



TOWN OF PORTOLA VALLEY
Regular Meeting of the Town Council
Wednesday, November 8, 2023
Closed Session 5:30 P.M.
Regular Session 7:00 P.M.

Jeff Aalfs, Mayor
Sarah Wernikoff, Vice Mayor
Judith Hasko, Councilmember
Mary Hufty, Councilmember
Craig Taylor, Councilmember

HYBRID MEETING

HISTORIC SCHOOLHOUSE- 765 Portola Road, Portola Valley, CA 94028

Remote Public Comments: Meeting participants are encouraged to submit public comments in writing in advance of the meeting. Please submit your comments using this [online form](#) by 1:00 PM on the day of the meeting. Time permitting, your correspondence will be uploaded to the website. All received questions will be forwarded to Council, Commission, or Committee members for consideration during the meeting and included in the public record. Additionally, technology permitting, the public body will take questions using the Raise Hand button for those who attend the meeting online or by phone. Phone callers may provide comments by pressing *9 on their phone to "raise your hand" and *6 to mute/unmute themselves. The meeting Chair will call on people to speak by the phone number calling in. Remote participation is provided as a supplemental way to provide public comment, but this method does not always work. The public is encouraged to attend in person to ensure full participation.

Assistance for People with Disabilities: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Town Clerk at (650) 851-1700 or by email at towncenter@portolavalley.net. Notification 48 hours prior to the meeting will enable the Town to make reasonable arrangements to ensure accessibility to this meeting.

VIRTUAL PARTICIPATION VIA ZOOM

To access the meeting by computer:

<https://us06web.zoom.us/j/87557727789?pwd=yx38-u0H4p6c7KxPT695Tvj-jKgU8Q.7MFCJE3MksdFuAG2>

Webinar ID: 875 5772 7789

Passcode: 775044

To access the meeting by phone:

1-669-900-6833 or 1-888-788-0099 (toll-free)

*Mute/Unmute – Press *6 / Raise Hand – Press *9*

1. CALL TO ORDER- CLOSED SESSION

2. ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note, however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda. *Each speaker's time is limited to three minutes.*

3. CLOSED SESSION

a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of California Government Code section 54956.9: [PublicSafety4PVNow, Inc., a Delaware corporation](#)

Govt. Code § 54956.9(d)(2): “[a] point has been reached where, in the opinion of the legislative body of the local agency on the advice of its legal counsel, based on existing

facts and circumstances, there is a significant exposure to litigation against the local agency.

- b. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** (Govt. Code section 54957)
Interim Town Attorney Catherine Engberg

4. CALL TO ORDER- REGULAR SESSION

5. ORAL COMMUNICATIONS

Persons wishing to address the Town Council on any subject may do so now. Please note, however, that the Council is not able to undertake extended discussion or action tonight on items not on the agenda. *Each speaker's time is limited to three minutes.*

6. REPORT OUT OF CLOSED SESSION

7. TOWN MANAGER REPORT

There are no written materials, and the Town Council does not take action under this agenda item.

8. CONSENT AGENDA

- a. **Approval** of Minutes - Regular Meeting Minutes of October 25, 2023
- b. **Approval** of Warrant List- 11/08/23
- c. **Appointments** to Geologic Safety and Trails and Paths Committee' to fill unscheduled vacancies

9. REGULAR AGENDA

- a. Town Manager Update and State of the Town
- b. Review and discuss the (Draft) Affordable Housing Fund Policy Colleagues Memo

10. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

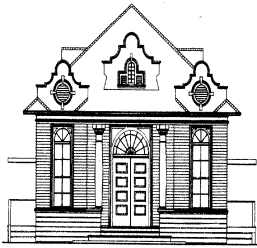
Oral and written reports arising out of liaison appointments to both in-town and regional committees and initiatives. The Town Council does not take action under this agenda item.

11. ADJOURNMENT

The next Regular Town Council meeting will be held on December 13, 2023, at 7:00 PM

***** Land Acknowledgement:**

The Town of Portola Valley acknowledges the colonial history of this land we dwell upon the unceded territory of the Ramaytush (rah-my-toosh) Ohlone, Tamien Nation, and Muwekma (mah-WEK-mah) Ohlone, who endured a human and cultural genocide that included removal from their lands and their sacred relationship to the land. Portola Valley recognizes that we profit from the commodification of land seized from indigenous peoples and now bear the ecological consequences. We seek to understand the impact of these legacies on all beings and to find ways to make repair.



TOWN OF PORTOLA VALLEY
Regular Meeting of the Town Council
Wednesday, October 25, 2023
7:00 P.M.

Jeff Aalfs, Mayor
Sarah Wernikoff, Vice Mayor
Judith Hasko, Councilmember
Mary Hufty, Councilmember
Craig Taylor, Councilmember

1. CALL TO ORDER 7:32 PM

Present: Mayor Aalfs, Vice Mayor Wernikoff, and Councilmembers Hufty, Hasko, and Taylor

2. ORAL COMMUNICATIONS

- No public comment

3. CONSENT AGENDA

a. Approval of Minutes- Regular Meeting Minutes of October 11, 2023

b. Approval of Warrant List- 10/25/2023

- Mayor Aalfs requested a motion to approve item 3 a. and 3 b.
- Councilmember Taylor made a motion, seconded by Vice Mayor Wernikoff, to approve item 3 a. and 3 b. on the consent agenda. The motion passed by the following vote:
- **Ayes:** Mayor Aalfs, Vice Mayor Wernikoff, Councilmembers Hufty, Hasko, and Taylor
- **Nays:** None

c. Approval of Updated Electronic Communications Policy

- Due to technical difficulties with Zoom, Council decided to table item 3 c. to a future meeting

4. REGULAR AGENDA-PUBLIC HEARING

a. Update on Housing Element Status

- Presentation given by Interim Planning and Building Director, Jon Biggs, which included a PowerPoint presentation. Presentation will be posted to the website since Zoom is not functioning properly.
- HCD letter received in July 2023 with a list of modifications. Several meetings with HCD were cancelled and rescheduled, first meeting was on 10/14/2023. Dates were pushed out as far as HCD was comfortable with- wrapping up in 2028. On track to update housing element with appropriate HCD language, including timeframes. The goal is to get this in front of the council by January 2024. HCD wants to see RFP going out in 2027. About 70% complete by consultant- Urban Planning Partners.
- The zoning update project currently in the works- bring to council in tandem with housing element update, by mid-spring 2024. About 70% complete by consultant- Lisa Wise.
- Four projected meetings between Planning Commission and Council in December and January to review, discuss and potentially approve the housing element and zoning update.

5. COUNCIL LIAISON COMMITTEE AND REGIONAL AGENCIES REPORTS

Oral and written reports arising out of liaison appointments to both in-town and regional committees and initiatives. The Town Council does not take action under this agenda item.

6. TOWN MANAGER REPORT

There are no written materials, and the Town Council does not take action under this agenda item.

7. ADJOURNMENT

At 8:30 PM, the Mayor adjourned the October 25, 2023 meeting. The next Regular Town Council meeting will be held on November 8, 2023, at 7:00 p.m.

DRAFT

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
Checks for Cash		Account: 910-11011-000				
3620	3	A-A LOCK & ALARM INC	149.61	11/08/23		
3621	44	BANK OF AMERICA	11,590.42	11/08/23		EFTPS
3622	78	CALIFORNIA WATER SERVICE CO	28,520.57	11/08/23		
3623	121	SCA OF CA, LLC	5,235.03	11/08/23		
3624	124	COMCAST	204.89	11/08/23		
3625	176	EXCEL LD	23.54	11/08/23		
3626	179	FEDEX	231.60	11/08/23		
3627	211	HAYWARD LUMBER CO	601.88	11/08/23		
3628	217	HUMAN INVESTMENT PROJECT	2,081.40	11/08/23		
3629	218	MISSIONSQUARE RETIREMENT	6,708.15	11/08/23		
3630	234	J. W. ENTERPRISES	889.76	11/08/23		
3631	259	JOINT VENTURE S.V. NETWORK	693.80	11/08/23		
3632	274	KPMG LLP	16,330.00	11/08/23		
3633	275	KRUPKA CONSULTING	875.00	11/08/23		
3634	278	LAMPHIER GREGORY	19,590.00	11/08/23		
3635	324	MIRANDAS LANDSCAPE	4,205.47	11/08/23		
3636	337	O. NELSON & SON INC.	1,600.00	11/08/23		
3637	356	PENINSULA CONFLICT RESOLUTION	1,914.89	11/08/23		
3638	361	PENINSULA VOLUNTEERS INC.	3,468.68	11/08/23		
3639	364	PERS HEALTH	14,876.39	11/08/23		
3640	367	PG&E	1,740.16	11/08/23		EFTPS
3641	403	RON RAMIES AUTOMOTIVE INC.	1,444.08	11/08/23		
3642	407	SABER ROOFING INC	1,000.00	11/08/23		
3643	445	STANDARD INSURANCE CO.	487.81	11/08/23		
3644	456	SUSTAINABLE SILICON VALLEY	693.80	11/08/23		
3645	457	SUSTAINABLE SM COUNTY	1,734.50	11/08/23		
3646	486	VANCE BROWN INC.	5,000.00	11/08/23		
3647	489	VERIZON WIRELESS	1,339.34	11/08/23		EFTPS
3648	504	WOODSIDE & PORTOLA PRIVATE	1,650.00	11/08/23		
3649	505	WOODSIDE FIRE PROTECTION DISTR	1,051.09	11/08/23		
3650	537	HOUSING ENDOWM. AND REG. TRUST	944.26	11/08/23		
3651	712	BAYSIDE EQUIPMENT COMPANY	500.00	11/08/23		
3652	730	URBAN PLANNING PARTNERS INC	3,994.00	11/08/23		
3653	847	LISA WISE CONSULTING	4,241.25	11/08/23		
3654	860	STEPFORD	600.00	11/08/23		
3655	911	CIVICPLUS LLC	1,412.25	11/08/23		
3656	949	PORTER CAPITAL CORPORATION	3,564.00	11/08/23		
3657	1016	SHUTE, MIHALY & WEINBERGER LLP	33,853.39	11/08/23		
3658	1060	PHILLIP A. MURRAY CONSTRUCTION	1,000.00	11/08/23		
3659	1061	LASKY TRADE PRINTING	735.00	11/08/23		
3660	1062	BAY CITIES ROOFING	1,000.00	11/08/23		
3661	1063	LINDY ROOFING	1,000.00	11/08/23		
3662	1064	HDL COREN & CONE	1,412.50	11/08/23		
3663	1065	WALTER EVANS	3,102.06	11/08/23		
3664	1066	SHARIF ETMAN	359.44	11/08/23		

Check Register

Check Number	Vendor Number	Vendor Name	Check Amount	Check Date	BW	Check Type
3665	1067	KRISCH & COMPANY	3,992.07	11/08/23		
Check totals:			182,972.16			
ACH totals:						
EFTPS totals:			14,669.92			
Wire transfer totals:						
Payment Manager totals:						
GRAND TOTALS			197,642.08			
Check totals:			182,972.16			
ACH totals:						
EFTPS totals:			14,669.92			
Wire transfer totals:						
Payment Manager totals:						
GRAND TOTALS			197,642.08			

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
Vendor: 11/08/23	3620	3 A-A LOCK & ALARM INC Stamp Key ad Commercial Keys	149.61	149.61	9282
Vendor: 3621	44	BANK OF AMERICA September Statement	11,590.42	11,590.42	1388-SEPT23
Vendor: 3622	78	CALIFORNIA WATER SERVICE CO Water Service 08/11/23 - 09/12/23 Water Service 09/13/23 - 10/11/23	28,520.57	18,268.16 10,252.41	AUGUST-2023 SEPT-2023
Vendor: 3623	121	SCA OF CA, LLC September Qrtly Litter/Street Clean	5,235.03	5,235.03	107142CS
Vendor: 3624	124	COMCAST WIFI-10.21.2023-11.20.2023	204.89	204.89	1945-OCT23
Vendor: 3625	176	EXCEL LD October Telephone LD Services	23.54	23.54	1197224658
Vendor: 3626	179	FEDEX Expedited Delivery Service, September	231.60	231.60	8-292-15334
Vendor: 3627	211	HAYWARD LUMBER CO Picnic table repairs	601.88	601.88	249157
Vendor: 3628	217	HUMAN INVESTMENT PROJECT FY2023- 2024 Annual Contribution	2,081.40	2,081.40	FY2023-2024
Vendor: 3629	218	MISSIONSQUARE RETIREMENT Deferred Comp - October 2023	6,708.15	6,708.15	OCTOBER-2023
Vendor: 3630	234	J. W. ENTERPRISES Handicap Unit Rental & Services Handicap Unit Rental & Services Handicap Unit Rental & Services Handicap Unit Rental & Services	889.76	153.44 189.44 231.44 315.44	253433 253434 254142 254141
Vendor: 3631	259	JOINT VENTURE S.V. NETWORK FY2023- 2024 Annual Contribution	693.80	693.80	FY2023-2024
Vendor: 3632	274	KPMG LLP Progress Billing: DEO Assistance, 8/2022 - 04/2023	16,330.00	16,330.00	8004816895
Vendor: 275		KRUPKA CONSULTING			

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
11/08/23	3633	Speed Surveys & Flashing Beacons	875.00	875.00	1377
Vendor:	278	LAMPHIER GREGORY			
	3634	Planning Consultant 12/10/22 - 10/13/23 Stanford Wedge	19,590.00	19,590.00	2023-1466
Vendor:	324	MIRANDAS LANDSCAPE			
	3635	Mechanical Sys Repair Maintenance September Landscape Maintenance Services	4,205.47	521.47 3,684.00	3449 3450
Vendor:	337	O. NELSON & SON INC.			
	3636	Landscape mow at Springdown Field 8/25/23	1,600.00	1,600.00	260
Vendor:	356	PENINSULA CONFLICT RESOLUTION			
	3637	FY2023- 2024 Annual Contribution	1,914.89	1,914.89	FY2023-2024
Vendor:	361	PENINSULA VOLUNTEERS INC.			
	3638	FY2023- 2024 Annual Contribution	3,468.68	3,468.68	FY2023-2024
Vendor:	364	PERS HEALTH			
	3639	November Health	14,876.39	14,876.39	100000017324659
Vendor:	367	PG&E			
	3640	September & October Statements	1,740.16	1,740.16	OCT-2023
Vendor:	403	RON RAMIES AUTOMOTIVE INC.			
	3641	September Fuel Statement Lawn Mower Service & Repair	1,444.08	470.85 973.23	G20230930-4 75761
Vendor:	407	SABER ROOFING INC			
	3642	Deposit Refund, 6 Horseshoe	1,000.00	1,000.00	BLDR0125-2023
Vendor:	445	STANDARD INSURANCE CO.			
	3643	LTD/Life Premium	487.81	487.81	2023-OCT
Vendor:	456	SUSTAINABLE SILICON VALLEY			
	3644	FY 2023- 2024 Annual Contribution	693.80	693.80	1839
Vendor:	457	SUSTAINABLE SM COUNTY			
	3645	FY 2023-2024 Annual Contribution	1,734.50	1,734.50	2023-132
Vendor:	486	VANCE BROWN INC.			
	3646	Refund Deposit, 135 Portola	5,000.00	5,000.00	BLDC0001-2022
Vendor:	489	VERIZON WIRELESS			

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
11/08/23	3647	September Cellular	1,339.34	1,339.34	9945299297
Vendor:	504	WOODSIDE & PORTOLA PRIVATE			
	3648	PV Smr Concert, Town Picnic, Traffic Cntrl Clean-Up	1,650.00	1,650.00	190970
Vendor:	505	WOODSIDE FIRE PROTECTION DISTR			
	3649	09/01/23-09/30/23 Fire Mitigation Crew Support	1,051.09	1,051.09	WFPD CREW-1021
Vendor:	537	HOUSING ENDOWM. AND REG. TRUST			
	3650	FY2023- 2024 Annual Contribution	944.26	944.26	793
Vendor:	712	BAYSIDE EQUIPMENT COMPANY			
	3651	Annual Service Maintenance on Back-up Generator	500.00	500.00	83126
Vendor:	730	URBAN PLANNING PARTNERS INC			
	3652	PV Housing Element Update- August	3,994.00	3,180.00	21029-230831
		PV Housing Element Update- July Enviromental Collaborative		814.00	22008-230731
Vendor:	847	LISA WISE CONSULTING			
	3653	Professional Services: September 2023	4,241.25	4,241.25	4668
Vendor:	860	STEPFORD			
	3654	Onsite & Remote Field Services - October	600.00	600.00	2306542
Vendor:	911	CIVICPLUS LLC			
	3655	Premium Bundle & OrdLink Subscription	1,412.25	1,412.25	269879
Vendor:	949	PORTER CAPITAL CORPORATION			
	3656	Temp Service, Michelle Magahiz 10/02/23-10/08/23	3,564.00	1,584.00	7299
		Temp Service, Michelle Magahiz 10/16/23-10/22/23		1,980.00	7350
Vendor:	1016	SHUTE, MIHALY & WEINBERGER LLP			
	3657	September Legal Service	33,853.39	33,853.39	SEPT-23-SMW
Vendor:	1060	PHILLIP A. MURRAY CONSTRUCTION			
	3658	Deposit Refund, 19 Redberry	1,000.00	1,000.00	BLDR0054-2021
Vendor:	1061	LASKY TRADE PRINTING			
	3659	Mailers	735.00	735.00	59545
Vendor:	1062	BAY CITIES ROOFING			
	3660	Deposit Refund, 15 Buckeye	1,000.00	1,000.00	BLDR0108-2023
Vendor:	1063	LINDY ROOFING			

Check Date	Check Number	Special Information	Net Check Amount	Total Invoices Paid	Invoice Number
11/08/23	3661	Deposit Refund, 43 Los Charros	1,000.00	1,000.00	BLDR0162-2023
Vendor:	1064	HDL COREN & CONE			
	3662	Contract Svcs Property Tax - Q2 2023	1,412.50	1,412.50	SIN032949
Vendor:	1065	WALTER EVANS			
	3663	Deposit Refund, 380 Portola	3,102.06	3,102.06	BLDR0165-2022
Vendor:	1066	SHARIF ETMAN			
	3664	League of Cities Conference Reimbursement	359.44	359.44	10302023
Vendor:	1067	KRISCH & COMPANY			
	3665	September Advisory Services	3,992.07	3,992.07	51250
Check Date Totals			197,642.08		
Grand Total			197,642.08		

TOWN OF PORTOLA VALLEY
Warrant Disbursement Journal
November 8, 2023

Claims totaling \$197,642.08 having been duly examined by me and found to be correct are hereby approved and verified by me as due bills against the Town of Portola Valley.

Date _____

Sharif Etman, Town Manager

Motion having been duly made and seconded, the above claims are hereby approved and allowed for payment.

Signed and sealed this (Date) _____

Jennifer Torres, Town Clerk

Mayor



TOWN OF PORTOLA VALLEY STAFF REPORT

TO: Mayor and Members of the Town Council
FROM: Jennifer Torres, Town Clerk
DATE: November 8, 2023
RE: Appointment to Geologic Safety Committee

RECOMMENDATION:

Town Council appointment of a new member to the Geologic Safety Committee to fill an unscheduled vacancy.

BACKGROUND:

Only one member application was received and is included as Attachment 1. The appointee will complete the term of appointment, concluding at the end of 2024.

FISCAL IMPACT:

None

ATTACHMENT:

Member Application

ATTACHMENT 1

From: webmaster@portolavalley.net
To: [Town Center](#)
Subject: Committee Application
Date: Tuesday, October 17, 2023 2:12:37 PM

A new entry to a form/survey has been submitted.

Form Name: Committee Application
Date & Time: 10/17/2023 2:12 PM
Response #: 192
Submitter ID: 7106
IP address: [REDACTED]
Time to complete: 4 min. , 14 sec.

Survey Details

Page 1

Name of committee which I am interested in serving on (please note that only committees currently seeking volunteers are listed):

(o) Geologic Safety

Applicant Information

Full Name Troy Douthit
Email Address [REDACTED]
Street Address [REDACTED]
City/Zip Portola Valley, CA 94028
Number of years in Portola Valley 3
Cell Phone [REDACTED]
Home Phone [REDACTED]
Other Phone Not answered
Emergency Preparedness Not answered

Preferred Phone Contact Number

(o) Cell

Please state why you have an interest in this committee, and state any background or experience you may have that may be useful in your service to this committee.

"The most important thing people need to know about earthquakes is the fact that they will occur is absolute and indisputable. That thousands of people will die is not inevitable, and it's in society's realm to do something about it."

This quote by Dr. Allen Lindh, chief scientist of a major earthquake study for the United States Geological Survey, was in response to the 1985 Mexico City disaster which killed over 10,000 people.

ATTACHMENT 1

I am by education and avocation an experimental solid state physicist with 45 years of experience in five hi-tech startups in Silicon Valley.

I was required to take GEO1 in my sophomore year at Stanford. This led to a very long and deep interest. This was broadened when, working as a volunteer in an under funded project under Dr. Earle Brabb at USGS-Menlo Park, I met Dr. Lindh and learned to share his fascination with earthquakes and their prediction.

Do you have any personal or financial interest that could be perceived by others as a conflict of interest relative to your service on the committee? If so, please describe.

None

TIME COMMITMENT: Generally committees meet monthly and require a significant time commitment and participation at regular meetings. Please consider this level of commitment when evaluating your interest in serving on one of the Town's Committees.

New Text Information

Thank you,
Portola Valley, CA

This is an automated message generated by Granicus. Please do not reply directly to this email.



TOWN OF PORTOLA VALLEY STAFF REPORT

TO: Mayor and Members of the Town Council
FROM: Jennifer Torres, Town Clerk
DATE: November 8, 2023
RE: Appointment to Trails and Paths Committee

RECOMMENDATION:

Town Council appointment of a new member to the Trails and Paths Committee to fill an unscheduled vacancy.

BACKGROUND:

Only one member application was received and is included as Attachment 1. The appointee will complete the term of appointment, concluding at the end of 2024.

FISCAL IMPACT:

None

ATTACHMENT:

Member Application

ATTACHMENT 1

From: webmaster@portolavalley.net
To: [Town Center](#)
Subject: Committee Application
Date: Saturday, October 28, 2023 7:50:20 PM

A new entry to a form/survey has been submitted.

Form Name: Committee Application
Date & Time: 10/28/2023 7:50 PM
Response #: 193
Submitter ID: 7112
IP address: [REDACTED]
Time to complete: 5 min. , 17 sec.

Survey Details

Page 1

Name of committee which I am interested in serving on (please note that only committees currently seeking volunteers are listed):

(o) Trails & Paths

Applicant Information

Full Name Nancy Freire
Email Address [REDACTED]
Street Address [REDACTED]
City/Zip Pv
Number of years in Portola Valley 11
Cell Phone [REDACTED]
Home Phone [REDACTED]
Other Phone Not answered
Emergency Preparedness Not answered

Preferred Phone Contact Number

(o) Cell

Please state why you have an interest in this committee, and state any background or experience you may have that may be useful in your service to this committee.

I have an interest in the conservation committee.
Please lmk what else I need to do to apply.

Do you have any personal or financial interest that could be perceived by others as a conflict of interest relative to your service on the committee? If so, please describe.

Not answered

TIME COMMITMENT: Generally committees meet monthly and require a significant time commitment and participation at regular meetings. Please consider this level of commitment when evaluating your interest in serving on one of the Town's Committees.

New Text Information

Thank you,
Portola Valley, CA

This is an automated message generated by Granicus. Please do not reply directly to this email.



TOWN OF PORTOLA VALLEY

STAFF REPORT

TO: Mayor and Members of the Town Council

FROM: Sharif Etman, Town Manager

DATE: November 8th, 2023

RE: Town Manager Update and State of the Town

RECOMMENDATION

Staff recommend Town Council review and discuss the following updates from the Town Manager and approve the authority to spend \$135,000 to engage Krisch & Company to assist in financial matters until June 2024.

BACKGROUND

It has been approximately 60 days since the new Town Manager began his role on August 30th, 2023. This report is an update from the Town Manager regarding the state of the town and other current business pertinent to the Town Council and community.

The Town Manager, with the Town Council's support, immediately looked to address the turnover of staff and help address the financial matters that are currently behind in multiple areas. As set out below, the Town Manager has specific proposals on how to address these matters, including the use of an outside financial consultant to expedite progress.

DISCUSSION

Staffing

The Town has experienced unprecedented turnover (nearly 70%) during the calendar year of 2023. The departure of the Town Manager, Assistant Town Manager, Town Attorney, and Town Building and Planning Director, for example, has significantly impacted town operations and continuity of leadership.

Other positions such as the Assistant to the Town Manager, Administrative Operations, Associate Planner, and Development Review Technician also have significant impact on

town operations. There is also the loss of connection, institutional knowledge, and the ability to provide services to the public.

Staff turnover and the continued needs of the community and our residents in turn have caused stress for the remaining staff as they continue to serve the town.

The Town Manager immediately hired an Interim Building and Planning Director, Jon Biggs, to help lead the transition of the Building and Planning Department. Jon Biggs is a retired annuitant – he can only serve as interim for a set number of hours and a certain period, according to CalPERS guidelines. It is anticipated Jon will serve until approximately late February, allowing time for the hiring of a permanent Building and Planning Director.

We have hired an intern for the front counter, and also filled the permanent Administrative Operations (front counter) position which was recently vacated. A (permanent) second Senior Accountant and a temporary, contracted (through an employment agency) Finance Technician has also been added.

As of November 1st, 2023, the Town currently has 5 vacant positions:

- Director of Building and Planning
- Senior Management Analyst
- Associate Planner
- Development Review Technician II
- Maintenance Worker I/II

While working to restore stability to Town Hall, the Town Manager and executive team are currently reviewing their departments' roles and responsibilities and the staff needed to fulfill those needs.

The current mantra of “Reset – Refocus – Restructure” is a theme that was introduced by the Town Manager and embraced by the executive team and supported by the Town Council to:

- Evaluate all positions (current and filled)
- Evaluate consultant use based on need and cost
- Restore Town Hall (front desk) hours
- Support ongoing Town Council efforts to assess best operations for committees (Brown Act vs. Non-Brown Act committees)

Based on the Town Manager's observations, with the turnover of staff and the lasting effects of the COVID-19 pandemic, there have been losses of institutional knowledge, disruptions to workflow, and interruptions in service. There has also been a loss of comradery and connection with staff and the community.

As part of the “Reset – Refocus – Restructure” mantra, the Town Manager and Staff will participate in blocks of Staff Development and Training to allow staff to get caught up and trained in multiple areas with the goal to provide even better services to the community. This endeavor is being coined “P.V. Refresh.”

The P.V. Refresh will occur during the weeks of November 13-22, 2023. Blocks of time from 10 a.m. to 3 p.m. will be set aside for all staff, in person meetings. Examples of the modules being prepared are:

- Meet and introduce each other and individual council members
- Create a Statement of Values
- Emergency Preparedness and EOC training
- Train on the business license, permitting, and finance software systems
- Train on Ring Central, Teams, and Zoom
- Cross-train in multiple areas of service delivery
- Complete State mandated and other critical trainings
- Clean and purge items from Town Hall

On December 4th or 5th (date and time TBD) Town Hall staff will invite the community to meet and greet all staff. More information will be forthcoming regarding this event.

Following the P.V. Refresh, the new Town Hall hours will be Monday through every other Friday 8 a.m. to 4 p.m. (excluding lunch). Currently Town Hall hours are limited to Monday through Thursday 8 a.m. to 12 p.m. only.

Focus on Town Finances

The Town Manager focused on understanding the status of current Town finances. He had conversations with our current Director of Finance and staff and conducted an internal review and engaged a contractor to perform an external review of our financial situation.

The Town Manager has acquired the services of Krisch & Company, an accounting and governmental advisory practice with expertise in municipal finance, to review, evaluate, and provide recommendations for the Finance Department functions and operations. They were asked to recommend necessary resources and help determine appropriate timelines for the completion of our year-end close and outstanding audits.

Krisch & Company met onsite with staff in late September and reviewed outstanding items, discussed staffing levels, workload, internal departmental processes, internal controls among other fiscal and audit items. A report of the evaluation was presented to the Town Manager on November 2nd, 2023. The document entitled Town of Portola Valley Fiscal Review is attached to this report.

As identified by our current Director of Finance, our internal review, and the analysis by Krisch & Company – the Finance Department and its operations are significantly behind in multiple areas.

In recent years, the Finance Department has experienced staff turnover and staff shortages, new software implementation(s), and the impacts of the COVID-19 pandemic, these challenges have created delays in our financial reporting, completion of annual audits, and have impacted other important operations.

The attached Krisch & Company report outlines the areas that need attention. The report is broken out into:

- Areas that need immediate attention
- Areas to be addressed within three months
- Areas that should be addressed within the next year
- Up to date items or items to review at a later date

It is clear from the report and our internal review that certain immediate actions are needed. The Town Manager is requesting authority to engage Krisch & Company to work with existing staff to complete urgent items and work through the backlog of finance tasks to prepare year-end close and the subsequent audits. It is estimated this work will require 20-30 hours a week over the next six months.

The Town Manager will work with Krisch & Company to define specific finance delivery dates and timelines for the work to be completed. It is anticipated that the specific timelines will be shared with the Town Council in February, and the contract will be reviewed bi-monthly as to progress against these dates.

Because there will be anticipated changes to the leadership in the Finance Department, the Town is also making plans to bring on an Interim Finance Director. The Town Manager will hire an Interim Director of Finance who will lead the Finance Department and help coordinate the Krisch & Company workload. At a later date and within existing resources and funding, the Town Manager will recruit a permanent Finance Technician, so as not rely on a contracted employee from an outside employment agency.

The Town Manager and staff are confident that the plan outlined above will enable the town to jumpstart its ability to get caught up and in compliance as needed. It is important to note that it is anticipated to take one and half to two years to become fully compliant, audited and up to date. This is based on multiple factors including the current backlog, and scheduling of three fiscal year audits which require five to six weeks each of review (preliminary and final audits) by our contracted audit firm.

Appropriations/GANN Limit

Additional review is necessary to establish the Town's Appropriation Limit for FY 2023-24, Krisch & Company will be performing a complete recalculation of the town's appropriations going back to 1978 to determine accuracy of prior year limits. This review is expected to be completed in time for the December 13th Town Council meeting.

Council Action:

Receive the Town Manager report and grant the authority to spend up to \$135,000 for Krisch & Company.

FISCAL IMPACT

There are sufficient funds available as a result of open staff vacancies to cover the cost of hiring an Interim Finance Director. The estimated cost of Krisch & Company for six months is \$135,000. This cost is currently not budgeted and will be funded by our reserves.

ATTACHMENT

1. Krisch & Company Town of Portola Valley Fiscal Review



To: Sharif Etman, Town of Portola Valley Town Manager

From: Heather Rowden, Advisory Services Manager

Date: November 2, 2023

Subject: Town of Portola Valley Fiscal Review

Scope of Work

On September 24, 2023, Krisch & Company (Krisch) was contracted by the Town of Portola Valley (the Town) to perform a review of current financial processes and procedures as compared to industry best practices and standard reporting requirements. The scope of work covered general accounting practices for accounts receivable, accounts payable, payroll, general ledger maintenance, and fiscal reporting. This was a high-level review covering standard practices as identified through interviews with the Finance Director, Assistant Town Manager, and Town Manager. The Town's official Policies and Procedures document was also reviewed. In some cases, general advice for correction is provided. Additional review is required for specific Items identified in the report and all recommendations should be considered as a whole with other Town priorities.

Standards

Krisch conducted this engagement in accordance with the Statements on Standards for Consulting Services as issued by the American Institute of Certified Public Accountants and the terms stated in our engagement letter dated September 24, 2023. The work performed is only for the use and benefit of the Town management.

Because the scope of work listed above does not constitute an examination or audit in accordance with generally accepted government auditing standards, we did not express an opinion on the results of our work, but instead have provided this report with our findings and recommendations. We had no obligation to perform any procedures beyond those listed in the Scope of Work. If, however, as a result of the procedures or through other means, matters had come to our attention, we would have disclosed those matters to the Town. Such disclosures, if any, may not include all matters which might have come to our attention had we performed additional procedures or an examination.

Summary of Findings

The Town's financial processes and procedures were reviewed for compliance with best practices and suggestions for updates, when applicable, were discussed with the Town Manager and Town Attorney. A summary of tasks reviewed, as well as the identified urgency, is included in the following table. Tasks are color coded by priority.

Task priorities are categorized as follows:



Red: Needs immediate attention

Orange: Should be addressed in the next 3 months

Yellow: Should be addressed in the next year

Green: Up to date or a review at a later date

In all categories, areas of improvement, including potential ways to address any deficiencies, were discussed with staff.

Urgency	Specific Areas
Needs Immediate Attention	Cash Handling Procedures: A review of current processes for deposits and revenue recording was completed. It is recommended that a formal, town-wide procedure is implemented as soon as possible.
	Bank Reconciliations: The Town is several months behind on bank reconciliations. Per best practice, reconciliations should be completed the following month. Procedures should be put in place for timely reconciliations moving forward and past reconciliations should be completed as soon as possible.
	System Reconciliations: A review of software that interacts with the accounting software was completed. It is recommended that a reconciliation process be implemented as soon as possible.
	Software Implementation: The Town implemented a new accounting software in 2020. Residual setup issues remain and should be addressed as soon as possible.
	Payroll Journal Information: A review of the current payroll process was completed. Several recommendations to streamline the process and make it less manual were made.
	Benefit Reconciliations: Benefit reconciliations are several months behind. Procedures should be put in place for timely reconciliations moving forward and past reconciliations should be completed as soon as possible.
	Payroll Changes Entry: A review of the current payroll process was completed. It is recommended that a Human Resources Technician (or similar) be hired to provide a separation of duties in the payroll process.
	Annual Audit Reports: The Town is several years behind on production of audited financials. These will not be able to be completed until other tasks identified by this review are addressed.
	SCO Annual Streets and Roads Reports: While most State Controllers' Office reports have been filed, this report is outstanding. The report should be filed as soon as possible, however other tasks addressed by this review will be needed prior to filing.
	Treasurer's Report to Council: A review of the Town's investments and Investment Policy was completed. It is recommended that the Town issue a Request for Proposal for Investment Advisory Services and hire an Investment Manager familiar with municipal government regulations and reporting requirements.
Budget to Actual Reports: A review of the Town's budgeting and reporting process was completed. These reports are not currently being provided to City Management or the public. It is recommended that these reports be compiled as soon as possible to ensure the Town stays on budget and the public is aware of revenue and expense trends.	



	<p>Compliance with Current Accounting Standards: A review of the Town’s accounting policies and practices was completed. In addition to suggesting that the Town’s Financial Policies are updated to reflect current practices, additional areas of improvement were discussed with staff. It is recommended that the Town issue Requests for Proposals for several Governmental Accounting Standards Board (GASB) requirements was suggested to ensure compliance as audits are completed.</p>
	<p>SB 1186 Fee Reporting and Remittance: A review of the Town’s compliance with California State SB1186 fee reporting and remittance was completed. The Town is behind in reporting these fees, which are paid with business license taxes. Reporting should be brought up to date as soon as possible.</p>
<p>Address in the Next 3 months</p>	<p>Check Run Procedures: A review of the Town’s current check run process was completed. Recommendations for making the process more efficient were made, including implementation of a new module available in the accounting system.</p>
	<p>Appropriations Limit: A review of the Town’s Appropriations (Gann) Limit process was completed. Krisch has been contracted to complete a full recalculation of the limit and assess options should the Town exceed the Appropriations Limit at any time in the future.</p>
	<p>Asset Management: A review of the Town’s current fixed asset tracking and reporting was completed. Areas of improvement were discussed with staff, and a recommendation to issue a Request for Proposal for a physical inventory in the next year was provided.</p>
	<p>Contracting Procedures: A review of the Town’s contracting and contract recording processes were completed. Staff are in the process of implementing a contracting software and the City Attorney is currently reviewing the Town’s template contract.</p>
	<p>Journal Entries: A review of the Town’s accounting policies and practices was completed. It is recommended that formal policies are implemented and entries are reviewed and posted on a regular basis.</p>
	<p>General Ledger: A review of the Town’s accounting policies and practices was completed. As part of the software implementation review mentioned above, balance sheet accounts should be reconciled to ensure carryover balances are cleared.</p>
	<p>Timesheet Procedures: A review of the current payroll process was completed. It is recommended that the new timesheet module available as part of the accounting system is implemented.</p>
	<p>Grant Tracking: A review of the Town’s accounting policies and practices was completed. It is recommended that a review of reporting requirements for any grants is completed.</p>
<p>Address in the Next Year</p>	<p>Business License Taxes: A review of the Town’s accounting policies and practices, including updating, billing, and recording business license taxes was completed. It is recommended that formal policies be implemented in the next year.</p>
	<p>Budget Procedures: A review of the budgeting process was completed. It is recommended that staff be more involved in the beginning of the process to ensure mandated and required core services are included in the budget prior to additional projects being requested.</p>



	<p>Financial Policies Procedures: A review of the Town’s financial policies and practices was completed. This document should be reviewed and updated to reflect current processes and best practices.</p> <p>CalPERS Reporting: A review of the current payroll process was completed. A formal procedure should be implemented for withholding and remittance of both employee and employer contributions.</p> <p>Federal Labor Standards Act Compliance: A review of the current payroll process was completed. It is recommended that the Town implement the new timesheet module to make tracking FLSA compliance less manual.</p> <p>SCO Financial Transactions Reports: The process for tracking and filing State Controllers’ Office reports was completed. While the majority of the reports have been filed, areas of improvement were discussed with staff.</p>
Review at a Later Date	<p>Master Fee Schedule: The process for updating the Master Fee Schedule was reviewed. While these fees are updated by the change in the Consumer Price Index annually, it is suggested that a fee study be done in the future to ensure the Town is recovering all applicable costs.</p> <p>Leases: A review of the Town’s billing processes was completed. There are several property leases that are billed annually. No deficiencies were noted.</p> <p>SCO Government Compensation Report: A review of State Controllers’ Office reporting requirements was completed. Most reports have been filed but may need to be updated once audits are completed.</p>
Up to date	<p>Continuing Disclosure Obligations for Debt: A review of any potential debt service reporting obligations was completed. The Town has no debt and, therefore, no reporting obligations.</p> <p>Taxes -- Remittance and Filings: A review of the current payroll process was completed. All Federal and State tax filings are up to date.</p> <p>SCO Single Audit Report: A review of State Controllers’ Office reporting requirements was completed. The Town has not been required to complete a Single Audit (required if Federal funding in excess of \$750,000 is expended in a fiscal year) for several years and is up to date on reporting this to the State.</p> <p>ARPA Report to US Treasury: A review of any potential Federal reporting was completed. The only noted report was the American Rescue Plan Act reporting to the US Treasury. This report has been completed.</p> <p>CA Strong Motion Instrumentation Program (SMIP) Returns and Remittance: A review of any potential State reporting was completed. The Town is up to date on remitting and reporting CA Strong Motion Instrumentation Program fees assessed through the permitting process.</p> <p>CA Building Standards Administration Special Revolving Fund (BSASRF) Returns and Remittance: A review of any potential State reporting was completed. The Town is up to date on remitting and reporting CA Building Standards Administration Special Revolving Fund fees assessed through the permitting process.</p>



TOWN OF PORTOLA VALLEY

Colleagues Memo

TO: Mayor and Members of the Town Council

FROM: Judith Hasko, Esq. and Mary Hufty, MD

DATE: November 8, 2023

RE: Affordable Housing Fund Policy Draft

RECOMMENDATION:

Our Inclusionary Housing Fund Policy Subcommittee recommends that the Town Council review the enclosed documents and provide comments and direction to Staff on how to update the draft policy so that it can return with a final policy for Town Council consideration.

BACKGROUND:

For background, we have been focused on formulating a policy for use of the Town's "In-Lieu" funds, which derived from the payment of a developer's in-lieu funds in part from the Blue Oaks subdivision in 2013. To date, the Town's In-Lieu fund holds approximately \$4,599,000, to be used for housing-related Town activities. As opportunities arise to provide grants, subsidize development fees, or otherwise support our efforts to provide affordable housing in Town, the Town Council should adopt a policy about how and when these funds should be used, and the types of projects that should be eligible for consideration for use of these funds. The Subcommittee recommends adoption as soon as possible to provide flexibility to respond to opportunities in a timely manner.

We asked the Finance Committee, Open Space Committee and Race and Equity Committees to discuss components of a potential In-Lieu Housing Fund policy. We attach a copy of their combined work product (the "Committee Memo"), which has been very useful as the Subcommittee considers the topic.

We also enclose an initial draft of a policy for the Town Council to discuss. We created this document using examples from policies adopted by other jurisdictions for a similar purpose, and integrated concepts raised in the Committee Memo. You will note that the Committee Memo addresses some topics at a very detailed level. The Subcommittee felt that the policy needs to

operate as a framework rather than impose specific requirements, and so you will see that the Committee Memo concepts are integrated at a more conceptual level to allow the Town Council to react appropriately to the specific circumstances that evolve during our administration of the 6th Cycle of our Housing Element. For example, we don't know what properties may be identified in the future, particularly during our intended Sunrise Period when we are looking for alternatives to development of affordable housing on Dorothy Ford Field and Open Space, and so we may not want to dictate now detailed approaches that may constrain the Town Council's flexibility to respond to new opportunities or result in spending a substantial amount in the near future before alternatives are identified. The Subcommittee also felt that the policy should be given some direction on priorities for use of funds, rather than a required ordering of the potential uses.

We welcome any comments or suggestions the Town Council may have. This effort has raised many policy-level questions that would be helpful for you to comment on, including:

1. Should we have caps on the use of funds, either based on time or the maximum amount to be provided to a given project?
2. Should we try to preserve a certain portion of the fund until we know how the Sunrise Period efforts work out?
3. Does the Town want flexibility to purchase land for subsequent use by developers for affordable housing, or does the Town prefer to subsidize projects initiated by these developers?
4. Should we prioritize low and very-low income housing over other opportunities, or should we generally look to make housing opportunities available (which in theory may help those needing affordable housing indirectly)?
5. How can we make sure that development occurs in a manner that maximizes the number of affordable housing units, and avoid an approach that confers undue profit on developers (*if that is perceived as an issue by the Town Council*)?
6. Should ADUs and JADUs receive specific treatment and facilitation as they are more likely to occur throughout Town somewhat organically and not require development of housing at higher densities on a site?
7. What types of deed restrictions should be required for projects for which funds are allocated? Should these be included in the policy or left for future determination based on the nature of specific projects?

FISCAL IMPACT

Other than the assistance staff provided for this effort, no other fiscal impact is anticipated in the Town Council review of the draft policy.

ATTACHMENTS

1. Draft Affordable Housing Fund Policy
2. Committee Memo



Cindy Rodas, Finance Director

Approved by: Sharif Etman, Town Manager

AFFORDABLE HOUSING FUND POLICY

Establishment of the affordable housing fund.

1. There is hereby established by the town council an affordable housing fund. Such fund shall receive all fees collected pursuant to inclusionary housing in-lieu fee regulations and, any other appropriations as determined from time to time by the Town, and all other moneys received by the affordable housing fund either from special funds or general fund appropriations, or from other sources. Separate accounts within the affordable housing fund may be created from time to time to avoid commingling if required by law or as deemed appropriate to further the purposes of the fund.
2. Principal and interest from loan repayments, proceeds from grant repayments, forfeitures, reimbursements, and all other income from affordable housing fund activities, plus all income from the activities of the fund's separate accounts, shall be deposited into the affordable housing fund. All funds in the account shall earn interest at least at the same rate as pooled investments managed by the Town. All interest earnings from the account shall be reinvested and dedicated to the account. The transfer of interest earnings shall be made quarterly or upon direction of the town manager. Transferred funds shall accrue interest from the time of transfer.

Fund use location.

Affordable housing funds shall serve to increase the supply of affordable housing that is located within the Town of Portola Valley.

Administration.

The affordable housing fund and all accounts within the affordable housing fund shall be administered by the town manager who shall have the authority to govern the fund consistent with this policy, the appropriate ordinances, and applicable town policies. In instances where direction for the administration of the fund is needed but lacking, the town manager shall develop appropriate procedures, subject to approval by the town council. The town has the option to select and contract with an outside entity/nonprofit agency to administer a portion or all the affordable housing fund. The responsibilities, tasks, and performance standards to be assumed by the entity shall be described in an executed agreement between the entity and the town.

Eligible fund expenses.

Moneys deposited in the affordable housing fund along with any interest earnings on such moneys shall be used to:

1. Increase and improve the supply of housing affordable to workforce, moderate, low, and very low-income households through the following means:

ATTACHMENT 1

- a. Provide funding for pre-development and construction expenses necessary to create new affordable housing.
 - b. Purchase land directly (land banking) or provide funding to affordable housing developers or community land trusts to purchase suitable sites to build affordable housing.
 - c. Provide funding for purchase and/or rehabilitation of existing multi-family housing for conversion to deed restricted affordable housing.
 - d. Other opportunities as they may arise that are fully consistent with this policy.
2. Cover reasonable administrative expenses not reimbursed through processing or other fees, including:
 - a. Reasonable consultant and legal expenses related to the establishment and/or administration of the affordable housing fund,
 - b. Reasonable expenses for administering the process of calculating, collecting, and accounting for in-lieu and housing impact fees, and
 - c. Town administrative costs for the development, permitting, and the ongoing monitoring of affordable housing projects constructed with affordable housing fund moneys.
 3. No portion of the affordable housing fund may be diverted to other purposes by way of an intra-agency loan or otherwise.

Funding priorities.

Funding requests shall be considered, giving priority to the following:

1. Identifying, funding the acquisition of, and funding the construction of affordable units on Housing Element Opportunity Sites, or alternative sites that contribute to meeting the RHNA obligations of the Housing Element on an equivalent basis.
2. Projects that would enable developers to increase the percentage of units in a project that are for very low-, and low-income households.
3. Supporting the development and construction of accessory dwelling units and junior accessory dwelling units.
4. Streamlining affordable housing processes in Portola Valley, monitoring compliance with deed restrictions or other requirements based on which funds are provided, and monitoring results of the Town's affordable housing efforts and programs.
5. Supporting projects for which the Town Council determines such funds will have the greatest impact in addressing the Town's affordable housing needs, consistent with the Town's General Plan.

ATTACHMENT 1

Use of the affordable housing fund money.

Moneys in the affordable housing fund, subject to the discretion of the Town Council, may be used for any or all the following:

1. Construct, rehabilitate, preserve, or subsidize very low, low, moderate income and workforce housing.
2. Assist other governmental entities, private organizations or individuals in the construction, rehabilitation or subsidy of very low, low, moderate income and workforce housing.
3. Hire or engage consultants with demonstrated experience in the development of affordable housing projects to evaluate the feasibility of potential affordable housing sites or projects and/or develop site and building designs that reflect an appropriate affordable housing project on such sites.
4. Purchase or contribute to the purchase of land in Portola Valley for use in constructing affordable housing.
5. If affordable housing funds are approved to fund construction, they shall only be used to construct affordable housing units identified by the Town Council.
6. Assist housing development corporations, through loans including, equity participation loans, grants, pre-home ownership co-investment, participation leases, or other public/private partnership arrangements.
7. Affordable housing funds may be disbursed, hypothecated, collateralized, or otherwise employed for these purposes from time to time as the Town Council deems appropriate to accomplish the purposes of the affordable housing fund.

Expenditure.

Expenditures from the affordable housing fund shall be controlled, authorized, and paid in accordance with the town's general budgetary policies. For all funding opportunities, an application shall be submitted to the Town, reviewed by town staff, and a report prepared for Town Council consideration. The report should contain a summary of the current affordable housing fund status, assessment of project consistency with this policy, an analysis of project eligibility, and a review of project documentation, pro forma, and other reports demonstrating project and applicant readiness and capability.

Every recipient shall enter into a written agreement with the town which sets forth the terms and conditions of the grant or loan. At a minimum, the agreement shall describe the allowable uses of the grant or loan funds, the dollar amount and disbursement method, compliance with

ATTACHMENT 1

the applicable town standards and policies for affordable housing and periodic reporting to assist the town in the monitoring of compliance with the agreement.

Accounting of fund.

Funds shall be accounted for in the town's annual financial audit.

Inclusionary Housing Fund - Notes from Finance, Open Space and Race & Equity Committees

Summary:

Open Space Committee recommendations for Inclusionary Fund use:

The Open Space Committee argues that the use of the Inclusionary Fund should be linked with the identification of Dorothy Ford Park and Open Space as a potential site for low-income housing. They believe that spending the Inclusionary Fund now would limit the Town's options. They identify key challenges that need to be addressed, such as the protection of the 400-year-old oaks, sufficient buildable space, and design options. They suggest that the Inclusionary Fund could be key in addressing these challenges and possibly purchasing alternative sites.

Finance Subcommittee on Inclusionary Housing Fund:

The Subcommittee on Inclusionary Housing Fund discusses how to optimize the use of the \$4.6-\$4.9M Inclusionary Housing Fund (IHF) to create low-income housing without resulting in excessive profit for developers. They propose three options: purchasing an alternative site, using funds to decrease the visual impact of another large low-income housing project, and providing a subsidy for developers to shift a percentage of units to lower-income status. They recommend adopting the third option and drafting guidelines for how a project could qualify for the subsidy.

Race & Equity Committee - IHF Subcommittee:

The IHF Subcommittee - Race & Equity Committee recommends focusing the IHF resources on housing for Low and Very Low income households. They propose using the fund as a loan mechanism rather than direct aid, suggesting that loan repayments could help grow the fund. They recommend supporting ADUs and JADUs, as they are faster and lower cost projects. They also recommend hiring dedicated staff for streamlining the process and maintaining an ongoing monitoring program to ensure compliance over time.

ATTACHMENT 2

Similarities of the Recommendations:

- All reports stress the importance of using the IHF to facilitate the creation of low-income and very low-income housing.
- There is a consensus on the need for careful planning and monitoring of fund usage, with a focus on achieving the greatest impact.
- All reports acknowledge the challenges involved in balancing the need for housing with the importance of preserving open spaces.
- Each report mentions the potential use of the IHF for supporting development projects that might not otherwise be economically viable.
- The idea of using the IHF to incentivize the creation of Accessory Dwelling Units (ADUs) and Junior Accessory Dwelling Units (JADUs) is considered in all reports.

Differences in the Recommendations:

- The Open Space Committee report focuses primarily on the potential impact of housing development on the Dorothy Ford Park and Open Space, and urges a delay in fund utilization until alternative sites and design options have been thoroughly evaluated.
- The Subcommittee on Inclusionary Housing Fund presents specific structural options for fund usage, including purchasing alternative sites, decreasing the visual impact of housing projects, and subsidizing developer projects to enable a shift to lower-income housing.
- The IHF Subcommittee - Race & Equity Committee report puts forth the idea of using the fund as a loan mechanism rather than direct aid, and sets a cap on the percentage of the fund that can be allocated to a single project.

General Recommendations:

The three reports offer a range of recommendations, and they can be encapsulated as follows:

- From the Open Space Committee: Defer spending down the Inclusionary Fund until the work of the committees is done, thereby preserving the Town's options. This allows time to address crucial questions about the development of the Dorothy Ford Park and Open Space, including the protection of the 400-year-old oaks, the viability of the buildable space, and the design options for housing.
- From the Finance Subcommittee on Inclusionary Housing Fund: The third structural option, which proposes the allocation of funds to proposed projects to move a percentage of units to a more favorable income category, is recommended as the most likely to succeed. Also, they recommend setting guidelines for the allocation of funds to ensure an appropriate level of incremental inclusive housing.
- From the IHF Subcommittee - Race & Equity Committee: The idea of using the fund as a loan mechanism rather than direct aid is a valuable one. This approach would allow the fund to be replenished over time, extending its usefulness. Also, the recommendation to cap the percentage of the fund that can be allocated to a single project helps to ensure that the fund's resources are used diversely and effectively. Prioritizing JADUs and

ATTACHMENT 2

conversions of permitted accessory buildings to count towards the housing element is another strong recommendation.

ATTACHMENT 2

Original Documents

Open Space Committee recommendations for Inclusionary Fund use submitted to Inclusionary Fund Subcommittee

June 8, 2023

From the perspective of the Open Space committee, the near term use of the Inclusionary Fund cannot be separated from the identification of Dorothy Ford Park and Open Space as the site of 50 “very low income” housing units in the May 10 Agenda Draft Housing Element. The Town’s “Post Adoption Implementation Plan and Related Recommendations for 6th Cycle Housing Element” describes a process where a Town Council subcommittee (Hasko and Taylor) and an ad hoc committee work to identify alternative sites to Dorothy Ford Park and Open Space, identify potential sites that could accommodate some of the density currently assigned to the Dorothy Ford Park and Open Space site, and evaluate design alternatives that retain “as much as possible the aesthetic, recreational and natural attributes of these sites while complying with our HE commitments.”

<https://www.portolavalley.net/home/showpublisheddocument/17292/638150918263400000>

This means that over the next year, we will have a much clearer sense of what the best use of the Inclusionary Fund will be. The Inclusionary Fund is an essential resource for successfully implementing the Housing Element and Post-Adoption plan. Until the work of these committees is done, spending down the Inclusionary Fund only decreases the Town’s options.

The most pressing questions about the development of the Dorothy Ford Park and Open Space will have to be addressed, including the protection of the 400 year old oaks on the land, whether or not the creek and scenic corridor setbacks leave sufficient buildable space, and design options to create housing and retain open space and recreation. Inclusionary Fund support may be essential to finding workable solutions to these challenges. The Inclusionary Fund may also make it possible for the Town to purchase alternative sites for some or all of the planned “very low income” housing units.

After the Town has determined whether and how many “very low income” housing units can be built at the Dorothy Ford Park and Open Space site, it will make sense to set policies for the remainder of the Inclusionary Fund. If new zoning needs to be in place in two years, the work of the implementation will need to be completed over the next 18 months. At that point, it will make sense to determine the values that should guide the use of the Inclusionary Fund and the specific goals that should drive decisions about the use of those funds.

Open Space Committee comment submitted to Town Council on July 7, 2022

The Portola Valley Open Space Acquisition Advisory Committee (PVOSAAC) unanimously and strongly opposes building any housing on our open spaces (including at Dorothy Ford Park and Open Space). Open Space is a fundamental value and characteristic of Portola Valley. We have received tax revenues, financial donations, and gifts of properties for open space in good faith. If

ATTACHMENT 2

we violate that trust, we could irrevocably compromise our ability to receive or acquire open space in the future.

We recognize the need and mandate for affordable housing. We appreciate the efforts of the Ad Hoc Housing Element Committee, Staff, Planning, and Consultants. However, we respectfully encourage the Town Council to provide additional time to explore alternative options to achieve our affordable housing needs.

ATTACHMENT 2

Finance Subcommittee on Inclusionary Housing Fund

Subcommittee Members: George Savage, Lucy Neely and Stephen Cassani

Issue: How should we allocate the \$4.6-\$4.9M in the Town's Inclusionary Housing Fund (IHF)?

We want to use the funds to move the needle on creating low-income housing. How do we optimize the use of funds in a way that creates appropriate incentives that directly result in incremental low-income housing, while not resulting in excessive profit for developers.

Discussion

Fees-in-lieu of housing (c.f., Blue Oaks), while they can play a role, are only impactful if they actually result in affordable housing being built.

Structural options:

- 1) Purchase site to serve as alternative to Dorothy Ford Park for low-income housing
 - a. Example: property owned by George Stern's heirs; 20-30 flat acres behind Town Center; ½ for housing and ½ for park/open space; could combine open space and park funds [low probability]
- 2) Dedicate funds to decrease the visual impact of another large low-income housing project (e.g., underground parking and other upgrades for any Dorothy Ford Park project) [medium probability]
- 3) Upon application by developers, apply funds to proposed projects to move a percentage of units to a more favorable income category [high probability]

Options 1 and 2 are contingent on specific circumstances. Option 3 is more likely, and indeed a developer has already applied for subsidy (Willow Commons).

Recommendations:

Option 3

Provide partial town fee abatement and a \$100K/unit subsidy for deed-restricted conversion of a percentage of a project to lower-income status. The goal of the subsidy is to allow a project to move forward that otherwise might not be economically viable.

The Town Council would decide on developer applications. We would recommend that the town draft a set of guidelines that provide reasonable clarity on how a project would qualify for the subsidy.

Other potential uses of IHF funds that have merit are to cover the costs of Deed Restriction Monitoring and potentially hiring a consultant to help formulate an implementation plan.

Options 1 and 2

ATTACHMENT 2

In the meantime, the TC and town staff would remain alert to possibilities to concentrate resources on option 1 or 2, should appropriate circumstances arise.

Additional Considerations:

- Consider whether the subsidy should be increased for Very Low Income units vs. Low Income units.

- Potential caps on fund distributions: We don't believe an annual cap is necessary or beneficial, as long as the allocation of funds results in an appropriate level of incremental inclusive housing. However, the Town might consider allocation guidelines for various project or use categories (e.g., direct subsidies for multi-unit development vs. subsidies for ADU or JADU, vs. Option 1 or 2 above, etc.).

- ADUs / JADUs: These can be important contributors to expanding the stock of inclusive housing. The question we struggled with a bit is whether a \$100K subsidy will actually move the needle when it comes to ADUs and JADUs. For example, given the relatively high cost of building an ADU in our community, would the receipt of a \$100K subsidy provide sufficient incentive for a homeowner to deed restrict their unit? A unit that otherwise would be entitled to much higher market rate rent? The loss of value would far exceed the \$100K, so our concern is that in the case of ADUs, the subsidy would be more of a reward than an incentive for the homeowner building an ADU. And maybe that's ok – but we wanted to flag this potential issue.

JADUs may be different. Given the potentially much lower cost to create a JADU, a \$100K subsidy may be more impactful as an incentive to undertake the expense and deed restriction. Of course, a deed restriction on a house containing a JADU could have a significant impact on the value of the house upon resale. So with respect to ADUs and JADUs, we think the \$100K may not be an incentive so much as a reward (and of course helpful in recouping some of the cost) for altruistic homeowners who are willing and able to provide low income housing in our community.

- Deed Restriction Monitoring: The Town should consider creating a deed restriction monitoring program to ensure compliance over time. The IHF could fund such a program.

- Engagement of a Consultant: a memo from “21 Elements” that was part of the prior agenda packet, provided various recommendations for how to best manage IHF implementation, including hiring a consultant. The cost was estimated to be in the \$30K range.

ATTACHMENT 2

IHF Subcommittee - Race & Equity Committee How to spend Inclusionary Housing Fund resources?

FUNDING PRIORITIES

- Limit to housing for Low and Very Low income housing?
 - Yes.
 - Concessions, fee reduction, etc are a separate matter and should be available to all units that count toward rhna.
- Financial Assistance – Use up as direct aid vs. maintain ongoing program?
 - Maintaining the program is important so incentives can continue into the future.
 - Loans better than direct aid; repayment will re-fund the program.
 - Loans preferable to grants
 - Loan fees could grow the fund.
- A few larger vs many smaller projects?
 - Suggest language: No more than 33% of the total fund will be allocated to any 1 project.
- Support ADUs
 - Direct immediate support to ADU conversions and JADUs since those are the faster, lower cost projects.
 - Dedicated staff, streamlined process for all
 - Financial assistance for selected - criteria?
 - Prioritize JADUs and conversion of permitted accessory buildings that need only added kitchen or bath to become ADUs to count toward rhna.
- Consider use for Affiliated housing
 - Sequoias, Priory and Stanford are already partners.
 - Actively solicit additional affiliated housing partners.
- Require BMR contracts for rentals
 - Yes, for any projects receiving financial assistance.
 - Not for those just getting fee waivers, expedited approvals, etc.
 - Require this and must have monitoring structures in place before loans are made.
 - Monitoring –confirm amortization schedule, loan payments, actually rented? Actually rented to low income?
- Income requirements to get aid? Should we be giving these funds to wealthy residents?
 - Needs further discussion and details.
- Use for hiring consultants?
 - No for hiring a consultant
 - Yes for dedicated staffing in the Planning Dept to streamline the process; perhaps hiring a dedicated staff member for (3) years.
 - Suggest looking at additional resources such as apprenticeships/internships
 - Corte Madera Apprenticeships?
 - Woodside Priory Internships?
 - Local college/university internships?

ATTACHMENT 2

- Notice of Funding Availability? If using the HTF to assist nonprofits providing housing-related services, consider using a competitive process to award these funds
 - This is appropriate only with specific identified projects as planning begins.



TOWN OF PORTOLA VALLEY Committee / Commission Liaison Report

TO: Mayor and Members of the Town Council

FROM: Mary Hufty

DATE: 10/24/2023

RE: Conservation Committee

1. Discuss Dittrichia presence on private properties and how to encourage its removal – Conservation is considering recommending that the removal of this flammable invasive weed be part of the permitting and inspection of building sites. Conservation offers to do their part for inspection. Fire District may also have interest in this.
2. Discuss work in Los Trancos Creek near Ford Field (Magill) – Stop work was placed by Santa Clara County. Criteria had not been met. Portola Valley has a Conservation easement on the other side of the Creek 25 feet east, the easement was granted because of the property owner was granted the right to bridge the creek by the town. Our creeks need to be protected. Utility connection was granted from Alpine Road. Trucks are using Dwight Crowder and Alpine Trail for access. Not OK during the rainy season. Recommending a post to restrict vehicular access on the trail.
3. Oversight of Town-owned properties - Updates (Committee)
4. Committee / Town Cooperation
 - i. Public Works (Magill)
 - ii. Wildfire Preparedness Committee (Chiariello) Kim (Fire Marshall) has released the current 2023 ordinance, conservation works with them well to identify flammable weeds
 - iii. Open Space Committee (Chiariello)
 - iv. Update on joint sub-committee regarding OS Maintenance budget (Chiariello) Conservation looks forward to more detail on OS accounting. An Open Space account would clarify how funds are used. Numbers have not been given to Conservation. The goal is to stay true to the vision of obtaining open space. Financial management has been improved with increasing return. Get grants for fuel reduction. As a town, we should concentrate on Scenic corridors and wildlife corridors.
 - v. Trails and Paths – updates on Hawthorns trails and other (Coleman) Keep in mind the Alpine Scenic Corridor while trees are being removed and parking. Conservation Easement given to POST on Hawthorne Property was written in 2006. Trees are restricted even for parking lots. Culverts will be cleared in November.
5. CC Routine Town Communications

- i. Kudos (Plunder) for volunteer efforts to remove *Dittrichia*
6. Tip of the Month (Magill) Clean culverts and prune dead wood.
7. .SOD Blitz – Results Monday, November 13 at 6:00 P.M., Woodside Town Hall, 2955 Magill will attend

:



TOWN OF PORTOLA VALLEY

Liaison Memo

TO: Mayor and Members of the Town Council
FROM: Sarah Wernikoff, Vice Mayor
DATE: Wednesday, November 8th 2023
RE: MROSD Hawthorns Area Plan 10.26.23 PAWG Meeting

- 1) The 10/26 meeting ran 4 hours and included presentations from MROSD staff and consultants, public comment, Q&A between the PAWG/staff/consultants, PAWG breakout group discussions and recommendations from the PAWG. The agenda packet can be found on the MROSD website at:

<https://www.openspace.org/sites/default/files/Hawthorns%20PAWG%20Mtg%203%20-%20PACKET.pdf>
- 2) The Historic Complex is not part of the PAWG process. MROSD is currently working to develop the process for the Historic Complex, which will include public participation.
- 3) Los Trancos Road access to Hawthorns is not feasible due site lines per MROSD's traffic consultant.
- 4) The MROSD team presented 4 design options for the PAWG to consider. After discussion in breakout groups, the PAWG agreed on the following:
 - **Entrance:** Retain current "Hawthorns" entrance across the street from Roberts vs. moving out to the "East" entrance due to safety concerns (increased speeds at downward slope, less visibility due to trees).
 - **Parking:** Parking should be at location #3, which has less impact on the meadows and is less visible from Alpine Road. The current design accommodates 50 spaces based on the analysis from the Traffic consultant. (intentionally generous relative to the size of Hawthorns property to accommodate interconnectivity to other Midpen properties)
 - **Traffic:** There is more work to be done on traffic impact. Bicycle traffic needs to be included.
 - **Trails:** Interconnectivity with Sweet Springs and Alpine Trail are important. A connection from Los Trancos is out of scope for this project (it is within the Historic Complex). There should be more trails/spurs within the loop, including viewpoints; an ADA accessible viewpoint should be a priority.
 - **Dogs:** Dogs should be allowed on leash only; no dog park.
- 5) The next meeting (12/16) will dive further into trails and include updates on parking lot size, traffic impact, users (hikers, bikers - including young riders, dogs, equestrians). In the meantime, Midpen staff will work directly with Town staff to clarify traffic impact reports and process.

- 6) The PAWG elected Interest Area Representative, Rachel Oslund, and Ward stakeholder, Helen Quinn (Ward 6/ PV resident), as Co-Chairs of the PAWG.
- 7) The next meeting of the PAWG is on Saturday December 16th 2023 from 9:00-1:00 at the MPOSD office in Mountainview.
- 8) Information about the Hawthorns Public Access Working Group (PAWG), including a list of PAWG members and the schedule of public meetings/agendas/agenda packets can be found at:
<https://www.openspace.org/what-we-do/projects/hawthorns-public-access-working-group#timeline>.
Public comments are posted on the MROSD website by navigating to the “Public Portal” on the Public Meetings page (found through the path Who We Are → Public Meetings → Public Portal → Committees → PAWG → Agenda)

The public PAWG meeting dates are as follows:

- July 27th, 2023 6:00-9:00pm
- Aug 26th 2023 9:00am-1:00pm
- October 26th 2023 6:00-9:00pm
- Dec 16th 2023 9:00am-1:00pm
- Jan 18th 2024 6:00-9:00pm
- Feb 29, 2024 6:00-9:00pm