



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 11/14/2017

ITEM NO: 1

DATE: NOVEMBER 10, 2017
TO: MAYOR AND TOWN COUNCIL
FROM: LAUREL PREVETTI, TOWN MANAGER
SUBJECT: POTENTIAL AMENDMENTS TO THE NORTH 40 SPECIFIC PLAN

RECOMMENDATION:

Discuss potential amendments to the North 40 Specific Plan.

BACKGROUND:

On October 3, 2017, the Town Council held a Study Session to discuss potential amendments to the North 40 Specific Plan, received public testimony, and requested additional information on a number of topics.

DISCUSSION:

Throughout the Study Session and following public testimony, the Council requested additional information on a number of topics. This Special Meeting will provide an opportunity for the Town Council to consider the additional information that has been provided, receive additional public testimony, and continue to discuss potential amendments to the North 40 Specific Plan.

The additional information is followed by staff responses.

Hotel Use

- **Provide information from a hotel expert.**

The Town hired HTL Hospitality Advisors to prepare a Hotel Site Assessment for the remaining portion of the North 40 Specific Plan area (Attachment 13). The consultant will be attending Tuesday's meeting to answer the Town Council's questions.

PREPARED BY: JOEL PAULSON
COMMUNITY DEVELOPMENT DIRECTOR

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

- **What incentives are needed for a hotel to build?**

Potential financial incentives that might be requested by a hotel developer are included on page 8 of Attachment 13.

Commercial Uses

- **What land uses would bring more tax revenue without impacts (e.g., car and boat sales)?**

If the Town Council is interested in allowing car, boat, or other high value sales, a modification to Table 2.1 Permitted Land Uses would be needed. The Council should also specify if the use(s) should be permitted by right or with an approved Conditional Use Permit.

- **Provide the different ITE rates for various types of office uses.**

See table below.

ITE Trip Generation Manual 9th Edition - Average Rates for Various Office Uses				
Code	Office Uses	Weekday	AM Peak Hour	PM Peak Hour
		vpdpkf	vphpkf	vphpkf
710	General Office	11.03	1.56	1.49
714	Corporate Headquarters Building	7.98	1.52	1.41
715	Single Tenant Office Building	11.65	1.80	1.74
720	Medical-Dental Office Building	36.13	2.39	3.57
750	Office Park	11.42	1.71	1.48
760	Research and Development Center	8.11	1.22	1.07
770	Business Park	12.44	1.40	1.26

Notes: vpdpkf - vehicle trips per day per 1,000 sq.ft.
 vphpkf - vehicle trips per hour per 1,000 sq.ft.
 Office Park - Suburban subdivision or planned unit developments
 Business Park - A group of fixed-type or incubator one- or two-story buildings. The tenant space is flexible for a variety of uses. The rear side of building is usually served by a garage door.

Residential Use

- **What regulations are needed to obtain more affordable units?**

The following are potential regulations:

- Allow for increased height
- Limit the square footage of the units
- Limit the number of bedrooms
- Provide other incentives

- **What regulations are needed to obtain move down units (not expensive high end units)?**

See response above.

- **How could there be an increase the maximum number residential units with limitations?**

The current cap in the Specific Plan of 270 units could be increased to up to 364 units with limitations on items such as square footage and number of bedrooms.

- **What are the ramifications of increasing housing related to newly signed Housing Bills (i.e., is the Town obligated in some way or might the Town be penalized later)?**

Under existing and the newly signed Housing Bills, local authority is limited in many cases to objective standards only in the evaluation and consideration of residential projects. The modifications to the Housing Accountability Act are the primary driver of this ramification.

From staff's current understanding of the Housing Bills, there is not a need to modify the housing element to add more housing on the North 40 site if the Specific Plan is amended to add more units.

- **Do the new State laws trump the Specific Plan requirements?**

Any State law that applies to projects proposed in the Specific Plan area would trump the Specific Plan requirements.

- **How many residential units did the General Plan evaluate for the North 40?**

750 residential units were evaluated for the 2020 General Plan.

- **Are all 13.5 acres of required by-right development accommodated in Phase 1?**

Yes, as it relates to the Town's Housing Element requirement for the Specific Plan area.

- **What is the affordable rent and associated square footage?**

Below Market Price (BMP) rents are based on the number of bedrooms not square footage. Pursuant to the Town's BMP Guidelines, maximum affordable rental rates are 80 percent of the Fair Market Rent for Santa Clara County based on the number of bedrooms. The following is a link to the 2017 BMP rental rates:

<https://www.losgatosca.gov/DocumentCenter/View/2151>

- **What is an affordable sales price and how does that translate to square footage per unit?**

BMP sales prices are based on the number of bedrooms and household income not square footage. The most recent BMP sales prices for new three bedroom two and a half bath homes were \$338,351.00 for low income units (maximum income is 80 percent of the area median income adjusted for household size) and \$446,942.00 for moderate income units (maximum income is 100 percent of the area median income adjusted for household size).

- **Does SB 167 [65589.5 (d) (2) inconsistency with General Plan or Zoning Code is not a specific, adverse impact] mean applicants can propose what they want?**

65589.5 (d) (2) states: The development project or emergency shelter as proposed would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the development unaffordable to low- and moderate-income households or rendering the development of the emergency shelter financially infeasible. As used in this paragraph, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete. Inconsistency with the zoning ordinance or general plan land use designation shall not constitute a specific, adverse impact upon the public health or safety.

Staff does not interpret this provision to allow applicants for affordable housing projects to propose whatever they want, but it limits the Town's ability to deny affordable housing projects.

Open Space

- **Provide regulations regarding the size and dimensions of open space that can be counted.**

The following are the definitions from the Specific Plan for Open Space, Hardscape, and Green Open Space. The only existing size reference relates to planters which are required to be a minimum of 50 square feet to be counted as Green Open Space.

OPEN SPACE Open space means a ground plane open and generally unobstructed from the ground plane to the sky. Balconies, shade structures, and roof eaves may extend over a portion of the open space. Open space includes both “green open space” and “hardscape” (plazas, courtyards, pathways, sidewalks, and pedestrian paseos). Plazas, courtyards, and planters over podium parking or on roof decks also qualify as open space.

HARDSCAPE For purposes of this Specific Plan and calculating open space requirements, hardscape refers to private or common paved areas for the use of pedestrians including plazas, courtyards, pathways, sidewalks and pedestrian paseos. Roads and parking areas shall not be calculated as part of the open space or hardscape requirement.

GREEN SPACE/GREEN OPEN SPACE For purposes of this Specific Plan and calculating open space requirements green space and green open space is grass or landscaped areas. These can include but are not limited to parks, bioretention, common and private residential green space, planters larger than 50 square feet, landscaped planting strips, drivable turf-block, and parking lot landscaping. Trees planted in tree wells shall not be calculated as part of the green space requirement.

Attachment 11 contains recommendations from the Planning Commission and General Plan Committee to modify these requirements.

Next Steps and Suggestion for Council Discussion

Based on the Council’s discussion in October, staff has identified suggested questions to guide the Council’s discussion after asking questions of staff and the consultants. The suggested structure starts with big ideas/goals followed by any details the Council wishes to provide. Staff also recommends that the Council make motions to document those items for which three or more Council Members agree. The Council may also proceed any way it prefers as it provides direction to staff regarding the potential Specific Plan amendments.

Commercial Uses, Including Hotel

- Should commercial square footage be modified? If so, by how much and in what land Use category?
- Should commercial uses be added to Table 2-1 Permitted Land Uses? If so, which ones and would they require a Conditional Use Permit?

Residential Uses

- Should the housing capacity of the Specific Plan be increased? If so, by how many units?
- Should any of the residential parameters be modified to encourage more affordable and/or move down units? If so, which parameters and by how much? These parameters include height, bedroom count, etc.

Open Space Uses

- Should the open space requirements be modified? If so, how?

CONCLUSION:

This Special Meeting will provide an opportunity for the Town Council to consider the additional information that has been provided, receive additional public testimony, continue to discuss potential amendments to the North 40 Specific Plan, and provide staff direction on next steps.

The amendments are not intended to be a rewrite of the entire Specific Plan. 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 special meeting, 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. The proposed amendments would then be considered at a noticed public hearing by the Town Council.

Attachments previously received with October 3, 2017 Study Session Report:

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)

Attachments previously received with October 3, 2017 Desk Item Report:

12. Public Comments received 11:01 a.m. Thursday, September 28, 2017 to 11:00 a.m. Tuesday, October 3, 2017

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NOVEMBER 10, 2017

Attachments received with this Special Meeting Report:

13. North 40 Hotel Site Assessment

14. Public Comments received 11:01 a.m. Tuesday, October 3, 2017 to 11:00 a.m. Friday,
November 10, 2017