



TOWN OF LOS GATOS
COUNCIL AGENDA REPORT

MEETING DATE: 08/15/2018

ITEM NO:

DATE: AUGUST 10, 2018

TO: MAYOR AND TOWN COUNCIL

FROM: LAUREL PREVETTI, TOWN MANAGER

SUBJECT: CONSIDER POTENTIAL AMENDMENTS TO THE NORTH 40 SPECIFIC PLAN. APN 424-07-009, 010, 024 THROUGH 027, 031 THROUGH 037, 052 THROUGH 054, 060, 063 THROUGH 065, 070, 081 THROUGH 086, 090, 094 THROUGH 096, 099, 100, 102 THROUGH 112, 424-06-115, 116, AND 129. PROPERTY OWNERS: YUKI FARMS, ETPH LP, GROSVENOR USA LIMITED, SUMMERHILL N40 LLC, DODSON, HIRSCHMAN, MATTES, VENTURA TRUSTEE, MOISENCO, LOS GATOS MEDICAL OFFICE CENTER LLC, LOS GATOS GATEWAY LLC, MBK ENTERPRISE, CONNELL, GIN, JOHN & ALLISON DIEP LLC, BERNAL, LG BOULEVARD HOLDINGS LLC, POLARIS NAVIGATION, EW REAL ESTATE LLC, LAZAAR ENTERPRISES LLC, KOTHARY, AND SWENSON TRUSTEE. APPLICANT: TOWN OF LOS GATOS

RECOMMENDATION:

Consider potential amendments to the North 40 Specific Plan.

BACKGROUND:

On August 7, 2018, the Town Council held a continued public hearing to consider amendments to the North 40 Specific Plan, received public testimony, and continued the matter to the August 15, 2018 Town Council meeting with direction to staff to:

- Provide information regarding equity of distribution of the development capacity; and
- Provide information regarding residential design controls to meet affordability targets.

PREPARED BY: JOEL PAULSON
Community Development Director

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

DISCUSSION:

The requested information from the June 5, 2018 meeting is outlined below and is followed by staff responses.

- Provide information regarding equity of distribution of the development capacity.

After taking into consideration the proposed square footage provided by Grosvenor Americas, there will be over 200,000 square feet of capacity remaining for use by other property owners in the North 40 Specific Plan area. Additionally, there will also be a minimal amount of residential units remaining.

If the Town Council is interested in a mechanism to distribute the development capacity then one option would be to include the following amendment to the Specific Plan:

Proposed development applications shall not exceed 85 percent of the remaining commercial square footage or number of residential units.

- Provide information regarding residential design controls to meet affordability targets.

The only control to meet affordability levels in the Specific Plan is the requirement that a minimum of 20 percent of residential units must be Below Market Price (BMP) units. The Town's BMP Guidelines require for sale BMP units to be equally split between the Moderate and Low affordability categories. If an applicant applies for a density bonus then the affordability categories are typically Low, Very Low, and/or Extremely Low.

For example, the Phase 1 application included 49 Very Low Income senior units and one Moderate Income manager unit. As Town staff work with the developer on the required BMP agreement for Phase 1, the distribution of the 49 Very Low Income units is 39 Very Low Income units and 10 Extremely Low-Income units. The distribution of the Extremely Low and Very Low-Income units may change based upon the tax credit obtained by the developer.

For reference, the Town's certified Housing Element identified the potential income distribution for the entire North 40 Specific Plan as 156 Very Low Income, 84 Low Income, and 30 Moderate Income units.

The Town Council might consider unit size limitations as was discussed at the August 7, 2018 Council meeting; and while size may affect the price of the units, there is no guarantee that size alone will deliver affordable housing units.

DISCUSSION (Continued):

If the Town Council is interested in negotiating the affordability level for BMP units the appropriate mechanism to have these discussions would be in a Development Agreement negotiation process. The Town Council may wish to consider an amendment to the Specific Plan that acknowledges Development Agreements as a potential implementation mechanism for the Specific Plan.

CONCLUSION:

Staff looks forward to the Council's discussion and specific direction for potential amendments that are agreed upon by the majority of the Town Council. Staff would then bring forward a resolution with all of the proposed amendments for Council consideration at a subsequent regular Town Council meeting.

Public Comments received between 11:01 a.m., Monday, August 7, 2018 to 11:00 a.m., Friday, August 10, 2018 can be found in Attachment 42.

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

Attachments previously received with November 14, 2017 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

Attachments previously received with the January 16, 2018 Staff Report:

15. Required Findings
16. Resolution (including Exhibit A)
17. North 40 Traffic Scenarios
18. November 14, 2017 Town Council Meeting Minutes
19. Public Comments received 11:01 a.m., Friday, November 10, 2017 to 11:00 a.m., Thursday, January 10, 2018

Attachments previously received with the Addendum Report:

20. Public Comments received 11:01 a.m., Thursday, January 11, 2018 to 11:00 a.m., Friday, January 12, 2018

Attachments previously received with the Desk Item Report:

21. Public Comments received 11:01 a.m., Friday, January 12, 2018 to 11:00 a.m., Tuesday January 16, 2018

Attachments previously received with the February 6, 2018 Staff Report:

22. Public Comments received 11:01 a.m., Tuesday, January 16, 2018 to 11:00 a.m., Thursday February 1, 2018

Attachments previously received with the Addendum Report:

23. Public Comments received 11:01 a.m., Thursday, February 1, 2018 to 11:00 a.m., Monday, February 5, 2018

Attachments previously received with the February 6, 2018 Desk Item Report:

24. Public Comments received 11:01 a.m., Monday, February 5, 2018 to 11:00 a.m., Tuesday, February 6, 2018

Attachments previously received with the March 6, 2018 Desk Item Report:

25. Required Findings (Previously received as Attachment 15 with the January 16, 2018 Staff Report)
26. Resolution with Exhibit A (Previously received as Attachment 16 with the January 16, 2018 Staff Report)

Attachments previously received with the June 5, 2018 Staff Report:

27. Revised Resolution (including revised Exhibit A)
28. City of Los Altos - Exceptions for Public Benefit Excerpt (one page)
29. City of Mountain View - San Antonio Precise Plan Excerpt (seven pages)
30. City of Mountain View - North Bayshore Precise Plan Excerpt (three pages)
31. City of Mountain View - El Camino Real Precise Plan Excerpt (four pages)
32. City of Mountain View - Resolution for Public Benefits Minimum Value for El Camino Precise Plan (two pages)

33. Culver City - Resolution Establishing the Community Benefit Incentive Program (seven pages)
34. City of Glendale - Incentives and Bonuses Chapter of Downtown Specific Plan (six pages)
35. Greenbelt Alliance – Public Benefit Bonus Policy Brief (15 pages)
36. Public Comments received between 11:01 a.m., Tuesday, February 6, 2018 to 11:00 a.m. Thursday, May 31, 2018

Attachments previously received with the August 7, 2018 Staff Report:

37. Letter from Grosvenor Americas regarding requested Specific Plan amendments with the conceptual site plan, received July 31, 2018 (17 pages)
38. White paper prepared by the Institute for Local Self Government entitled Development Agreement Manual

Attachments previously received with the August 6, 2018 Addendum Report:

39. Slides from Grosvenor Americas for a presentation to Los Gatos Democracy Tent on August 2, 2018 (17 pages)
40. Public Comments received between 11:01 a.m., Thursday, August 2, 2018 to 11:00 a.m., Monday, August 6, 2018

Attachments previously received with the August 7, 2018 Desk Item Report:

41. Public Comments received between 11:01 a.m., Monday, August 6, 2018 to 11:00 a.m., Tuesday, August 7, 2018

Attachments received with this Staff Report:

42. Public Comments received between 11:01 a.m., Monday, August 7, 2018 to 11:00 a.m., Friday, August 10, 2018