

Town of Los Altos Hills

City Council Special Meeting Minutes

Monday, February 2, 2026, at 6:00 P.M.

Council Chambers, 26379 Fremont Road, Los Altos Hills, California

Present: Mayor Bhateja, Councilmember Mok, Councilmember Swan, and Councilmember Tankha

Absent: Vice Mayor Tyson

Staff: Acting City Manager Cody Einfalt, Community Development Director Bradford, City Attorney Mattas, and City Clerk Arika Birdsong-Miller

CALL TO ORDER (6:00 P.M.)

Mayor Bhateja called the meeting to order at 6:01 P.M.

ROLL CALL

Mayor Bhateja, Councilmember Mok, Councilmember Swan, and Councilmember Tankha were present.

Vice Mayor Tyson was absent.

1. PUBLIC COMMENT (Public Comment is Limited to Items which are the Subject of the Special Meeting)

1. **John O'Connell**, a Los Altos Hills resident, stated that it was difficult to provide constructive comments on the agenda item based only on information posted on the website, which appeared to be an emergency response to feedback received from HCD the previous Friday. He suggested it would be helpful for the public to understand the specific feedback that was provided, especially if a seven-day public comment period is planned. He noted that the feedback was delivered by phone rather than in writing and expressed a preference to hear directly from the person who received it. He concluded that without knowing the details of the feedback, it was difficult for the public to offer meaningful input.

Councilmember Tankha expressed her concern that the public had not been informed adequately about the feedback from HCD and suggested the Council consider holding a regular meeting before responding to HCD so residents could review the feedback and provide input.

Mayor Bhateja responded that staff would provide additional context in their report, noting that the feedback had been received only recently, and suggested allowing a second round of public comment afterward. He then directed the waiting speaker comment before returning to the regular agenda.

2. **Anne Paulson**, attending via Zoom, stated that the public had not been provided with key materials, including the feasibility study and HCD's comments, and therefore did not have a meaningful opportunity to participate or be heard before the Council votes on the proposed resolution.

Mayor Bhateja closed public comment and explained that the Town received correspondence from HCD on Thursday [January 29] requiring a prompt response. Staff prepared a response on Friday, [January 30], and the Council meeting was moved from Wednesday to Monday to allow time for public input and to meet the required seven-day publication period before HCD's February 10 decision deadline. He stated the meeting was intended to provide background from staff, gather

public and Council input, and determine whether additional meetings or direction to staff would be needed.

Councilmember Mok recused himself from the discussion and left the dais.

Mayor Bhateja apologized that not all Councilmembers could attend the meeting due to the short notice. He noted that Councilmember Tyson had a prior commitment and was unable to attend and then turned the presentation over to staff.

City Attorney Mattas explained that HCD was required to respond to the Town's submission by February 10 and that state law required the Town to publish the final proposed language for a seven-day public review period. He stated that the Town had published the revisions Friday to allow time for review and to provide the Council and the public with an opportunity to understand the proposed changes and the reasons for them.

Before the staff presentation, Councilmember Tankha, Mayor Bhateja, and City Attorney Mattas held a brief Q&A session to clarify how the Council and the public had been informed regarding the details of the response to HCD, as summarized below.

Councilmember Tankha asked whether the staff's response to HCD would be made public once it was prepared and whether resident comments could still be incorporated after the Council approved the staff response to HCD.

City Attorney Mattas responded that staff prepared minor edits to meet the seven-day public notice requirement, noting that the changes were consistent with prior community, Council, and Planning Commission review and provided greater certainty and predictability for HCD. These edits were published to the public Friday, January 30. Mr. Mattas responded that any changes to the Housing Element at this time would require a new seven-day review.

Mayor Bhateja affirmed that the seven-day public review period began on Friday and that today's meeting allowed the Council and public to review those changes prior to HCD's response on February 10. He noted that the information had been publicized through the usual and supplemental channels and that this meeting was the last opportunity to review and provide input. He then invited resident John O'Connell back to provide public comments.

3. John O'Connell stated that most residents want the Housing Element Amendment approved by February 10 and that public comments would likely be supportive of that goal. He noted that the seven-day public review period ends tomorrow, February 3, and that any changes to what was submitted on Friday must be finalized by then. He requested that staff and the City Attorney provide the most accurate view of HCD's feedback to maximize the value of the meeting and potentially submit any additional input before the deadline.

City Attorney Mattas confirmed that if the Council wished to make any additional edits based on the public input received tonight, tonight would be the time to do that.

4. HOUSING ELEMENT

A. Consideration of a Resolution Making Findings and Approving an Amendment to the General Plan Housing Element and Conforming Amendments to the General Plan Land Use Element as Necessary

CEQA Review: Exempt pursuant to Public Resource Code section 21080.085 and California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3).

Director Bradford explained that Dan Weary of Michael Baker International would provide the presentation. He provided context, noting that the Town received a letter from HCD on October 9 requesting additional information on the Housing Element amendment. Subsequent meetings with HCD provided direction to review developer interest letters, conduct a feasibility analysis, and identify alternative sites. The most recent comments from HCD, received the previous Thursday, [January 29], were refinements of the earlier substantive feedback based on the December 10 submittal. He then turned the presentation over to Dan Weary.

Dan Wery of Michael Baker International (MBI) introduced his brief presentation, noting that the HCD comments and the Town's responses were minor and discreet. He outlined that the presentation would cover the overall purpose, the minor revisions, the action required tonight, and a Q&A session.

Mr. Wery explained that the purpose of the agenda item was to consider and adopt proposed amendments to the Housing Element. The amendments addressed comments recently received from the State Department of Housing and Community Development (HCD). He noted that these comments largely continued or refined feedback previously provided on October 9, which had informed the draft Housing Element adopted in December. After adoption, the draft had been resubmitted to HCD for an additional 60-day review period. Approximately 50 days into that review period, the Town received a few additional minor revision requests from HCD via phone call. Mr. Wery stated that the revisions were minor and would be reviewed in his presentation.

Mr. Wery explained that the first requested revision was to include additional trend analysis in the document. This involved adding a paragraph discussing the shift from single-family to multi-family development and analyzing unit ratios that make such developments feasible. He noted that the analysis was conducted and showed favorable results, consistent with expectations from both the Town and HCD.

Mr. Wery stated that the second revision was to update the document with any additional letters of support. He noted that HCD was aware the Town had received letters of support, including one submitted after the December draft, and requested that the most current letters be included.

Mr. Wery explained that the third revision added additional assurances for HCD regarding site review and maintenance of an adequate site inventory. The amendment incorporated an additional review process as part of the City's mid-cycle review in 2029. He noted that the process would follow statutory requirements to ensure adequate sites are maintained, and if a site were found to be inadequate, the Town would identify a replacement site and notify HCD. He added that the document included specific edits reflecting these changes.

Mr. Wery then outlined the revisions made to the adopted draft Housing Element Amendment, reviewing each item in detail as described below.

Mr. Wery reviewed revisions related to Program A-1 in the Housing Element. He explained that language was added in two locations to clarify that, if the mid-cycle review or a subsequent review in 2029 finds that identified sites or zoning are not effective in facilitating residential development through the 2031 planning period, the Town will either provide additional incentives for existing sites or identify and rezone additional sites for multifamily development

within one year. He noted that this change aligns with the “no net loss” provisions under state law and clarifies the Town’s commitment to maintaining adequate housing sites.

Mr. Wery also described an additional analysis requested by HCD regarding development feasibility. The Town analyzed multifamily projects built within the past five years in nearby areas with similar single-family conditions. The analysis found that projects averaged about 3.6 times the pre-existing single-family density, demonstrating feasibility. He noted that the proposed density at the Twin Oaks site, allowing up to 92 units where two single-family homes currently exist, represents a much higher ratio and therefore compares favorably to regional development trends. He added that HCD had expected this analysis and requested that it be explicitly included in the document.

City Attorney Mattas clarified that the 45-to-1 ratio referenced in the analysis represented the number of units allowed on the Twin Oaks site compared to the existing single-family homes, not units per acre. He explained that the site would still be developed at the previously discussed density of approximately 20–24 units per acre. The ratio was used only as a metric to demonstrate economic feasibility when replacing single-family homes with multifamily development, noting that typical feasibility ratios are around 3.6 to 4 units per existing home, while the Twin Oaks site allowed a significantly higher ratio.

Mr. Wery addressed additional comments received that afternoon regarding the feasibility analysis, including references to a study conducted for the City of San Jose that noted differences in feasibility between townhouse and podium-style developments. He explained that the Town’s analysis reflected similar findings, particularly regarding the sensitivity of development feasibility to parking costs.

He noted that all nine development scenarios analyzed showed a positive residual land value, indicating feasibility. However, projects with podium parking were somewhat less profitable than those with surface or tuck-under parking. The analysis also indicated that minor adjustments, such as reducing the number of podium parking spaces or incorporating a mix of surface and podium parking, could maintain project viability.

Mr. Wery concluded by outlining the recommended Council actions to consider and adopt the amendments. He stated that the revisions were minor, exempt from CEQA, and would be transmitted to HCD following adoption and completion of the seven-day public review period, with the goal of incorporating the changes within the existing 60-day review timeframe, which is February 10.

City Attorney Mattas interjected to note that the last comments from Mr. Wery related to a letter received that day from CalHDF. He explained that the letter included other points as well and was similar to previous correspondence. He then introduced Assistant City Attorney Lai to briefly respond to the letter.

Assistant City Attorney Lai addressed the Council regarding a letter received from CalHDF that afternoon, noting it was substantially similar to a letter previously responded to at the December 9th meeting. She summarized that the letter raised five main issues:

- 1. Procedural issues:** CalHDF argued the Town could not amend the Housing Element before HCD review. Lai explained that the Town had complied with all procedural requirements under state law, including submission to HCD before and after adoption, and following the

seven-day public review period. The amendments were adopted contingent upon HCD review.

2. **Overlay zone consistency:** CalHDF contended the proposed overlay zone was inconsistent with state law and the *Redondo Beach* case. Lai noted that the Council had already adopted changes ensuring the overlay zones met density requirements and focused strictly on housing development, making them consistent with state law and distinguishable from the Redondo Beach case.
3. **Inventory site viability:** CalHDF questioned whether the identified sites were feasible. Lai explained that the sites had been vetted and analyzed under statutory criteria, and the recent feasibility study confirmed they were economically viable for housing development.

4–5. Other Housing Element concerns: CalHDF raised objections alleging bad faith, violations of fair housing laws, and that the amendments would preclude housing development. Ms. Lai stated that the Housing Element amendments did not change the housing strategies but continued to facilitate housing, maintain production goals, and uphold fair housing obligations, furthering the Town’s efforts to meet RHNA and support housing mobility.

Ms. Lai concluded that all comments had been addressed and that the responses were included in the record before the Council.

City Attorney Mattas stated that he had nothing further and reiterated that the only changes to the Housing Element Amendment were the addition of the 2029 mid-cycle review and responses to CalHDF’s questions regarding the feasibility analysis conducted by Mr. Wery and his team.

After the presentation, **Mayor Bhateja** opened the meeting to the second round of public comment.

PUBLIC COMMENT POST-PRESENTATION

1. **Jim Waschura**, speaking as a resident and Vice Chair of the Planning Commission, expressed full support for the Town’s proposed Housing Element amendments. He noted that the addition of the 2029 mid-cycle review appeared to be the most significant change but considered it relatively minor and appropriate given the Town’s goal of obtaining timely approval.
2. **John O’Connell** expressed that he was still unclear on some of the feedback from HCD, though he acknowledged the value of reviews to assess whether additional changes might be needed. He suggested that the Town could strengthen its justification for the suitability of certain sites in the inventory, noting that HCD’s letter referenced relevant government code and that some parcels had long-standing low assessed values. He also observed that, contrary to the Housing Element’s language, multiple preliminary development proposals had been received for those sites. Mr. O’Connell recommended that staff consider incoming public comments and make any final adjustments before the next day’s actions.
3. **Anne Paulson** commented on the Housing Element amendment, specifically the sentence noting that new multifamily developments are, on average, 3–4 times as dense as what they replace. She stated that this did not mean every potential development was financially feasible. She noted that the study only analyzed projects that were built and did not consider those proposed but not constructed, limiting the conclusions that could

be drawn. Ms. Paulson also criticized the Twin Oaks feasibility prototype, which used very small townhouse sizes (300–600 square feet), stating that such sizes were unrealistic compared to typical townhouses (around 1,400 square feet or more) and therefore the feasibility analysis did not prove financial viability.

Mayor Bhateja closed public comments and began Council discussion.

Councilmember Swan expressed confusion regarding how economic feasibility was determined for housing developments. She noted that while the Housing Element aimed to show that demolition and replacement of single-family and multifamily units were feasible, real-world conditions, such as high interest rates, material costs, and labor, made feasibility uncertain. She referenced examples from nearby cities, where approved units had not yet been built, questioning whether approval alone indicated feasibility. Ms. Swan agreed with John O’Connell and Anne Paulson that it was unclear what HCD was requesting and expressed skepticism that the Town could definitively determine economic feasibility under current conditions. She supported the proposed 2029 review but remained uncertain about how to address the feasibility.

City Attorney Mattas explained that HCD’s inquiry focused on whether the identified sites: Foothill College, Twin Oaks, and St. Nicholas, could be developed consistent with the Town’s certified Housing Element. He clarified that HCD was seeking evidence of feasibility, including letters of support and financial analyses, but was not requiring a guarantee that the units would be built. Mr. Mattas noted that the mid-cycle review and the additional 2029 review were in place to ensure that, if sites proved infeasible, the Town would identify and rezone additional sites.

Mr. Mattas stated that the Town had commissioned an analysis by experts at Michael Baker International, which provided evidence supporting feasibility, whereas opposing comments had not included substantive evidence. Mr. Mattas explained that HCD requested information on existing residential units, such as the two units at Twin Oaks, and whether replacement with multifamily units would be feasible. Dan Wery’s analysis showed that typical feasibility ratios were 3.6 times the existing units, while the proposed zoning allowed a ratio of 45-to-1, indicating even greater economic feasibility despite higher construction costs. He further emphasized that this analysis provided the Council with the necessary information to make an informed decision.

Director Bradford explained that, from a staff perspective, while many individual variables could affect site feasibility, the overall analysis demonstrated that the developments were financially viable. He noted that public comments often focused on isolated variables, which could suggest infeasibility in specific cases, but when considering the full set of variables, the overall developments “penciled out” and could be constructed, as previously explained by Dan Wery.

Dan Wery stated that the Housing Element feasibility study was very conservative, using industry benchmarks and incorporating multiple contingencies to provide developers with flexibility. He noted that the assumptions ensured minimum profitability, making the results defensible even if unit sizes or construction costs changed. Wery referenced a December San Jose feasibility study cited by CalHDF, which found that podium parking made higher-density, intensive developments less profitable and marginally infeasible. However, modest adjustments, such as value engineering, minor reductions in podium parking, or market changes, could make these projects feasible under current conditions. He added that tower-type buildings required

more significant changes, but overall, both studies indicated that podium and wraparound buildings could be viable. Wery emphasized that the Town's analysis demonstrated profitable projects and that minor adjustments could easily ensure clear feasibility and viability.

City Attorney Mattas explained that the Town had submitted the letter from Foothill and was continuing discussions regarding St. Nicholas. He noted that multiple SB330 applications existed for the Twin Oaks site, ranging from small projects of six units to several hundred units. Conversations with HCD emphasized that while developer interests and Town plans might not always align, this did not make the sites infeasible. HCD acknowledged the strong interest in Twin Oaks and Sea Landing and sought assurance through the feasibility analysis rather than requesting additional letters, recognizing that final Council action on any SB330 applications had not yet occurred.

Councilmember Tankha asked whether HCD wanted the Town to demonstrate developer interest through the feasibility analysis.

City Attorney Mattas responded that HCD could be satisfied either through a letter from the property owner or developer, or, if such a letter was not available, through the feasibility analysis, with one method serving to back up the other.

Councilmember Tankha noted that HCD appeared to be requesting three items: developer interest, feasibility analysis, and alternate sites. She acknowledged that the feasibility analysis had been discussed but asked for clarification regarding the other two items. She added that, based on Director Bradford's presentation and her review of the materials, HCD was also seeking evidence of developer interest in alternate sites.

Director Bradford explained that the Town did not pursue alternate sites because developer interest or the feasibility analysis sufficiently addressed HCD's requirements. When questions arose, additional analysis was conducted, which resulted in supplemental reporting and monitoring incorporated within the Housing Element.

City Attorney Mattas added that the Town's certified Housing Element included a 2027 mid-cycle review to identify additional sites if the current sites were not progressing. The added 2029 review, covering the Housing Element through 2031, provided HCD with greater certainty and predictability that the Town would identify alternative sites if the original three sites were not feasible, ensuring continued compliance with certification requirements.

Mayor Bhateja commended staff for their quick response to HCD, noting that they were able to address the call received on Thursday by Friday. He emphasized the importance of reviewing the Housing Element to ensure the Council fully understood the issues. Mayor Bhateja suggested informing HCD that the Council had already created an ad hoc committee to pursue alternative sites, noting that including this in a letter could enhance the Town's credibility, even if it was not part of a formal Housing Element Amendment modification.

Director Bradford explained that the Town's approach with HCD was to focus on the key items needed for submission while keeping additional options in reserve. He noted that the Housing Element amendments under discussion were minor technical revisions intended to refine the document in response to HCD's comments, rather than introduce new programs. Mr. Bradford emphasized that introducing new programs or broader information could create additional requirements, prolong the review process, and complicate the amendment, so the Town aimed to

respond succinctly and directly to HCD’s questions and concerns.

City Attorney Mattas added that Program A14 in the currently certified Housing Element already required the Town to identify and maintain a list of potential backup and replacement sites. He noted that the Council had shared with HCD that the Alternative Sites Committee was addressing these issues, and that the Committee’s actions were consistent with the adopted Housing Element. Mattas further explained that the current amendments, which connected Program A1 to A14, reinforced that same message to HCD. Mr. Mattas also noted that the ad hoc committee was most likely communicated verbally to HCD.

Councilmember Swan stated that the Michael Baker analysis satisfied HCD’s request regarding economically feasible projects, even if actual development over the next several years was uncertain. She emphasized that the Town should not provide additional details about alternative housing sites at this time, noting that the Council had already committed to reviewing them. Swan recommended focusing on what HCD had specifically requested, completing the current amendments, and addressing additional site considerations during the 2027 review.

City Attorney Mattas noted that the resolution included in the packet that afternoon would approve the minor edits to the Housing Element. He explained that, as with prior iterations, the resolution would also authorize staff to make any final minor, non-substantive edits requested by HCD, such as typographical changes. Any substantive changes would be returned to the Council for consideration. Mr. Mattas recommended adoption of the resolution.

City Attorney Mattas displayed a hard copy of the resolution on the screen and guided the Council through its contents. He noted that the first page included recitals outlining the historical context and prior actions. The second page contained the general and CEQA findings, confirming that the minor Housing Element amendments were exempt from CEQA and statutorily exempt. The decision section documented the Council’s adoption of the amendments, clarifying that they would not take effect until HCD certified them. If HCD did not approve the amendments and issued another 60-day review period, the existing Housing Element would remain in force. The effective date section reinforced that the amendments would become effective upon HCD certification, consistent with state law.

MOTION MADE AND SECONDED: Mayor Bhateja moved to ADOPT the resolution, approving the additional minor revisions to the housing element amendment, as shown in **Exhibit A** with an effective date of the approval contingent upon certification by the State Housing and Community Development Department.

Councilmember Swan seconded the motion.

MOTION PASSED: 3-0-0-1-1
AYES: SWAN, TANKHA, BHATEJA
NOES: NONE
ABSTAIN: NONE
RECUSED: MOK
ABSENT: TYSON

4. ADJOURN

Pursuant to Ordinance No. 506, the Council Meeting shall adjourn no later than 10:00 p.m., unless otherwise approved by a majority of the Councilmembers present.

The meeting adjourned at **7:02 PM**.

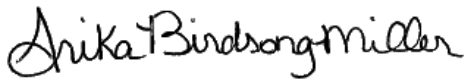
ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in the meeting, please contact the City Clerk at 650-941-7222. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Copies of all agenda reports and supporting data are available for inspection at Town Hall, 26379 Fremont Road and the Los Altos Main Library 72 hours in advance of the meeting. A complete agenda can be found on the Town's webpage: <http://www.losaltoshills.ca.gov>. A complete packet of information is available for inspection during the meeting at the table to the back of the Council Chambers.

The Council may take action on any agenda item in any manner deemed appropriate by Council.

Respectfully submitted,



Arika Birdsong-Miller