TOWN OF PORTOLA VALLEY
REGULAR PLANNING COMMISSION MEETING
765 Portola Road, Portola Valley, CA 94028
Wednesday, April 2, 2014 – 7:30 p.m.
Council Chambers (Historic Schoolhouse)

REGULAR AGENDA

Call to Order, Roll Call

Chairperson Gilbert, Vice-Chairperson Targ, Commissioners Hasko, McKitterick, and Von Feldt

Oral Communications

Persons wishing to address the Commission on any subject, not on the agenda, may do so now. Please note, however, the Commission is not able to undertake extended discussion or action tonight on items not on the agenda.

Regular Agenda

1. *Public Hearing* – Proposed Zoning Ordinance Amendment to Add Section 18.17, State Density Bonus Law

2. Continued Study Session – Housing Element Update

Commission, Staff, Committee Reports and Recommendations

Approval of Minutes: March 19, 2014

Adjournment:

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Assistant Planner at 650-851-1700 ext. 211. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

AVAILABILITY OF INFORMATION

Any writing or documents provided to a majority of the Town Council or Commissions regarding any item on this agenda will be made available for public inspection at Town Hall located 765 Portola Road, Portola Valley, CA during normal business hours.

Copies of all agenda reports and supporting data are available for viewing and inspection at Town Hall and at the Portola Valley branch of the San Mateo County Library located at Town Center.

PUBLIC HEARINGS

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge a proposed action(s) in court, you may be limited to raising only those issues you or someone else raised at the Public

Hearing(s) described later in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).

This Notice is posted in compliance with the Government Code of the State of California.

Date: March 28, 2014

CheyAnne Brown
Planning Technician

MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Planning Commission

FROM: Karen Kristiansson, Deputy Town Planner

DATE: March 28, 2014

RE: Agenda for April 2, 2014 Planning Commission Meeting

The following comments provide an overview of the items on the April 2nd agenda.

Public Hearing – Proposed Zoning Ordinance Amendment to Add Section 18.17, State Density Bonus Law

The attached March 26, 2014 staff report from the Town Attorney provides the background and discussion for this zoning ordinance amendment. This ordinance would implement the requirements of State Density Bonus Law and establish application procedures, in order to provide the Town with greater control and allow the Town to take advantage of streamlined review of its housing element. The Planning Commission discussed State Density Bonus Law at its meeting on February 5, 2014, and then heard a presentation from the Town Attorney and reviewed a preliminary draft implementation ordinance on March 5, 2014. The ordinance has been revised in response to Planning Commission comments and is attached to the staff report, along with a resolution for action.

Continued Study Session -- Housing Element Update

This will be the Planning Commission's 7th study session on the Housing Element Update. The attached March 27, 2014 staff report from the Deputy Town Planner transmits drafts of the demographics and housing programs sections of the housing element for the Planning Commission's review and discussion.

KLK
encl.

cc. Town Council Liaison
Mayor
Assistant Planner
Town Attorney
Town Manager
Deputy Town Planner

MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Chair and Members of the Planning Commission

FROM: Leigh F. Prince, Town Attorney

DATE: March 26, 2014

RE: State Density Bonus Law Implementation Ordinance

RECOMMENDATION: Review the proposed ordinance implementing State Density Bonus Law ("SDBL" or "State Law") and adopt a resolution recommending adoption to the Town Council.

BACKGROUND: As detailed in the report from the Town Attorney dated January 31, 2014, if an applicant meets certain threshold requirements, the Town must grant the applicant a density bonus and one or more incentives in accordance with State Law. SDBL requires the Town to adopt an ordinance that specifies how compliance with State Law will be implemented. Adopting an implementation ordinance would bring the Town into compliance with this requirement. However, compliance with SDBL is mandatory regardless of whether or not the Town adopts an implementation ordinance. An implementation ordinance does not provide any additional incentive for an applicant that is not already provided by State Law. The implementation ordinance would allow the Town to establish application requirements related to how the Town will process requests to utilize SDBL. Finally, adoption of an implementation ordinance would allow the Town to take advantage of streamlined Housing Element review.

DISCUSSION: On March 5, 2014, the Planning Commission received a presentation regarding State Density Bonus Law. Following the presentation, the Planning Commission indicated an interest in moving forward with an implementation ordinance that would provide the Town greater control over the application process in the event an applicant sought to apply SDBL to a project. At that meeting, the Planning Commission considered a preliminary draft implementation ordinance and made comments regarding changes that should be made prior to the public hearing on the ordinance.

First, Commissioner Hasko requested that some clarifications be made to the wording of Section 18.17.050 related to the Town retaining discretionary approval authority. The section has been revised to clarify that if a project involving a requested density bonus or incentive would require, in the absence of the requested density bonus or incentive, a discretionary approval, such as a conditional use permit or planned unit development permit, the Town retains discretionary review and approval authority. Please note, as of today, those properties in Town that staff believes could potentially meet the threshold requirements to take advantage of SDBL would all require a conditional use permit and thus would be subject to the Town's discretionary approval process.

Second, the Planning Commission discussed the appropriate language regarding the timing of the construction of the affordable units in relation to the market rate units. The Planning Commission was not comfortable with the construction of affordable units "concurrently" with the market rate units. The implementation ordinance has been revised to remove that term and Town staff proposes to add Section 18.17.080 to the ordinance to specifically address the timing of affordable unit construction. This section requires the applicant to provide a development schedule indicating the timing of when the affordable units will be constructed. This schedule is subject to Town Planner approval. Approval is guided by the ordinance which indicates the affordable units shall be built as early as possible and prior to completion of the market rate units. In no case may the last market rate unit pass final inspection before the last affordable unit has passed final inspection.

If the Planning Commission recommends adoption of the proposed implementation ordinance, the next step will be for the Council to hold a public hearing on the first reading of the ordinance.

Attachments:

1. Resolution of the Planning Commission of the Town of Portola Valley Recommending Adoption the Proposed State Density Bonus Law Implementation Ordinance
2. Ordinance of the Town Council of the Town of Portola Valley Adding Chapter 18.17 [State Density Bonus Law] to Title 18 [Zoning] of the Portola Valley Municipal Code

cc: Deputy Town Planner
Town Manager

RESOLUTION NO.

RESOLUTION OF THE PLANNING COMMISSION OF THE TOWN OF PORTOLA VALLEY RECOMMENDING ADOPTION OF THE PROPOSED STATE DENSITY BONUS LAW IMPLEMENTATION ORDINANCE

WHEREAS, California Government Code Section 65915 ("State Density Bonus Law") requires all cities to adopt an ordinance that specifies how compliance with State Density Bonus Law will be implemented; and

WHEREAS, compliance with State Density Bonus Law is mandatory and adoption of an implementation ordinance provides the Town of Portola Valley ("Town") with greater control over the application process; and

WHEREAS, the California Department of Housing and Community Development offers streamlined review of the Housing Element to communities that have, among other things, adopted an ordinance implementing State Density Bonus Law; and

WHEREAS, the Planning Commission studied issues related to State Density Bonus Law and received and considered all information in staff reports, a presentation from the Town Attorney, and public input at its meetings on February 5, 2014 and March 5, 2014; and

WHEREAS, on April 2, 2014, the Planning Commission held a duly noticed public hearing to consider the proposed ordinance implementing State Density Bonus Law at which all interested persons had the opportunity to appear and comment; and

WHEREAS, the Planning Commission has read and considered the proposed ordinance implementing State Density Bonus Law as set forth in Exhibit A attached hereto.

NOW, THEREFORE, be it resolved that the Planning Commission of the Town of Portola Valley recommends that the Town Council adopt the State Density Bonus Law implementation ordinance as set forth in Exhibit A.

PASSED AND ADOPTED at the regular meeting of the Planning Commission of the Town of Portola Valley on April 2, 2014.

By:

_____

Denise Gilbert, Chairperson

Attest:_____

Tom Vlasic, Town Planner

ORDINANCE NUMBER _____

ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF PORTOLA VALLEY ADDING CHAPTER 18.17 [STATE DENSITY BONUS LAW] TO TITLE 18 [ZONING] OF THE PORTOLA VALLEY MUNICIPAL CODE

WHEREAS, the Town of Portola Valley ("Town") desires to comply with California Government Code Section 65915 ("State Density Bonus Law") which requires all cities to adopt an ordinance that specifies how compliance with State Density Bonus Law will be implemented; and

WHEREAS, the Town desires to take advantage of the streamlined review of the Housing Element offered by the California Department of Housing and Community Development ("HCD") to cities that have, among other things, adopted an ordinance implementing State Density Bonus Law.

NOW, THEREFORE, the Town Council of the Town of Portola Valley does **ORDAIN** as follows:

1. ADDITION OF CODE. Chapter 18.17 [State Density Bonus Law] is hereby added to Title 18 [Zoning] to read as follows:

"Chapter 18.17
STATE DENSITY BONUS LAW

Sections:

18.17.010 Purpose
18.17.020 Definitions
18.17.030 Applicability
18.17.040 Application Requirements
18.17.050 Discretionary Approval Authority Retained
18.17.060 Affordable Housing Agreement
18.17.070 Design and Quality
18.17.080 Timing of Affordable Unit Construction

18.17.010 Purpose
The purpose of this Chapter is to adopt an ordinance that specifies how Government Code Section 65915 ("State Density Bonus Law") will be implemented.

18.17.020 Definitions
Unless otherwise specified in this Chapter, the definitions found in State Density Bonus Law shall apply to the terms contained herein.

18.17.030 Applicability

This Chapter shall apply to all zoning districts where residential developments of five or more dwelling units are proposed and where the applicant agrees to provide low, very-low, senior or moderate income housing units in the threshold amounts specified in State Density Bonus Law such that the resulting density is beyond that which is permitted by the applicable zoning.

18.17.040 Application Requirements

A. Any applicant requesting a density bonus, incentive(s) and/or waiver(s) pursuant to State Density Bonus Law shall provide the Town with a written proposal. The proposal shall be submitted prior to or concurrently with the filing of the planning application for the housing development and shall be processed in conjunction with the underlying application.

B. The proposal for a density bonus, incentive(s) and/or waiver(s) pursuant to State Density Bonus Law shall include the following information:

1. Requested density bonus. The density bonus proposal shall evidence that the project meets the thresholds required by State Density Bonus Law. The proposal shall include calculations showing the maximum base density, the number/percentage of affordable units and identification of the income level at which such units will be restricted, additional market rate units resulting from the density bonus allowable under State Density Bonus Law and the resulting units per acre. The density bonus units shall not be included in determining the percentage of base units that qualify a project for a density bonus pursuant to State Density Bonus Law.
2. Requested incentive(s). The request for particular incentive(s) shall include a pro forma or other report evidencing that the requested incentive(s) results in identifiable, financially sufficient and actual cost reductions that are necessary to make the housing units economically feasible. The report shall be sufficiently detailed to allow the Town to verify its conclusions. If the Town requires the services of specialized financial consultants to review and corroborate the analysis, the applicant will be liable for all costs incurred in reviewing the documentation.
3. Requested Waiver(s). The written proposal shall include an explanation of the waiver(s) of development standards requested and why they are necessary to make the construction of the project physically possible. Any requested waiver(s) shall not exceed the density bonus percentage to which the project is entitled pursuant to State Density Bonus Law and to the extent any requested waiver exceeds such percentage, it will be considered as a request for an incentive.
4. Fee. Payment of the filing fee in an amount set by resolution of the Town Council and payment of the actual costs of Town staff time spent reviewing and processing the State Density Bonus Law application submitted pursuant to this Chapter.

18.17.050 Discretionary Approval Authority Retained
If a project involving a requested density bonus or incentive(s) would require, in the absence of the requested density bonus or incentive(s), a discretionary approval, such as a conditional use permit or planned unit development permit, the Town retains discretionary review and approval authority as provided in the applicable sections of the Town's municipal code.

18.17.060 Affordable Housing Agreement
Prior to project approval, the applicant shall enter into an Affordable Housing Agreement with the Town to the satisfaction of the Town Attorney guaranteeing the affordability of the rental or ownership units for a minimum of 30 years and identifying the type, size and location of each affordable unit. Such Affordable Housing Agreement shall be recorded in the San Mateo County Recorder's Office.

18.17.070 Design and Quality
Affordable units shall be of equal design and quality as the market rate units. Exteriors, including architecture and elevations, and floor plans of the affordable units shall be similar to the market rate units. Interior finishes and amenities may differ from those provided in the market rate units, but neither the workmanship nor the products may be of substandard or inferior quality as determined by the Town Building Official. The number of bedrooms in the affordable units shall be consistent with the mix of market rate units.

18.17.080 Timing of Affordable Unit Construction
Prior to issuance of the first building permit for the project, the developer shall provide, subject to Town Planner approval, a development schedule that indicates when the affordable units will be constructed. The affordable units shall built as early as possible and prior to completion of the market rate units. In no case may the last market rate unit pass final inspection before the last affordable unit has passed final inspection.

2. SEVERABILITY. If any part of this ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this ordinance or the applicability of this ordinance to other situations.

3. ENVIRONMENTAL REVIEW. This ordinance is not a project for the purposes of the California Environmental Quality Act.

4. EFFECTIVE DATE; POSTING. This ordinance shall become effective 30 days after the date of its adoption and shall be posted within the Town in three public places.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

_____ By: _____

Town Clerk Mayor

APPROVED AS TO FORM:

_____

Town Attorney

MEMORANDUM

TOWN OF PORTOLA VALLEY

TO: Planning Commission

FROM: Karen Kristiansson, Deputy Town Planner

DATE: March 27, 2014

RE: Draft demographics and housing programs sections for the housing element

The Planning Commission has two draft sections of the housing element to review at its meeting on April 2, 2014: the demographics section and the housing programs section. The housing programs section builds on discussion and direction provided by the Planning Commission at the six study sessions that have been held on the housing element update on the following dates:

- November 20, 2013
- December 4, 2013
- December 18, 2013
- January 15, 2014
- February 5, 2014
- March 5, 2014

In particular, the March 5, 2014 study session included a review and discussion of an outline of the housing programs. Information about each of these meetings, including the staff reports for each, is available on the Town's website.

The Planning Commission should consider and comment on both of these draft sections, each of which is discussed below.

Draft Demographics Section (Population, Employment and Housing)

A draft of the demographics section of the housing element, titled "Population, Employment and Housing: Conditions and Trends," is attached for the Planning Commission's review. The draft is based on the demographics section of the 2009

Housing Element and follows the same format. State law requires many of the analyses presented in the demographic section.

The data was updated, largely by intern Alvin Jen, and the analysis was revised as appropriate. This section was particularly challenging this year because of changes to the U.S. Census in 2010. Specifically, the long form was eliminated, and a number of pieces of demographic data that had been previously provided by the Census were no longer available. To fill in the gap, data from other sources was used, such as the American Community Survey. In some cases, however, the data was not consistent, and staff had to revise a portion of the section so that it would make sense with the available data.

The two main conclusions that can be drawn from the demographic analysis are the same as they were in 2009:

1. The elderly population in town is growing, which is leading to a demand for more housing solutions that are appropriate for older residents; and
2. Most of the people who work in Portola Valley cannot afford to live in town, especially as the cost of housing in town continues to increase.

These conclusions support several of the programs proposed for this housing element. For example, both the shared housing program and the second units program could help to provide housing solutions for older residents. In addition, the affiliated housing program directly addresses the lack of employee housing in town, and second units also likely provide housing for some people who work in Portola Valley.

Draft Housing Element Programs

As was discussed at the March 5, 2014 study session, seven programs are proposed for this housing element:

1. Inclusionary Housing
2. Affiliated Housing
3. Second Units
4. Shared Housing
5. Fair Housing
6. Energy Conservation and Sustainability
7. Future Housing Needs and Potential Housing Programs

The content of each of these programs was discussed on March 5, and the attached document presents a draft of the text for these programs for the Planning Commission's review and consideration.

Looking Ahead

The Planning Commission is next scheduled to discuss the housing element at its May 7 meeting, and staff is working towards having a complete draft of the housing element for

that meeting. Town staff is still working to hire consultant assistance with the housing element, and hopefully that will be in place soon. With that assistance, the housing element process will likely be able to stay on schedule.

Attachments: Draft Demographics Section (Population, Employment and Housing)
Draft Housing Element Programs

cc. Mayor
ASCC
Town Manager
Town Planner
Town Attorney

Population, Employment and Housing: Conditions & Trends

2425 This section provides information on population trends, employment trends, housing characteristics, and special housing needs in Portola Valley. The information is required by state law and provides a context in order to assist the town in planning for suitable housing in the future.

2426 The analysis shows that there is a particular need for housing that is affordable to the elderly and to people who work in the town. The proportion of the town's population over 64 has risen from about 6.7% percent in 1960 to 27 percent in 2010, and senior citizens comprise the majority of lower income households in town. A survey of the town's largest employers reveals that most of the people who teach the town's children, work for town government, and provide services for the town's senior citizens cannot afford to live in Portola Valley.

Population Trends

2427 According to the U.S. Census, Portola Valley's population decreased 2.44 percent between 2000 and 2010. The table below compares the total population, the population in group quarters, the population in households and persons per household in 2000 and 2010. The population in group quarters likely consists primarily of people residing at the Priory School, and does not include the Sequoias.

Population Growth: 1990 and 2000

Year	Total Population	Population in Group Quarters	Population in Households	Average Persons per Household
2000	4,462	70	4,392	2.58
2010	4,353	44	4,309	2.47

Source: U.S. Census.

2427a Changes in the age distribution from 1960 to 2010, as reflected in the U.S. Census, are shown in the table below. The percentage in all major age groups increased slightly between 2000 and 2010 except for people under age five and between the ages of 20 and 44. The percentage of people age 65 and over continues to grow. These shifts are important to consider both from the town's housing and other planning/service factors.

Percentage Distribution by Age Group 1960, 1970, 1980, 1990, 2000, 2010						
Age Group	1960	1970	1980	1990	2000	2010
Under 5	11.3	5.1	3.5	5.6	5.0	4.0
5-19	29.2	30.1	22.4	15.2	19.2	20.3
20-44	35.4	32.3	30.5	32.4	21.4	14.3
45-64	17.4	22.3	29.2	28.1	33.5	34.4
65+	6.7	10.2	14.4	18.7	21.0	27
Totals	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

Source: U.S. Census

Employment Trends

2428 The number of employed residents in Portola Valley decreased by nearly 20%, from 2,008 in 2000 to 1,640 in 2010. This is likely related to the increase in the population of residents aged 65 and older, and the decrease in residents aged 20-44.

2428a Through the 2008-2012 American Community Survey, 1,512 Portola Valley residents reported place of employment. Approximately one quarter of these residents work in town, with another quarter working elsewhere in San Mateo County.

Portola Valley Residents' Places of Employment, 1990, 2000 and 2010						
Location	1990*	%	2000*	%	2010**	%
Portola Valley	358	17%	362	18%	373	25%
Rest of San Mateo County	565	27%	484	25%	357	24%
Outside the County	1,155	56%	1,128	57%	782	52%
Total	*2,078*	*100%*	*1,974*	*100%*	*1,512*	*100%*

** Source: 1990 and 2000 U.S. Census*
***Source: 2008-2012 American Community Survey.*

2428b The Town Planner estimates that there are likely approximately 1,250 – 1,500 jobs in town, based on a combination of information from surveys of employers and census data on the number of self-employed residents, plus a margin for household staff. This is consistent with the estimate of 1,500 jobs shown for the town in the Association of Bay Area Governments' (ABAG) *Projections 2013.*

2428c Little new office and commercial development is anticipated. Only 18 acres of land are planned and zoned for commercial and office uses, and most of that land is developed. The town continues to provide housing for people who work elsewhere, helping to relieve the jobs/housing imbalance in other Peninsula cities that have more jobs than employed residents.

2428d Many employees in town are non-residents, in part because they cannot afford to live in Portola Valley. In 2004, surveys of the four largest employers in town (the

town government, the school district and two institutional employers) revealed that only about 4% of those employed in town earned incomes that would be in the above moderate income category for a family of three, whereas approximately 57% earned incomes in the very low income category. While these numbers may have changed somewhat, the overall situation is likely very similar. Unless employees have other household members who earn significantly more, it appears that those who administer the town's affairs, teach its children, and care for its elderly generally cannot afford to live in town.

Housing Characteristics

2429 Portola Valley is a community of single family residences, mostly on lots ranging from one to two-and-a-half acres or more. The exceptions are in the older part of the town that has some lots as small as 4,000 square feet, and three other small areas with minimum lot sizes of 15,000 or 20,000 square feet. Under conditions specified in the general plan and land use regulations, the town permits cluster development, second units on single-family parcels one acre or larger, shared living arrangements and manufactured (mobile) homes. The location and density of housing development is controlled largely by natural conditions, particularly the San Andreas Fault, which crosses through the town, steep and potentially unstable slopes, and flood hazard areas along creek channels.

2429a According to the Department of Finance, the number of housing units in Portola Valley is projected to increase by 130 from 1,772 in 2000 to 1,902 in 2013, an average of 10 units per year. In comparison, actual numbers from the Town's records show that from the 2000-2001 fiscal year to 2012-2013 fiscal year, a total of 111 building permits were issued for new home construction. This averages out to 8.5 units per year, which is slightly less than the state estimate.

2429b Portola Valley's housing supply between 2000 and 2013 is summarized in the table below, as estimated by the Department of Finance. According to this data, 130 single family homes were added during that period. Although permitted, no manufactured homes were added. These estimates show that Portola Valley has 38 multifamily units in 2-4 unit structures, and 324 multifamily units in 5+ unit structures. Portola Valley does not have a significant number of multi-family units other than the housing at the Sequoias and the Priory. The annual housing unit count reported by the Department of Finance seems to include the senior housing at the Sequoias and some housing at the Priory as multi-family units.

Housing Units, 2000, 2010-2013							
	Total Units	New Units	Single Family	Multifamily 2-4	Multifamily 5+	Mobile Homes	Occupied Units
2000	1,772		1,479	0	260	0	1,700
2010	1,895	3	1,533	38	324	0	1,746
2011	1,898	3	1,536	38	324	0	1,749
2012	1,900	2	1,538	38	324	0	1,751
2013	1,902	2	1,540	38	324	0	1,753

Source: State of California, Department of Finance, City/County Population and Housing Estimates, 2000-2008, Report E-5.

Tenure

2429c According to the 2010 Census, about 80% of homes are owner-occupied, while the remainder are rented. This has not changed significantly since 1990, as shown in the following table of the number of housing units and percentages by tenure.

Tenure of Housing Units: 1980, 1990, 2000 and 2010						
	Renter-Occupied Units		Owner-Occupied Units		Total Occupied Units	
1980	97	8%	1,142	92%	1,239	100%
1990	303	19.60%	1,327	81.40%	1,630	100%
2000	257	15.1%	1,443	84.9%	1,700	100%
2010	354	20.30%	1,392	79.71%	1,746	100%

Source: 1980, 1990 ,2000 SF 2 and 2010 U.S. Census SF 1.

Overcrowded Households

2429d Most houses in Portola Valley are large. The 2010 Census reports that 70 percent of the housing units had six or more rooms (“rooms” do not include bathrooms, storage areas, or areas separated by less than a floor to ceiling partition). Most new homes in Portola Valley are now between 5,500 and 6,000 square feet plus basements. In the past six fiscal years (2007 – 2013), Portola Valley has issued 37 new building permits for additions, indicating that the existing housing stock is also getting larger.

2429e The U.S. Census defines "overcrowding" as 1.01 or more persons per room in a housing unit. Under this definition, Portola Valley had 0 overcrowded units in 2010. Given this information, as well as the small number of units affected and the generally large size of homes in Portola Valley, overcrowding does not appear to be a significant problem in the town.

Housing Condition

2429f Most homes in Portola Valley are in good condition. The 2007-2011 American Community Survey estimates that all units have complete plumbing facilities and lists only 148 housing units built before 1940.

2429g Many houses in town are not visible from public roads, making "windshield" surveys of housing conditions difficult. However, building permit records indicate a consistently high volume of remodeling and additions. The town issued 303 permits for remodels between Fiscal Year 2008-09 and Fiscal Year 2012-13. In addition, between Fiscal Year 2008-09 and Fiscal Year 2012-13, a total of 27 homes were torn down and replaced with new homes.

2429h The high value of properties in the town leads to a high level of maintenance, and over any significant period of time, the private market appears to be effective in eliminating substandard conditions. None of the information available to the town indicates a significant problem with housing conditions.

Vacancy Rates

2429i Portola Valley had a 7.9% vacancy rate in 2010, as shown in the table below, Most of the vacant units were either for rent, for seasonal or occasional use, or "other," with a few for sale or not occupied.

Occupancy Status of Housing Stock		
Type	Number	Percent
Total Units	1,895	100.0%
Occupied Units	1,746	92.1%
Vacant Units	149	7.9%
For Rent	39	2.1%
Rented, Not Occupied	5	0.3%
For Sale Only	14	0.7%
Sold, Not Occupied	4	0.2%
For Seasonal or Occasional Use	59	3.1%
For Migrant Workers	0	0.0%
All Other Vacants	28	1.5%

Source: 2010 U.S. Census SF1

Portola Valley's vacancy rate was higher than in the rest of San Mateo County but lower than the average rate for California; in 2010, the vacancy rate in San Mateo County as a whole was 4.9%, and the vacancy rate in the State of California was 8.1%. Unlike in many other communities, foreclosures are not a significant problem in the town.

Housing Affordability

2430 As shown in the table below, the average sales price of homes in Portola Valley has increased significantly over time and is now very expensive. The average home cost about $1 million in 1996 and over $2 million in 2012.

Average Sales Prices in Portola Valley, Selected Years		
Year	Average Sales Price	Number of Sales
2012	$2,200,000	63
2006	$1,872,269	39
1996	$1,035,603	65
1986	$511,957	Not known

Source: Multiple Listing Service (MLS) for areas 261, 262, 263, and 265.

2430a In the November 11, 2013 *Almanac*, there were seventeen homes mentioned for sale. Asking prices ranged from $1.27 million to $13.9 million, and averaged $4.5 million. This is much higher than the prices from 2009, when the February 11, 2009 *Almanac* listed eleven homes for sale in Portola Valley with asking prices between $1.1 million and $3.95 million, and averaging $2.1 million. The February 7, 2001 *Almanac* listed six homes for sale in Portola Valley with asking prices between $1.8 million and $3.9 million and averaged $2.5 million. When comparing the 2013 set of prices with those of 2001, the average asking prices have gone up, showing that the housing market has shown recovery since the most recent economic recession.

2430b Home prices in Portola Valley more than quadrupled between 1986 and 2012. None of the housing for sale in November 2013 would be considered affordable by households with moderate incomes or less under typical financing terms

2430c Rental housing in November 2013 included a total of five rental properties listed on craigslist and Trulia. Rents ranged from $3,300 for a two-bedroom second unit to $9,700 for a 6 bedroom, 3.5 bathroom home. The other three homes listed ranged from $4,900 to $6,000 for rent per month. The number of available rental units is close to what was shown in the February 7, 2001 *Almanac,* which listed four units. Those rents ranged from $1,500 for a one bedroom apartment to $5,000 for a three bedroom home. While rents in town appear to have increased, they have not increased as much as the cost to purchase a home.

2430e The federal government defines “affordable housing” as housing that costs 30 percent or less of a household’s income. The table below shows average salaries for selected occupations in San Mateo County, together with the affordable monthly housing cost.

Average Salaries and Affordable Monthly Housing Costs in San Mateo County		
	Annual Salary	Affordable Monthly Housing Cost
Single Wage Earner		
Senior on Social Security	$15,000	$375
Minimum Wage Earner	$16,640	$416
Plumber	$65,200	$1,630
Paralegal	$71,300	$1,783
Software Engineer	$110,000	$2,750
Two Wage Earner Households		
Min. Wage Earner & Software Engin'r	$106,640	$2,666
Biochemist & Elem'y School Teacher	$156,000	$3,900

Source: Employment Development Department Data for San Mateo county, Mean Annual Wage, First Quarter 2012

2430f Housing costs include rent or mortgage payments, utilities, and necessary maintenance. Households with above moderate incomes have numerous housing choices. The primary concern is for households with moderate, low and very low incomes that have few choices in the housing market.

2430g One measure of the affordability of housing is whether households, especially low income households, are overpaying for housing. The table below shows the number and percentage of both owners and renters in Portola Valley who are overpaying.

Households Overpaying for Housing		
Owner-Occupied	Number	Percent
<$35,000 income	71	83%
$35,000-$74,999	79	64%
$75,000+	209	20%
Renter-Occupied		
<$35,000 income	101	100%
$35,000-$74,999	103	100%
$75,000+	38	18%

2430h This data indicates that there are approximately 601 households in Portola Valley who are overpaying for housing, including all renters and most owners who have incomes less than $75,000 per year.

Special Housing Needs

2431 In addition to being affordable, suitable housing also must meet households' other needs. Some special housing needs are defined in the following sections.

Elderly

2431a The proportion of Portola Valley's population over age 65 continues to increase, as shown in the table below. During the last forty years, the percentage of the town's population that is over age 64 has more than quadrupled, from 6.7 percent to 27 percent. While this is partly due to the natural aging of the population, the percentage change is also in part likely due to the high cost of housing, which may prevent younger people who have not accumulated as much capital or reached their earnings peak from being able to afford to live in Portola Valley.

Percentage of People Over Age 64 in 1960, 1969, 1980, 1990, 2000, 2010			
Year	No. of People over Age 64	Total Population	Percent of Total Population
1960	145	2,163	6.7
1969	458	3,849	11.9
1980	567	3,939	14.4
1990	786	4,194	18.7
2000	938	4,462	21.0
2010	1,173	4,353	27.0

Sources: 1960 U.S. Census as adjusted by William Spangle & Associates and reported in the 1982 Housing Element; State Department of Finance Special Census for 1969 as reported in the 1982 Housing Element; U.S. Census for 1980, 1990 and 2000, 2010.

2431b The table below shows the income distribution for households aged 65 and older. There is a significant disparity in incomes for elderly households, with nearly a quarter having incomes below $30,000, and almost half having incomes above $100,000.

Income Distribution for Households Over Age 65 and Older		
Income	Portola Valley	San Mateo County
Below Poverty Level	1%	6%
<$30,000	22%	28%
$30,000-$49,999	7%	19%
$50,000-$74,999	21%	16%
$75,000-$99,999	5%	11%
$100,000+	45%	26%
Total Seniors	723	55,093

Source: U.S. Census Bureau, 2007-2011 American Community Survey

2431d Most elderly residents in Portola Valley own their homes. Some older residents may own houses that are bigger than they want or need. Long-term older residents often have paid-up mortgages or low mortgage payments and, under Proposition 13 provisions, low property taxes. Some literally cannot afford to move. As they grow older, some residents will have difficulty maintaining their properties due to physical or financial constraints. Despite their long-standing ties

to the community, these people may be forced to move out of the area by the shortage of suitable senior housing in town, in any price range.

Households by Tenure		
	Owner Households	Renter Households
All Ages	73%	27%
Ages 65-74	82%	18%
Ages 75-84	44%	56%
Ages 85+	66%	34%

Source: 2011 American Community Survey

2431f The Sequoias, a buy-in retirement community in town operated by Northern California Presbyterian Homes and Services, iss home to over 300 senior citizens. The minimum age to enter is 65, but most people are in their mid- to late 70s when they enter. The facility provides common dining and medical care geared to various levels of need. In 2013, the cost to enter ranged from $94,500 to $820,900 for housing, three daily meals and medical care for life. This cost varies depending on the size and type of unit. In addition, monthly costs range from about $3,406 for a single up to $8,492 for a two-bedroom unit. The monthly cost includes rent, utilities, meals, housekeeping, and access to on-site nursing and physician services. Over 300 people are on the waiting list for a place at the Sequoias, indicating a strong demand for this type of senior housing.

2431g While the costs to live at the Sequoias are significant, the Sequoias does have a financial assistance program for residents. People whose incomes and assets are depleted while living at the Sequoias receive aid so that they can continue to receive housing and medical care. Approximately five residents receive this aid per year.

2431h The Sequoias is an important housing option for seniors in the community. Second units and shared housing provide other options for seniors who need affordable housing but would prefer a non-institutional setting.

People with Disabilities

2431i According to the 2008-2012 American Community Survey, 422 people living in Portola Valley suffered a disability. Of the total number of disabled people in Portola Valley, 326 were over the age of 65, equaling 77 percent of the disabled population. The town has no data to indicate that housing for disabled persons is a significant unmet need in town, although the need for accessible housing can be anticipated to grow as the population ages.

Large Households

2431j According to the 2010 Census, Portola Valley had an average household size of 2.47, which is a slight decrease from 2.58 in 2000. The percentage of households with five or more persons also decreased slightly, from 9.4% in 2000 to 8.9% in 2010.

Most of the housing in town is well-suited to large families. According to the 2008-2012 American Community Survey, about 67 percent of the housing units had 6 or more rooms. The median number of rooms per unit was 6.8. During the 1990s and since 2000, new construction added larger houses to the town, with most ranging in size from 5,000 to 6,000 square feet.

Single-Parent Households with Children

2431k Households with a single parent and one or more children under the age of 18, including female-headed households, often have fewer financial resources and greater needs for day care and other services than two-parent households.

2431l The 2008-2012 American Community Survey indicates that there are 39 households in Portola Valley with children under 18 years and a female householder with no husband. In addition, there are 26 households with children under 18 years and a male householder with no wife. A total of 146 children live in these households.

2431m Housing in town is large and often suitable for families with children. Further, schools, day care, a library, and recreation facilities are all provided in Portola Valley. There is no information available to indicate an unmet need for housing for single-parent households with children. However, these households are likely to benefit from an increase in affordable housing options, including second units.

Farm workers

2431n The 2007-2011 American Community Survey 5-Year Estimates shows that zero Portola Valley residents list their occupation as agriculture, forestry, fishing hunting and mining. Webb Ranch, on unincorporated land owned by Stanford University, is the major employer of farm workers in the area. Farm worker housing is provided on the Ranch. As a result, there is no need for farm worker housing within Portola Valley. However, to comply with state requirements, the town revised its zoning code in 2010 to be consist with the requirements of the California Health and Safety Code Sections 17021.5 and 17021.6 regarding the regulation of farmworker housing.

Extremely Low Income Households

2431o Households with extremely low incomes are those with incomes at or below 30% of the Area Median Income. For San Mateo County, including Portola Valley, that means that a family would need to have an income of $33,950 or below to be considered extremely low income. Households with extremely low incomes include those who receive public assistance, such as disability insurance or social security. However, people with full-time jobs can also have extremely low incomes. The annual income for a full-time minimum wage job is currently $16,640 in California, and a single person household earning $23,750 or less is considered extremely low income.

Existing Needs

2431p In 2010, there were 125 extremely low income (ELI) households in Portola Valley, representing 7% of the total households. About 38 percent of ELI households have housing problems, and nearly 17 percent are paying more than half of their incomes for housing. ELI households are at risk for homelessness if there are unexpected expenses, such as medical bills, or with the loss of a job.

Extremely Low Income Households			
	Renters	Owners	Total
Total ELI Households	75	50	125
Percent with Housing Problems	17%	19%	38%
Percent with Cost Burden*	8%	9%	17%
Percent with Severe Cost Burden**	7%	9%	16%

** A cost burden is defined as a household paying more than 30% of its income for housing.*
*** A severe cost burden is defined as a household paying more than 50% of its income for housing.*
Sources: CHAS Data Book, accessed at http://socds.huduser.org, data current as of 2010.

2431q ELI owners are more likely than renters to have a cost burden, although approximately the same percentage of both groups have severe cost burdens. Because such a high percentage of income goes to housing, ELI homeowners are at a very high risk for foreclosure.

Projected Needs

2431r To calculate the projected housing needs, the town assumed that 50 percent of its very low income regional housing needs are extremely low income households. This results in a projected need for 10 housing units for ELI households. The main program to provide housing for these households is the town's second unit program. In addition, the shared housing program could provide some housing for this income level, and the housing impact fee could eventually provide funding for ELI households.

Homeless

2431s According to the 2013 San Mateo County Homeless Census and Survey, there were 2 homeless people counted in the town. Because Portola Valley is a rural community with little access to transit or services, homeless people may not find the town as attractive as more urbanized areas of the mid-Peninsula. In the past, homeless people have occasionally visited one of the churches in town for assistance, which they offer on an as-needed basis.

2431t The town believes that homelessness is a regional problem which needs to be addressed on a regional basis, and continues to work toward that end.

Rehabilitation and Replacement.

2432 The needs analysis identifies no need for rehabilitation or replacement of existing housing units. As described above, the condition of housing units in town is very good and maintenance occurs privately, with no known need for government involvement.

Affordability for Assisted Housing Developments

2433 The town currently has no housing units subsidized with public funds and therefore no need to protect the affordability of such units.

Regional Housing Needs Allocation

2434 Approximately every five years, the state determines how much housing for each income level is needed in the region. The Association of Bay Area Governments (ABAG) then usually allocates shares of the regional housing need to the cities and counties in the region. In the current housing element cycle, all of the jurisdictions in San Mateo County banded together to form a subregion, which allowed the cities, towns and county to allocate the county's share of housing among themselves. The table below shows the total housing required for Portola Valley.

Portola Valley's Regional Housing Need Requirements, 2014-2022	
Income Level	Units
Extremely Low	10
Very Low	11
Low	15
Moderate	15
Above Moderate	13
Total	64

2434d The table below shows current (February 2008) income limits used to qualify for assistance from federal and state housing programs. The income limits vary with household size. The table lists the limits for one-, two-, three-, and four-person households.

Income Limits (a) **and Affordable Monthly Housing Costs** (b)					
Number in Household	Maximum Income & Housing Cost	Income Categories			
		Ex Low	Very Low	Low	Moderate
1	Income Limit	$23,750	$39,600	$63,350	$86,500
	Housing Cost	*$693*	*$1,155*	*$1,847*	*$2,523*
2	Income Limit	$27,150	$42,250	$72,400	$98,900
	Housing Cost	*$792*	*$1,233*	*$2,111*	*$2,885*
3	Income Limit	$30,550	$50,900	$81,450	$111,250
	Housing Cost	*$891*	*$1,484*	*$2,375*	*$3,245*
4	Income Limit	$33,950	$56,550	$90,500	$123,600
	Housing Cost	*$990*	*1,649*	*$2,639*	*$3,605*

(a) From California Department of Housing and Community Development, income limits for San Mateo County, February 2013.
(b) Assumes affordable housing costs no more than 35 percent of monthly income.

2434e The amount a household can afford to pay for housing is generally expressed as a percentage of the household's income. The percentage itself varies from source to source, however, ranging at least from 25 percent to 42 percent. In general, the trend has been for the percentage to increase as housing costs have increased. The table above uses an estimate of 35 percent of income as a guide to affordability and shows the resulting maximum monthly payment a household in each income category can afford for housing. These maximums include all housing costs, such as rent, utilities, insurance, and taxes. The policies and programs in this element are designed to provide affordable housing within these income limits, which are updated annually by the California Department of Housing and Community Development (HCD).

DRAFT Housing Element Programs

Program 1: Inclusionary Housing

2480 To implement a program from the 1990 housing element, the town adopted an ordinance requiring developers to provide 15 percent of new lots to the town for below market rate housing as part of every subdivision. The Town received title to four lots as part of the Blue Oaks subdivision, but was not able to find a developer to build below market rate units on the lots. To avoid this problem in the future and strengthen the program, the Town intends to revise the inclusionary housing program as described below.

2480a The intention is to revise the program to require that developers build the housing units when one or more units would be required under the inclusionary housing program. As part of this revision, the percentage of lots required for below market rate housing may need to be reduced. The percentage should be based on a nexus study for affordable housing, such as the study underway through the 21 Elements process in San Mateo County. With the nexus study results, the town could also consider a housing impact fee. In developing the revisions to this program, the town will consult local developers and builders, and others experienced in the provision of affordable housing, to ensure that the requirements are realistic and that the program includes appropriate incentives.

2480b Objective: The town will amend the inclusionary housing program during this planning period to make it more effective by having developers of larger subdivisions build the below market rate housing units.

Program 2: Affiliated Housing

2481 As established with the previous housing element, multifamily housing projects are permitted on three sites—The Sequoias, Priory School and the Stanford Wedge—shown on Exhibit 8. This program has the following features:

1. **Planned Unit Developments and Conditional Use Permits.** Multifamily housing on the Priory School site and the Sequoias have and can be permitted through amendments of the CUPs governing those projects. Development on the Stanford Wedge could be accomplished pursuant to a CUP and/or a PUD . The PUD or CUP for a multifamily housing project shall control the siting and design of projects, the mix of units by income category of eligible occupants, methods of controlling rents and/or resale prices, provisions for ongoing management of the project and other matters deemed appropriate by the town.

2. **Inclusion of Market Rate Units.** The purpose of this program is primarily to provide affordable (below market rate) housing. The town may permit the inclusion of market rate units in a project if it determines they are necessary to make a project feasible. However, substantially over half of the units in any multifamily affordable housing project must be affordable to moderate, low or very low income households. With the approval of the Planning Commission and Town Council, an exception to this requirement may be made for housing that is ancillary to the primary use of the site.

3. **Floor Area and Density.** The floor area in multifamily housing projects shall not exceed the total floor area which would be permitted for the number of single family houses which would be allowed on the property under existing zoning. The allowable floor area, together with the amount of developable land, determines the density of development on the site. At both the Woodside Priory and the Sequoias, only a portion of the site could be used for residential development. The paragraph below explains the potential floor area and density for the Stanford Wedge site.

   The Stanford Wedge site (Site 44 in the Site Inventory section) is the only multifamily site that is largely vacant. A small stable is located on the site, which could be removed if the site were developed. A small portion of the site is located on the east side of Alpine Road. Altogether, the Stanford Wedge includes 89 acres of land, most of which is extremely steep with slopes in excess of 30%. The only developable portion that has access is the relatively flat land adjacent to and west of Alpine Road. After accounting for required site setbacks, the developable portion of the site is approximately 3.5 acres in size. Under current regulations, up to 28.48 market rate homes could be clustered together on this flat land. The town allows densities to increase up to three times when affordable multifamily housing is to be built. Therefore, up to 85 units could be built on the Stanford Wedge site.

4. **Development Standards.** All multifamily housing projects are expected to meet the general plan, zoning, subdivision and site development requirements that pertain to all residential development in the town, including Resolution No. 2506-2010 as amended. These standards are described earlier in this housing element, and include provisions for road widths and right-of-ways as well as landscaping. Current parking requirements are one parking space for each studio or one-bedroom unit, and two parking spaces with two or more bedrooms. Development standards may be adjusted through a PUD where appropriate.

   Particular care is expected to ensure the compatibility of the projects with adjacent neighborhoods and the town's rural environment.

5. **Occupancy.** The town considers this program particularly suited to providing housing for senior citizens and rental housing for households with incomes in the very low to low categories. If units are provided for sale, resale controls to preserve affordability will be required.

6. **Monitoring.** Each year, staff will monitor the progress that has been made on this program and report to the Planning Commission on the progress compared with the goals set forth in this program. The program will be revised if necessary to meet the goals.

2481a Objective: The town will continue to work with the owners of these three properties to allow and encourage housing to be built on the sites. Eleven housing units have already been approved for the Priory under the current Master Plan, including seven units for households with moderate or low incomes. The Priory has indicated that they intend to construct the units in phases, and expect all of the units to be built by 2022. The town has also started discussions with the Sequoias to encourage employee housing at the site, and they are moving forward internally to consider the options. Stanford University has no plans for their site at this time. The town will continue to contact all three owners on a regular basis and assist them with any potential plans for providing housing.

Program 3: Second Units

2482 Second units provide most of the affordable housing in town, and are the only type of affordable housing that can be produced in Portola Valley by market forces without a significant subsidy. Town regulations allow second units in most areas of the town. Surveys of second unit rental rates show that most second units are affordable, both within Portola Valley and in San Mateo County as a whole. Second units are particularly appropriate for Portola Valley because of their compatibility with the rural nature of the town and their ability to directly serve the need for affordable housing.

2482a To strengthen the second unit program, Portola Valley is proposing three new actions in addition to the changes made to implement previous housing element programs. First, the town will amend its program to allow larger second units (up to 1,000 square feet rather than the current limit of 750 square feet) on lots with two or more acres. This change is meant to address a concern stated by some residents that the 750 square feet is too small to comfortably house either themselves as they grow older, or their children's families. The town hopes that this amendment will begin to address this concern and encourage more residents to build second units.

2482b Second, the town will amend its ordinance to allow two second units to be located on lots with 3.5 acres or more. Both second units will need to meet the second unit requirements, including parking. In order to minimize grading and site disturbance, and to preserve the general character of the residential areas, one of the second units will need to be attached to the main house. The other second unit could be detached. This change will allow owners of larger properties to accommodate more housing, particularly for family members and employees such as groundskeepers.

2482c Third, the town will also amend its requirements to allow staff level approval of all second units 750 square feet or smaller that do not require permits for grading or tree removal. Current regulations require ASCC review for second units larger than 400 square feet. As part of this amendment process, the town will examine the performance standards set forth in the zoning ordinance for second units to see if those should also be updated.

2482d Finally, the town will monitor the number of second units being permitted annually. If the number of second units being permitted is lower than the number expected, the town will take action to increase second unit production. This could include one or more of the following actions: increasing publicity about the program, providing a floor area bonus for larger second units on larger lots, holding a workshop on second units, or reducing fees for second units.

2482e Objective: Over the previous planning period, an average of 5.3 second units were constructed in Portola Valley each year, with an increase through the planning period. Through the actions described above, this rate is expected to increase to 6.5 units per year. As a result, a total of 52 new second units are expected to be built during the eight-year planning period.

These are likely to provide housing for the same income categories as shown in the San Mateo County study completed in December 2013. Based on a conservative interpretation of that study, the 52 new second units will result in 26 units for extremely low income households, 0 for very low income, 10 for low income, 11 for moderate, and 5 for above moderate income households.

The town will monitor this program annually and take additional steps to increase second unit production if necessary.

Program 4: Shared Housing

2484 As discussed in the section on housing characteristics, homes in Portola Valley tend to be large. For older residents who want to remain in their homes, maintaining a large home while living on their own may be difficult. One option would be to

convert a portion of a home to a second unit. Another option would be to simply find someone else to share the house. The Human Investment Project for Housing (HIP Housing) is a nonprofit organization that conducts a program in San Mateo County to match housing "providers" with housing "seekers." Rents are established on a case by case basis and can sometimes be partly defrayed by services. Although Portola Valley is currently in the area served by HIP Housing, there is no formal arrangement with the organization. Portola Valley will continue to work with the organization to publicize its service in the town

2484a Objective: Work with HIP Housing to publicize its home-sharing program to residents and employees, with the aim of increasing the number of placements in town.

Program 5: Fair Housing

2485 Project Sentinel handles complaints of discrimination in the sale or rental of housing and in the mediation of tenant/landlord disputes in Portola Valley under the terms of a contract with San Mateo County. Information on this program will be posted or otherwise made available at Town Hall and the library, and on the town's website.

2485a Objective: No housing units are expected to result from this program. The town's objective is to provide brochures or post information sheets at Town Hall, the library and on the town's website to publicize this program.

Program 6: Energy Conservation and Sustainability

2486 Portola Valley has had a number of regulations that encourage energy conservation for years. These include permitting solar installations, utilizing subdivision regulations that protect solar access, and supporting energy efficient design. In addition, most new development is clustered, which reduces impacts on the land. The town also requires native landscaping, which reduces the need for both water and energy. All of these policies and regulations will continue.

2486a Since 2008, the town has employed a Sustainability Manager, and in January 2009 adopted a Sustainability Element as part of its General Plan. In 2010, the town adopted a Green Building Ordinance using the "Build It Green Green Point Rated" system for all new homes, major remodeling projecs, and additions. Also in 2010, the town adopted BAWSCA's model Indoor Water conservation Ordinance and Water Conservation in Landscaping Ordinance (with reduced turf allowances).

In addition to the green building regulations and the water conservation ordinances, the town has been encouraging energy and water efficiency in existing homes through the state's Energy Upgrade California program, California Water

Service's rebate programs, and other voluntary measures and tools developed by the town's Sustainability Committee. In 2014, the town will adopt a climate Action Plan, which builds on the Sustainability Element and includes measures that target energy and water conservation in the residential sector.

2486b Objective: To continue existing green and energy conservation measures, revise them when necessary, and and implement new programs in accordance with the Sustainability Element and the town's future Climate Action Plan.

Program 7: Explore Future Housing Needs and Potential Housing Programs

2487 During the housing element update process, the town identified a need for a longer-range "vision" for housing in Portola Valley. This program therefore calls for the town to examine its likely housing needs beyond 2022, with the results potentially serving as a foundation for the next housing element update.

2487a The town would conduct a more detailed analysis of housing trends and needs, with the intent of determining the best ways to address the town's needs moving forward. Various housing "best practices" as identified by the State and advocacy groups could be considered to determine whether they would be appropriate in town.

2487b To date, two items have specifically been identified for further exploration. Both of these are topics the town would like to consider but did not think could be finalized in time to provide housing by 2022:

1. The possibility of expanding the affiliated housing program to commercial sites, so that employers could provide employee housing on commercial properties in town; and

2. Potential uses of the money in the Town's in-lieu housing fund, including the money from the sale of the Blue Oaks BMR lots, to meet identified local affordable housing needs.

2487c Objective: To analyze the town's housing needs and trends, explore a commercial affiliated employee housing program, identify potential uses of money in the town's in-lieu housing fund, and examine other potential programs as appropriate to meet the town's future needs. The results of this program will help to create a foundation for the 2022 housing element update.

DRAFT UNAPPROVED MINUTES

SPECIAL JOINT ASCC/PLANNING COMMISSION FIELD MEETING, TOWN OF PORTOLA VALLEY, MARCH 19, 2014, 18 REDBERRY RIDGE, PORTOLA VALLEY, CA

Prior to its Regular Meeting, the Planning Commission and ASCC met for a joint site meeting at 18 Redberry Ridge for preliminary consideration of plans for a new residential development on this vacant parcel.

Chairs Koch and Gilbert called the meeting to order at 4:30 p.m.

Present: Planning Commission: Judith Hasko and Alexandra Von Feldt; Vice Chair Nicholas Targ; Chair Denise Gilbert

ASCC: Danna Breen, Jeff Clark, and Iris Harrell; Vice Chair David Ross; Chair Megan Koch

Town Staff: Town Planner Vlasic, Deputy Town Planner Kristiansson

Others Present*: David Douglas and Nanette LaShay, applicants
Tom Carrubba, project architect
Nikki Villabroza, project architect
Stefan Thuilt, project landscape architect
John Wandke, Rana Creek
George Salah, 19 Redberry Ridge
Jerry and Linda Elkind, 14 Hawkview
Jim and Lynn Gibbons, Redberry Ridge
Carol Grundfest, 3 Coal Mine View
Judith Murphy, Conservation Committee
* Others may have been present during the course of the site meeting but did not formally identify themselves for the record.

Absent: Planning Commissioner Nate McKitterick

Kristiansson presented the March 13, 2014 staff report on this preliminary review of the proposed new residence, guest house, and associated grading and site changes. She explained that the Planning Commission is the approving body for the Site Development Permit because of the amount of grading, while the ASCC will be conducting the architectural review of the project. After providing a brief orientation to the site and overview of the project, Kristiansson described how the project team had lowered the east wing of the house by 3'6", removed clerestories from a portion of the house, and moved parking from the panhandle of the lot to the auto-court. She also mentioned several key issues, including, the location of the retaining wall and height of the guard rail at the south portion of the auto-court, light spill to both the north and south, and the visibility of retaining walls, terraces and pathways to the north.

Tom Carrubba, project architect, presented the project to the Commissions using a model. He noted that the site was challenging because of the small building envelope, the locations of existing nearby homes and trees, and the requirements for fire truck access. He also explained the design concepts for the house, including bringing the outside in, taking advantage of the views to the west and east, as well as the north, and having a strong east-west axis for the home. Mr. Carrubba said that the design team has talked with the neighbors and made the changes explained earlier to the project in response to comments from neighbors and the Homeowners' Association. The project team is continuing to refine the design and has been working to minimize the height of the retaining walls on the north side of the house, and also to adjust the retaining wall and guard rail south of the auto-court to minimize the size and visibility of these elements.

In response to questions from Commissioners and the public, the design team and staff provided the following information:

- A guard rail is not required along the driveway, but there will be an 18" curb.
- There will not be a vegetable garden, and the intent is to keep fences and guard rails as open as possible.

- The proposed rainwater cisterns would be located under the northwest terrace, although the cisterns are still conceptual.
- There would be no lighting in the water element in the terraces north of the house.
- The guard rail over the guest house could be vertical elements about four inches apart, but the design is preliminary and could be adjusted.
- The PUD does allow retaining walls in the setback when they are associated with the driveway or parking areas, but no vertical faces can be greater than six feet. The project team is reviewing and modifying the plans as necessary to comply with this requirement.

John Wandke of Rana Creek presented information about the plant restoration for the property and the monitoring report that he had prepared on Friday. He stated that the oaks are all surviving; some were defoliated by oakworm, but they are doing all right. The three replacement madrones are also coming along well. Wire cages were put around re-sprouting stumps, and the toyon and mountain mahogany in particular are doing well. Weeds have started to pop up on the site, and for the next few months, the maintenance efforts will focus on weed control. Linda Elkind asked about defensible space requirements, and Town Planner Vlasic advised that staff has worked with the Fire Marshal on these for Blue Oaks, and very little would need to be done at this site. He said that no trees would need to be removed for fire management.

Commissioners walked the site with the project team and members of the public, starting with the proposed auto-court location. The manzanitas located near the auto-court were discussed, as well as the visibility of the guard rail from the neighboring property. Commissioners asked the project team to consider adjusting the configuration of the auto-court to preserve more of the manzanitas and reduce visibility of the guard rail.

Both Commissions also visited Mr. Salah's property to view the story poles from his east terrace. Mr. Salah said that his biggest concern was losing views on the eastern end of his property, and impacts of light spill at night. Mr. Douglas offered that he would have a lighting consultant come to the ASCC meeting to discuss light spillage.

ASCC members then offered the following comments relative to grading for the Planning Commission's consideration:

- The changes that had been made to the project, particularly the lowering of the east wing of the house, were very positive and appreciated.
- The driveway configuration, and particularly the swale crossing, is an area of concern that needs to be looked at carefully.
- Lowering the retaining walls in the auto-court and minimizing railings would be desirable.

Judith Murphy, on behalf of the Conservation Committee, said that she was impressed by the way the project proposed to save and move plants. She asked about the Douglas iris and the sage that are growing on the site now, and the project team stated that they would move those plants if feasible.

Planning Commissioner Targ said that although it is more of an issue for the ASCC than the Planning Commission, the Town needs to be vigilant about the trees and the way their removal affects the feel of the property and view corridors.

ASCC members then went on to conclude the meeting at the home of Linda and Jerry Elkind at 14 Hawkview Street, where they considered views of the proposed development from the Elkinds' Portola Valley Ranch property. The Elkinds expressed concern about the overall amount of lighting from the end of Redberry Ridge, with lights coming not just from this project but others that have been built and are being planned, and they asked about the deciduous and evergreen trees on the site. The project team pointed out the locations of the evergreen trees both from the site and in relation to the rendering showing the proposed home from this angle.

Members thanked the applicants and neighbors for participation in the site meeting. Thereafter, project consideration was continued to the regular evening Planning Commission meeting. The special site meeting concluded at 6:20 p.m.

PLANNING COMMISSION REGULAR MEETING, TOWN OF PORTOLA VALLEY, MARCH 19, 2014, SCHOOLHOUSE, TOWN CENTER, 765 PORTOLA ROAD, PORTOLA VALLEY, CA 94028

Chair Gilbert called the Planning Commission regular meeting to order at 7:30 p.m. Ms. Kristiansson called the roll.

Present: Commissioners Judith Hasko, Nate McKitterick and Alexandra Von Feldt; Vice Chair Nicholas Targ; Chair Denise Gilbert

Absent: None

Staff Present: Tom Vlasic, Town Planner
Karen Kristiansson, Deputy Town Planner
Jeff Aalfs, Vice Mayor and Council Liaison

ORAL COMMUNICATIONS

None.

REGULAR AGENDA

(1) PRELIMINARY CONSIDERATION of Site Development Permit X9H-672 and Architectural Review for New House and Guest House, for 18 Redberry Ridge, Blue Oaks Lot #15, David L. Douglass/Nannette LaShay Residence

Ms. Kristiansson presented the staff report for the proposed house with attached garage and detached guest house. She said that at the field meeting, the project team discussed the two main design changes, and the related grading modifications, made in response to homeowners' association (HOA) and neighbor comments:

- Originally proposed along the panhandle into the property, the parking has been moved to be next to the auto court

- The bedroom wing on the east end of the house has been lowered 3.5 feet and some windows along the south elevation have been removed

The grading plan has yet to be updated, she said.

She also provided a summary of the site meeting (see minutes for that meeting) and noted that after tonight's meeting and the ASCC meeting on March 24 and April 14, 2014, the public hearing on the SDP is tentatively scheduled for the regular Planning Commission meeting on May 7, 2014.

Vice Chair Targ asked that his concerns with light spill, particularly in the context of the illegally cleared vegetation and trees, go on the record.

In response to Commissioner Von Feldt's question about whether the volume of grading is similar to the volumes for other Blue Oaks parcels, Mr. Vlasic said that it is consistent. The Blue Oaks subdivision is clustered in concept, with a good portion of the area attributable to each parcel taken up in common open space. While the lots aren't small in comparison to Portola Valley Ranch lots, for instance, the density and the design recognize a need for significant grading. Particularly in the Blue Oaks "Stonecrest area," he said the ability to hunker in a structure and give it a horizontal character – which the Blue Oaks design guidelines require – takes a considerable amount of grading. For this particular area, he said the amount of grading necessary isn't at all unusual. He said other examples include the Louis Borders and Joy Elliott properties as well as George Salah's, plus one that was approved but never moved ahead.

When Commissioner Von Feldt asked about the trees shown on the planting plan, Ms. Kristiansson said the Planned Unit Development (PUD) statement requires any new trees to be chosen from among those listed, and the planting plans will need to be revised to be consistent with this.

In response to discussion about the driveway, Mr. Vlasic noted that some aspects of the design are driven by both vertical and horizontal curvature, and Fire District needs for turnaround space.

Before opening the meeting to public comments, Chair Gilbert advised that the ASCC would not be likely to hear about any questions or comments related to design from tonight's meeting before its March 24, 2014 meeting.

Jerry Elkind, Hawkview Street, said that he and his wife, Linda, live right across the gully from the project site. He said it's a very attractive design, but with two issues – light spill and protection for the plantings that have been installed as part of the remediation of the site. As for the light spill, the Elkinds are concerned about the cumulative impact of light from the cluster of homes at the end of Redberry, including how much light will be coming through the windows at night. He asked what guidelines the Planning Commission has provided the ASCC to deal with light spill from interior lighting. Unauthorized clearing of trees and the understory removed plants that are critical to screening the view from their property, Mr. Elkind continued, and for softening the hard edge of the house. Although they're doing a good job of restoring vegetation, he asked about conditions being placed that would prevent construction and material storage from trampling restoration plantings as well as surviving trees. He noted that in addition to excavation for grading, drainage also is planned.

In response to Chair Gilbert, Ms. Kristiansson advised that two bonds are already in place to protect the restoration planting efforts. In addition to ongoing monitoring of the restoration, the conditions of approval for the project would require obtaining and implementing an arborist's recommendations to protect vegetation, old and new, that's on the site.

Mr. Vlasic clarified that the design guidelines address exterior lighting and reflection on glass surfaces (also in the PUD), but the only interior light spill control the Town has exercised is by judgment of the ASCC when it becomes an issue.

Vice Chair Targ asked whether the project's CEQA documents included any mitigations relating to the issues of light and glare. Mr. Vlasic said that the project Environmental Impact Report (EIR) included an analysis that recognized the potential for points of light along the Stonecrest ridge. The light spill at night was not viewed as a significant potential impact, largely due to the single-story limitation and the horizontal element. Vegetation was considered important as well. Also important, Mr. Vlasic said, is that the visual backdrop, Coalmine Ridge, remains undeveloped and unlit.

When Vice Chair Targ asked whether the conclusions of the EIR should be revisited because of all the unauthorized clearing, Mr. Vlasic said the key issue is that the PUD recognizes that houses on and around this site would be tucked into the trees in a way that minimized the visual presentation toward Portola Valley Ranch. Implementation of the restoration plan and additional plantings the ASCC may require closer to the house would be consistent with the PUD and its EIR, Mr. Vlasic stated.

John Shelton, Sandstone Street, said he's been a Portola Valley resident for 35 years, used to run each week through the Blue Oaks Subdivision, and now lives across the valley from the project site. He said the owners graciously showed him their lot, and specifically emphasized that they didn't ask him to speak on their behalf. He said they've done a remarkably good job to make this the least impactful it can be, and it's much less visible than everything else in his line of sight. He said he's been a developer for 35 years, and he's impressed. "Everything I've seen as a qualified expert? Awesome," he said, "and I wholly support the project."

Commissioner McKitterick addressed several issues:

- Driveway: He said the Planning Commission always pays attention to massing and vertical structures, so he's interested to see what the ultimate driveway design will be, how it will minimize the vertical massing and how it will be rationalized, because it will be visible, he said. The ideas of building a bridge or

building up the land to make the retaining wall lower might be feasible solutions, he said, but regardless, the driveway will be an important feature.

- Architectural feature wall: He asked about the architectural feature wall at the northwest side of the project. Project architect Tom Carrubba explained that the feature identifies the entry, and its primary purpose is to create some privacy between his clients' terrace and the Borders home.

- Windows: Commissioner McKitterick noted that several houses in Town have installed clerestories, and they've probably produced more light spill than people expected, but they are allowed. He said that the ASCC will look at this issue.

Commissioner McKitterick said the design and the earth movement necessary to help make the home compatible with the hilltop location seem reasonable for the site, and that it looks like the restoration plantings are being attended to.

Commissioner Von Fedlt said she appreciates the architectural design, the fact that it fits well into the site, that the applicants have lowered part of the home in response to neighbor and HOA concerns, and how well the guest house is hunkered in. She said the restoration of the vegetation seems to be coming along, and the grading requested seems consistent with the PUD.

Commissioner Von Feldt said she'd like to see analysis of the driveway, including the issue of blocking the swale. She said she'd like to see it more open. She said there are some large, old manzanita trees at the critical point of the driveway turn, and it would be important to keep them not only as a vegetative shield but for habitat purposes. She said that the manzanita grouping, located between the Douglass/LaShay property and the Salah property, is equally important as a part of the vegetation of the overall site, as well as providing great, natural screening.

Referring to the plant palette, Commissioner Von Feldt said while she appreciates the idea of naturals for meadows and other plantings that would suit the site, she found the plants on the list include non-natives and a lot of grasses. She said it's so rare to find such a pristine site, she gets very anxious about introducing non-native grasses that have a tendency to seed wildlands. She said that even plants that are theoretically non-invasive actually become invasive. In response, Stefan Thuilot, project landscape architect, said that when you consider the quantities, most of the plants are natives, especially around the perimeter. Some of the non-natives are located closer to the house, he said, adding that they're very sensitive about working with native plants.

Commissioner Von Feldt noted that the landscaping plans call for using a pre-emergent herbicide, and she wants to make sure that part is revised.

Vice Chair Targ said he's impressed by the sensitivity to the neighbor's concerns by reducing the height of the house and digging it in, as well as the use of permeable surfaces for parking and driving areas. He said he shares the concerns about the swale, adding that the project team needs to find a solution that doesn't create problems with erosion or water backup.

Vice Chair Targ said he's addressed the issue of habitat modification a couple of times, which he said troubles him because he sees a project taking advantage of the spectacular view resulting of the unauthorized clearing. He also asked about the basement and how it was accounted for in terms of floor area and grading. Ms. Kristansson and Mr. Vlasic explained that the basement would not count as floor area under the town's zoning ordinance, and the grading for the basement would be considered in terms of the overall amount of off-haul but not under the provisions of the site development ordinance. Mr. Vlasic noted, too, that several Blue Oaks homes have full basements, and before they were approved, the Planning Commission's desire to ratchet up the limitations on basement resulted in a lot of pushback from the community.

Commissioner Hasko said the overall plan has been very thoughtful and responsive to concerns of the HOA and neighbors. In the same vein, she said she expects the project team to explore ways to minimize the problem of light spill from the interior as well, and looks forward to how the plan evolves in terms of the driveway and the grading. She also would like the project team to determine the feasibility of a bridge over the swale, because it

could be a helpful alternative. Finally, she asked the project team to make reasonable accommodations to preserve the remaining manzanita trees.

Chair Gilbert said she likes the fact that the project is cut into the site, and that the applicant has done what's necessary to minimize the impact on the neighbor. She said she's intrigued by the idea of a bridge that would allow the swale to remain open, but isn't sure about the impact of a bridge on the aesthetics. She said she'd encourage the ASCC to require increased plantings to help address the issue of light spill, and would also encourage the use of some smaller, native shrubs to soften some of the elements between the guest house and the main house where there's a series of terraces and walls, particularly during the winter months.

Ms. Kristiansson said she would pass the Commission's comments along to the ASCC.

Mr. Douglass, property owner, said the way Redberry Ridge is banked, the water goes off to the side and when he's been out there during the rain, the water comes from the Borders site and their site from below where the driveway will be. He said he's not advocating any particular solution, but wanted to make sure it's understood that water doesn't stream down where the driveway is planned.

Mr. Douglass also emphasized that he and his wife didn't orchestrate the unauthorized clearing, and in fact weren't here when it happened. He noted that a moth disease in the area had left a swath of evergreens between Blue Oaks and Portola Valley Ranch with no foliage. He also stressed that none of the cleared trees affected the view or grew above the sightline where the home will be situated, he said. Nor would those trees have provided screening between the Elkinds' property and their guest house, bathroom and bedroom, he said.

COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS [*8: 20 p.m.*]

Commissioner McKitterick asked about the purchase of 900 Portola Road. Vice Mayor Aalfs said Windmill School has contracted with Geoff and Colleen Tate to buy the 1.68 acre site that previously housed Al's Nursery. The purchase is apparently contingent upon receiving a letter confirming San Mateo County's satisfaction with the cleanup.

Mr. Vlasic provided information about the retreat which is scheduled for May 18, 2014. He said that last year, some Councilmembers' suggested that changes in the makeup of the Planning Commission, the ASCC and the Council, as well as the transition underway in the Planning Department, provided an opportunity to have everyone get together to discuss various planning documents and what we'll need to keep them vibrant and vital as we move forward to maintain the values of the community in light of changing demographics. During the retreat, participants also would cover key events from the planning perspective since the Town's incorporation. Input from Town committees and the community at large would be encouraged as well, Mr. Vlasic said, and it would be a noticed public meeting. He said the retreat is envisioned as beginning with an informal gathering at the start, and about an hour of presentations covering planning and legal issues to frame the context for decision-making, followed by dialogue, public comments and probably lunch afterwards.

Chair Gilbert reported that the Sustainability Committee is attempting to gather a small group, including Councilmembers, Planning Commissioners, ASCC members and Sustainability Committee members to visit, if the owner agrees, a house on Los Trancos Road with a prefabricated second floor before it goes on the market.

APPROVAL OF MINUTES [*8:28 p.m.*]

Commissioner Von Feldt moved to approve the minutes of the March 5, 2014 Planning Commission meeting, as amended. Seconded by Commissioner Hasko, the motion carried 5-0.

ADJOURNMENT [*8:31 p.m.*]

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Denise Gilbert, Chair Karen Kristiansson, Deputy Town Planner