

PORTOLA VALLEY TOWN COUNCIL SPECIAL MEETING NO. 1015, June 23, 2021

CALL TO ORDER AND ROLL CALL

Mayor Derwin called the Town Council's Special Teleconference-only meeting to order at 7:00 p.m. Ms. Hanlon called the roll.

Present: Councilmembers Jeff Aalfs, John Richards, and Sarah Wernikoff; Vice Mayor Hughes; Mayor Maryann Derwin.

Absent: None

Others: Town Manager Jeremy Dennis
Town Attorney Cara Silver
Planning and Building Director Laura Russell
Finance Director Cindy Rodas

Attendees: Bob Turcott
Rita Comes
David Cardinal
G. Kohs
Jerrie Welch
Judith Hasko
Judith Murphy
Kendall Accetta
Kristi Corley
Lorrie Duval
Mary Hufty
Sue Jagers
Rusty Day
Anne Kopf-Sill
Betsy Morgenthaler

ORAL COMMUNICATIONS

Rita Comes said that the documents that were posted online for tonight's meeting were inaccessible. Several other people she talked to were having the same issue, and there was a similar issue with last week's posted documents. She couldn't open the budget information at all, so people may not have had access to the documents before this meeting. Town Manager Dennis said neither he nor staff had had any issues, but he will reach out to Rita tomorrow to find out what the issue is.

(1) Recognition of C/CAG Executive Director Sandy Wong on her Retirement

Mayor Derwin recognized Sandy Wong for her nearly nine years as Executive Director of C/CAG and her total of 18 years working for C/CAG. Ms. Wong will step down in retirement in early August. Mayor Derwin shared briefly about the San Mateo City/County Association of Governments (C/CAG) is a powerful, productive, collaborative and democratic public agency in San Mateo County. C/CAG is a Council of Government body (COG) that represents members of local governments, generally cities and county, that are working together to provide collaborative planning and coordination on issues of mutual concern across jurisdictional boundaries. She named a few of the many COGs that exist in California. C/CAG addresses areas such as stormwater, green infrastructure, airport land use, climate change, and housing.

Mayor Derwin shared that Ms. Wong came to C/CAG in 2003 from CalTrans with an undergraduate

degree and MS degree in civil engineering. After an extensive search to replace her predecessor, Ms. Wong was chosen to be Executive Director in 2012, when the world of transportation was still “a man’s world.” Sandy was quiet, unassuming, a woman of color, and was not the stereotypical choice in the field of the many brilliant hopefuls vying for the job. Ms. Wong led and supervised a sometimes raucous 21-member board, oversaw 12 committees, a \$22 million budget, major government plans, and five program areas, where some of the most significant programs and agencies in the county were born. Mayor Derwin elaborated on a few of these, including Peninsula Clean Energy, the Flood and Sea Level Rise Resiliency (FSLR) district, the 101 ExpressLanes project, the Stormwater program and Transportation. During her tenure, she programs were initiated, such as Safe Routes to School, the Energy Watch program, and the RICAPS (Regionally Integrated Climate Action Planning Suite) program. She described Ms. Wong as a quiet giant, and her leadership as exquisitely competent and possessing of brilliant strategic thinking. She thanked Ms. Wong for her visionary, intelligent leadership, openness to new programs that benefit residents, her encyclopedic knowledge of all C/CAG subject areas and her genius at finding solutions and compromises to intractable problems, among other attributes. She thanked her for her 18 years of public service to the cities of San Mateo County, where members came together at the same table to voice disparate opinions about the most important issues of the day and to finally work together to arrive at solutions to serve the greater good.

Ms. Wong expressed thanks for the Mayor’s kind words. She thanked the Town for their participation on countywide matters under C/CAG’s purview, including transportation, stormwater, housing, climate, et cetera. She said the Town, while small, has made a huge contribution to countywide matters through representation on C/CAG. She truly enjoyed and appreciated working under the leadership of Mayor Derwin as the C/CAG chairperson, and said during the years when she was Chair, they accomplished a lot, as summarized by the Mayor, especially establishing the San Mateo County Flood and Sea Level Rise Resilience District, now known as OneShoreline, as well as the San Mateo County Express Lanes Joint Powers Agency. She greatly enjoyed working with the Mayor on C/CAG. Ms. Wong also thanked Town Manager Dennis for his ongoing support of C/CAG matters, including serving on the Administrative Advisory Committee, among other things.

Town Manager Dennis remarked that he had thoroughly enjoyed working with Ms. Wong over the years and appreciated all the advice, suggestions and thoughts about the different initiatives the Town was working on with C/CAG. She will be very missed and concurred with Mayor Derwin’s comments.

CONSENT AGENDA

- (2) **Approval of Minutes** – Action and Detailed Summary for June 9, 2021 [*Removed from Consent Agenda*]
- (3) **Approval of Warrant List** – June 23, 2021
- (4) **Recommendation by Planning and Building Director** – New Job Description for Senior Technician and Revision to Planning Technician I/II Job Description
- (5) **Recommendation by Town Manager** – Planning Commission and ASCC Appointments to the Housing Element Committee [*Removed from Consent Agenda*]
- (6) **Recommendation by Public Works Director**– Contract Extension for Engineering and Plan Check Services with Nolte Associations, Inc., doing business as NV5 Inc.
- (7) **Recommendation by Town Manager** – Reauthorization of the Town Treasurer as the Authority for Management of the Town’s Investment Programs

(8) **Recommendation by Town Manager** – Road Maintenance District Budget Items [*Removed from Consent Agenda*]

(9) **Appointment by Mayor** – Member to the Geologic Safety Committee

Town Manager Dennis pointed out that item number 8 did not get to staff in time for publication of the packet, so the item will be continued until the July 14th meeting.

Councilmember Richards moved to approve items 3, 4, 6, 7 and 9 on the Consent Agenda. Seconded by Vice Mayor Hughes, the motion carried, 5-0, by roll call vote.

(2) **Approval of minutes** – Action and Detailed Summary for June 9, 2021

Councilmember Aalfs clarified his comments on red page 22, stating it is his opinion, not statement of fact, that Palo Alto is a stakeholder in the San Francisco Airport, and also that he is a volunteer on the subcommittee, but has not yet been formally appointed.

Councilmember Aalfs moved to approve item 2 as clarified. Seconded by Vice Mayor Hughes, the motion carried, 5-0, by roll call vote.

(5) **Recommendation by Town Manager** – Planning Commission and ASCC Appointments to the Housing Element Committee

Mayor Derwin stated for the record that they did address the concerns voiced by community members regarding Ann and Al Sill both serving on the Ad Hoc Housing Element Committee. Both the ASCC and the Planning Commission discussed this. Since no one else stepped up, and each commission felt that both Ann and Al were perfect for the job, both commissions decided, having considered the issue, that it is entirely appropriate for the two of them to serve.

Vice Mayor Hughes moved to approve item number 5 as discussed. Seconded by Councilmember Aalfs, the motion carried, 5-0, by roll call vote.

[8] **Recommendation by Town Manager** – Road Maintenance District Budget Items.

Vice Mayor Hughes moved to continue item number 8 to the next Council meeting. Seconded by Councilmember Richards, the motion carried, 5-0, by roll call vote.

REGULAR AGENDA

PUBLIC HEARINGS

(10) **Public Hearing – Adoption of the 2021-22 Fiscal Year Budget and Appropriations Limit**

- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Adopting The Operating and Capital Budgets for Fiscal Year 2021-22 (Resolution No. 2856-2021)
- (b) Adoption of a Resolution of the Town of Portola Valley Determining and Establishing the Appropriations Limit for Fiscal Year 2021-22 (Resolution No. 2857-2021)

Cindy Rodas, Finance Director, presented the Final Proposed Fiscal Year 2021-22 budget and gave an overview of the final numbers, revenues and expenditures, issues to monitor and consider, changes made since the June 9th Council meeting, and a question/comments period.

Ms. Rodas said the budget proposal is strongly related to Council priorities. The budget is balanced, but there continues to be a shrinking delta between revenues and expenditures. Part of the budget is a modest capital improvement program, not modest by dollar amount, but modest in the number of projects proposed compared to past years. The projects reflect the Town staff capacity.

Ms. Rodas reported that sources and requirements for all funds in the proposed budget were presented as detailed in the staff report, including total sources and total requirements of \$10.4 million. She highlighted there is a net operating surplus of \$83,288. In the General Fund, revenues of \$6,060,700 were categorized, as well as expenditures of \$6,060,700 in gross appropriations. Revenue and expenditures relating to the General Fund show a steady growth of property tax. Staff currently included 5.2 percent growth for property tax revenue. They have seen this increasing over the past few years. She said they could go up higher, up to 6.0 percent as other cities have done, but they are taking a conservative approach, as in the past, as they want to account for some Vehicle License Fee (VLF) shortfall since they don't necessarily know at this point if the full funding will be received. They have seen increases in sales tax and changes in other revenue such as Utility Users Tax (UUT) that is also a large source of revenue, but some changes in it, as some of the utilities have changed in consumption. Expenditures, they have seen an increase in employee services and benefits, mainly related to an additional position added in the Building and Planning Department which is fully funded. The position was defunded in the current year budget but has been added back. The proposed budget also fully funds the position for a Finance Analyst which was only partially funded for the current year. There have also been increases in Public Safety, including the Sheriff's contract as well as fire services.

Ms. Rodas advised that items to monitor and consider include revenues and needing to see revenue coming in to support operational needs. Monitoring the impact of excess Education Revenue Augmentation Fund (ERAF) and VLF shortfall continues to be discussed within the County and the Department of Finance. Another item to monitor is changes in franchise fees and UUT consumption where there has been decline in telephone franchise fees and cable. Also, increased wildfire support, a program that is increasing in needed support, as well as the Town Center facility, which is 12-plus years old and has facility needs.

Another item for consideration, the American Rescue Plan Act (ARPA), will provide \$350 billion for eligible state, local, territorial and governments to mitigate the fiscal effects of the COVID-19 emergency. The plan will have \$20 million going to non-entitlement units or any use of local gov, which refers to small cities under 50,000 residents. The non-entitlement units will receive funds directly from the State. Funds must be obligated by December of 2024 and expended by December of 2026. The first disbursement is expected to be received in mid to late July with the second disbursement about 12 months later. Originally, the allocated amount for the Town was approximately \$860,000, but they recently received an update to that which is now increased to \$1,092,763. Ms. Rodas said the certification has been completed and submitted to the Department of Finance. Over the next few months, they will be required to report to the U.S. Treasury on the expenditures as they are related to the COVID-19 emergency. They have reviewed some of the expenditures that are included in the budget, which may be eligible under the ARPA plan. In looking forward to the fiscal year 2021-22 calendar, there will be continued discussions on the ARPA plan and projects to be included. There will be a budget revision in September to include some of these items and updates to projected revenues and possible expenditures. They will include actuals for the current fiscal year, following the audit. There will also be quarterly budget monitoring meetings with the Finance Committee beginning in October. Towards the end of the second quarter there will be continued discussion on staffing, most notably to the Public Works department.

Ms. Rodas said that following the June 9th Council meeting there were a few changes made to the proposed budget, related to the public comments and Council feedback received. They have updated the title to "Final Proposed FY 2021-22." There are some updates to the charts related to sources and requirements, adding additional fiscal years in order to review year-over-year changes. They have added an appendix to include a glossary of budget terms and acronyms. There were also fund balance FAQs

added, as well as the Town's minimum fund balance policy and investment policy. Also, some corrections were made to actuals for FY 2018-19 and 2019-20. There have been changes the allocations related to some of the line items. She said since they are still working out of two different finance systems, they are making sure they are allocating the numbers to their proper budget units. Corrections have been made related to those fiscal years.

Town Manager Dennis explained, relating to the appropriations limit portion, known as the "Gann limit" that the purpose of the exercise was the result of California Proposition 4, which was passed in 1979 and was voted in by the people of California to limit growth in state and local government through expenditures. Every year there is a calculation to ensure that that is, in fact, happening. Town Manager Dennis said that, as they find every year, the Town is meeting the requirements of Proposition 4.

Mayor Derwin invited questions from the Council.

Councilmember Wernikoff thanked Ms. Rodas and said she thinks the improvements made since the last meeting are awesome. They have been talking in the Finance Subcommittee about how they want to each year iteratively improve upon the reporting and the information to the public. She thinks, looking at last year versus this year, that there have been huge strides. She loves the information added to the appendix and hopes everybody who is interested in the budget finds it informative. She said she had been using the budget system extensively, reviewing the materials, and didn't have any glitches. She requested that, if possible, when the proposed budget is posted to the website, that Ms. Rodas' slide deck of her presentation be included, because it is very helpful and there is good information in it, such as the issues to monitor, et cetera.

Vice Mayor Hughes had a question on the appropriations limit, if the ARP money would be subject to the appropriations limit as it is money coming from taxes, but federal, not state taxes. Ms. Rodas said they are still waiting to hear back on a few items for clarification, and that is one of them. She will report back once they hear, Vice Mayor Hughes said that could be a huge impediment otherwise. Town Manager Dennis said it would be shocking to him if they include it. While he didn't think this would be an issue, he said Ms. Rodas was right to have an air of caution around it because it remains to be seen whether the federal government understands that they have things like Gann limits, et cetera. Vice Mayor Hughes thought everything else was nicely answered in the packet.

Councilmember Richards had no questions but thanked Ms. Rodas for a great job and said that every year it seems to be getting better and better.

Councilmember Aalfs also thanked Ms. Rodas and Town Manager Dennis, staff, Councilmember Wernikoff and Vice Mayor Hughes for their work on the Finance Subcommittee. He said it is a much better document, given where they were nine years ago when he first started looking at these things.

Mayor Derwin opened the public hearing and invited members of the public to speak.

Kristi Corley wondered about one item, wildfire equipment. She knows they share a chipper with Woodside. Portola Valley gets the chipper two days a week and Woodside gets it three days or maybe its shared by more. She wondered about any thought of purchasing the town's own chipper so it would be available to them all week-long during fire season. Town Manager Dennis answered that there have been some internal discussions about it. The said the time allotted for the Town to use the chipper does fully support the current program levels related to the vegetation management right-of-way program, so they feel comfortable with that right now. It would come back to Council should they expand the program or need it for other uses, but right now it serves the purposes of the budgeted item.

Hearing no further public comments, Mayor Derwin closed the public hearing and brought the item to the Council.

Councilmember Wernikoff moved to adopt the Resolution to Adopt the Operating and Capital Budgets for FY 2021-22. Seconded by Vice Mayor Hughes, the motion carried, 5-0, by roll call vote.

Vice Mayor Hughes moved to adopt the Resolution determining and establishing the appropriations limit for FY 2021-22. Seconded by Councilmember Wernikoff, the motion carried, 5-0, by roll call vote.

Mayor Derwin said she found the budget easy to use, so appreciated the good work. Town Manager Dennis reminded the public there will be a few conversations in the late summer related to the budget and they are looking at opportunities for Council to discuss use of the American Rescue Plan Act (ARPA) monies. This will include discussion related to Town use, but also business and individual use, where there are a variety of opportunities. Second, the September revision process, which is new to the town. He said the budget will continue to be a proposed budget through September, with final adoption in September, so that they can bring accurate numbers related to expenditures and revenue in the 2021 budget year. There are additional items that are not ready for consideration on both sides of the ledger staff wants to bring forward, which they are working on this summer, a pretty standard process that municipalities use, and he said they're excited about having those conversations.

(11) Public Hearing – Recommendation by Planning and Building Director and Town Attorney –
First Reading of Ordinance Amending Section 18.36.04 [Accessory Uses] of Chapter 18.36 relating to Accessory Dwelling Units (ADU's)

- (a) First Reading of Title, Waive Further Reading, and Introduce and Ordinance of the Town Council of the Town of Portola Valley Amending Section 18.36.040 [Accessory Uses] of Chapter 18.36 [Uses Permitted in all Districts] of Title 18 [Zoning] of the Portola Valley Municipal Code and a Finding the Action is Exempt Under the California Environmental Quality Act (CEQA) (Ordinance No.____)

Town Attorney, Cara Silver, presented this item which was necessitated by amendments to state legislation enacted in 2019 that went into effect January 1, 2020. The ordinance was adopted by the Town Council in 2019. At that time there was pending legislation to address ADU's, so at that time they took into account some of the provisions they thought would be enacted. However, there were some other revisions that were enacted after the local update that still need to be addressed. There were multiple bills that had to be reconciled, and it is a complex statute with several provisions which are internally inconsistent, and it contains large gaps. The legislation states that if the Town does not adopt an implementing ordinance by January 1, 2020, then the State law applied until such time as the Town adopts a local implementing ordinance. Currently, at a staff level, they have been adhering to the state law rather than the local ordinance as required. Once the Council adopts the local ordinance, they will have the ability to apply additional local controls to the processing of ADUs.

Ms. Silver said the 2020 state law amendments introduce a new category of accessory dwelling units which can take place in multi-family developments. This probably won't have great impact in Portola Valley, but in the next Housing Element cycle there may be some additional multi-family districts, and there are currently some multi-family projects that could take advantage of this change. Secondly, the concept of junior accessory dwelling units (JADU) was introduced. This existed previously under state law but was optional. There is now a mandatory requirement to permit these units, which are typically under 500 square feet, typically involve a bedroom conversion, with a kitchen or kitchenette. The final element of state law is that the number of required ADUs has been increased. The towns and counties are now required to permit one ADU and one junior JADU if requested. The most critical impact they have identified is the setback requirements. There is now a default setback of four feet for side and rear setbacks, while Portola Valley currently has much larger setbacks of 20 to 25 feet. The legislation also got rid of the owner occupancy requirements, which Ms. Silver said will not have a huge impact on Portola Valley, as the Council did waive those requirements in the 2019 update. The processing time has been significantly decreased from 120 days from the filing of a completed application to 60 days. There is also

a new introduction of state-mandated accessory dwelling units, including three categories of ADUs that are permitted by right under state law.

Ms. Silver shared the Planning Commission's review of the ordinance. They had three public hearings on this topic and also formed a subcommittee to review specific ordinance language. The primary focus of the Planning Commission was to discuss the pros and cons of adopting the new state-required regulations. Key issues include the new ADU types that are now state law. First, the Junior ADU, which is typically a bedroom conversion, but the new law expanded this to include any conversion of any livable space in a single-family home. It could be a family room or a study conversion. It must have some type of bathroom facility, although it could be shared with the main house. There is also an option for cities to either require or not require kitchens. Staff and the Planning Commission are both recommending that a kitchen requirement be added to the ordinance, because once the junior ADU is incorporated into the main residence, it can be counted for RHNA purposes. The second element of the state law is the multi-family ADUs. The subcommittee has incorporated a definition of multi-family ADUs. The third category is the three new categories of state-required by-right accessory dwelling units.

The first category which the Town must permit by right is the newly constructed ADU of up to 800 square feet, 16 feet height with four-foot side and rear setbacks. Second is a conversion of either existing space within a single-family building or conversion of an existing accessory building on the property. The third category is the multi-family ADU. There are two options for creating these in the by-right categories. First is to convert interior space within a multi-family building that is currently non-livable space, such as a large parking garage, an attic space, or HVAC space. In a condo it could include a rec room or common area facilities. The law requires that at least 25 percent of the units be permitted to convert some of the non-livable space to ADU use. Secondly, if the multi-family property allows for it, an option is to construct two detached units on the multi-family lot. If someone is requesting to development these by right, they are required to select one of these options.

The primary issue discussed by the Planning Commission was the need to address fire safety issues. The Commission came up with a multi-pronged approach to address fire safety issues. First, was to recognize that all current local setbacks dealing with health and safety must be recognized. There are currently geologic safety and fire safety setbacks. There are setbacks relating to the need for fire safety vehicles to be able to enter properties. If there is any applicable parcel setback related to health and safety, the local ordinance provides that the applicant must comply with those.

The second method addressed the restricted area location exception in the existing ordinance. The restriction relates to areas that are served by the ingress/egress by a single point of access. Also, the street serving as the primary access point must be less than 18 feet wide. The Planning Commission in consultation with the Fire District found that those were the areas in town most likely to be impacted by fire safety issues because of the evacuation problems associated with the limitations. The focus of thinking was on those areas, which they call the restricted area, where the regulations limiting ADUs are the strongest. This area also relates to the very high fire hazard area in town and is roughly the Highlands area, which has also been designated by Cal Fire as very high fire severity zone. In the restricted area, the Planning Commission recommended a prohibition on ADUs on the smaller parcels defined as less than one acre. They have carried forward that recommendation in the proposed ordinance, so there will be no ADUs allowed in the restricted area if the parcel is less than one acre. If greater than one acre but located in the restricted area, then the ADU must comply with the local setbacks. They do not have ability to take advantage of the four-foot default setback authorized under state law. State law also has a provision allowing agencies to either prohibit or regulate in areas of health and safety, so staff feels that this regulation clearly falls with that state law authorization.

Third, the Planning Commission also recommended that there be a "carrot and stick" approach to incentivizing compliance with local setbacks in recognition of the fact that fire safety issues are exacerbated by properties that are close together. The final element of the fire safety discussion and

proposal the Planning Commission moving forward is development of a fire safety checklist. This will be filled out by all ADU applicants that do not comply with the local setbacks. The checklist will consist of best practices in the areas of construction methods and materials, defensible space and vegetation management. It will be developed by the Fire Marshal and the Planning and Building Director and will be presented to the Planning Commission for review and recommendation to the Council. Ultimately, the Council will approve the checklist of best practices, and all ADUs within Portola Valley that do not comply with the local setbacks will be required to comply with the fire safety checklist items.

Ms. Silver said this fourfold fire safety approach would have several advantages. First, with respect to using the checklist, is it starts to preview the home hardening best practices the town has been working on at staff and committee level, with plans to bring forward in next couple months. It will incorporate many of those provisions in a permanent ordinance. It also allows residents to have a dialogue at an early stage of the project about fire safety. They expect this to occur primarily with Town staff but will also expect to have dialogue with the Fire Marshal as well with applicants resistant to the checklist items. The checklist meets the objective standards that are required with ADU review. The ADU state law is moving towards a ministerial review and expects that most ADU applications will be reviewed using objective standards in a ministerial process that's administered by staff rather than a development review committee. The checklist will apply town wide and not be limited to just the very high fire severity zones. It will take into account particular circumstances of each parcel and will be a living document. As best practices evolve, they will expect to update the checklist. The one disadvantage of this approach is that the requirements are contained in different places, so it is a little more difficult to implement and will require some additional staff work to walk through it with applicants.

Ms. Silver said many cities are struggling with regard to the four-foot default setback standards, not only with fire safety issues, but also privacy issues. The Planning Commission and staff has developed a "carrot and stick" approach to implementing setbacks. They hope to, with carrots, encouraged compliance with local setbacks by providing incentives. If an applicant complies with local setbacks, they would be permitted to build up to 1200 square feet on parcels of less than 3.5 acres and up to 1500 square feet on parcels larger than 3.5 acres. They would still not be able to go over the total AMFA for the site. The second carrot is height, which has been a concern with ADUs within local setback as they can pose privacy issues or shadow issues. The incentive would be that if you comply with local setbacks, you will be permitted to build higher – 18 feet vertical and 24 maximum. The Planning Commission spent time on the disincentives for building within the local setbacks. They recommended a size limitation for any unit built within the local setback of the maximum permitted by state law – 850 square feet for up to a one-bedroom or 1,000 for two or more bedrooms. Height would be limited to the state maximum of 16 feet; additional screening would be required for privacy and would have to be fire safe landscaping codified in the fire safety checklist; no egress windows would be allowed in any of the sides; windows or skylights must be above 9 feet on sides located in the local setbacks; windows must be obscured with a type of glass material; and amenities restricted for ADUs encroaching into the setback, including second driveways, basements, patios, decks, trellis, or saunas, et cetera.

Ms. Silver said they have incorporated some of the state law requirements relating to administration of the ordinance, such as a ministerial review process taken at a staff level as opposed to ASCC or Planning Commission. The processing time has been reduced from 120 to 60 days. The application requirements will allow third-party reviews in connection with things like sewer, septic, and fire, which would take place before the application is filed. Another requirement is to notify all neighbors of the application being filed, which is not usually done with ministerial reviews. This is thought to align with the neighbor-to-neighbor communication ethos of the town.

There was also discussion at the Planning Commission about the Planning Director's authority to interpret the ordinance. It was decided, pending discussion by the Council, to give the Director authority to adopt guidelines to implement the ordinance. As the town grows larger, there will be more action taken at staff level, as opposed to committee or council level, which is needed for general efficiency. In this context,

where state law is confusing, it is important to have the ability to quickly adopt guidelines as new guidance comes out from the state or HCD, et cetera. Ms. Silver suggested that the Council may want to talk about this Planning and Building Director authority issue because it is something the Planning Commission spent a fair amount of time discussing, and it is a shift in town practices. Also, the Planning Commission recommended that any ADU being proposed in close proximity to a trail be referred to the Trails Committee for consultation, but they wanted Council on this recommendation. They had some reservations about it and think it will be difficult to do within the 60-day window. Also, it would create a new process that is not codified in the town code. Without specific guidelines for what the Trails Committee should review, and whether they are the appropriate committee to review fire proximity issues, the Planning Commission thought that it would be important for the Council to weigh in on this as well.

Finally, the Planning Commission recommended that this ordinance sunset in three years because it represents big changes, especially in terms of the four-foot setback and expansion of the number of possible ADUs in the town. The Commission therefore felt it was important to have some kind of check and balance on the ordinance and felt the appropriate way to do that was through a sunset provision. Ms. Silver said that staff is not recommending the sunset provision. They think it is important to evaluate the as they come up and think it is likely the issues will come up also in the Housing Element, with new amendments to state law. As in the past, they will bring those issues forward at the appropriate time. Ms. Silver said staff feels it is more appropriate to bring forward amendments when they are needed, as opposed to having an automatic three-year sunset provision that would reallocate resources in a way the Council may not desire.

Ms. Silver advised that next steps include the first and second readings, after which it will go into effect after Council's adoption. Because it is an accessory dwelling unit ordinance, there is a new requirement that the Housing and Community Development (HCD) department approve the ordinance. The HCD is taking an aggressive stance on ADU ordinances and see them as an important way to provide affordable housing, particularly in communities that do not have multi-family neighborhoods. Another next step is the fire safety checklist and sending that to the Planning Commission for review and agendaize that for Town Council discussion. Finally, they want to reiterate that it is likely that the issue will come up in connection with the Housing Element and the Safety Element update.

Mayor Derwin invited questions from the Council.

Vice Mayor Hughes asked how quickly the fire safety checklist would be developed. He wondered what would happen in the meantime if the ordinance was approved by HCD and the Town hadn't developed the fire safety checklist, and someone came in with a proposed ADU. Would the application be incomplete without the checklist? Ms. Silver said they couldn't refuse to process an application on this basis but thought that they could very quickly get this to the Planning Commission and back to the Council. The Planning Commission recommended it be done quickly, within 45 days. She said that Director Russell and she have had conversations with the Fire Marshal, and they don't expect it to take a long time. They are right now following state law in any event, so if the Council could give direction to develop the checklist even before the second reading it would speed the process up.

Vice Mayor Hughes asked regarding the 60 days for applications to be reviewed, with the clock starting after applications are considered complete. A number of the things that were mentioned, such as the checklist, would be adding to the set of things that an applicant needs to do in order to have a complete application. Vice Mayor Hughes wondered to what extent the state allows the Town to do that. Ms. Silver said a similar issue has come up in the telecommunications field where cities and towns were adding extra pre-application requirements to the process. Ultimately, the FCC ruled that those requirements, once they started, that actually started the clock. They have not seen that yet in the ADU realm, so currently they still have the ability to add those requirements to the applicant, although it is something that HCD is monitoring. If they think the requirements are too onerous, they will not approve the Town's ordinance.

Ms. Silver said, in her judgment, the fire safety checklist is something reasonable. She thinks HCD will approve it, but she didn't have the same level of confidence with the Trails consultation piece. Vice Mayor Hughes observed, regarding the sunset, that if the ordinance were to sunset, at that point they would essentially revert to whatever state law was in effect at that point, so it would be essentially opening up and removing a lot of constraints and the carrot-and-stick approach that this ordinance is designed to provide. Town Manager Dennis clarified that the plan would be to bring forward a revision to the ordinance before the sunset provision took effect, whether a change or to keep it going as is. Vice Mayor Hughes said that could be done anyway, without a sunset, and they wouldn't have to amend it to remove the sunset clause. Ms. Silver said their recommendation was for staff to bring a report to the Planning Commission and the Town Council rather than have an automatic sunset.

Councilmember Aalfs asked if the checklist would have to be submitted as part of the initial application and then would also be verified with the final inspection, along with the Planning walkthrough. Director Russell said this was correct. He asked, if someone is maxed out or nearly so, on their AMFA, that they would have to approve up to 800 square feet for a separate ADU. Ms. Silver said this was correct. They're limited to 800 but they can now go perhaps 798 square feet over their AMFA. He asked, under current state law, if somebody does build in the state setback but within the Town's setback – like 10 feet away – If they can build 800 square feet, and if there is any height limit on that. Planning and Building Director Russell said she thought right now the current town height limit would apply, so they're proposing a stricter height limit if you don't comply with the local setback. As of today, if somebody wanted to build something four feet from their property line, they could have the 18/24 guidelines in place.

Councilmember Richards asked Director Russell about the requirement to go to ASCC, if that kicks in at all, given the option to go to a larger size if they use local setbacks. Director Russell said they cannot apply a discretionary review, such as ASCC or staff discretionary review, for the ones that are required to be ministerial in the state law. Director Russell said the existing size requirements and discretionary review requirements if you comply with all of the Town's existing requirements and existing setbacks remain from the previous ordinance. So, the additional restrictions proposed here are to address the setback issue and to limit the ADUs that are within our local setbacks as strictly as they can, and then the other town requirements related to site development permits, building code, fire code, all of those things, would remain in effect regardless.

Councilmember Wernikoff said she was confused about the point where Woodside Fire is involved. She was also curious about the comment regarding perhaps creating the checklist before finalizing the ordinance, which sounded wise to her. She was curious what would be a realistic timeframe, given that the second reading is already on the agenda for the next meeting. Ms. Silver said the Fire District is expected to review the checklist, and they would expect that any applicant that does not comply with local setbacks will be required to fill out the checklist. It will likely have a set of objective standards that may be easily implementable by staff, so Woodside Fire may not even need to review the checklist items. However, it is also possible that the checklist could contain things such as if you put in fire sprinklers, you don't need to do certain other things. In that situation, they may want to have Woodside Fire weigh in on the appropriateness of the fire protection measures. In that case, they would review at the front end of the project. Once the project is finalized and goes through the building permit review process, the Fire District also reviews the plans at that point. Once the building is completed, she doesn't believe they do an actual inspection unless there are fire sprinklers. If there are, that would be the third point when the fire district gets involved. In terms of the timeline for the checklist, she thinks it's possible to develop the checklist before the ordinance goes into effect, because there is the second reading and then 30 days before it goes into effect. They can development the checklist, depending on whether it needs to go to the Planning Commission, and if there is room on their agenda to review it. After that it could be on the following Town Council agenda.

Mayor Derwin asked about the recommendation that the applicant must notify the neighbors. What if the neighbors don't like the project? Is there any mechanism for them to complain, alter the project? Ms.

Silver said most applications will be ministerial, so it will be administered by staff, and there will not be an appeal process for the neighbors. However, they are encouraging neighbors to talk to one another at early stages of the project. The Planning Commission's perspective was that this type of notice is in line with that type of communication. They hope that if a resident receives notice that an ADU is being built next to them that they may call the Town. The Town would refer them back to the applicant, and the applicant could have a direct conversation with their neighbor.

Mayor Derwin asked if HCD must approve the final ordinance. Since staff felt the Trails consultation was a little uncertain, what do they think about the three-year sunset being approved by HCD? Ms. Silver thought HCD would approve the sunset provision; however, the reservation they had about it was that if they include ADUs as part of the RHNA number, they are pretty certain there will be a significant amount of ADUs built into the site inventory for the Housing Element cycle, and if they have an ADU ordinance that sunsets in three years, HCD may push back with respect to allowing a significant number of ADUs to count towards the RHNA.

Mayor Derwin asked about the 60-day timeframe, and what if it goes past the 60 days and it is still not approved? Ms. Silver said the applicant can then legally file a lawsuit against the Town and require the Town to issue a permit.

Councilmember Richards asked for a clarification regarding discussion of fire sprinklers and said there have been some letters from people in the community. He wondered about his last two ADU projects he did in town, which both required fire sprinklers, and he didn't believe either house had a fire sprinkler system, and they were required by the fire department. He wanted to clarify that that is the case and hasn't changed. Ms. Silver said the state law now contains a requirement that if the main house is not required to be sprinklered, then the ADU may not be sprinklered. There is a question about perhaps if you're in a very high fire hazard area or some evidence of significant fire risk that the Town could impose a sprinkle requirement on the ADU, even though the main building does contain sprinklers. This is an open issue right now. HCD has said this is not allowed, but it is possible that they may be open to that argument under the right circumstances.

Vice Mayor Hughes asked about timeline. How long will it take HCD to approve the town's ordinance after the second reading? If the ordinance would take effect within 30 days, but HCD still needed to approve it, will they do that within 30 days? Ms. Silver said no, they are taking a long time. She thought the town could still enforce its ordinance if it's been adopted by Council, and if, later, HCD were to come back and not approve it, then the Town would have to go back and change the ordinance. But they would plan to enforce the ordinance, provided that the Council adopts it. Vice Mayor Hughes asked if they would need also to review the fire safety checklist. Ms. Silver wasn't sure about this. He thought it would be nice to have the checklist by the time the ordinance takes effect if it needs to line up with the Planning Commission calendar and has to come to Council to be approved.

Mayor Derwin opened the public hearing.

Judy Murphy commented that the Sustainability Committee spent considerable time on the details of reach codes and might be helpful in drafting the checklist so that it doesn't all fall upon staff.

Bob Turcott remarked that he heard a strong reason for the Planning Commission to request a sunset clause, that being the recognition that the Safety Element and Housing Element is about to be revised, and they felt strongly that there should be a mechanism to ensure that the ordinance is reviewed after that. He also commented on fire hazard in Portola Valley. Cal Fire identified that areas as very high fire hazard severity zone comprises about ten percent of the land in Portola Valley. The ADU restricted area, he understands, was tailored to coincide with that area. He said that is not the only area of elevated risk in Portola Valley. Cal Fire also determined that approximately half of the area of Portola Valley outside the ADU restricted zone is at high fire hazard severity. An independent study done by Ray Moritz

concluded the same thing, and his findings, based on studies of vegetation load, correlated with Cal Fire's. Mr. Turcott learned today in reading the agenda that Woodside Fire Protection District recognized four very high fire hazard severity zones; they conferred with Cal Fire, and Cal Fire concurred. In looking at the proposal, there are several features that jump out. He said it is possible, if this passes, to have a non-sprinklered new construction for human habitation in areas that are clearly at elevated risk of severe wildfire. There are no requirements on building separation. The National Fire Protection Association standards call for 30-foot separation between buildings, and the Town's evacuation capacity has yet to be demonstrated. This proposal would put more people, more sources of ignition, more fuel into these areas of elevated hazard. Mr. Turcott said that state law provides a mechanism for Portola Valley to exclude areas as needed for public safety, and they should certainly do that with these ADUs in areas of elevated wildfire hazard. If the issue is a lack of designation by the Town, he thinks it would be appropriate for the Town to revisit this and consider whether we really want unsprinklered buildings in these areas.

Betsy Morgenthaler had a comment about the three-year sunset clause. She attended the Planning Commission meeting at which the subcommittee members strongly recommended the three-year sunset of the ordinance. She heard the minority viewpoint, and read it in the staff report tonight, that in three years it would need to come back to the Council for consideration. On one hand, it would cost a discussion at a meeting or two three years in the future. On the other hand, between the United Nations IPCC comment report that was leaked, the western statewide drought, last year's fire season, and the crisis in obtaining insurance coverage, there are dramatic changes, and we don't know what is going to happen in the future. But, she said as they all look at Council efforts to represent the residents as best they can, she urged humility, prudence and sanity in the face of so much change. She commented that in the last RHNA cycle, the Town did well, something over 100 units among the very low, low moderate and above categories. She was interested to know how many of those were ADUs and what the distribution of the ADUs was across the four categories, to understand what we're looking at in the future in terms of proportionality, if the future is like the past. Planning and Building Director Russell said in order to answer specifically she would have to get back to Ms. Morgenthaler offline. She advised that the next agenda item has the RHNA allocation according to income levels, so that would be a source of information. That will represent generally how the ADUs have been distributed in this RHNA cycle.

Rusty Day said that Bob Turcott's and Betsy Morgenthaler's points were important. As to the number of ADUs, he asked Director Russell to make that public, as they would all like to have that information. He wanted to speak in favor of the sunset provision and also in favor of ensuring that the checklist gets generated and considered before the second reading of the ordinance, as a part of the ordinance. He commented that in none of the meetings referenced by Ms. Morgenthaler did she mention that the Fire District was represented, and he didn't see a representative from them tonight. He thinks it's important for the Commission, for the Town Council and the residents to hear from the Fire District about the safety implications of the ordinance. He understands they're operating under a mandate, and in many ways they feel their hands are tied. He thinks it very important to hear objective, professional, direct assessment of we're confronting and what kind of situation this creates for us. He hopes they hear from the Fire Marshal at the next reading of the ordinance.

Mr. Day said in the Planning Commission's deliberations that they clearly wanted the professional guidance and advice of the Fire Marshal and wanted him involved in deciding what was and was not safe in placing ADUs on this landscape. That was the genesis of the concept for a checklist. It was also widely discussed that it would be best to have the checklist enacted into the ordinance and to get public feedback on it. He strongly urged the Town Council to insist upon development and presentation of the checklist before it finalizes the ordinance on the second reading. Since the Town is operating under state law since January of this year, he assumes that ADUs are being considered and approved on that basis, so it would also be helpful to have a report before the next reading of how many ADUs have been considered under state law as opposed to the Town's ordinance, and particularly how many ADUs without sprinkling have been approved.

Hearing no other public comments, Mayor Derwin closed the public hearing and brought the item back to the Council. She said they need to specifically address the Planning and Building Director authority, the consultation with the Trails Committee, the three-year sunset provision, and the checklist timing.

Vice Mayor Hughes said he is supportive of getting the ordinance as quickly as possible, primarily because without the ordinance they are less fire safe and less in control of housing development in Portola Valley than if they put this ordinance in place. State law provides very few protections for fire safety without having an ordinance like this one. If they do not enact the ordinance, someone could come in tomorrow proposing to build a 24-foot-high ADU four feet from the property line with no sprinklers and constructed of wood, and they would have little choice but to approve it. He thinks its important to understand that the ordinance is not allowing people to do things that they are not currently allowed to do. It's actually the opposite. The ordinance restricts what people are allowed to do and encourages them, if they are going to build an ADU, to build it more in line with the way Portola Valley wants houses and properties to be developed and built in regard to fire safety issues, aesthetic issues, setbacks, and all the rest of what they are used to, that state law does not do. For the same reason, he said, he opposes the sunset provision. It is inevitable that they will have to revise the ordinance, probably multiple times over the coming three years. Having a sunset provision in there, if it were ever to kick in, which would be the only reason for having a sunset provision, they would revert again to state law, which provides fewer protections for Portola Valley than this ordinance does. He thinks its very important to not include the sunset provision and move forward with the ordinance as quickly as possible. He said the professionals at Woodside Fire think that this fire safety checklist is the best way for them to be involved.

Vice Mayor Hughes said, regarding the consultation with the Trails Committee, he is wary of that He would rather trust Woodside Fire for which restrictions to impose. State law would prevent the Trails Committee from considering issues such as aesthetics. He would be wary of sending something to them for them to discuss but not be able to actually impact it. On the other hand, having them discuss it and be aware of what's going on, if it's clear to them that they can't legally be allowed to modify things, it might be useful education for applicants, so maybe people might change their applications. He said he would love to see the fire safety checklist as quickly as staff and the Fire Department could bring it to Council.

Councilmember Richards agreed with Vice Mayor Hughes's comments, including Planning's authority to put together the checklist with the Fire Department. He is glad to hear the Fire Department is encouraging that. He has never seen a need in the town to do a sunset issue. They are constantly looking things over and revising and reviewing, and it has never been a problem. He thinks it would be more of an impediment and obstacle than anything. Regarding the Trails Committee, he thinks a fire safety checklist would be a better way to address the critical issues without having to put it on the Trails Committee, and disappoint people in their inability to affect things. He also suggested, perhaps by way of the checklist, to require fire sprinklers, at least in cases where it's clear that they would be of real benefit, probably in most cases in Portola Valley. He thought they could almost make it a blanket requirement that sprinklers are going to be required in separate ADUs. Putting them in existing residences would another story, hugely expensive, and would defeat the purpose of putting in a JADU. However, for new construction it makes perfect sense. In the scheme of construction, sprinklers are not an enormous thing, and there are ways to do it at a reasonable cost.

Councilmember Aalfs completely agreed with Councilmember Richards's idea of requiring sprinklers. He thought the guideline for cost of sprinklers in an existing house is \$400,000 or 50 percent of the cost of the structure. New construction is the time to put in sprinklers, because it's so much easier. If that can be done within current state ADU law, he would support that. He said he is not crazy about the sunset clause, as the ground will be shifting well before three years. They will be revisiting this regularly in one way or another. He supports giving the Planning Director the guideline authority and authority to work with the Fire Marshal on the checklist.

Councilmember Aalfs asked Ms. Silver to weigh in on the assertions about adopting additional fire danger zones and what the Town is actually allowed to do in terms of the other zones on the draft maps or in the Moritz report. Ms. Silver said for a local responsibility agency, such as the Town, the high fire areas don't really have any legal significance. Very high fire hazard areas, under state law, are required to comply with the higher building standards for a WUI Chapter 7A, but there is no separate requirement for high fire hazard areas. Also, HCD currently does not have a policy to recognize high fire hazard areas as areas that should not be developed. There is some legislation pending that could change that, but currently there really isn't much of a state law benefit to designating these as high fire hazard areas. However, when the Town gets into the Housing Element update and starts to see some of these areas further articulated and defined, they may, as a policy matter, decide that it's not appropriate to create denser housing in high fire hazard areas, a policy decision they could make in terms of zoning decisions.

Regarding the Trails Committee, Councilmember Aalfs said it feels like they would be bringing someone in who is not going to be able to stop someone from building an ADU and that it complicates the 60-day period for getting things done. He asked what would be defined as proximity to a trail. Mayor Derwin concurred that the trail is beyond the setback. Ms. Silver said there was a trigger in the ordinance that if it's within any distance between the local setback, four feet would trigger the consultation. This would be assuming the trail runs right next to someone's property. Councilmember Aalfs said he just doesn't see much point to it in the sense that it isn't going to have a huge impact on projects. He agreed that he would like to see the ordinance go into effect as soon as possible and get started immediately on the fire safety checklist. He added that the Fire Safety Committee has been working with the Fire Marshal for over a year on home hardening measures, which are much of which will go into the checklist and have gotten a lot of input from the Fire Marshal and other safety professional about what goes into these guidelines.

Councilmember Wernikoff agreed with comments regarding the speed of the ordinance and the checklist as a critical part of it and that it should happen before the ordinance goes into effect. For clarification, she asked if Vice Mayor Hughes had said that the Fire Marshal suggested that the best way for the Fire Department to be involved was to be involved in the creation of the checklist. Vice Mayor Hughes said at the meeting he attended there was discussion with the Fire Marshal. The Planning Commission had wanted the Fire Marshal to be even more involved, to have a direct review by the Fire Marshal as part of the pre-application process, including some kind of a letter from the the Fire Marshal. In discussion with him, it made sense to create the checklist in collaboration with Planning Director and the Fire Marshal and to have that as part of the standard applicant packet and have it be consolidated into one checklist, where you know ahead of time what you need to do. Vice Mayor Hughes said the Fire Marshal thought this was the most appropriate way of being involved in the pre-application process.

Councilmember Wernikoff said she agrees in regard to the Trails Committee. She appreciates the intent but feels it creates a situation where a committee doesn't have any real impact or ability to effect things, creating frustration more than anything. She asked for more clarity in regard to sunseting and the rationale of the Commissioners who were in support of it. Vice Mayor Hughes said he was at the Planning Commission meeting where this was discussed. To the best of his understanding, the argument in favor of the sunset provision was that it was essentially a forcing function, to guarantee that the Council would have to revisit this within the next three years. Councilmember Wernikoff was also wondering, since Cal Fire maps are going to be updated, the Housing Element and the Safety Element are happening, and all three of these will happen before that three-year point, in an effort to bring comfort to those that are concerned about it, she wondered if there could be wording to put in that would suggest that when such-and-such happens, that would trigger a review? Vice Mayor Hughes responded that his view is that the last time there was an overhaul of the ADU ordinance was less than two years ago, in 2019. It was roughly this same level of overhaul then. The reason for doing it now is because state law has changed, requiring an update to the ordinance. He expects state law will change again next year and the year after that. They will get the new fire maps, there will be a new Housing Element. Each of those will require another update to the ordinance to be compatible with those changes. His concern about a sunset provision is whether or not the environment and laws change, the town is better off with this ordinance

than without this ordinance. That will also be the case three years from now. If for some reason they didn't revisit it, he would not want the ordinance to sunset, because the Town would be worse off without than with it. He fully expects staff to bring ordinance updates when state law changes or fire safety issues change, and changes are needed.

Councilmember Richards said by default every time a project comes through, the ordinance is revisited. There is a constant check on things, how it relates to state law, so it's going to be reviewed every time somebody brings in a project, at least to a certain level, which should bring some level of comfort to those who are worried.

Mayor Derwin said yes to the Planning and Building Director given authority and working with the Fire Marshal on the checklist, and she thinks that is a very good idea. On consultation with the Trails Committee on ADUs with the four-foot setback, she thinks is a lovely concept, but thinks it would be a nightmare. Regarding the three-year sunset, she understands the thought of the Planning Commission, but said they have never had a problem with talking about things, updating things, bringing new laws in. There will be laws having to do with high fire areas. There will be tons of housing laws passed, so she recommended leaving out the sunset provision. Regarding the checklist timing and ordinance timing, she agrees it should be done quickly. She said, according to Councilmember Aalfs, a lot of it is already done, so it shouldn't be a problem to get it done prior to the time of the last reading.

Town Manager Dennis commented on the Trails Committee portion, saying it's an opportunity to describe a little of what staff does relating to projects coming in for processing. Every project that comes into town, the Planning and Building staff has a conversation with the applicant about the viability of their project as it relates to Town Code, Design Guidelines and other issues that they're aware of. If they saw a project that was putting houses right next to a trail, one of the first things they would say is that's a bad idea and should not be done. Although they don't have the authority to stop them, it is part of the regular day-to-day conversations with people. He is confident that from this narrow band of where the staff sits that they would continue to articulate those types of points to an applicant and if they chose to move forward, they would understand the will of interpretation of codes, design guidelines, and what they know to be precedence in town.

Mayor Derwin said, regarding sprinklers, Councilmember Richards and Councilmember Aalfs strongly feel that the Council recommend sprinklers if they can in certain applications. She asked Vice Mayor Hughes for his opinion on this. Vice Mayor Hughes said he would be supportive of that. He suspects state law will preclude it in some areas, but there are probably some areas where it doesn't, where they could make it a requirement. He thought for those that are inside local setbacks, it could be part of the checklist, where Option A is fire sprinklers and Option B is also fire sprinklers. For the ones that are compliant with local setbacks that are new build detached units, he is not sure if they would be allowed to in those cases. He felt it would be better to have a fire-sprinklered building closer to the property line than to have a building without fire sprinklers anywhere on the property. He agrees to lean towards fire sprinklers anywhere they can try to require them, and to strongly encourage them where they can't. Councilmember Wernikoff agreed with everything that's been said. Mayor Derwin was also in agreement on this topic.

Mayor Derwin invited more comments or a motion.

Councilmember Richards moved to approve the Ordinance with removal of the three-year sunset provision and removal of the consultation with the Trails Committee requirement. Seconded by Councilmember Aalfs, the motion carried, 5-0, by roll call vote.

Mayor Derwin recognized the impressive work of the Planning Commission on this difficult item.

[Five-minute break]

(12) **Recommendation by Town Manager and Town Attorney** – Update and Discussion on the Final Draft 2023-31 Regional Housing Needs Allocation

Town Manager Dennis set the framework for the discussion. The Housing Element is required for an update per state law every eight years, and this is the end of the fifth cycle, so staff, through Council direction, is implementing a Housing Element Update for the sixth cycle. On the April 28th Council agenda, the Council set up parameters of the discussion, appointed a subcommittee consisting of Councilmember Wernikoff and Councilmember Aalfs to work on a variety of related Housing Element responsibilities, including the Housing Element Committee that was created. The Town has an arrangement with 21 Elements, which is the county housing advisor to assist in the development of the Housing Element, and the Town has an RFQ out for additional support, particularly around the drafting of the EIR related to the Housing Element. It will be brought to the Council on July 14th for a recommendation on that consultant. There is a requirement to update the Safety Element at the same time as the Housing Element, and there will be more to report on that potentially at the July 14th meeting.

Ms. Silver presented the update on this process, beginning with an overview. The Regional Housing Needs Allocation (RHNA), which involves each city and county in the State of California, is required to plan for future housing growth in all income levels as a long-term, mandated planning process. The State Department, HCD, assigns to all regional governments, COGS, a portion of the overall state population. Portola Valley's COG for housing purposes is the Association of Bay Area Governments (ABAG), who has recently joined with MTC (Metropolitan Transportation Commission) to form a new COG. This local COG then assigns the local RHNA allocations to the various cities and counties within that COG. Under Housing Element law, cities are required to plan for housing. They do this through their zoning code. There are certain fundamental principles under Housing Element law that allow cities to put particular project sites onto a housing inventory, but the cities are not required to build the housing. They are only allowed to plan for and accommodate through local zoning the housing that is prescribed to them under the RHNA process. The State enforces this process through the Housing Element.

Portola Valley is part of the ABAG COG, which has been meeting for the past year to determine what methodology should be employed to assign these numbers to all of the local cities and counties within ABAG. The factors that ABAG decided on for this cycle are different, as opposed to the last cycle. This cycle is going to concentrate on the number of jobs in a city, which is more important than the number of houses within the jurisdiction. Also, the access to high opportunity areas is a factor. High opportunity areas are mapped by the federal and state government. They include areas that have a wealth of services, such as schools, community-serving facilities, parks, grocery stores, et cetera. Also, transit and car access to jobs will be separately examined as an allocation factor. This year, equity factors come into play much more heavily than in previous cycles in terms of income allocation for the housing units, but also in terms of individual cities and towns' allocation. Previously, cities that had high allocations in previous cycles sometimes would receive lower allocations in the next cycle. This year ABAG decided not to adhere to that practice. ABAG noted as a concern the factors of high fire and high sea level rise hazard areas, as well as earthquake, but stated and voted that RHNA may not be the best tool to address this particular concern.

A map of the high opportunity areas in San Mateo County illustrated that Portola Valley, along with Los Altos Hills, Cupertino, are all high opportunity areas. Therefore, Portola Valley did receive a larger allocation this cycle than in the current cycle. Last year's cycle included 64 units compared to 253 units this year. County.

Ms. Silver explained that it is possible to appeal the RHNA allocation. There are published criteria for appealing. It needs to be based on one or more of three grounds. First, if ABAG failed to adequately consider the information regarding factors under state law. The factors required to be considered are in the staff report. They include things like existing and projected jobs and housing relationship; lack of capacity for sewer or water; availability of land suitable for urban development; lands protected from

urban development under existing federal or state programs; and the percentage of existing households paying more than 30 percent and more than 50 percent of income, as detailed in the staff report.

The second criteria for appeal is if ABAG failed to allocate in a manner that furthers the intent of the objectives under state law. The objectives are included in packet page 126, footnote 6. They include things like increasing housing supply and mix of housing types, promoting in-fill development and socio-economic equity, protecting environmental and agricultural resources, improving intra-regional jobs to housing relationship and affirmatively affirming fair housing.

The final criterion for appeal is a change of circumstances since the methodology was adopted. The last day to appeal is July 8th. ABAG will review those appeals, and comments on appeals can be taken up until August 30th. The Town has the ability to comment on other appeals filed by other agencies, because there is a relationship between other towns appealing their ABAG. If another town's appeal is sustained, it would require a re-allocation of other towns' RHNA allocation, so there is a time period in the process where cities and counties can comment about the appeals. HCD is also given the ability to comment on all appeals filed. The appeal hearings are anticipated to be heard in September and October of this year. Typically, the hearings take place in one joint hearing in Southern California, because there were so many appeals, the hearings took place over a multi-day period. It is unknown how many appeals will be filed in our region, so a similar case may occur here. In November or December, the final RHNA allocation will be issued by ABAG. The cities and towns then have until January 1, 2023, to submit their housing element for certification by HCD.

In the past, the Town has raised some concerns about both the methodology and the RHNA allocation. This cycle. The Town has submitted an objection to the preliminary allocation to HCD, which is also in the packet, on the grounds that the Town has a high fire risk and, secondly, the Town has inadequate public infrastructure to support the additional housing development. Both of those grounds were commented on by HCD, and they did not express an interest in either of those two arguments. The staff report goes into detail about past appeals. The Southern California Association of Governments, known as SCAG, had dramatic RHNA allocation increases. They received 52 appeals, which is a very large amount. Of those 52, only two were partially sustained. Otherwise, all other appeals were denied. From the past, the ABAG 5th cycle appeals, of 14 appeals, only three appeals were successful, including one from Palo Alto, where there was a mis-allocation issue between the County of Santa Clara and Palo Alto which resulted in a modest reduction of numbers for Palo Alto.

In terms of next steps, the Council will be required to examine through the Housing Element process the zoning opportunities needed to accommodate the RHNA allocation. The Housing Element Advisory Committee will help identify sites and zoning opportunities to accommodate the RHNA. The new Cal Fire maps are expected to come out and will have a significant impact on many cities planning for housing purposes. Unfortunately, they have not yet been released. The Town is also developing best practices for home hardening, vegetative management, defensible space, which will also be considered moving forward with the additional housing that Portola Valley is expected, by the State, to accommodate.

Mayor Derwin invited questions from the Council of Ms. Silver. Seeing none, she invited comments from the public.

Bob Turcott said he was perplexed about the report of appeals for fire risk falling on uninterested ears. The letter the Town received from the Executive Director says, "The ABAG blueprint gross geography does not only exclude Cal Fire designated very high severity area but also excludes high fire hazard severity areas in unincorporated communities, as well as County designated wildland urban interface areas." The latter would seem to apply to us. Yet, when he went through the methodology using a hypothetical scenario of no high or very high fire hazard severity zones in Portola Valley, the result was 253 units. If he repeated the exercise assuming all of Portola Valley was a very high fire hazard severity zone, the result was 253 units. In other words, the degree of fire hazard severity, the extent of land area

in Portola Valley that's at very high risk, did not influence our RHNA number. In addition, neither did the San Andres fault, nor the associated thrust fault, which cross evacuation routes. He wondered if the Executive Director of ABAG is misinformed about the methodology or if there was an error in the design of the methodology when a municipality like Portola Valley which has 65 percent of its area documented by Cal Fire to be of high or very high fire hazard severity zones does not receive any modulation of the assigned number. With such a large fraction of the town at elevated risk, he feels it is worth pursuing and making the argument that with our area, 65 percent, along with the fault system, there should be an adjustment to the number of units. As it is, we would be asked to increase our population by 10 to 20 percent in an eight-year time span.

Rusty Day said during the last agenda item, Councilmember Aalfs asked a direct question about the Town having authority to designate fire hazard areas in town. Ms. Silver had answered that it does. Mr. Day said that answer is provided in California Government Code Section 51179b which reads, "A local agency may, at its discretion, include areas within the jurisdiction of the local agency not identified as very high fire hazard severity zones by the Director as very high fire hazard severity zones following a finding supported by substantial evidence in the record that the requirements of Section 51182 are necessary for effective fire protection within the area."

Kristi Corley said she is supportive of the appeal of the RHNA number.

Mayor Derwin invited further comments from the public. Hearing none, she brought it back to the Council.

Mayor Derwin asked Ms. Silver to comment on both Bob Turcott's and Rusty Day's comments. Ms. Silver responded that Mr. Turcott's point was arguing that Portola Valley does not have sufficient land available to develop the prescribed RHNA, and because the available land is designated not only as very high, but also high fire hazard. She thinks this is a good point, and this argument has been litigated in southern California in terms of appeals. She said it's important, when looking at how ABAG employs its methodology to allocate the housing units to individual cities, to know that they look at a variety of factors, not just the available land. They look at the equity factors, the transit, the jobs. It's not a one-to-one correlation that if you have available land then you get these units. It is much more complex and has turned into a very complicated process of allocation. Available land is one component of the methodology, but what is happening now is that all cities have made arguments that they are completely built out and cannot accommodate any additional units. The response from the State is that they need to change the zoning to accommodate more units on a particular piece of land. So in order for an appeal to be successful on the grounds that there is limited land, because all of the land in Portola Valley has some kind of fire designation, what we would have to do is show that on all of the other land where there are current houses or current development, or its not in a moderate or high fire hazard area, the Town would have to show why that particular land could not accommodate the RHNA. This is a very time consuming process and is the process that you go through in the Housing Element Update. You look at each site in the town to determine whether it can accommodate a zoning increase, essentially. Regarding Mr. Day's point, she said the Town does have the ability to designate high and very high fire hazard severity areas. There has to be substantial evidence in the record to do that, and at this point they are waiting for that substantial evidence to come, by way of the Cal Fire maps, and they will have very up-to-date information as soon as those maps are published. She would expect that the community would go through a very comprehensive process to designate additional very high and high fire areas in town. At this point, there is not really a legal significance for designating high fire areas in town from a state law perspective, but in terms of long-range planning it has merit, and the Council will take that up in the Safety Element discussion.

Town Manager Dennis followed up on Ms. Silver's comments that on page 130 of the staff report, the discussion of Rancho Santa Margarita's experience. They have much more, percentagewise, high and very high fire, and that was the response from SCAG, their version of ABAG. He said the maps that are developed by Cal Fire as it relates to high, moderate and low, and the Town could adopt them. The

Council at the time decided to use the Moritz report as a mechanism to address some of those issues. They don't have a legal significance, but they will be aired as part of the process coming up and will allow the Council and bodies that will be developing the Housing Element to have the additional piece of information related to whether or not zoning issues are addressed in a way that makes sense. It's also unnecessary to make that designation at the same time, because they are aware of the variety of issues in town that contribute to wildfire concerns.

Councilmember Wernikoff said the updated Cal Fire maps are obviously important since it's been over 10 years since that last update. She wondered if there is any recourse as it relates to RHNA once they have the updated maps. Town Manager Dennis thought it would be important to have a conversation at the Council level about next steps after the maps are published, whether there's a legal option or not. He thinks it very frustrating to have a requirement related to the Housing Element and to get these maps in the middle of it. He said the Housing Element process can't be slowed down because it takes a long time to do the EIR part of it. He thinks at that time from a non-legal standpoint they will bring what the maps say to the Council, and at that time the Council can contemplate the message it wants to send to ABAG. He feels Portola Valley will not be alone in this matter in San Mateo County and that Woodside and Hillsborough could have this issue, as well as Santa Clara communities.

Ms. Silver added that one of the grounds for appeal is changed circumstances, so if the maps were to come out during the appeal time period, it would be a legitimate argument to make, although it doesn't appear that the maps are going to come out within that time period. She also pointed out that these types of issues come up all the time in long range planning. It is possible to amend your long-range plan. The Housing Element is a planning tool. It doesn't require you to build the units. You could plan with the information that you have at the time and when the maps come out you may have to amend the plan to refocus housing elsewhere.

Councilmember Richards pointed out what the maps mean in a practical manner to the town. The fact is that they apply to the entire town as very high fire danger as far as building codes go, and they are increasingly looking at making them even more stringent, beyond the current Chapter 7 requirements, so he thinks they need to understand that they are not ignoring these issues and that they really apply for the entire town, whether high, very high or moderate fire zone.

Councilmember Aalfs said another potential change in circumstance is that the State Insurance Commissioner is talking about excluding new housing in high fire or very high fire regions from FAIR. That would also probably have an effect on peoples' ability to get private insurance. At some point they may be planning for houses that become uninsurable, although it might not happen until after the Housing Element is submitted. He wondered when they go back to HCD and ask for some form of relief or consideration, given that maybe the Town planned for them, but they can't be built because they are uninsurable. Town Manager Dennis said at least at the ABAG level, those conversations have begun. He was invited to participate in a working group made up of a variety of similar cities that want to have a conversation about housing and fire. In those conversations, he has raised the issue that if there isn't coordination between HCD, Cal Fire and insurance, that communities like Portola Valley could end up being insurance ghost towns, that it won't be possible to get insurance at all. The point was well taken by the group discussing it. Councilmember Aalfs said Insurance Commissioner Lara was very sensible to the issue when they talked to him last month. Town Manager Dennis said his guess is that HCD has not had significant conversations related to the insurance issue, because they see it as outside of the purview. He thinks it's important for ABAG to start to consider it and they have a mechanism for the Town to introduce those ideas. They have been well received by the other communities in the working group.

Vice Mayor Hughes said in general he doesn't feel they should file an appeal because they don't meet the grounds for appeal. He thinks they could build 253 units in Portola Valley in areas that are not in high or very high fire danger and that the Housing Element subcommittee will be able to come up with a plan that allows us to do that. He doesn't think they would prevail on an appeal and its not worth putting staff time

into submitting it and then arguing the appeal. However, he thinks they should monitor other towns' appeals, because he wouldn't want Portola Valley's 253 units to get bumped up because somebody else submits an appeal. He presumes this would be ABAG wide. There are a lot of members, and if any file an appeal and prevail and gets units reassigned, some of those units could land on Portola Valley. Town Manager Dennis said appeals are so rare, that is not something they typically have to be concerned about. In San Mateo historically, in the last two cycles, in the subregional level, the cities could talk to one another, so you didn't have an appeal in the end. If ABAG operates the way they have in the past, at some point they will be loading appeals onto their website. He said they are in touch with counterparts in San Mateo County, and he is not aware of any cities that are going to appeal. Many of the Bay Area cities were contemplating it, related to climate change sea level rise, and he didn't think anyone thought they would be successful either. His sense is that HCD and ABAG would simply say to find another place in the community to put the total number of units.

Councilmember Wernikoff said she would not be supportive of an appeal and didn't think it would be effective.

Councilmember Aalfs said he would like to at least consider an appeal, partly to make the point about the fire safety. He said he does worry about the staff time investment and is curious how onerous it would be to file one. Vice Mayor Hughes said maybe they could do something similar to last time, when Councilmember Richards and he, with staff's help, wrote a letter, if the goal is to draw attention to the issue. If just to air the issue, then they could file a letter and say this is our appeal. They'll reject it, but they will at least have read it. Councilmember Aalfs agreed on this and feels it is very unlikely to bring more than cursory relief, if any. He said he feels like it is a matter of principle. He said the Town is not unique in this, but if just bringing up this question about fire would get ABAG to just think about this fire question again, he would be willing to do something, as long as it wasn't going to become a huge burden on staff. Town Manager Dennis said he thinks staff agrees with the assessment of the success of an appeal. They are all interested in hearing from the Council alternative ways to continue that conversation. He said the tenor of the letter that Councilmember Richards and Councilmember Aalfs put together last year was appropriate, but he is aware of one letter that a Bay Area city that was strongly worded that ended up with more units. He said he thinks that continued engagement through the Council is an important message to send, that there are concerns that we continue to have and how do we have the engagement, and what does that look like? He thinks it also important that the residents who have been participating in these conversations over the last months understand the Council's position on the matter. Staff would be happy to support production of those materials. He said for the first time he and Planning and Building Director Russell know the person at HCD, and they would like to have a conversation and develop a relationship with that person, inviting them to the community and having more person-to-person engagement, but actually the Council plays the most important role in the messaging and having further engagement with peer-to-peer elected officials.

Councilmember Richards said he would be interested in pursuing that kind of research and not in favor of an appeal. He feels at most they would just get ridicule at who they are in comparison to the numbers they have, compared to all the cities around us. He said, given the realities that Ms. Silver has outlined an appeal doesn't make any sense, but he does agree about keeping this in their forefront and reaching out to HCD and ABAG to keep bugging them about it, because it is definitely a region-wide issue and some kind of resolution has to happen, especially before the insurance apocalypse hits.

Bob Turcott was recognized to speak and volunteered to write the letter for the town. He would be happy to save the staff time required to do this. He said Palo Alto, Cupertino, Belmont and Burlingame are all appealing, and the expectation is that many more municipalities will. He does not think the town should refrain from appealing simply out of worry that we might get laughed at.

Mayor Derwin said she knows people on Burlingame and Belmont Councils, and she has not heard that they are appealing. She said she has been doing the affordable housing advocacy for a long time. She

has paid a high price for it. Her observation was that between Cal Fire, HCD and the insurance industry, no one is talking to the other, so we get conflicting advice. Insurance companies are dropping people, not talking to HCD who is mandating housing, not talking to Cal Fire, who should be giving us the map to refer to for the areas that are high, very high, and exceptional. She said their focus should be on getting all of those people together. She said if they appeal, they will lose. She knows people on the methodology committee and has talked to them. She knows a person on the appeals board for the nine-county Bay Area. She said that he laughed at her and told her the town will be denied, because unless you can prove that every single inch of Portola Valley is such high fire danger that you cannot build there, they will say, "Build in an area that is not high fire danger," so appealing is wasting our time and is not going to be effective. She feels what is effective is working with the insurance industry, with Cal Fire, with HCD and continuing to make homes more resilient, continuing to work on defensible space, continuing to harden homes, because no matter what happens, they still need to do those things. She said nobody is happy about 253 houses in eight years, but as Ms. Silver and Director Russell pointed out, this is a planning tool. This is not a mandate to build 253 units. Sometime in the eight years, starting in 2023, things will change, and she believes there will be new laws saying you cannot build in these areas, some of which will be in Portola Valley. She said she would support sending a letter, although she is not sure whom to send it to, but it would get the conversation going.

Vice Mayor Hughes said that process has already begun and there have been conversations with Senator Becker, with Assemblyman Burman, at the elected level, and Town Manager Dennis and Director Russell are doing outreach at the staff level as well, to get the issues out there. He said he thinks they are seeing people starting to consider this and integrating it into their thoughts. For some issues it may be too late for the cycle, and they will just have to do the best they can. Through the eight-year cycle, this will continue to evolve. There will be adjustments. Mayor Derwin agreed.

Kristi Corley was recognized to speak and said she was at the ABAG meeting when they added equity in and there were four equity non-profit associations, but no city officials to really talk for their cities. She thought that was odd. It was one of the first meetings she attended. She thinks it caught the cities off guard. She made phone calls to cities to let them know that their numbers just went up. She had no idea that Portola Valley went up, because they didn't list Portola Valley at the time. She also said she believes a letter is worth a try and won't cost a ton of money.

Town Manager Dennis commented that from the conversation he participated in with the Insurance Commissioner a month ago, it included two other jurisdictions. Councilmember Aalfs and Mayor Derwin were there. It was his impression that they were the first to ever have this kind of dialogue with the Insurance Commissioner about these issues. He thinks it is very important to note on the record that the Town has had multiple engagements and interactions as it relates to the concerns that all share about this topic and that the Council has directed staff on multiple occasions to have those conversations that have not been had before, and the Town continues to be a leader in this regard. His suggestion is that the Council direct Councilmember Aalfs and Councilmember Richards to work with staff as appropriate to put together a letter outside of the appeal process and/or other types of engagements with ABAG and HCD over the coming period of time to further discuss and illustrate the concerns related to what's been offered tonight. Mayor Derwin thought this was a good idea. She also pointed out FSLR/OneShoreline has added wildfire to its charge, and she thinks it is an attempt to try to gain the support of some of the uphill communities like Woodside. It also shows that wildfire is really starting to be of importance in San Mateo County, which is why she and Town Manager Dennis were included on the panel.

Vice Mayor Hughes suggested that the topic be agendaized for the next Council meeting to form a subcommittee along the lines that Town Manager Dennis laid out to continue carrying this forward and continue engagement with the State, neighbors, the County and other jurisdictions to keep these issues moving forward. Mayor Derwin thought this was a good idea.

(13) **Recommendation by Town Attorney** – First Reading of Ordinance adding Chapter 8.36 (Fireworks) to Title 8 (Health and Safety) banning Fireworks in Town and Setting Administrative Fines

- (a) First Reading of Title, Waive Further Reading, and Introduce an Ordinance of the Town Council of the Town of Portola Valley Amending the Portola Valley Municipal Code by Adding Chapter 8.36 (Fireworks) to Title 8 (Health and Safety) (Ordinance No.____)

Town Attorney Silver said, as mentioned in the staff report, the County of San Mateo recently updated its fireworks ordinance. The impetus for updating it was to add an administrative penalty provision in response to repeated fireworks issues in portions of the county. Portola Valley has not had significant fireworks problems in the past. The Town does not have its own ordinance but has an ordinance that was adopted by the Fire District and is enforced by the Fire District. When they saw the County's ordinance come through, it gave them an opportunity to take a fresh look at it, and they thought that even though there is currently not an issue, since fire hazard is such an important issue to this community and will continue to be, that it was prudent for the Town to have its own ordinance. The ordinance that they have prepared is a bit broader than the Fire District ordinance and includes all aspects of fireworks issues, from sale and offering of sale of fireworks, to possession to use of the fireworks. It also gives the Town staff the ability to enforce the ordinance and provides for an administrative penalty as opposed to the typical ordinance which only provides a criminal penalty, such as misdemeanor or significant fine. They are moving forward with this ordinance with a recommendation to adopt the ordinance, even though there is not currently a particular problem in town. They thought it would be good to have this as an additional tool in case a problem occurred.

Mayor Derwin invited questions from the Council.

Vice Mayor Hughes asked why the fine level is set so low. If someone were to set off a firework in town, start a fire and burn down a house or neighborhood, they would be facing a max fine of \$1,000 or six months in jail under the ordinance. He asked if there a reason they set the fine so low relative to the severity of the consequence of setting off fireworks in town would be. Ms. Silver said there is a debate about whether cities have the ability to set penalties in excess of \$1,000 which is typically the maximum penalty that you can impose as an infraction penalty, so there are two different schools of thought. The other school of thought does allow for higher penalties, so the County took the more conservation approach in this instance. Ms. Silver said this is up to the Council, and if they wanted to go higher that is fine.

Mayor Derwin invited comments from the public. Hearing none, she brought it back to the Council.

Vice Mayor Hughes said he would rather see a much more substantial penalty, such as \$10,000. He said he looks at a \$1,000 relative to six months in jail and relative to the consequences of recklessly setting off fireworks in a town that has been mentioned multiple times as having a lot of high and very high fire severity zones, and a \$1,000 fine is inadequate. Mayor Derwin asked Ms. Silver if the Town can do this. Ms. Silver replied there are two perspectives. She is comfortable with arguing that, as long as its not considered unduly burdensome or confiscatory, that it is appropriate in this circumstance to have that level of a fine. Vice Mayor Hughes added that the one he is looking at is in Section 4, not the administrative citation, but the misdemeanor, and the limit on the misdemeanor fine. He is happy with the one in subsection 3, the administrative citation staying at \$1,000 and the one for the misdemeanor of not more than \$10,000. If there were particular circumstances where it's a kid who set off a firecracker and it didn't set fire to anything, it wouldn't make sense to fine him \$10,000 for that, necessarily, but that the maximum limit could be higher. Ms. Silver said she would look at the issue and bring it back with the second reading.

Mayor Derwin asked how the rest of the Council felt about this. Councilmember Richards said he is okay with that and that it needs to get going. Councilmember Aalfs was fine with seeking the higher penalty and hashing it out before the next reading. Councilmember Wernikoff agreed to the previous comments.

Vice Mayor Hughes moved to introduce and adopt the ordinance and conduct a second reading at the following meeting with the revision to change the misdemeanor fine to \$10,000. Seconded by Councilmember Aalfs, the motion carried, 5-0, by roll call vote.

(14) **Colleagues Memo** – Consideration of 6:00 PM Start Time for Town Council Meetings

Councilmember Wernikoff wondered, since joining the Council, why the meetings started so late and was interested in learning the rationale for this. Given how long the meetings can go at times, the meetings get very late. She has since learned that Menlo Park starts at 5:00 and Palo Alto starts at 6:00. She would love to start at 5:00 but didn't know if that is reasonable for people with work conflicts. She said she would love to see it start at least an hour earlier given how long the meetings go and the amount of interest they're having just to get them done before 11:00, when possible. Mayor Derwin said she did a little survey, and, out of the 20 cities, one starts at 5:00 – Menlo Park; four start at 6:00 – Atherton, Hillsborough, Redwood City, South San Francisco; two start at 6:30 – East Palo Alto and Foster City; twelve start at 7:00, which includes Woodside. One starts at 7:30 – Brisbane. She also said when she came on the Council in 2005, the meetings started at 8:00. She tried to change them, and it didn't work. When Ann Wengert was elected, they were able to get them changed to 7:30. When Councilmember Aalfs came onboard they were able to move it to 7:00.

Mayor Derwin invited questions of Councilmember Wernikoff in regard to this item. Hearing none, she invited questions or comments from the public. Hearing none, she brought it back to the Council.

Vice Mayor Hughes said he finds 7:00 borderline difficult to make for most meetings. When he is working, he tries to wrap up by 5:00, leaves the office by 5:15 to 5:30 which gets him home by 6:00, with an hour to eat, feed the family and get set up for the meetings. It would be very difficult for him to start at 6:00, and he would probably end up missing the start of many meetings.

Councilmember Richards said he probably could make it work, but the dinner thing is a problem, and he would probably have to eat dinner during the meeting.

Councilmember Aalfs said he could probably make 6:00 work and wouldn't mind being done earlier. The rationale talked about in the past for keeping them later was for the public to be able to get to the meetings and to encourage more attendance. He personally would be fine with 6:00, and it would be nice to get done a little earlier. He understands people's difficulty in making the meetings and guesses a lot of the public has an easier time making a 7:00 meeting than 6:00.

Mayor Derwin said the way they have done this is in half-hour increments, so jumping from 7:00 to 6:00 would be tough. She said when she is not Mayor, she would love 6:00. When she is Mayor, she loves having the extra hour. She, too, remembered the rationale for 7:00 was for working people. Since Vice Mayor Hughes said he can't make 6:00, she suggested possibly starting earlier when there is a closed session or a study session, or when they know in advance it's going to be a long meeting. Or, they could get input from the community to see whether there is appetite to move it earlier. Vice Mayor Hughes said he is appreciative of Councilmember Wernikoff's desire to not keep meetings so long and thinks to some degree better agenda planning might help with that, with fewer items to get through, and if they know they're going to have a long agenda, starting earlier, which he could work around. The other possibility would be to have special meetings. If there is a packed agenda, there could be a special meeting in the intervening time period.

Councilmember Wernikoff said she thought the public would find it harder to have an inconsistent meeting time, to have it changing. She added that she has eaten dinner through every Council meeting since joining. She asked about an interest in a 30-minute increment, and also asked if they could manage the agenda a little tighter to prevent meetings going over three hours. Mayor Derwin said she could tighten up the agenda, but she thinks she will be criticized if she does that. Vice Mayor Hughes proposed working on

it. Generally, the Mayor, Vice Mayor and Town Manager have weekly calls where they look forward and figure out how to shuffle agendas, et cetera. They have recently been consolidating things, which tends to happen in the summer because people are out of town and you're cancelling meetings and trying to figure out how to get more stuff done. He also thinks there has been a particularly heavy agenda load as well, with a lot of big items, with COVID, with housing, with fire issues, budget, a sequence of stuff. He thinks it's been much more so recently than in the past. He thought there was more that could be done without Mayor Derwin forcing everything into two hours. He suggested focusing on this for the next month or two and revisiting it and see if it's working or not. If not, it would be reasonable to look at other options.

Town Manager Dennis said he thinks agenda management can help to a certain extent, but he didn't want to hang too much on that premise. He shared that in the five years he's been with the Town, the sheer amount of work has increased. The number of issues that are important to the Council and the community and committees has increased. The tradeoff is going to be that issues will take longer to come to fruition at the Council level with shorter meetings. He said he is willing to work on this aspect if this is the Council's preference; however, there are a lot of things that people want to get done as quickly as possible. Every issue becomes the priority issue, depending on who you are. He thought agenda management is good to a degree, and then starts to fall apart in the long run.

Councilmember Wernikoff said she didn't want to belabor the issue since it sounded like the majority were not interested in changing it so in the interest of managing the agenda, she suggested moving on. Mayor Derwin said she wanted more input from the community and would want to go with a half-hour, and not an hour. Councilmember Richards said he could do a half-hour. Councilmember Aalfs said he would be fine with that. Vice Mayor Hughes suggested trying harder for a month or two and see if they get what they need to get, and if they don't then to revisit 6:30 or 6:00. Mayor Derwin said they will revisit in the fall and ask people in the community in the meantime if they care. Mayor Derwin said they could serve dinner if they met very early. Town Manager Dennis said he has seen this done. It would be a challenge when moving to hybrid, but other cities take dinner breaks. He thought from a staff management perspective it sounds like they want to have some level of engagement with the community, but this is not off the table by any means. He said for what it's worth, staff would be supportive of an earlier start time. Mayor Derwin said this will be revisited in the fall.

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

Councilmember Wernikoff attended a CAC meeting. The date is still October 9 for the Live Revive. They talked about contracts and stage location, and they are optimistically planning potentially for an August summer concert series, given the improvement with all the COVID regulations. The ASCC meeting was very straightforward. There was an approval of a project. As mentioned earlier, they are sticking with their original recommendation for the Ad Hoc Housing Committee. PVSD has started their construction and has been communicating pretty well with the community about that through PV Forum. Her understanding as far as The Sequoias goes is that their fire mitigation cleanup starts tomorrow.

[Councilmember Wernikoff left the meeting]

Councilmember Richards attended the Emergency Service Council last week. Jonathon Cox from Cal Fire gave a presentation on the upcoming fire season, citing the very low soil moisture, lower than they've ever seen this time of year. It is basically similar to what it would be a couple months from now in a normal year. There were some changes to firefighting equipment for the region. Our aircraft comes up from Hollister, an air tanker. A helicopter has been moved to Moffit Field, which is closer than it used to be. There are currently 23 air tankers in the fleet. They continue to build out Zonehaven, which is going as hoped. The new budget was adopted and provided approval for a fleet of drones for the Fire Department to do search and rescue and firefighting study, et cetera. He attended the Conservation Committee meeting last night where there was discussion about potentially having the Committee stress tree protection for oaks as it relates to new construction. There was more discussion on the redwood tree

at the Fire Station, and he thinks they are going to write a letter or bring it up again. Shady Trail, there was work on it for clearing. He said they did a messy job of taking out the trees and brush, cutting and leaving big ruts in the ground, so there needs to be some kind of pre-agreement on how they will leave these places when they're working on fire and scenic cleanup. There was some question about mowing at Ford Field in the open space area. It was only done partially, and people were wondering why it wasn't completed.

Councilmember Aalfs said Nature and Science met on the 10th. They are planning more of their webinar series, which seems to be going very well. That same night they had a local geology professor, Tom Bleier, talking about earthquake prediction. Apparently, the webinar was Zoom bombed, but they were able to restart the meeting with a new link and send it out, so the committee did a good job of getting around this Zoom bomb disruption of their webinar. It was very popular, and they are trying to plan a few more of them. He sat in on the CERT meeting on Monday and had a conversation with committee members about the rationale behind building electrification. Stefan Unnasch raised some points about the overall benefits of it, and they had a good conversation about PCE's long term plans and vision for what electrification will look like and the greening of the grid itself making the electrification itself more beneficial. The main thing he said is that when we talk about requiring all-electric new construction, we're thinking about the next 10, 20 or 30 years, the life of these structures, keeping gas out of new buildings for a long time, to a point where we know the entire grid would be much cleaner.

Vice Mayor Hughes reported on Planning Commission. They discussed Fire Station No. 8. Most was around the parking onsite in the new configuration and the impact on the redwood tree in front of the building which is proposed to be removed. The Planning Commission continued this discussion to their next meeting in order to get more information from the applicant regarding possible alternatives that might reduce the parking or save the tree, or both. He attended a meeting of the WHRMD RAC (Woodside Highlands Road Maintenance District Residents Advisory Committee). They discussed their budget for the coming year which didn't get to staff in time for Council consent tonight. It was straightforward, basically rolling over this year. He mentioned the bus shelter near the bottom of Santa Maria Road at the entrance to Town. The structure and roof are falling apart, in need of serious repair. It is not technically part of the WHRMD but is right next to it. It is on Town land, so they will be coordinating with staff on how to get a PV Donates project together to rehabilitate the structure. Apparently, there was a *Sunset* magazine article about it, a collaboration between the residents of Woodside Highlands, who paid for it and did a lot of the work to put it together, and the Town to get it installed there. There is some local sentimental value to it as well as it being a landmark at the entrance to Town.

Mayor Derwin reported on C/CAG. They met the new Caltrans District 4 Director. They had an update from 21 Elements. They worked on the May revise. The budget is due June 15th. They assume the joint legislative budget proposal will be sent to the Governor by June 12 or 13. He will look at it and can do line items. There are still trailer bills to be considered. Some bills of interest to C/CAG, they approved a support letter on AB 117 which has to do with the eBike incentive program. They did the final 2020-21 C/CAG San Mateo County Comprehensive Bike and Pedestrian Plan. They did Measure M allocations, the \$10 per motor vehicle they get every year. The plan is reviewed every five years. They changed some of the allocations for the County. They approved the budget. They had a closed session to approve the contract for the new ED, but they weren't able to do that, so it will come back in July.

The ExpressLanes was a brief meeting. They adopted the fiscal year budget and went through authorization of amendments, cooperative funding agreements with C/CAG and the TA. They reviewed and approved the resolution adopting the toll ordinance. They are keeping things consistent with the other ExpressLanes, at least through Santa Clara County, so people don't go into a new county and suddenly have different pricing. They elected Diane Papan as chairperson and a Rico Medina as Vice Chair.

The Library approved their budget. The Director's Report stated the new Brisbane Library is open and the architects who designed it are the same one who designed Portola Valley's Town Council. The Atherton

Library is still in progress. Pacifica and East Palo Alto still want to build new libraries. They will keep Phase III through July and will be back to the new normal based on state guidelines. They believe they will have to be in masks for some time because they serve children, and many children aren't vaccinated. There is a big push for summer camps on library sites. There is a lot of learning to be made up after the COVID year. Reuben Holober was elected for a second term as Chair and Sarah McDowell as Vice Chair.

Mayor Derwin reported that the Sustainability Committee had a good meeting. Tom Francis from BAWSCA gave a comprehensive update on regional water supply. The Town is pretty good in Hetch Hetchy for another year, but that is not true of the state. The state is in bad shape and there is mandatory rationing happening all over. Right now, the town is still voluntary but that could change. Next year if there is another dry year, it will definitely be mandatory. There was a lot of grim news. Mr. Francis talked about the SFPUC (San Francisco Public Utilities Commission) who is asking its wholesale customers to hold the water use to the 2019 levels during the peak summer months, but this is a voluntary call. He talked about big projects for water supply which are happening, which she remembers were in the works during the last drought, and they suddenly disappeared. Daly City has a recycle water project. Crystal Springs has purified water. There are a number of little projects throughout the county. There is some surface storage. There is a desalination project, Bay Area Brackish Water. She was very glad to hear them finally saying that the future is in treating wastewater to become drinking water. The most environmental opposition is to the desalination, which is apparently in regard to the harm to the environment. All of the projects take a long time. The Mayor reported that Councilmember Aalfs did a great job on his discussion of the pros and cons of electrification, and the mark of success was that Stefan was really happy, which is rare. There was a survey about the Climate Change Book Club. They had a lot of data and will try to find a way to do the book club. They want to change their meeting to the third Thursday of the month at 7:00, which will take effect in August. She said Walt is doing a good job running the meetings and with the agenda as well. Town Manager Dennis, Ms. de Garreaux and the Mayor had a Zoom meeting with Dawn at Cal Water and another Cal Water person, talking about what they need to do to get AMI, the smart meters, in place, the infrastructure. This is the first time they've done it, but it is set to happen. Town Manager Dennis suggested that we check in every couple of months.

(10) **TOWN MANAGER REPORT**

Town Manager Dennis added, regarding the AMI program, that it didn't sound as if the smart water meter program for Portola Valley would start this calendar year, from a staffing perspective. He said the big item in the last few days is West Bay Sanitary District. Their General Manager contacted him Thursday related to two items on tonight's agenda – annexation in Portola Valley and, secondly, the future of reimbursement programs. These are the programs that the district has to allow the initial connector to sue or recoup costs. He has been communicating to get a flavor of what was happening tonight. There was very low attendance, six to ten people total. He plans to talk to the General Manager in the next few days, but it sounds like there will be a working group on the reimbursement portion of it. The initial impression was that annexation was not particularly interesting to his board. The terminology they use in the staff report is worth exploring, "Annex certain parts of Portola Valley." He asked for clarification in a letter he sent earlier today. From a practical matter, they mean the entire town. He shared a letter with the Council which will be in the podcast for the community, asking questions and addressing high level issues. He had a conversation with Mr. Young and the Executive Director of the Local Agency Formation Commission (LAFCo) which is responsible for annexation issues between two government bodies, the special district in the Town, which was useful in understanding some of the technical aspects. They will be very engaged. The General Manager has agreed to have staff attend the Council's August 11th meeting to share any information and answer questions.

PG&E will start doing some of its right-of-way in the Town over the next days weeks and month. They have had communications at staff level and Conservation Committee and Wildfire Preparedness Committee on opportunities to consider not trimming trees and making them look ugly every year. If they are problem trees, go ahead and take them out. There are 50 or so trees that have been jointly identified

for removal. PG&E and our Conservation Committee Chair and Wildfire Committee are all fine with this. They will put out information starting tomorrow so people can expect to see that work done and are not surprised.

Town Manager Dennis had his first professional lunch in person in a long time, with the General Manager of Alpine Hills Swim and Tennis Club, Jamie Blatman. He enjoyed the conversation, and the club is in very good hands. He is encouraged by his desire to have a positive working relationship.

Town Manager Dennis congratulated a member of the Portola Valley Library Staff, Kathryn Wiszowaty who has been there 20 years. She has been a valuable member of their team, and they have had many positive interactions with her.

He ended by saying thank you on behalf of the staff for the new brand new used trucks, which look great, and thank you for supporting Mr. Young's latest endeavor to bring those to his team and the public.

WRITTEN COMMUNICATIONS

(11) **Town Council Digest** – June 10, 2021

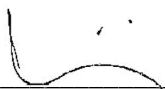
(12) **Town Council Digest** – June 17, 2021

Vice Mayor Hughes acknowledged the work Bob Turcott has put into the methodology of ABAG for the RHNA numbers. If the Council were to appoint a subcommittee to continue carrying this forward, he appreciates Mr. Turcott's offer to help in those efforts. There is an ABAG general meeting this Friday morning, a public webinar starting at 9:00, and the general meeting afterwards. Mayor Derwin suggested Mr. Turcott could attend this. Vice Mayor Hughes thought that the RHNA allocation was not something that would be on the agenda, but this was a good suggestion. The meeting would be with 111 delegates, and because there are two or three procedural votes to be done, the business part of the meeting tends to be sitting around waiting for the roll call on the votes.

Councilmember Aalfs commented on item three for June 17th. This was SB 612, a bill of interest to Peninsula Clean Energy because it helps take better advantage of legacy utility contracts, particularly PG&E's hydro resources. They wrote a letter to our Assembly people because it is now in the Assembly, coming up for a hearing next week. Town Manager Dennis and he put it together and its basically the same thing they've advocated for previously.

ADJOURNMENT [11:19 p.m.]

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Mayor



Town Clerk