

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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January 30, 2024

Jon Biggs, Director
Planning and Building Department
Town of Portola Valley
765 Portola Valley
Portola Valley, CA 94028

Dear Jon Biggs:

RE: Town of Portola Valley's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the Town of Portola Valley's (Town) housing element that was adopted January 24, 2024 and received for review on January 26, 2024. The California Department of Housing and Community Development (HCD) also received a revised draft on December 1, 2023. HCD has replaced its review of the revised draft with the adopted element and is reporting the results of its review of the adopted element pursuant to Government Code section 65585. The review was facilitated by conversations with you and the housing element update team throughout January 2024.

HCD is pleased to find the adopted housing element in substantial compliance with State Housing Element Law (Gov. Code, § 65580 et seq) as of the date of this letter. The adopted element addresses the statutory requirements that were described in HCD's July 25, 2023 review.

Further, the Town must continue timely and effective implementation of all programs including but not limited to the following:

- Programs 1-1a, 1-1b and 1-6 (Rezones for Lower-Income RHNA)
- Program 1-1c and 1-2b (Objective Design Standards)
- Program 1-2a (Rezones for Mixed-Use)
- Program 1-3 (Opt-In Housing Diversification)
- Program 1-4 (Affiliated Housing)
- Program 1-5 (Home Sharing Program)
- Program 2-4 (Extremely Low-income Households)
- Program 3-1 (Town-Owned Sites)
- Program 4-1 (Parking Requirements)
- Program 4-2 (Affiliated Housing Incentives and Monitoring)
- Program 4-4 (Affordable Housing Fund Policy)

- Program 5-3 (Pipeline)
- Program 7-1 through 7-8 (Accessory Dwelling Units)
- Program 8-10 (Group Homes)
- Program 9-1 (Housing for Persons with Developmental Disabilities)

The Town must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400. Please be aware, Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law.

Pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), as the Town did not adopt a compliant housing element within 120 days of the statutory deadline (January 31, 2023), Programs to make prior identified sites available or address a shortfall of capacity to accommodate the regional housing need allocation (RHNA) (e.g., Programs 1-1, 1-2 and 1-6) must be completed no later than January 31, 2024. The Town must send confirmation of the completion of the rezones and appropriate documentation including to HCD no later than February 2, 2024. Otherwise, the local government's will receive a corrective action letter warning the housing element may no longer comply with State Housing Element Law, and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i).

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant, the Affordable Housing and Sustainable Communities program, and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the Town now meets housing element requirements for these and other funding sources.

HCD appreciates the hard work and commitment provided throughout the housing element update and review. HCD looks forward to the Town reporting its progress through the annual progress report, pursuant to Government Code section 65400. If you have any questions or need additional technical assistance, please contact Sohab Mehmood, of our staff, at sohab.mehmood@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager