



**TOWN OF LOS GATOS
STUDY SESSION REPORT**

MEETING DATE: 10/03/2017

ITEM NO: 6

DATE: SEPTEMBER 28, 2017
TO: MAYOR AND TOWN COUNCIL
FROM: LAUREL PREVETTI, TOWN MANAGER
SUBJECT: STUDY SESSION TO DISCUSS POTENTIAL AMENDMENTS TO THE NORTH 40
SPECIFIC PLAN

RECOMMENDATION:

Discuss potential amendments to the North 40 Specific Plan.

BACKGROUND:

On June 17, 2015, the Town Council adopted the North 40 Specific Plan. The Specific Plan can be found at the following link:

<http://www.losgatosca.gov/DocumentCenter/View/15472>.

An Environmental Impact Report (EIR) was prepared and certified for the Specific Plan in compliance with the California Environmental Quality Act (CEQA).

On September 6, 2016, the Town Council denied the Phase 1 Architecture and Site and Subdivision applications.

Following the Town Council's denial of the Phase 1 applications, the Mayor requested that a special Town Council meeting be set to identify potential amendments to the adopted Specific Plan. This meeting provided an opportunity for the public and the Town Council to identify specific amendments that would then be considered by the General Plan Committee (GPC), Planning Commission (PC), and Town Council.

On September 27, 2016, the Town Council conducted a special meeting and provided suggestions for potential amendments to the North 40 Specific Plan (Attachment 1). The

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COMMUNITY DEVELOPMENT DIRECTOR

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

BACKGROUND (Continued):

Council was clear that potential amendments to the North 40 Specific Plan should not require changes to the Town's Housing Element or any additional environmental, economic, or other analysis.

On October 6, 2016, the Applicants filed a lawsuit against the Town regarding the denial of the Phase 1 applications.

The GPC met on October 27, 2016 (Attachment 2, Exhibit 3) and November 17, 2016 (Attachment 2, Exhibit 5) to discuss the Council suggestions. Verbatim minutes for the GPC meetings are included in Attachment 2 (Exhibit 4 and Exhibit 6).

Based on the GPC discussion, specific potential amendments to the North 40 Specific Plan were provided to the PC for their consideration (Attachment 3, Exhibit 9). The PC began its consideration of the potential North 40 Specific Plan amendments on December 15, 2016 and continued the matter to January 26, 2017. At the January 26, 2017 meeting, the PC completed its consideration of the potential amendments and forwarded their suggestions to the Town Council for consideration. Verbatim minutes for the PC meetings are included in Attachment 5 and 9.

On June 9, 2017, the Santa Clara County Superior Court issued a Decision and Judgment against the Town. The Decision and Judgment directed the Town to set aside Town Resolution 2016-046 denying the Vesting Tentative Map and Architecture and Site applications and to reconsider the Project under the provisions of Government Code §65589.5(j) known as the Housing Accountability Act (HAA).

The Town Council reconsidered the Phase 1 applications pursuant to the Decision and Judgment on July 24, 2017 and continued the matter to the August 1, 2017 meeting with direction to provide additional information. On August 1, 2017, the Town Council approved the Phase 1 applications.

At its August 1, 2017 meeting, the Town Council directed the Town Attorney to draft an Interim Urgency Ordinance for a moratorium on processing future development applications within the North 40 Specific Plan area. The Town Council adopted an Interim Urgency Ordinance on August 15, 2017, which was valid for 45 days. On September 19, 2017, the Town Council introduced an extension of the Interim Urgency Ordinance, and if adopted on October 3, 2017, the moratorium would be valid for up to an additional 10 months and 15 days.

Following the Town Council's approval of the Phase 1 applications, the Mayor requested a Town Council Study Session regarding the potential amendments to the Specific Plan.

DISCUSSION:

The Study Session will provide an opportunity for the public and the Town Council to discuss potential amendments including the recommendations and suggestions from the GPC and PC (Attachment 11). Attachment 11 is broken down into the following categories:

- Residential
- Commercial
- Open Space
- Parking
- Height
- General/Other

Additionally, Attachment 11 includes instances where “should” appears in the Specific Plan (Exhibit A). This document could provide the framework for the study session discussion.

Attachment 11 also indicates recommended proposed amendments that should no longer be considered due to the approval of the Phase I applications. Staff appreciates that some members of the community are concerned that without such changes and if the approved application is not built, then the Specific Plan may yield a future development that may again concern the public. Given the litigation, certified Housing Element, and the strong indications that the developers are moving forward with infrastructure and building permit applications, staff recommends certain issues such as spreading the units and lowering the density in the Lark District not be considered for Specific Plan amendments.

Any modifications to the Plan must maintain the integrity of the Plan, internal consistency, and consistency with the General Plan. Based on the Council’s direction at the study session, staff will prepare a redline version of the Plan depicting all changes, including any additional amendments that are needed to ensure internal consistency and consistency with the General Plan. These proposed amendments would then be considered at a noticed public hearing by the Town Council.

What is a Specific Plan?

Under California State law, a municipality may prepare and adopt a Specific Plan to help implement the municipality’s General Plan for a particular geographic subarea of the community. A Specific Plan provides more detailed land use and establishes the primary means of development guidance within the project area than occurs in the community’s General Plan. By law, Specific Plans must include, among other items:

- Explanation of the relationship to and consistency with the General Plan;

DISCUSSION (Continued):

- Location and distribution of land uses, including the amount of each type and the development densities and intensities;
- Development standards and guidelines for each land use;
- Transportation circulation, other infrastructure, and public facilities to support the planned level of development; and
- Implementation strategies, including financing of infrastructure.

Once a Specific Plan is adopted, development applications for the area are reviewed by the municipality for consistency with the Specific Plan as well as other governing land use documents in the community.

The benefits of a Specific Plan are: (1) an area is planned comprehensively within the context of its surroundings; (2) it provides an opportunity to consider area-wide infrastructure and mitigation instead of a piecemeal approach; (3) it provides a consistent framework of requirements and guidelines that can be implemented over time; and (4) it can be amended to address emerging issues or respond more flexibly to certain conditions than traditional zoning districts.

Specific Plan Amendment Process

The following text is from the existing Specific Plan regarding Specific Plan amendments.

6.5 SPECIFIC PLAN AMENDMENTS

Amendments to the Specific Plan may be initiated by an individual North 40 property owner or their designee, or by the Town. Additionally any member of the public can make a request to the Town Council for the Town to consider an amendment to the North 40 Specific Plan. The Director of Community Development or his/her designee is responsible for making the determination of whether an amendment to the Specific Plan text or map is needed. Amendment procedures are described below:

- Proposals to amend the Specific Plan must be accompanied by detailed information to document the change required. This information should include revised Specific Plan text and a revised diagram, where relevant, depicting the amendment requested.
- The Town has conducted a comprehensive analysis and invested a significant amount of time and money in the preparation of the Specific Plan, therefore, any proposals to amend the Specific Plan must document the need for such changes. The Town and/or applicant should indicate the economic, social or

DISCUSSION (Continued):

- technical issues that generate the need to amend the Specific Plan. Costs incurred for the amendments shall be the responsibility of the party requesting the amendment.
- The Town and/or applicant must provide an analysis of the amendment's impacts relative to the adopted California Environmental Quality Act (CEQA) documentation. Depending on the nature of the amendment, supplemental environmental analysis may be necessary. The need for such additional analysis shall be determined by the Town of Los Gatos in accordance with the State CEQA Guidelines (Section 15162).

Amendments require an advisory recommendation by the Planning Commission and approval of the Town Council. Planning Commission and Town Council shall each hold public hearings on a proposed Specific Plan amendment, in accordance with Government Code Section 65453.

Examples of Specific Plan amendments include:

- The introduction of a new land use designation not contemplated in the Specific Plan.
- Changes to the circulation system or other community facility which would materially affect a planning concept detailed in the Specific Plan.
- Changes or additions to the design guidelines that the Director finds would alter the stated intent of the Specific Plan.
- Any change that would result in new significant adverse environmental impacts not previously considered in the CEQA compliance documentation for the Specific Plan.
- Changes in dimensional standards except those permitted through a Conditional Use Permit that the Director finds would alter the stated intent of the Specific Plan.

While the Specific Plan provides these examples, the Council may consider other amendments.

Council Member Questions

Staff has received a number of questions from a Council Member. The following are the questions received, followed by staff responses in bold italic font:

1. Without triggering a new EIR, how many housing units can we add to the "north 20" (the portion of the Specific Plan area without planning approvals)?

DISCUSSION (Continued):

Up to 94 additional units could be added without triggering a new EIR. This is possible because the Specific Plan EIR actually evaluated a maximum of 364 units, but the Specific Plan was adopted with a maximum of 270 units.

2. Can we require the units to be smaller than 1,500 square feet and at least 20 units per acre to influence a lower price for affordable market rate?

Additional criteria could be added to the Specific Plan such suggested above.

3. Can we assume the remaining area in the Specific Plan will limit the commercial if more residential is built or do we have to limit the commercial to stay within what was studied in the EIR?

The commercial square footage does not have to be limited because 364 housing units were already evaluated in the EIR. Additionally, the total amount of commercial square footage evaluated in the EIR was 580,000 square feet, 79,000 square feet more than is currently allowed by the Specific Plan.

4. Does staff have other suggestions to create less expensive market rate residential units?

In addition to the suggestions above, the Council could encourage or limit the number of bedrooms (e.g., 2 or less, or 1 or less).

CONCLUSION:

This Study Session provides an opportunity to consider the recommendations and suggestions from the GPC and PC regarding the Town Council's ideas for amendments to the North 40 Specific Plan. The amendments are not intended to be a rewrite of the entire Specific Plan. Additionally, the Town Council directed that the suggested amendments should be specific and require no additional environmental analysis or amendments to the Housing Element.

In terms of procedure for the study session, staff recommends that Council work through Attachment 11, making motions to memorialize the direction for each item.

The potential amendments are tentatively scheduled to be discussed further at a Town Council meeting on November 7, 2017.

Attachments:

1. Town Council Suggestions for Potential Amendments to the adopted North 40 Specific Plan
2. December 15, 2016 Planning Commission Staff Report (with Exhibits 1-8)
3. December 15, 2016 Planning Commission Addendum Report (with Exhibit 9)
4. December 15, 2016 Planning Commission Desk Item Report (with Exhibit 10)
5. December 15, 2016 Planning Commission Verbatim Minutes (131 pages)
6. January 26, 2017 Planning Commission Staff Report (with Exhibit 11)
7. January 26, 2017 Planning Commission Addendum Report (with Exhibit 12)
8. January 26, 2017 Planning Commission Desk Item Report (with Exhibit 13)
9. January 26, 2017 Planning Commission Verbatim Minutes (115 pages)
10. Public Comments received 11:01 a.m. Wednesday, May 10, 2017 to 11:00 a.m. Thursday, September 28, 2017
11. Potential amendments based on GPC and PC discussions (including Exhibit A)