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Residential San Francisco

Los Gatos faces 15 builder's remedy projects that skirt zoning rules

Affluent town approved state housing plan in June after flood of development applications

Developers have lined up around Los Gatos City Hall with applications for builder's remedy projects that bypass local zoning rules because the city failed to certify its state housing plan.

A month after the Los Gatos Town Council approved its plan for 2,371 homes by 2031, the wealthy municipality faces 15 qualified builder's remedy projects, [the San Jose Mercury News reported](#).

The wealthy town south of San Jose approved its state-mandated housing element in June, 17 months after the January 2023 deadline.

The window of noncompliance left Los Gatos open to the builder's remedy, a decades-old loophole in state housing law that allows developers to skirt zoning rules in cities that fail to certify their plans by the deadline. Such projects must contain at least 20 percent of affordable housing.

As of July 12, the town had received 18 applications for housing developments that invoke builder's remedy, 15 of which have yet to reach the 180-day expiration mark, according to the Mercury News.

Developers have turned in formal submissions for six of the 15 valid preliminary applications.

The projects range in size from a three-story, 12-unit apartment complex pitched by an unidentified developer at 647 North Santa Cruz Avenue to a [nine-story, 182-unit complex](#) proposed by New Jersey-based Arya Properties to replace an Ace Hardware store at 15300 Los Gatos Boulevard.

Among the builder's remedy projects is the proposed conversion of the Post Office at 101 South Santa Cruz Avenue into a seven-story, 58-unit condominium complex.

The housing element plan has been a hot topic in Los Gatos, with Mayor Mary Badame and Vice Mayor Matthew Hudes voting to oppose the controversial building blueprint. Both argued the town plan calls for 2,371 homes over the next seven years, hundreds more than required by the state.

A year after its deadline, the town of Los Gatos had tried five times to get state housing officials to sign off on its required plan to rezone for nearly 2,000 homes, of which 847 must be affordable to low-income residents. — [and failed each time.](#)

The state Department of Housing and Community Development had identified 11 deficiencies in its earlier plan, saying the town needed more analysis about how government constraints affect housing development for all income levels, as well as incentives for granny flats and for affordable rents.

— *Dana Bartholomew*