an automatic 20 percent density bonus if requested as one of the four automatically granted concessions. Properties developed under the AHOZ must meet prescribed affordability levels consistent with the AHOZ development standards in the Town Code.

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

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

E. Secondary Dwelling Units

The Town allows secondary units and has streamlined the process for review and approval of these units. Between 2003 and 2006, the Town revised the secondary unit program to allow applications to be considered ministerially. The Town also reduced the parking requirements under this program. There are currently 416 secondary dwelling units in Los Gatos. No applications for secondary units have been submitted since 2002.

F. Potential Development Constraints

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

1. Infrastructure Capacity

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

a. Water

The San Jose Water Company (SJWC) supplies the majority of water service for Los Gatos. The water quality and supply for the Town is managed by the Santa Clara Valley Water District (SCVWD). Although some areas of the Town have aging water infrastructure, the Town and the SJWC collaborate to annually upgrade and replace pipelines as needed.² According to the SJWC, the realistic development capacity of 565 units on the identified housing sites would increase the demand for water by 141,250 gallons of water per day at 250 gallon of water per housing unit per day. The Los Gatos Draft 2020 General Plan Environmental Impact Report (EIR) includes this estimated water use over existing conditions in its water supply impact analysis and determined that the SJWC would have sufficient capacity to meet water service demands.³ Therefore, water capacity does not constitute a significant constraint that would reduce realistic development capacity of the identified housing sites.

b. Sanitary Sewer

The West Valley Sanitation District (WVSD) manages the sanitary sewer system in Los Gatos. Similar to the water infrastructure, portions of the sanitary sewer infrastructure are old and need to be upgraded or replaced. The WVSD regularly monitors, upgrades, and replaces sanitary sewer lines.⁴

Some areas of the Town that have been incorporated through annexation have pre-existing on-site septic systems. No potential housing sites are located where on-site septic systems are used.

The realistic development capacity of 565 housing units on the identified housing sites would generate approximately 68,400 gallons of wastewater per day at 121 gallons per housing unit per day. The 68,400 gallons of wastewater per day

² Nicole Dunbar, Planning Supervisor, San Jose Water Company, personal communication with DC&E, August 6, 2008.

³ *Los Gatos Draft 2020 General Plan Environment Impact Report*, 2010, Town of Los Gatos, page 4.14-23.

⁴ West Valley Sanitation District, <http://www.westvalleysan.org/healthandenvironment/>, accessed March 19, 2009.

represents less than 1 percent of the total WVSD wastewater allocation and would be within the current capacity of 12.1 million gallons per day, as determined by the Los Gatos Draft 2020 General Plan EIR.⁵ Therefore, sanitary sewer capacity would not constitute a constraint that would reduce the realistic development capacity of the identified housing sites.

2. Environmental Constraints

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

a. Geology and Soils

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

i. Seismic Shaking

The San Andreas, Shannon, and Monte Vista faults are most likely to produce strong seismic shaking in Los Gatos.⁶ The Shannon and Monte Vista faults run through a portion of Los Gatos. Housing developed on the proposed sites would be regulated by the Safety Element of the General Plan and the Town's adopted Building Code and would therefore incorporate mitigation measures that reduce the impact of seismic shaking.

ii. Landslides and Slope Instability

All properties within the Housing Site Inventory are generally level and would not have landslide or slope instability issues. The Town of Los Gatos also requires geotechnical reports by a registered geologist if any land instability issues are identified.

b. Biological Resources

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

⁵ *Los Gatos Draft 2020 General Plan Environment Impact Report*, 2010, Town of Los Gatos, page 4.14-28.

⁶ Town of Los Gatos, 2000, *General Plan 2000 Draft Environmental Impact Report*, page 4.1-10.

i. Wetlands

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

ii. Special-Status Species

According to the California Natural Diversity Database (CNDDDB), which lists occurrences of special-status plants and animals, there are no known records of federal or State-listed plants in Los Gatos. There are federally listed wildlife species that are known to occur in the Town. Development on all sites would be regulated by the Environment and Sustainability Element of the General Plan and related State and federal agencies, such as the Department of Fish and Game, which would mitigate any impacts associated with the presence of special-status species.

iii. Sensitive Natural Communities

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

c. Hazards and Hazardous Materials

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

i. Fire Hazards

State regulations require that all municipalities address Very High Fire Severity Zone hazards, as defined by the State of California, if they are located within the jurisdiction of that municipality. There are some Very High Fire Severity Zones located in the hillside areas of Los Gatos. The Los Gatos General Plan addresses areas that are susceptible to potential wildfire hazards. The General Plan provides goals and policies in the Safety Element that regulate housing development so that wildfire hazards would not impact the realistic development capacity of the housing sites. The Hillside Development Standards and Guidelines specifically provide policies that promote fire safety and minimize wildfire hazards.

ii. Flood Hazards

Of the Oka Road/Lark Avenue parcels, Site A, 60 percent of Site B (the western portion of the parcel) and a small portion of Site C (the western tip of the parcel) are located in the 100-year floodplain zone designated by the Federal Emergency Management Agency (FEMA). Housing on these sites would be regulated by the

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

iii. Hazardous Facilities and Materials

According to the California Department of Toxic Substances Control, there are currently no hazardous sites or facilities, including federal Superfund sites, State response sites, voluntary cleanup sites, or school cleanup sites in Los Gatos. Therefore, the realistic development capacity of the identified housing sites would not be reduced by the presence of any hazardous facilities or materials in Los Gatos. If hazardous facilities or materials are found to be present in Los Gatos, adhering to policies in the General Plan Safety Element and federal and State regulations would reduce any impacts associated with such sites and facilities. Additionally, the Town has a hazardous waste and substances statement supplement for all development applications, which contains a list of sites obtained from the State of California and U.S. Environmental Protection Agency (EPA) Hazardous Waste and Substances Sites List.⁷

d. Noise

Noise from Highway 17 could potentially affect development on the Oka Road/Lark Avenue sites. The Oka Road/Lark Avenue, Los Gatos Courthouse, and Southbay Development sites could also be potentially affected by noise from the active railroad line parallel to and south of Highway 85. The Noise Element of the General Plan regulates noise levels and design standards for development that mitigate such noise impacts. Therefore, realistic development capacity would not be affected.

e. Cultural Resources

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

⁷ Town of Los Gatos website, <http://www.town.los-gatos.ca.us/documents/Community%20Development/Planning/DevRevAppPak.PDF>, accessed April 20, 2009.

G. Comparison of Regional Growth Need and Residential Sites

To determine the Town's ability to meet its RHNA, the Town's adjusted RHNA, which was determined in Chapter 3 Projected Housing Needs, is compared to the realistic development capacity of the identified housing opportunity sites. Table 6-2 below presents the Town's RHNA as provided by the Association of Bay Area Governments (ABAG) and the Town's adjusted RHNA after subtracting housing units that have been built, approved, proposed, or were under construction between January 1, 2007 and June 30, 2009.

Table 6-3 shows that the realistic development capacity of the identified housing sites exceeds the Town's adjusted RHNA. The realistic development capacity of housing sites is based on the Town's default density of 20 dwelling units per acre as described under Section E of this chapter, Zoning Appropriate to Accommodate Housing for Lower-Income Households, and as consistent with recent construction and proposed projects in Los Gatos. All sites in Table 6-1 assume development at the default density.

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 HOUSING SITES INVENTORY

TABLE 6-2 ADJUSTED RHNA CALCULATION

	A	B	(A minus B)
Income Category	New Construction Need (RHNA)	Units Built, Under Construction and/or Approved Since January 1, 2007	Adjusted RHNA
Extremely Low	77	0	77
Very Low	77	0	77
Low	100	4	96
Moderate	122	6	116
Above Moderate	186	100	86
Total Units	562	110	452

TABLE 6-3 ADJUSTED RHNA AND DEVELOPMENT CAPACITY OF HOUSING OPPORTUNITY SITES

	A	B	(A-B)
Income Level	Adjusted RHNA ^a	Development Capacity of Housing Opportunity Sites	Surplus Capacity
Extremely Low	77	90	13
Very Low	77	90	13
Low	96	113	17
Moderate	116	180	64
Above Moderate	86	92	6
Total	452	565	113

^a The Adjusted RHNA is calculated as shown in Table 6-2.