



# TOWN OF PORTOLA VALLEY

7:00 PM – Regular Meeting of the Planning Commission  
Wednesday, May 1, 2019  
Historic Schoolhouse  
765 Portola Road, Portola Valley, CA 94028

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## REGULAR MEETING AGENDA

### **7:00 PM - CALL TO ORDER AND ROLL CALL**

Commissioners Kopf-Sill, Targ, Taylor, Vice-Chair Hasko, Chair Goulden

### **ORAL COMMUNICATIONS**

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

### **NEW BUSINESS**

1. Annual Housing Element Progress Report

### **COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS**

2. Commission Reports
3. Staff Reports
4. News Digest: Planning Issues of the Day

### **APPROVAL OF MINUTES**

5. Planning Commission Meeting of April 17, 2019

### **ADJOURNMENT**

### **ASSISTANCE FOR PEOPLE WITH DISABILITIES**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Planning Department at (650) 851-1700. 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 Library located adjacent to Town Hall.

### **PUBLIC HEARINGS**

Public Hearings provide the general public and interested parties an opportunity to provide testimony on these items. If you challenge any proposed action(s) in court, you may be limited to raising only issues you or someone else raised at the Public Hearing(s) described in this agenda, or in written correspondence delivered to the Planning Commission at, or prior to, the Public Hearing(s).



# TOWN OF PORTOLA VALLEY

## STAFF REPORT

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**TO:** Planning Commission

**FROM:** Laura Russell, Planning & Building Director

**DATE:** May 1, 2019

**RE:** Annual Housing Element Progress Report for 2018

### **BACKGROUND**

State law requires that the Town submit an annual report on the Housing Element to the California Department of Housing and Community Development (HCD). This report must be provided on a form developed by HCD and filled out by Town staff each year. This year, HCD updated the reporting forms to reflect changes in State law. The form provides numbers of housing units that received entitlements, building permits, and certificates of occupancy (final inspections) in 2018. The Town's progress towards meeting its Regional Needs Allocation Process (RHNA) goals is tracked through issued building permits in the calendar year.

The form also includes brief descriptions and updates on the eight programs from the Town's updated Housing Element, which was certified by the California Department of Housing and Community Development on January 30, 2015.

State law requires that the governing body consider the HCD report at a public meeting where members of the public are invited to comment. This HCD report will therefore be forwarded to the Town Council once the Planning Commission has completed its review.

### **DISCUSSION**

The Town of Portola Valley's RHNA is 64 net new units for the time period from 2014 until 2022. From 2014-2017, the Town issued building permits for 61 net new units. In 2018, eight more building permits were issued for housing units, so the Town has now exceeded the total number of units assigned to the Town through the RHNA process. The units are distributed across income categories as described in the table below

Town's Progress in Meeting RHNA Goals

<b>Income Category</b>	<b>RHNA</b>	<b>2018 Units (permits issued)</b>	<b>Total Units to Date</b>	<b>Remaining RHNA</b>
Very Low	21	4	27	-6
Low	15	1	5	10
Moderate	15	1	7	8
Above Moderate	13	2	30	-17
<b>Total</b>	<b>64</b>	<b>8</b>	<b>69</b>	<b>-5</b>

**Program 1: Inclusionary Housing**

The Town Council adopted the Housing Strategic Plan in 2016 and the implementation is ongoing. At that time, Council postponed additional work on the inclusionary housing program to ensure the approach was comprehensive in light of other housing efforts. In late 2018, Council formed a Subcommittee to discuss the potential changes to the Inclusionary Housing Program and how to use the existing funds.

**Program 2: Affiliated Housing**

In 2018, progress was made with all three existing program partners (The Sequoias, Woodside Priory School, and Stanford University). The Priory School began the process to apply in 2018 and formally submitted an application in early 2019 for six units of housing. Stanford expressed interest in moving forward with a housing project at the "Wedge Property." Staff had communications with The Sequoias about the potential for Affiliated housing at the site. The Town Council also discussed the potential for expanding the Affiliated Housing Program to additional partners and appointed a Subcommittee to study it further. Staff will continue to work closely with the Affiliated Housing partners to ensure the units are built as soon as possible.

**Program 3: Second Units / Accessory Dwelling Units (ADUs)**

The Housing Element called for an initial round of zoning code amendments to encourage ADUs, which were completed in 2015. When State law was changed, the Town adopted additional amendments to ensure compliance. In 2017, the Town received a grant from Home for All to conduct community workshops on housing topics, which were held in 2018. ADUs received strong community support and became a focus of the Town's housing efforts. In fall of 2018, additional zoning code amendments were considered to further encourage ADUs and allow ADUs in all zoning districts. The ordinance was adopted in early 2019.

In 2018, the Town issued seven building permits for ADUs, both on lots with existing homes and in conjunction with the construction of a new home. This is a slight decrease in ADU permits compared to recent years. As seen during the ADU amendment process, the number of applications tends to decrease while the Town considers policy changes, then increases after the changes are adopted; staff expect this pattern to repeat in 2019.

Even with this slight decrease in 2018, the Town exceeded its annual goal of an average of 6.5 ADUs as stipulated by the Housing Element.

#### **Program 4: Shared Housing**

The Housing Element calls for the Town to work with HIP Housing to publicize their home sharing program to help increase resident participation. Staff helped promote the program by providing a booth at the Farmers' Market and forwarding their informational fliers to the PV Forum. Information on HIP's program is also available at Town Hall and the library, and on the Town's website. Staff plans to expand exposure to the program by including it in future discussions and promotion of ADUs and housing options.

#### **Program 5: Fair Housing**

The Town has publicized the County-wide fair housing program Project Sentinel, a housing counseling agency, by making brochures and handouts available at both Town Hall and the library. Staff will continue to ensure information on Project Sentinel is readily attainable on its website. During 2018, staff provided information on Fair Housing to the Planning Commission.

#### **Program 6: Energy Conservation and Sustainability**

Town Council approved the Green Building Ordinance in 2017 and staff has been reviewing applications for compliance since it went into effect. The Town's Sustainability Committee is proactively considering new policies as the Town prepares for the next code cycle.

#### **Program 7: Explore Future Housing Needs**

The Town Council identified housing as a significant priority three years in a row and implementation of the Housing Strategic Plan is ongoing. In 2018, the Ad Hoc Housing on Town-Owned Property Committee met to review properties owned by the Town that may be suitable for housing. The Council appointed members to Subcommittees on housing topics to further advance their priorities. Additionally, the Town has increased communications with residents on housing topics.

#### **Program 8: Transitional and Supportive Housing Ordinance Amendments**

The Transitional and Supportive Housing Ordinance requires updating in order to fully comply with state law. Staff anticipates completing the ordinance update before the end of the Housing Element cycle in 2022.

## **ATTACHMENTS**

1. Annual Housing Element Progress Report 2018













## ANNUAL ELEMENT PROGRESS REPORT

### *Housing Element Implementation*

(CCR Title 25 §6202)

<b>Jurisdiction</b>	Portola Valley	
<b>Reporting Year</b>	2018	(Jan. 1 - Dec. 31)

<b>Table D</b>			
<b>Program Implementation Status pursuant to GC Section 65583</b>			
<b>Housing Programs Progress Report</b>			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
Inclusionary Housing	Amend the inclusionary housing program to make it more effective	2016	The Town Council adopted the Housing Strategic Plan in 2016 and the implementation is ongoing. At that time, Council postponed additional work on the inclusionary housing program to ensure the approach was comprehensive in light of other housing efforts. In late 2018, Council formed a Subcommittee to discuss the potential changes to the Inclusionary Housing Program and how to use the existing funds.
Affiliated Housing	Work with owners of the three properties to encourage housing to be built	Ongoing	In 2018, progress was made with all three existing program partners. Priory School began the process to apply for six units of housing. Stanford expressed interest in moving forward with a housing project at the Wedge Property. Staff had communications with The Sequoias about the potential for Affiliated housing at the site. The Town Council also discussed the potential for expanding the Affiliated Housing Program to additional partners and appointed a Subcommittee to study it further.
Second Units (Accessory Dwelling Units)	Amend the zoning ordinance to encourage second units. Monitor the program and take additional steps to increase second unit production if necessary.	Initial amendments completed in 2015. Continuing updates.	Town Council approved the amendments outlined in the Housing Element in 2015. Additional amendments were adopted in compliance with 2017 State law changes. In 2017, the Town received a grant from Home for All to conduct community workshops on housing topics, which were held in 2018. Accessory Dwelling Units became a focus of that effort. In fall of 2018, additional zoning code amendments were considered to further encourage ADUs and allow ADUs in all zoning districts. The ordinance was adopted in early 2019.
Shared Housing	Continue to work with HIP Housing to improve publicity of its home-sharing program to residents and employees	Ongoing	HIP has attended the Farmer's Market. Staff shares publicity materials through the website and online forum. Staff plans to include HIP in upcoming events related to housing.
Fair Housing	Continue to publicize County-wide program	Ongoing	Staff continues to ensure information on Project Sentinel is readily available on the website. During 2018, staff provided informational materials on Fair Housing to the Planning Commission.
Energy Conservation and Sustainability	Continue green and energy conservation measures, revising them and developing new ones as necessary	Ongoing	Town Council approved the Green Building Ordinance in 2017 and staff has been reviewing applications for compliance since it went into effect. The Town's Sustainability Committee is proactively considering new policies as the Town prepares for the next code cycle.
Explore Future Housing Needs and Potential Housing Programs	Analyze housing needs and trends and explore potential programs to meet future housing needs	Ongoing	Council identified housing as a significant priority three years in a row. In 2018, the Ad Hoc Housing on Town-Owned Property Committee met to review properties owned by the Town that may be suitable for housing. Council appointed members to Subcommittees on housing topics. Communications with residents on housing topics increased during 2018.
Transitional & Supportive Housing Ordinance Amendment	Amend the zoning ordinance to fully comply with State law relative to transitional and supportive housing	2015	The amendments were delayed but staff anticipates completing the update before the end of the Housing Element Cycle.

<b>Jurisdiction</b>	Portola Valley	
<b>Reporting Year</b>	2018	(Jan. 1 - Dec. 31)

<b>Entitled Units Summary</b>		
<b>Income Level</b>		<b>Current Year</b>
Very Low	Deed Restricted	0
	Non-Deed Restricted	2
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	1
Above Moderate		2
<b>Total Units</b>		<b>5</b>

Note: units serving extremely low-income households are included in the very low-income permitted units totals

<b>Submitted Applications Summary</b>	
Total Housing Applications Submitted:	0
Number of Proposed Units in All Applications Received:	0
Total Housing Units Approved:	0
Total Housing Units Disapproved:	0

<b>Use of SB 35 Streamlining Provisions</b>	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

<b>Units Constructed - SB 35 Streamlining Permits</b>			
<b>Income</b>	<b>Rental</b>	<b>Ownership</b>	<b>Total</b>
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

# After Years of Explosive Growth, Migration to the West and the South Slows

New places are emerging as destinations for people on the move.

by [Mike Maciag](#) | April 18, 2019 AT 11:46 AM



Migration to Alameda County, Calif., which includes the city of Oakland, has slowed almost to a halt. (*Shutterstock*)

As the San Francisco Bay area exploded earlier this decade, Alameda County gained a lot of new people. The county, which includes Oakland, welcomed more than 15,000 new residents annually for several years.

But Alameda's growth has slowed down significantly. Last year, it only added a few hundred new residents from other parts of the country and abroad. A similar trend is happening in several other areas in the West and in the Sun Belt.

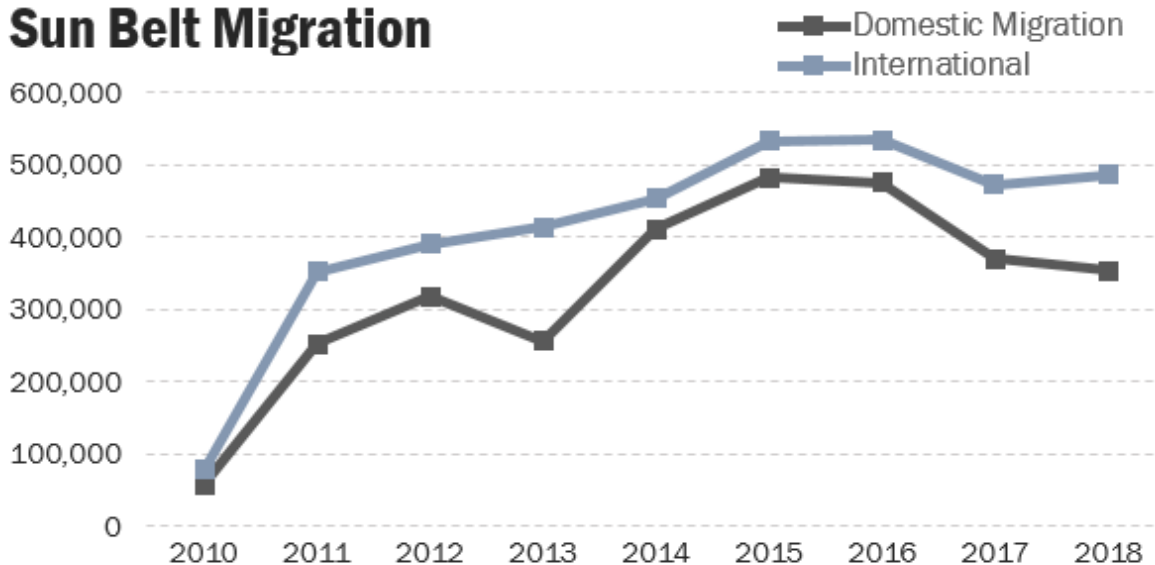
New Census Bureau [estimates](#) released Thursday depict a slowdown in migration to many parts of the country that had previously been booming. Counties in states like Florida and Texas continue to grow considerably, but not at quite the same pace. The new figures also show strong migration gains for several counties outside the usual growth regions of the coasts and the Sun Belt.

In the immediate aftermath of the Great Recession, few Americans moved long distances for new jobs or for retirement. That all started to change around 2011. As the economy rebounded, more people began to relocate, especially to parts of the South and the West.

But the exponential growth in migration now finally appears to be subsiding. The latest Census estimates show less impressive gains for the second consecutive year.

Much of the Sun Belt isn't as booming as it once was. By *Governing* calculations of Census data, the region gained about 125,000 fewer new residents last year than when migration peaked in 2015 and 2016.

## Sun Belt Migration



SOURCE: Governing calculations of Census population estimates. ([See definitions.](#))

Consider Texas. The state gained about 83,000 residents from other parts of the country in each of the past two years -- a number that has dropped by half since 2015.

One place the dropoff is particularly evident is Harris County, which includes Houston. Total net migration into Harris County has actually turned negative in the past two years.

Similarly, Dallas County lost more residents from migration than it gained for the first time in years. In addition to fewer residents moving in, it's also a result of a broader trend of Americans [relocating to suburbs](#). As in Harris County, Dallas County's total population is only still climbing because of births and international migration.

Other larger Sun Belt counties where migration has significantly tapered off include Cobb County, Ga., outside of Atlanta, and Nashville's Davidson County in Tennessee.

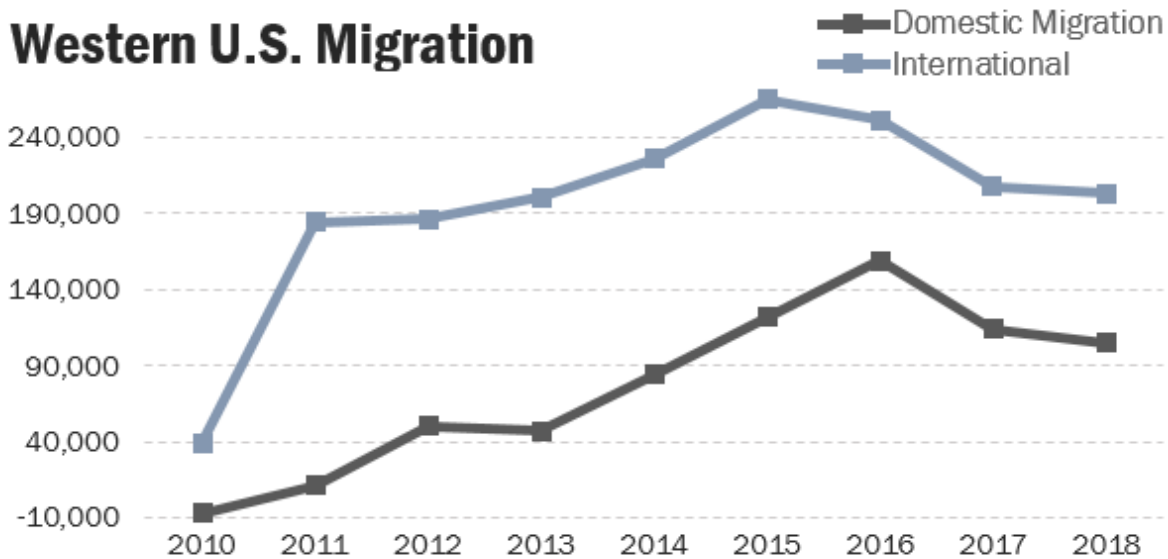
Migration has slowed in Florida, too, although it's generally holding up better than elsewhere. Still, the approximately 133,000 new Floridians from other parts of the country in 2018 represented the lowest annual tally since 2013.

Richard Doty, a demographer for the Bureau of Economic and Business Research at the University of Florida, says one reason for the drop is that much of the prior growth reflected a pent-up demand from retirees in the Northeast.

"In 2011 or 2012, you might have wanted to come down, but if your house in New York wasn't getting what it was worth, you may have been sitting on it and waiting," he says.

The story is similar out West. Fewer Americans relocated to Western states last year, and when combined with lower international migration, the totals dropped well below their recent peak.

## Western U.S. Migration



SOURCE: Governing calculations of Census population estimates. ([See definitions.](#))

In California, several major counties are now experiencing net migration losses after years of strong gains, including Orange County, Santa Clara County and San Diego County. The Bay Area is experiencing a particularly dramatic slowdown, thanks in part to its extremely tight housing market. The San Francisco-Oakland metro area’s total migration came to a near halt after adding about 40,000 residents a year through 2015.

Migration to Multnomah County, Ore., which includes Portland, similarly fell to near zero after several years of strong growth.

### Large Counties Where Migration Has Reversed or Slowed

County	2012-16 Average	2018 Net	Difference
Harris County, Texas	44,353	-7,717	-52,070
Alameda County, Calif.	13,963	682	-13,281
Dallas County, Texas	12,927	-8,029	-20,956
San Diego County, Calif.	11,465	-524	-11,989
Santa Clara County, Calif.	9,736	-6,752	-16,488
Contra Costa County, Calif.	9,507	1,852	-7,655
Gwinnett County, Ga.	8,898	2,750	-6,148
San Francisco County, Calif.	7,988	1,865	-6,123
Multnomah County, Ore.	6,918	330	-6,588
Charleston County, S.C.	5,867	2,833	-3,034
Davidson County, Tenn.	5,335	-663	-5,998

Figures refer to total domestic and international migration for select Sun Belt and Western counties.  
 SOURCE: Governing calculations of Census estimates

A number of factors may explain the slowdown.

In the urban counties, it's generally domestic migration, rather than migration from abroad, that's taken a hit. Brookings Institution demographer William Frey says jobs are moving away from the coasts and other areas offer more affordable housing costs.

"The economy is easing up and people are more willing to look at other opportunities, taking into account both the cost of living and the opportunity for employment," he says.

A number of counties outside the Sun Belt and Western U.S. are enjoying steady migration gains despite generally weak growth or losses in their regions. Sussex County, Del., added an estimated 5,500 residents from migration in 2018 -- the most in at least a decade. And the only county in the entire northeastern U.S. that gained more than 2,000 residents from other parts of the country last year was Ocean County, N.J. (Many places added thousands of residents via international migration, though.)

Several localities in the middle of the country similarly stood out. The Indianapolis suburb of Hamilton County added more than 5,000 residents. Suburban Delaware County, Ohio, and rural Dallas County, Iowa, also recorded high migration rates.

The following counties outside the Sun Belt and the West Coast were outliers with high migration rates:

County	2018 Migration	Rate per 1K Pop.
Bristol County, Mass.	3,329	6
Canadian County, Okla.	3,646	25
Chesterfield County, Va.	4,024	12
Clay County, Mo.	2,587	11
Dallas County, Iowa	2,150	24
Delaware County, Ohio	3,401	17
Frederick County, Md.	3,706	14
Hamilton County, Ind.	5,008	15
Hendricks County, Ind.	2,614	16
Loudoun County, Va.	6,105	15
Ocean County, N.J.	4,930	8

*Figures refer to total annual domestic and international migration.  
SOURCE: Governing calculations of 2018 Census estimates*

To be certain, the Sun Belt and the West still account for the vast majority of the population growth from domestic migration. The Dallas and Phoenix metro areas both recorded net migration gains exceeding 70,000 last year -- more than any area nationally. The Atlanta, Orlando and Tampa metro areas also continued to add considerable numbers of residents from other parts of the country in 2018, although their totals were down from prior years.

And counter to national trends, a few smaller areas of the Sun Belt are still adding residents at increasing rates, such as the Lakeland-Winter Haven, Fla., and Tucson, Ariz., metros. Migration also has yet to subside in much of Idaho, Nevada and Utah.

"There's a new deconcentrated movement to smaller areas and places that you wouldn't normally think as the big Sun Belt hotspots," Frey says.

[View updated migration data and rates for all counties.](#)

### **About the Data**

*Migration totals comprise domestic migration from other parts of the U.S. and international migration. Figures referenced don't reflect other population changes, such as births and deaths. The Sun Belt was defined to include Alabama, Arizona, Arkansas, California, Florida, Georgia, Louisiana, Mississippi, Nevada, New Mexico, North Carolina, South Carolina, Tennessee and Texas. Note that parts of some of these states are often not considered the Sun Belt. The Western region included Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming.*



## DRAFT MINUTES

**PLANNING COMMISSION**  
**Regular Evening Meeting, 765 Portola Road**

**APRIL 17, 2019**

**CALL TO ORDER AND ROLL CALL**

Chair Goulden called the Planning Commission regular meeting to order at 7:00 p.m. Planning & Building Director Russell called the roll.

Present: Planning Commissioners: Kopf-Sill, Targ (arrived at 8:15 p.m.), and Taylor; Vice Chair Hasko; Chair Goulden  
 Absent: None  
 Town Staff: Laura Russell, Planning & Building Director; Arly Cassidy, Associate Planner

**ORAL COMMUNICATIONS**

None.

**NEW BUSINESS**

- (1) **Preliminary Review of a Proposal to Amend a Conditional Use Permit to Allow Wine Tasting and Event Space at the Spring Ridge Winery, Spring Ridge LLC, 555 Portola Road, File # PLAN USE 4-2018 (A. Cassidy)**

Associate Planner Cassidy described the application, the property history and background, the project description, staff analysis, and findings, as detailed in the staff report. Staff recommended the Planning Commission consider the application, receive presentations by staff and the applicant, as well as public comment, consider any other relevant information, and then offer comments, reactions and directions to assist the applicant to make any adjustments or clarifications that Commissioners conclude are needed before considering final action on the application.

Associate Planner Cassidy asked that the Commission consider the following specific questions:

- Is the tasting room consistent with the Code description of a winery?
- Is event space, as described by the applicant, consistent with a winery?
- Is it an integral, accessory, or an independent use?
- Do you have any initial feedback for staff on the findings and whether they can be made?
- Are there any requests for additional information that staff can provide?
- Is any further analysis needed for General Plan conformity?

Chair Goulden invited questions from the Commission.

Commissioner Taylor asked how many gallons of wine per year were proposed. The applicant said the current gallons in bond is approximately 2,400 which translates to approximately 1,000 cases.

Commissioner Taylor asked for clarification regarding the location of the proposed signage. Associate Planner Cassidy said a single blade sign is proposed, with signage on both sides of a flat surface. The sign itself would be reviewed by the ASCC and then need an encroachment permit because it is within the public right-of-way.

Commissioner Taylor asked if there had been any annual reviews of the CUP since 2013. Associate Planner Cassidy said there had been none to her knowledge. Chair Goulden said reviews were

## DRAFT MINUTES

historically set up at the discretion of staff, although lately the Commission has been asking that they occur more commonly.

Vice Chair Hasko asked about the overflow parking. The applicant said no trees would be removed and no grading would occur.

Vice Chair Hasko asked about the location of the reconfigured vegetable garden. Associate Planner Cassidy pointed out where the garden currently is located and the proposed reconfiguration. Vice Chair Hasko asked why it was being combined. The applicant said polycultures are healthier than monocultures.

Vice Chair Hasko asked if any studies had been done to support whether this would serve primarily Portola Valley. The applicant said they have not done any market surveys because they've been trying to stay within their permit. She said a little less than half of their current wine club is from Portola Valley and more than half of their holiday seasonal sales, which is the busiest time in the market, were Portola Valley residents. She said a year ago, they considered an open house, and when it was publicized via the PV Forum they had to cap ticket sales quickly, which indicated a strong interest.

Vice Chair Hasko asked about the permitting of the wine barrel storage. Associate Planner Cassidy said the structure itself is not bonded and cannot function as part of the winery, such as holding barrels containing wine, but it can store empty barrels. She said the structure would need to be bonded and permitted per State and Federal regulations.

Vice Chair Hasko said if the nature of the use changed, an analysis would be needed regarding the composting toilet. Planning & Building Director Russell said staff has not gotten that far in the process yet.

Commissioner Kopf-Sill asked if multiple CUPs can exist for a property at one time. Associate Planner Cassidy said the general approach is that if there are related topics such as wine tasting and a winery, then they would preferably be grouped into a single use permit and amended. She said in this case, the wine production existed previous to the Spring Ridge LLC buying the property, so there are two functioning uses – the winery and the residential use. One CUP is for the winery and the other is for the residential use.

Commissioner Kopf-Sill asked how many properties received notice. Associate Planner Cassidy said it went to a 300' radius but did not have that figure available, but said a list of the mailing addresses is available.

Commissioner Kopf-Sill asked what would trigger the CEQA review for the event uses. Planning & Building Director Russell said in their preliminary analysis, they found the areas that might warrant additional study included traffic, noise, and what the General Plan says regarding preservation of the meadow.

Commissioner Taylor asked regarding the residential CUP. Associate Planner Cassidy said the proposal for the residential uses in a number of the structures were beyond what's allowed by right (floor area, impervious surface) under the zoning codes, so the applicants were required to have a Use Permit to allow greater development. Planning & Building Director Russell said the project architect is present to answer questions.

Commissioner Taylor asked if the request is to convert the residential use to commercial use. Associate Planner Cassidy said there are two existing Use Permits that potentially cover the entire property. She said tonight's proposal is to alter the Use Permit 151, because the main proposal is

## DRAFT MINUTES

about the use of a building and the expansion of the winery use. The building itself is not being altered and was built according to the previously approved residential Use Permit. She said that the building is complete and that aspect of the approval has been exercised and completed. She said the use itself is what is being altered, so the winery use is what would change under this proposal.

Applicant Lucy Neely and her colleague, Shalini Sekhar, led a slide presentation regarding the project. She thanked the Planning Commission for their feedback, staff for their attentive review of the application, and the input from their neighbors and friends.

Ms. Neely said they have had vineyards for 38 years and a winery for 17 years. She said there have been significant changes at Spring Ridge recently coinciding with significant changes in the wine industry. She described the history and evolution of the vineyard and business into a more family-run affair. She said their priority is to be able to continue to live on the land in a way that feels beautiful to them, including open space, tranquility, agriculture, family, community, and friends.

Ms. Neely said their top priority is for Neely Wine to be able to help support the stewardship of Spring Ridge. She said due to the significant changes in the wine industry, the business must evolve in order to achieve that goal.

Ms. Sekhar said she is the winemaker at Neely Wine. She was previously in the production side of the wine business. She explained the direct to consumer channel includes tasting room, online sales, events, and wine clubs. She said the proportion of direct consumer sales versus distribution has greatly increased. She said small boutique wineries such as Neely cannot sell through the distribution channels in any profitable or even break-even way. She said they need to get their wines into the marketplace so that people know their name so they might direct order, visit, and join the wine club. She said the goal of a tasting room is to connect with consumers to grow the wine club.

Ms. Neely explained why it is preferable to have the wine tasting room adjacent to the vineyard. She said they believe the proposed location for their tasting room is beautiful, in the right neighborhood, has great screening, and will be low impact, requiring no modifications. She said the operations would include public drop-in hours, by appointment, and events. She said the tasting room is essential to create and maintain a thriving wine business whose purpose is to preserve the stewardship of Spring Ridge.

Ms. Neely listed their needs and desires. She said they need to be able to continue to live there, they need the tasting room, they need enough customers and visitors to sell their product direct to consumer, they need a variety of ways to interact with that space to keep it dynamic and interesting, and they would like to occasionally offer food and music. She said they desire to continue to steward Spring Ridge, to locate the tasting room as requested, have public hours by appointments and events, and to create positive externalities.

Ms. Neely said she understands and shares the neighbor concerns, and they are listening and hear them. She said they are committed to addressing the concerns, and they welcome more ideas from the Planning Commission and public.

Ms. Neely said, with regard to parking, that they are committed to no cars parking on Portola Road. She said they share the driveway with the Windy Hill Open Space parking lot, which has cars on the road every weekend, and they do not want to add to that situation. She said they want to have enough on-site parking for whatever they do. She said they want to create a tasting room culture that includes signage, penalties, communication from staff so that everyone knows that parking on Portola Road is not okay. They also want to explore the possibility of being a by-reservation-only tasting room, which would inherently limit the number of visitors so all parking can be accommodated on-site.

## DRAFT MINUTES

Ms. Neely said they understand the concern about noise. She said they also love the quiet tranquility of Portola Valley. She said these concerns can be mitigated with constraints and regulations about hours of noise, frequency, indoor versus outdoor music, seasonal timing, and a tasting room culture of tranquility. She said they do not want to create something that will inherently undermine the tranquility that they love about this place. She said if they could play music inside with doors closed and no neighbors can hear it, that may offer some comfort. She suggested best practices of communication with neighbors as well as a mechanism for receiving feedback.

Ms. Neely said safety is a great concern. She said this is also her neighborhood, and she is committed to this being a safe space. She said there has been concern expressed that people will be drinking wine and how to keep it safe. She said there will be appropriate warning signage upon exiting. She said staff will be trained and use best practices to limit alcohol consumption. She said they can incentivize designated drivers and create a tasting room culture discouraging overconsumption. She said there is tranquility and tastefulness to the space and being drunk is not compatible with that level of beauty. She said they will reach out to the Portola Valley Bicycle, Pedestrian and Traffic Safety Committee, and the Trails and Paths Committee to help facilitate safe interaction. She said minimal pruning at the driveway area will improve visibility. She said there can be a regulation of the number of cars able to visit the tasting room at one time, thereby limiting the traffic and mitigating safety concerns.

Ms. Neely said concerns have been expressed about events. She said their lack of specificity regarding the type of events they were considering contributed to community nervousness. She said if they do have events, they can be created and curated so they are not noisy. She said they are considering events for the Sequoia residents, wine club events, fundraisers for local nonprofits, celebrations, ceremonies, birthday parties, small weddings, family days, Earth Day, etc. She said they are less interested in hosting large corporate events, but more community-oriented events to support the wine club and the community.

Ms. Neely said there was concern about the visual effect on the Scenic Corridor. She said the site, including the building, parking, and adjacent patios are well screened from Portola Road and neighbors, and she does not anticipate this to be an issue. She said the goal is to preserve the Scenic Corridor by preserving Spring Ridge as an intact and undeveloped land base.

Ms. Neely said there was concern about the location selected for the tasting, and it was suggested they have an urban location, for example in downtown Saratoga. She said they prefer the proposed location because it is a better experience for customers and is a beautiful space. She said it would be prohibitive for them to go out and rent a space when they already have an existing building. She said it would be disorienting to go somewhere else to sell their wine when they want to be connected to the place where they are growing the grapes, making the wine, and living. She said they grow all of their grapes on-site and do not buy or sell any grapes. She said including their sales mechanism as part of the vertically integrated business allows for the greatest sense of connection and stewardship along the whole supply chain. She said it feels important to connect with their community, versus having, for example, a tasting room in downtown Saratoga. She said they carefully considered the suggestion about placing the tasting room in the uphill vineyards. She said if they go uphill, they will need to modify the buildings, build new buildings, increase parking, and modify roads, creating a lot more impact. She said the barn building is better suited as a large space to hold people in a beautiful way. She said the driveway up the hill is already chaotic on the weekends with the Windy Hill parking space.

Ms. Neely said it was suggested there is no need for their resource in this community. She disagreed, stating this will be a beautiful resource for the community, providing a place to connect with local agriculture, with proprietors that want to provide this as a community space. She said various community members have repeatedly told her there is a desire for more places in Portola Valley where people can have this kind of connection.

## DRAFT MINUTES

Ms. Neely addressed the concern about their motivation for the project. She said there were concerns that the Neelys would be compromising the Scenic Corridor for financial gain or that Portola Valley might be compromising its ethics to support a commercial venture that is inherently mercenary. She said their goal is to preserve Spring Ridge and to preserve the Scenic Corridor. She said making money in a wine business is an accessory use to the principal use of preserving Spring Ridge. She said if their goal was to make money, the real estate development potential of Spring Ridge is much greater than anything they could make from a boutique winery. She said the wine business is for the love of the land, of the agriculture, of the wine, and hopefully the community you can share it with.

Chair Goulden invited questions from the Commissioners.

Vice Chair Hasko asked about the current use of the agricultural building. Ms. Neely said it is a multipurpose space, used for storage and as a workshop. Vice Chair Hasko asked if that was the original intent when built. Ms. Neely said she believes the intent was related to the hay operation. She said CUP 169, approved in 2009, was for the buildings, but not the vineyards, predicated upon the idea there would be haying in the field and the agricultural use of that building would be related to the hay operation. She said in 2013, it was amended to allow the vineyards, and there was no longer a hay operation to utilize that building.

Vice Chair Hasko asked if the new 5-1/2 acres more recently approved were planted yet or just staked. Ms. Neely said two acres are planted and another two acres have trellising infrastructure that will be planted in the next month.

Vice Chair Hasko asked how the applicant derived that there is less traffic on the weekends. Project architect Carter Warr said there was a traffic study with the Windmill School project that identified the traffic days, times, and hours. It showed that traffic coming into town during the workweek is substantial, and during the weekend it is less. Vice Chair Hasko asked if that tracked the bicyclists on the weekends. Mr. Warr said he thinks that was also tracked.

Commissioner Kopf-Sill asked how important music was to the proposal. Ms. Neely said they propose to do up to 24 events a year. She said they could be done without music; however, she said music tends to make events more enjoyable, and they would prefer to have music. She said they can do it in a way where their neighbors don't hear it. She said they had an event a month ago with music inside, and their closest neighbor did not hear it because the doors were closed.

Commissioner Kopf-Sill asked about the proposal for food for events. Ms. Neely said they are not applying for any permit that serves food and have no kitchen to prepare food. She said the food plan would be to have an occasional food truck if it was an event that would benefit from food.

Commissioner Kopf-Sill asked if a developer could build 65 houses on the property. Planning & Building Director Russell said the yield would not likely be that high. She said that analysis has not been done. She said there are a lot of limiting factors including the significant slope, so it is not the simple calculation of dividing it into 65 3.5-acre parcels. She said, however, the property is in theory developable and subdividable.

Mr. Warr said he has been working with the Neelys since 1996. He said early on they did an assessment of the holding capacity of the property, both in the slope density ordinance and the two zones on the property. He said the holding capacity is significant, even considering the geography. He said the Neelys have always wanted to preserve that property as one. He said during the process of approving the vineyards as an alternate use to the hay, Chip McIntosh talked about the vineyards being a permanent crop, one of the best ways to preserve open space that is visually accessible to the public. He said the Neelys have done an awesome job stewarding the land, which does take money

## DRAFT MINUTES

and a sustainable attitude toward the land to achieve. He said Federal and State laws have clearly recognized wine grape producers and wineries as needing the opportunity to sell direct.

Chair Goulden asked Mr. Warr if they determined how many properties could be developed. Mr. Warr said it was in excess of 28. Ms. Neely added that most of those 28 would be where the vineyards are located.

Commissioner Taylor said as he looks through all the CUPs, this feels like a slippery slope incremental process to an unknown stopping point. He said he appreciates what the applicant is trying to do and said their presentation was wonderful. Ms. Neely said she understands how the various CUPs and amendments over the last decade could feel like a slippery slope. She said this is only her second Planning Commission meeting. She said she thinks it is probably up to the Planning Commission to decide those boundaries. She said her family's capacity and energy is limited, and she does not imagine them endlessly wanting to do more things. Ms. Sekhar said with the new plantings, as an example of later developments leading to where they are now, it will take three to four years for a first crop. She said they are confined to those four acres. She said there is also the capacity of the winery itself, which is the bonded facility to actually produce wine and will continue to be the facility in which they produce wine. She said that is mid-slope in the vineyards, built into the hillside. She said there is no way for them to expand much further in terms of a production facility. She said the Neelys' desire to grow grapes, make wine, and not sell grapes to other places is also a limiting factor.

Commissioner Taylor asked regarding the maximum number of cases the winery could create in any year. Ms. Sekhar said the maximum, 10 years from now, might be about 3,000 cases. She said that would be a limiting factor in terms of tasting room traffic.

Chair Goulden invited public comment.

Mike O'Donnell, 70 Stonegate. Mr. O'Donnell said it was not the lack of specificity in the proposal that concerned him. He said quite a few details concerned him, the major one being large outdoor events with up to 75 people with the potential of being outside with wine, food, and music – basically partying. He said it will feel like living next to a frat house. He said with that happening up to 24 times a year until 9:00 p.m., in addition to an unlimited number of times with up to 30 guests until 7:00 p.m., it is ironic that tranquility is mentioned as one of the goals of the program. He could not imagine how the Town could allow such an intrusion on the tranquil Portola Scenic Corridor with all the noise and parking problems, and what basically amounts to drinking parties on the property, which he does not think is necessary to increase wine sales to consumers.

Renata Dionello, 30 Stonegate Road. Ms. Dionello expressed her opposition to the proposal, as detailed in her letter of opposition, which was included in the staff packet. She said the proposal is inconsistent with development that has been previously allowed on the Scenic Corridor. She said the Town should be concerned about the effect of the events on residents and the public drop-ins of non-Portola Valley residents.

Sandy Patterson, 126 Stonegate Road. Ms. Patterson expressed her opposition to the proposal, as detailed in the letter of opposition from her and her husband, Wil Patterson, which was included in the staff packet. Ms. Patterson said she and her husband have lived here for 32 years. She said they do not see animals anymore, and instead, there is agriculture with fences and dogs to keep the animals out of the vineyards, but they understand that, being from farming families. She said the current proposal seems like a huge leap. She said the mingling of cyclists, hikers, horseback riders, and senior citizens with wine tasters worries her from a safety perspective and could be a liability for the Town of Portola Valley. She said it is important to maintain the tranquility of the Scenic Corridor. She said right now, from the Town Center to the Woodside Priory, it is quiet after 5:00 p.m.

## DRAFT MINUTES

Taylor Hinshaw, Stonegate Road. Mr. Hinshaw thanked the Planning Commission for their time and willingness to adjudicate these types of debates and try to figure out what's right for Portola Valley. He said he brought his copy of "Life on the San Andreas Fault," which provides a thrilling history of Portola Valley. He said tonight's debate is not new. He said the Town was incorporated because of dispute about how to use the open space. He said although the General Plan states that parking is to be discouraged on the side of Portola Road, it is now a regular occurrence on weekends. He said that issue should be solved first.

Laura Stec, 1100 Westridge Drive. Ms. Stec expressed her support of the Neely Wine Tasting Room, as detailed in her letter, which was included in the staff report. She was supportive of the Neely's stewardship of that property and would welcome another community gathering space. She said she is a founding member of the Farmer's Market and remembers when people were concerned about infected vegetables coming into town, pollution, noise, and traffic. She said the Market has been going for four years, and there is no longer an argument about it, and it has been welcomed in Portola Valley.

Leonard Lehman, 850 Los Trancos Road. Mr. Lehman owns and operates Portola Vineyards, located near the subject site, but within the jurisdiction of the City of Palo Alto. He expressed his support of the application, as detailed in his letter, which was included in the staff report. He said small wineries can only exist by building relationships with customers.

Jerry Mille. Mr. Miller is concerned about the slippery slope. He said if the Planning Commission goes along with something that just six years ago was explicitly prohibited, then CUPs have no value. He said there are many MBAs in Portola Valley who could offer suggestions to the Neelys regarding their financial issues. He said having half-drunken people coming in and out of that property is not an asset to the town.

With no additional public comment, Chair Goulden brought the item back to the Commission for discussion. He suggested beginning the discussion with general comments.

Vice Chair Hasko said it is clearly a beautiful property. She said the spirit of much of what the applicants are saying is admirable, sharing their local agricultural traditions and preserving the land use to be more compatible with open space. She said in order to get to the point of making findings, it must be found this is accessory use. She said the Town Attorney may be able to provide more context. She said parking is accessory; however, events may not necessarily be an accessory use. Vice Chair Hasko said she does not feel she has enough legal information regarding that aspect. She said she was on the Portola Valley Scenic Corridor Plan Ad Hoc Committee. She said a priority was to encourage pedestrian, equestrian, and bicycle use near the Town Center. She said she is concerned about the ingress/egress of the property. She said there are a lot more bicyclists on the weekends than during the week. She said someone coming to visit a vineyard might not be expecting the horse traffic they would encounter. She said the intent in theory to solve a lot of these issues is by having quiet parties, making sure people do not over-imbibe, etc. She said at the end of the day, however, this is a business, and she questions the ability to adequately control the customers. She was supportive of the spirit of preserving the land and the use of it.

Commissioner Taylor was also supportive of the spirit of the applicants. He said they need to proceed with caution and said the proposal as presented is too big a leap. He said the applicant prefers the northern driveway to the southern driveway because of the open space traffic. Commissioner Taylor said he believed the opposite and would rather see people come in the same driveway, and turn and come down the vineyard so there is one driveway that pedestrians, horses, and bicyclists are navigating rather than two. He preferred by-appointment versus drop-in for easier control. He said he is not fundamentally opposed to events, but 24 is too many. He suggested maybe four events plus a

## DRAFT MINUTES

couple of community events. He said he is also concerned that this is a slippery slope and perhaps just a stepping stone to something even bigger.

Commissioner Kopf-Sill said the property is beautiful and seems like a great place for wine tasting and events. She said she wants to be supportive of someone motivated to keep land as vineyards and open space. She said 28 luxury homes in that location would add a lot of traffic and light. She said the building is well screened, and no one would know there was wine tasting going on there. She said because it is hidden, however, bicyclists, pedestrians, and equestrians would not be expecting cars to drive in or out. She said without a legal opinion, it seems the wine tasting fits with the use. She was less comfortable with the impact of events on the neighbors, especially with music. She was not concerned about the slippery slope. She said the world changes, and it is sensible for people to come with new proposals, and it is up to the Planning Commission to make those evaluations to approve or not.

Commissioner Targ disclosed he is a member of the wine club and does enjoy the Neely Wine. He said he does not think that should be a cause for recusal. He said there is another winery in town, the Thomas Fogarty Winery. He said some amount of education would be helpful for him to learn about that facility's operations, events, and wine tasting, and what is treated as accessory and not accessory. He would want to know if there was an issue of half-drunken people coming out of the Fogarty Winery and if there has been a significant conflict between bicycles and hikers with the winery. He agreed with Commissioner Taylor's comments that some very basic and practical issues need to be hashed out. He said 24 events seems like a lot, but he is willing to keep an open mind about it. He said in general, he views agriculture as absolutely in keeping and essential to the valued rural nature of the community. He views winemaking as he views other maker activities and said it resonates with the historical spirit of the town and who we are now. He said it is essential that the Commission be attendant to issues of traffic, safety, conflict, noise, light, and probably parking, for which there may be some elegant solutions.

Chair Goulden agreed that a vineyard helps in supporting the rural character of the town and providing more of a farm community. He said he is also certain the Town is not trying to develop a destination point for a wine industry with tour buses. He said his initial reaction is that wine tasting makes a lot of sense for a winery. He said he thinks the concerns about traffic, parking, lights, etc., can be mitigated. He said he was concerned about the events and said they should be more focused as accessory to the winery and fewer. He was supportive of proceeding forward with the more general regular review of CUPs, checking in with neighbors and concerns checkpoints.

Chair Goulden asked staff if the primary questions had been addressed. Associate Planner Cassidy said staff would like to go through the uses. She said since the applicant has expressed some flexibility regarding events, she suggested the Commission expand on how they feel about various types of events. She said Ms. Neely talked a lot about community focus and community-based events. Associate Planner Cassidy said a lot of people, when reading the initial proposal, pictured corporate rental events. She asked the Commission to consider where the accessory line gets crossed in the spectrum of by-reservation only all the way to full-on rentals and weddings. She said the idea is to understand if both tasting rooms and events can possibly be considered as part of or accessory to a winery use and, if so, how that can be limited to make sure that it stays properly under that umbrella as opposed to bleeding out into something else.

Vice Chair Hasko said, regarding Commissioner Targ's suggestion to look at other examples, that the examples did not need to be limited to wineries. She said they could look at the events held at Windmill and what makes them accessory. She said the applicant needs to take the Commission's comments and repackage and reformulate their proposal. She said she could not provide more specific guidance



## DRAFT MINUTES

without having more information regarding accessory use. She said there may be other impacts that need to be fully understood regarding the open space.

Commissioner Taylor said he is sympathetic to promoting the wine club as a way to make the business viable. He said the winery is artisanal, will not be a great economic boom, and he understands the direct-to-consumer approach. He said he is comfortable with the tasting room being part of the winery, done by appointment, controlling the number of visitors and the amount they drink. He said if the event space is in service of the wine club and introducing the community to agriculture and the vineyard, he is comfortable, but for four to six events, nowhere near 24 events. He said 24 events does not sound auxiliary in any way.

Commissioner Targ said there is a lot of precedent and case law regarding what is and is not accessory. He said someone needs to do the work to determine the parameters. He said it needs to be figured out how accessory uses have been treated. He said the Fogarty Winery has periodic weddings in their large hall. He said he would need to understand the parameters before forming a solid opinion. He said on a barnyard level, the idea of a tasting room and selling wine at a vineyard seems quite connected, but he is not sure it is truly accessory. He said he didn't know if having an event in a beautiful open space is accessory. He said by-appointment visits seems challenging, and he is not sure that is a workable or necessary model.

Commissioner Taylor said he is also interested in seeing the Fogarty comparison. He said it does not seem similar to him just because it's a vineyard. He said the Fogarty vineyard is in a very remote place with no hiking trail, limited cyclists, etc. He said, with regard to the by-appointment model, it could be an almost automated process with an app or the internet.

Commissioner Kopf-Sill said the accessory use for Fogarty's was made because the events were needed for financial viability. Planning & Building Director Russell said the Fogarty CUP was analyzed a different way at that time. She said today, a different standard would be used focused more on impacts and not financial aspects. She said the staff report includes quite a bit of material regarding the Fogarty CUP. She said based on the Commission's feedback, staff can focus the research done on Fogarty and present it in a way that specifically addresses these comments.

Commissioner Targ asked staff to also review what other municipalities are doing in the general area. Planning & Building Director Russell said they may be able to get some information regarding safety issues and interplay with traffic safety, pedestrians, and bicyclists. Commissioner Targ said he would also be interested in the definitions of accessory or non-accessory in the local practice in the area. He said he does not know how to think about accessory in the context of a winery.

Commissioner Kopf-Sill said it would be interesting to know how many events the Town Center holds and how many weddings the church holds. She wondered how many neighbors would be affected if there was music at the Town Center space versus the winery proposal and if it was a comparable noise generator.

Chair Goulden said, with regard to wine tasting, he is more concerned with managing the total number of people coming through as opposed to whether or not it is by appointment. He said he likes the idea of an app-based appointment system. Chair Golden said there is a big difference between an event with 30 wine tasters and an event with 75 people. He said when he says he doesn't want to see a lot of events, he's thinking of big events, and there may be some middle ground that may be very manageable.

Ms. Sekhar said she understood the concern regarding drinking and driving. She said licensing to have a tasting room through the ABC regulates how much wine they can pour and the size of the pours,

## DRAFT MINUTES

which limits how affected a person would be. She said spitting out the wine is commonplace. She said the types of consumers that their brand appeals to, because of the quality level and price point, tend to be serious tasters. She said they are also not located along a corridor as in Napa Valley where you can go from winery to winery where the cumulative effect is what becomes concerning.

Commissioner Taylor agreed that drinking in a tasting room is minimal, but the drinking is much different at events.

Commissioner Taylor asked the applicants to look at the option of using the common driveway as an entrance rather than an additional driveway.

Planning & Building Director Russell advised the public that all property owners within 300 feet will receive notice when the item is heard in the future.

### **COMMISSION, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS**

#### **(2) Commission Reports**

Commissioner Kopf-Sill attended the ASCC meeting.

#### **(3) Staff Reports**

None.

#### **(4) News Digest: Planning Issues of the Day**

Associate Planner Cassidy shared an article of interest with the Commissioners – “Housing shortages and NIMBYism driving homeless crisis, says new report.”

### **APPROVAL OF MINUTES: February 6, 2019, and March 6, 2019.**

#### **(5) Planning Commission Meetings of February 6, 2019, and March 6, 2019**

Vice Chair Hasko moved to approve the minutes of the February 6, 2019, meeting, with amendments to punctuation on red page 108 and confirmation of language on red page 110. Seconded by Commissioner Targ, the motion carried 5-0.

Commissioner Targ moved to approve the minutes of the March 6, 2019, meeting, as submitted. Seconded by Commissioner Taylor, the motion carried 3-0-2, with Commissioner Kopf-Sill and Vice Chair Hasko abstaining.

The Commission discussed how to handle last-minute comment letters that come in prior to a meeting. Planning & Building Director Russell said she will check in with the Town Manager regarding this, which may require some feedback from the Council to align the practices. She said staff might add to the notices a cutoff date for written comments to make it into the packet. Per Commissioner Targ's comment, Planning & Building Director Russell said the matter can be taken up at the Mayor and Chairs meeting. Vice Chair Hasko said in general she would like to know what people are thinking sooner rather than later.

### **ADJOURNMENT [9:22 p.m.]**