

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 975, SEPTEMBER 26, 2018

CALL TO ORDER AND ROLL CALL

Mayor Richards called the Town Council's Regular meeting to order at 7:00 p.m. and led the Pledge of Allegiance. Ms. de Garmeaux called the roll.

Present: Councilmembers Mary Ann Moise Derwin and Jeff Aalfs; Vice Mayor Ann Wengert; Mayor John Richards

Absent: Councilmember Hughes

Others: Jeremy Dennis, Town Manager
Brandi de Garmeaux, Assistant to the Town Manager
Cara Silver, Town Attorney

ORAL COMMUNICATIONS

Laurie Kretchmar, a representative from 70 Strong, passed out flyers providing information and resources for programs available in the area. She described the organization as a free service for residents of Portola Valley and surrounding communities to help people age 60 and up to stay happy and connected. Their website is at 70Strong.org.

- (1) Presentation – Valley Presbyterian Church Celebrates its 60th Anniversary

Mayor Richards read a proclamation congratulating the church on its 60th Anniversary and thanking them for their continued service to the community. Jenny Warner was present to accept on behalf of Valley Presbyterian Church.

CONSENT AGENDA [7:05 p.m.]

- (2) Approval of Minutes – Town Council Regular Meeting of September 12, 2018.
(3) Approval of Warrant List – September 26, 2018, in the amount of \$143,072.02.

Councilmember Aalfs moved to approve the Consent Agenda. Seconded by Councilmember Derwin, the motion carried 4-0, by roll call vote.

REGULAR AGENDA

STAFF REPORTS AND RECOMMENDATIONS

Consent Agenda Item #5 moved ahead of Item #4.

- (5) Recommendation by Assistant to Town Manager – Adoption of a Resolution Approving and Authorizing Execution of Farmers' Market License Agreement
- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Approving and Authorizing Execution of a License Agreement between the Town of Portola Valley and Nile Estep, dba Good Roots for a six-month trial period (Resolution No. 2785-2018)

Assistant to the Town Manager de Garneau described the background and discussion items regarding the proposed resolution, as detailed in the staff report. She explained that Maggie Foard gave notice that she would be retiring from managing the Portola Valley Farmers' Market on October 25, 2018. With Ms. Foard's recommendation and assistance, the Town identified Nile Estep of Good Roots as a qualified vendor who is amenable to taking over the contract under essentially the same terms. Staff recommended the Town Council adopt the proposed Resolution.

Mayor Richards invited questions from the Council.

In response to Vice Mayor Wengert's question, Mr. Estep said his favorite part of the Farmers' Market is the vendors. He said he has a great relationship with all the vendors and the community that visits the market.

Councilmember Aalfs thanked Ms. Foard for all of her work. He said it has been great to see the Farmers' Market take off. Ms. Foard said it has been a pleasure working for this wonderful town.

Councilmember Derwin thanked Ms. Foard. She said although it had a rocky start, Ms. Foard has grown the market into one of the defining features of this funky town. She said visiting the market makes her feel good. She stated to Mr. Estep that this market is a labor of love and is not a commercial market and she hopes he will honor that spirit.

Vice Mayor Wengert said the market is cherished and she thanked Ms. Foard for making the market a center of activity for the town. She said it is fun to see neighbors and colleagues there.

Mayor Richards said the market was one of the most enjoyable parts of his first term as Mayor when he signed the original agreement with the Farmer's Market. He thanked Ms. Foard for pulling it off and growing it into the wonderful market it is today.

Mayor Richards presented Ms. Foard with an orchid as a token of appreciation from the Town of Portola Valley.

Vice Mayor Wengert moved to approve the Resolution of the Town Council of the Town of Portola Valley Approving and Authorizing Execution of a License Agreement between the Town of Portola Valley and Nile Estep, dba Good Roots. Seconded by Councilmember Derwin, the motion carried 4-0.

(4) Update from Affiliated Housing Partners

Town Manager Dennis was joined by Housing Partners Tim Molak from the Priory, Michael Cataldo from the Sequoias, and Jean Snyder from Stanford University.

Town Manager Dennis provided a brief history of the Affiliated Housing Partners program, a part of the Housing Element identifying three institutions with multi-family housing opportunities.

Mr. Molak, from the Priory, said they had 17 homes on campus and two apartments, housing approximately 23 adults and 24 students. He said one of the units is currently being remodeled and they hope to have a new occupant within the next three to four months. He said they hope to have permits for six new units by January 2019 – a two-story building with four three-bedroom units and two two-bedroom units. He said they are still studying how to use the Fromhurst building, which will need extensive renovation. He said they will also build another six units in the next three years, a project which they intend to be self-funded.

Vice Mayor Wengert asked Mr. Molak about the timeline for the additional six units. He said if they finish the current six by 2020, the additional six would likely be done around 2022.

Vice Mayor Wengert asked if there was anything the Council could do to help Mr. Molak move forward. Mr. Molak suggested, as housing is the number one priority for the Town of Portola Valley that the Town help with the permit fees. He said that due to building the six units, they must also identify a second BMR for the Town.

Councilmember Aalfs asked if the six units were already sited for the Master Plan. Mr. Molak said there needs to be some tweaking of the footprints.

Councilmember Derwin asked if the BMR Unit would be rented to people who do not teach at The Priory. Mr. Molak said the current BMR is used by an employee, as will the new BMR. He said there are people currently on the wait list. He said they would not leave anything open and if something changed they would look to the community to come onto the property.

Town Manager Dennis introduced Michael Cataldo, the relatively new Executive Director at The Sequoias. Mr. Cataldo said he did not prepare a presentation but was there as a visitor to understand the conversation. He said they have no immediate plans but there is a group of residents interested in the housing issue. He suggested it may be more appropriate to hear their input.

Mayor Richards said the Town wants to be clear that they are supportive of whatever ideas The Sequoias come up with and will try to help things go smoothly.

Sue Crane, of the Sequoias Portola Valley Resident Association. She said she and another resident visited the Priory to view their multiple housing, which resulted in more questions than answers for them. She said the Sequoias' conversation is often around providing housing for their staff as a way to address the big problem of keeping their staff servicing them. She said the Sequoia residents, however, answer to the senior service. She said it is still a question of whether or not they have enough land and they want to explore the possibilities. She said they are open to the idea and need guidance. Town Manager Dennis said staff will sit down with the Sequoias team to discuss specifics around the issues of the CUP and how much land is available to build. He said the Council's direction to staff has been understanding what the need is for the Sequoias and what that may look like respective of the zoning issues. Ms. Crane asked if Town Manager Dennis was requesting a statement from the Sequoias of what they perceive would be valuable to them. Vice Mayor Wengert said it is useful to hear from all three primary affiliated partners to better understand how best to direct them. She said this body can then direct the staff as to how they should prioritize their time and advise them of the ideas they'd like them to pursue. Ms. Crane said the Sequoias is willing and able.

Jean Snyder, from Stanford University, said they are also willing and able. She said when she last visited this issue with the Council, there were no plans for housing. She said now, however, due to the serious housing crisis that is affecting Stanford, they see this is a great site for faculty housing. She said in order to be competitive to recruit and retain staff, they need single family detached homes, perhaps on smaller lots. She said last year they were encouraged to think about it more seriously and they have invested in engaging experts to do technical due diligence to help them understand the site better. She said they now need to engage with staff to understand how the regulatory situation fits with the complications of the site. She said the 73-acre-site is very hilly with possibly five acres that are developable. She said they've recently been building at a density of four to six units per acre. She said they would also set aside 15% for a BMR development and would want to work with the Town on what would make sense in that regard. She said if it is BMR, it would likely need to be rental. She said if it were faculty housing it would be a forced sale on their affordable ground lease with a lower price point for their faculty.

Vice Mayor Wengert said it is exciting that Stanford is now considering this.

Councilmember Derwin said she was the first one to approach Ms. Snyder to suggest building on the Wedge.

Mayor Richards said that because it sounded like Stanford was a little further along in the discussion, staff should be directed to accept some applications.

Vice Mayor Wengert said there has been a 26-year-time period in which the Town has worked to identify the need and desire for the Town to try to move forward in some multi-family situations appropriate for the Town. She said today there is no need to identify the need and the Town is ready to understand the community concerns about moving the projects forward. She encouraged the Town to move as quickly as staff's time can be prioritized. She suggested Public Works look at land, such as at the Sequoias, to help assess how much of the land is potentially developable. She said it is very clear the State is moving forward and considering a lot of different legislation. She said the Town must act now to move forward on these projects so it does not lose the opportunity to determine the future of the Town and the way Portola Valley is preserved.

Councilmember Derwin said SB-35 was signed into law last year, which essentially streamlines the approval process of certain developments that include below-market-rate units through an expedited, 180-day fast-track process. She said it is happening now in Berkeley, who is fighting it. She said this process is triggered if a town or city has not met their RHNA numbers. She said this does not count just planning for the units – the State needs to see that progress has been made with permits. She said SB-827 died, which would have required all California cities to permit midrise apartment construction, 45 to 55 feet tall, around train stations and busy bus stops. She said this would have opened up neighborhoods to row houses in small apartment buildings. She said the chance that something like this will become law in the near future has greatly increased. She said the bills sitting on the Governor's desk right now include AB-1771 and SB-828, which are both attempts to overhaul the RHNA process, with the changes including requiring greater analysis of the number of units available at different income levels to address equity, adding new metrics upon which to consider the methodology, and giving the Department of Housing and Community Development more oversight over the whole process. She said she would not necessarily think Portola Valley is immune from being affected. She said AB-2923, also on the Governor's desk, would require BART to adopt standards for building 20,000 homes, 7,000 below market, on their own property by 2040, and for the cities to change their zoning accordingly. She said the Town Council sincerely wants to help solve the housing crisis and provide more housing at different price points so there is a more diverse mix of people in Town. She said if the Town does not get ahead of it, it will be thrust upon them. She encouraged staff to work with the affiliated partners as a way, in addition to the ADUs, to make real progress.

Mayor Richards said the Valco project which was thrust onto Cupertino is under SB-35. He said it is important the Town keeps local control as much as possible and keep Portola Valley rural.

Vice Mayor Wengert said she hopes the Town can move as quickly as possible, knowing the ramp-up time and process. She said it is important that the Council try to drive that process as time-aggressively as possible.

Mayor Richards invited public comment.

Karen Bechtel, School Board Trustee, Portola Valley School District. She expressed, on behalf of Superintendent Hartwig, how grateful the school district is for opportunities to collaborate with the Town on important issues such as housing. She said, to the extent that affiliated partners and programs can also be part of that discussion, the school district has as much need, or maybe more, as anyone to find creative solutions to this problem. She said teachers and staff took time out of their weekend to attend the planning meeting to hear the discussion. She said parents come to the school board meetings to express their concerns about housing. She said the district is involved in a very intense facilities master planning process and staff and teacher housing was a huge item of discussion. She said it will not be reflected in their plans because they could not find a creative way to have a significant impact on the issue. She said the discussions will continue and this issue will continue to be a high priority for the school district. She

said the school district is offering support for the Town's interest and welcomes any opportunities to partner and collaborate with the Town.

Councilmember Derwin asked Ms. Bechtel where the teachers lived. Ms. Bechtel said they are distributed everywhere. She said a third-grade teacher has been driving from San Francisco for as long as he's been teaching there. She said the superintendent and other district staff come from Half Moon Bay. She said one of their next steps is to determine where their staff lives, what kind of housing is needed as far as numbers of people, renting versus owning, etc. She said the commutes are not friendly from anywhere.

Councilmember Derwin said Pacifica is currently working on a significant teacher housing project. Ms. Bechtel said they are also looking into other opportunities to impact the issue that does not necessarily mean constructing local housing. For instance, she said Palo Alto is inviting their teachers to participate in an economic incentive-type program where maybe they can help, at least with the cost of housing, if they can't provide the house themselves. She said when it comes to actually having more local opportunities, partnerships with the city would be quite helpful.

Tim Clark and Deb Smith, members of Ladera Community Church. Mr. Clark said they are interested in potential changes to the affiliated housing ordinance, including a new definition of affiliated housing. He said they have land that might be appropriate but would not fit under the current definition. He said the church has been in their location for 60+ years and are part of the United Church of Christ (UCC), a progressive and inclusive Protestant denomination. He said they own their own land and aren't required to go through any church hierarchy in order to do what they want with the land and must only go through the Planning Department. He said they have a three-acre site with a sanctuary, an educational wing, and a cottage which has previously been used for housing of refugees, although it is not currently being used for that. He said at the back of the property there are 0.52 acres that fall within the Town of Portola Valley that could potentially be used for housing. He said they are in the midst of the visioning process at the church, trying to determine the best way to use their real estate resources. He said there have been other suggestions for that particular site, such as a tended garden, meditative space, outdoor gatherings after worship, or a columbarium. He said their question for the Town is how many units they could build on the site and who could live there. He said they currently have three full-time employees who work for the church and about 3-1/2 who work for the on-site preschool. He said they have previously offered nearby housing for the pastor; however, the employees do not want to live right next to where they work. He said they previously owned the house next door but sold it because none of the staff wanted to live there. He asked what kind of low-cost housing financing might be available through the Town of Portola Valley.

Councilmember Aalfs asked if putting something on that .52 acres would require a change to the affiliated housing ordinance or if it could be done through another zoning change. Town Manager Dennis said there is no multifamily housing zoning in the Town's zoning code. He said the affiliated housing program was created to allow that for specific partners. He said the church would not be allowed under the current code to even build one housing unit because the accessory dwelling ordinances are for residences and not institutions.

Councilmember Derwin asked how it was defined who could live in affiliated housing. Town Manager Dennis said he has been unable to figure out from notes and meeting minutes to find a specific reference to the change in the program. He said prior to 2014 the program was broader and did not affiliate residents of the particular institutions to the housing. In response to Councilmember Derwin's question, Town Manager Dennis said the definition could be changed and would require a General Plan amendment. He said in anticipation of these questions he called HCD to make sure it was not a more expansive process and was advised it would be a minor amendment.

Vice Mayor Wengert said the challenge will be staff time. She said the discussion tonight started with the three groups that have had a long relationship. She said The Priory has been doing this for a long time and has a very established program. She said the Town is delighted they are able to come up with the

funds, location, and plans to do that, and are again leading the pack. She said the next level would be on an exploratory basis for the Sequoias to spend the time relative to figure out what is buildable there from a physical layout perspective, which is a key piece. She said Stanford is further along, which is terrific in the sense that they are probably ready to start more specific discussions with staff about zoning and potential projects, sizing, and all the issues that would go into whatever the next steps would be. She said the good news is those all can be done simultaneously because they are in different stages and different phases, and should still take front and center. She said she is also very receptive to the requests heard this evening. She said the church needs an understanding of the options and possibilities. She said the church has some good ideas. She suggested that, at a point and time that it makes sense for the Town to turn to that, they look at potentially changing the definition of affiliated housing to be more inclusive.

Mayor Richards said he would be interested to know how much time it would take to get to the point where it can be determined if it is possible to make that change so no one is discouraged in this process. Vice Mayor Wengert said she was not at all trying to discourage but was trying to prioritize so that staff is not overloaded. Mayor Richards suggested staff research what is required to amend the affiliated housing partners program. Councilmember Aalfs said there are probably other groups out there interested in the same type of program.

Ms. Smith of the Ladera Community Church said the topic has already been brought to the church council and they are starting to define a clearer vision of who they want to serve, what they'd like to provide, and seeing how that works with the Town as a partnership. She said they are past the thinking and idea phase and are actively involved in determining next steps. She said they have active people committed for the next couple of years to move this forward.

Councilmember Derwin asked what income level the church would like to house. Ms. Smith said there has been a great deal of discussion about below market rate and they want to understand a little more about the pros and cons and restrictions. She said there is a huge positive reaction within the church to the affiliated concept with the desire to serve the people who are already working here and part of the community. She said they've done a walk of the site. She said, depending on what the Town decides, the church could house every employee they have (which would mostly likely not happen) and still provide more units than they need for their employees. She said perhaps people who work for Priory that don't want to live at the Priory could trade with the church employees who don't want to live next to the church. She said they are feeling it out and working with others to try to better define what it looks like so that they have a very clear idea for the church and what they need to offer for this to be successful. She said their goal is to provide a really good example of how they can offer affordable, hopefully below market rate housing. She said they don't yet have a clear idea of how that all works together and how that all works with what Portola Valley needs. Councilmember Derwin offered to connect the church with people who can explain the financing piece.

Councilmember Derwin said she would like to change the definition of affiliated housing. She said if the Town is able to convince Stanford to build on the wedge, and a piece of it is for below market housing, she would like to see a teacher there rather than someone affiliated with Stanford. She said she would like to make the definition more inclusive rather than be just for the people that work for the landowners.

Vice Mayor Wengert says as the analysis continues about redefining the definition of affiliated housing, she would hope there would be some flexibility. She said it will be redefined but it is not yet clear. She agrees it is intended to be included as possible but does not want to overload staff.

Town Manager Dennis suggested that staff could come back to Council in the next 90 days or so with some information around this issue. He said they can also have conversations with the current partners and move that process forward. Councilmember Derwin asked if Town Manager Dennis would sit down with each partner and discuss conceptual plans if they are at that place. Town Manager Dennis said they

would sit down with each of the partners to discuss any of the issues they'd like to discuss. Ms. Smith said they would like to be included in that discussion.

Caroline Vertongen, 100 Palmer Lane. Ms. Vertongen thanked the Council for trying to be inclusive. She said she wanted to address the affiliated partners. She said the employees of the affiliated partners have changed the community because this used to be a community where the healthcare providers and educators lived here. She said some people don't work in schools or healthcare anymore because they have higher standards and want to actually provide quality care. She said Stanford, for instances, knows they have a big infection control problem. Mayor Richards asked that Ms. Vertongen address the Council. Ms. Vertongen said the affiliated partners have to hear it. She said they have seen it in the newspaper and have heard it in the board meetings. She said she hopes the Council reconsiders so that a teacher or healthcare provider that lives in the community is given priority. She said the children should have an equal opportunity in this work environment in this community.

The Council thanked everyone for attending.

(5) Consent Agenda Item #5 moved ahead of Item #4.

(6) **COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS**

Councilmember Derwin – Attended Library JPA meeting and reported on an approval to advance funds from JPA for the Atherton Library Project. She said research has shown that fines affect low-income patrons the hardest, don't incentivize return of books, and decrease the use of libraries. She said there was a successful Fine Free Pilot Program for children and seniors. She said the Library JPA has decided to eliminate fines but will still charge for lost or damaged books. She said they also approved their final budget and had a closed session reviewing the Executive Director. Councilmember Derwin attended a San Mateo Countywide Water Coordination Committee meeting where they received an update on the work of the Staff Advisory Team (SAT). She attended a meeting in an effort to create a new water agency that deals with sea level rise, stormwater and floods. She attended Palestine Cultural Day. She attended a CCAG meeting where they had a presentation from the Committee to House the Bay Area. She said Jessica Mullin gave an update on Home For All, discussing the pilot cities. She said there was also an update on 21 Elements and all the collaboration being done. Councilmember Derwin attended a HEART board meeting. She said Colma is lending heart \$230,000 of their idle housing funds and requested that the money be used for housing in the north end of the County. She said a developer had a project in Redwood City that did not work out and they are now converting it to 100% affordable. They asked the County for \$7 million, asked Redwood City for \$5 million, and asked HEART for \$3 million, and are getting \$2 million from someone else. HEART will have a special meeting to approve the loan by October 12. She said they also formed their ADU steering committee, of which Mayor Richards is a member.

Councilmember Aalfs -- Attended the Planning Commission meeting where they discussed the property at 199 Apache. He also attended the Trails and Paths Committee Meeting where they discussed the Ranch's use of cameras in the trail easements monitoring the trails. Upon reviewing the camera footage, they saw only three bicycles and half of the people on the trail with dogs were Ranch residents. Town Manager Dennis said staff has spent a considerable amount of time researching a variety of easement issues and the history of the trails. He said working with the Ranch board has been very positive. Councilmember Aalfs said there will be a community hike on November 3.

Vice Mayor Wengert – Attended the Airport Roundtable meeting. She said San Francisco has started to use their leverage as the lessor of the airport's ground lease to suggest that San Francisco has a different position than the other Roundtable participants. She said there has been a lot of development in the northern part of the county. She said the southern part of the county is looking to form a new Roundtable focused on the south. She said the FAA has come back to say they have regrouped and are willing to partner with them. She said the Roundtable will be meeting again next week.

Mayor Richards – Attended a Cultural Arts Committee meeting where they discussed the upcoming Holiday Faire. He attended the San Mateo County Office of Emergency Services meeting where they discussed the OES calendar, including a plane crash simulation, a County Employee Disaster Workers Day, San Mateo Consolidated Fire Department, and a Great Shakeout Exercise coming up on October 18. He said Capt. Denton is working on protocol of emergency operations for elected officials. He also attended a Portola Valley Emergency Preparedness Committee meeting where they discussed reservoir conditions. He attended a Conservation Committee Meeting where they discussed PGE trimming in the Highlands, screening the tennis courts at Portola Road, and budgets for Spring Down, Frog Pond, and Town Center.

(7) Town Manager Report – Town Manager Dennis said the CPC adopted new fire threat maps for the State of California, designating the level of fire danger in tiers. He said Portola Valley is mostly outside of any of the tiering except for a few locations – most of the Highlands, most of Blue Oaks, and a small part of Windy Hill are in the highest level at Tier 3. He provided an update on recent commentary from residents regarding the PG&E tree trimming removal program. PG&E provided some outreach to residents through mailers and door hangers; however, based on review by staff and Town Manager Dennis, it was felt that more outreach and information should have been provided with an opportunity for residents to ask questions of PG&E on the details of what is involved in the program. Town Manager Dennis will continue dialogue with PG&E. Senate Bill 946 from Ricardo Lara, District of Southern California, was signed, which allows any vendor to sell any item on a public sidewalk or pathway. He said the Town has limited authority with regard to health and safety to put some restrictions around it and there are some protections for Farmers Markets. Town Manager Dennis gave a brief presentation at the Home for All meeting last Thursday. He said the Housing on Town-Owned Properties Meeting and a Planning Commission study session on Accessory Dwelling Units are happening next week and an ADU Tour will be held on October 23. He said 12 people have already signed up for the ADU tour. He said there have been a number of requests to modify the tennis courts for pickleball and he has directed Parks and Recreation to take a look at it.

WRITTEN COMMUNICATIONS

(8) Town Council Digest – September 13, 2018

None

(9) Town Council Digest – September 21, 2018

None

ADJOURNMENT: 8:46 p.m.

Mayor Richards adjourned the meeting.

Mayor

Town Clerk