

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 852 DECEMBER 12, 2012

Mayor Derwin called the meeting to order at 7:30 p.m. and led the Pledge of Allegiance. Ms. Hanlon called the roll.

Present: Councilmembers Jeff Aalfs, Ted Driscoll and Ann Wengert; Vice Mayor John Richards, Mayor Maryann Derwin

Absent: None

Others: Sharon Hanlon, Town Clerk
Brandi de Garneau, Sustainability & Resource Efficiency Coordinator
Tom Vlastic, Town Planner
Sandy Sloan, Town Attorney
Nick Pegueros, Town Manager

Mayor Derwin asked those who wished to speak to any items on the agenda to fill out speaker cards, and come to the lectern and use the microphone to speak.

ORAL COMMUNICATIONS [7:31 p.m.]

Laura Fanucchi, Associate Director of HIP Housing, said she came to the meeting to distribute HIP Housing's 2013 calendars to Councilmembers and staff. She said that HIP Housing sponsors a contest every year in which students from kindergarten to fifth grade draw pictures of their homes and write statements about what their home means to them. Of about 300 entries, HIP selects 12 to create the calendars, which are used as outreach tools to educate the community about HIP's programs, such as home sharing and self-sufficiency for families with children, and the properties it owns and manages.

Ms. Fanucchi relayed one of the statements a student wrote about her home: *What my home means to me is a place to create my thoughts. I come up with an idea at home and then I spread it at school.* So, Ms. Fanucchi said, "this outreach calendar really gets kids thinking about the value of having a place to call home, because a lot of people in San Mateo County struggle with their housing. It's one of the most expensive areas in the nation to live in and we're very thankful for your support in providing housing to help us create a place to call home for people here in this county. Ms. Fanucchi said that HIP Housing places about 1,400 people a year in housing. "We can't do that work alone and we're very fortunate to have your support," she said. "It really means a great deal to our organization."

Corey Bullock, who said he will be the liaison from State Sen. Jerry Hill's office to Portola Valley, relayed Sen. Hill's commendations on the term well served by Mayor Derwin and congratulate the new mayor. He said he gave his personal contact information to Ms. Hanlon, and would welcome calls from Councilmembers at any time.

Jeremy Dennis, District Director for State Assembly member Rich Gordon, said Assembly member Gordon sent regrets that he couldn't attend tonight but also wanted me to extend thanks and appreciation to Mayor Derwin and looks forward to working with the Council in the upcoming year.

REORGANIZATION OF THE TOWN COUNCIL [7:35 p.m.]

(a) Election of Mayor

During the first meeting in December of every year, Mayor Derwin said, the Town Council elects a new Mayor and Vice Mayor. "But before this old mayor leaves," she said, "she has a few things say."

While one vexing issue took center stage in 2012, she said affordable housing wasn't the only thing that the Town Council did this year. We also wrestled with significant staff transitions, including the replacement of our longstanding former Town Manager, Angie Howard, with our new Town Manager.

She said that after Mr. Pegueros came on board, he took a long, hard look at the staff and Town needs and came up with a plan that shifted responsibilities and areas of oversight, resulting in a sort of reorganized Town Hall and many happy staff members, not to mention that he no longer needed to fill the vacant Assistant Town Manager slot. Also in the staff transitions category, Mayor Derwin said, "We had to say goodbye to our beloved Planning Manager, Leslie Lambert, who had to retire early due to a traumatic brain injury. This was very hard for all of us, so this has also been a very emotional year."

Besides the aforementioned issues, Mayor Derwin said the Council was busy with many other things in 2012. Among them:

- We cut a celebratory ribbon for the new Dwight Crowder Memorial Path along Alpine Road.
- We installed horse crossing signs at both Town entrances, reinforcing Portola Valley's historic rural character.
- We secured \$33,000 in grant funds for the installation of two electric-vehicle (EV) charging stations at Town Center.
- We outsourced payroll to ADP, including revisions to the in-house time sheet process.
- We successfully completed a monster 18-month grant evaluation report and two six-month reports for Community Hall at relatively breakneck speed.
- We worked with committee volunteers to bring back Blues & BBQ after a two-year hiatus.
- We installed a sound system in the Historic Schoolhouse. We paid off our CalPERS side fund pension liability at significant savings to the taxpayers.
- We began positive discussions with Midpeninsula Regional Open Space District (MROSD) about trail expansion on Alpine Road along the Hawthorns/Woods property.
- We completed a memorandum of understanding with local businesses to ensure that Portola Valley has supplies during the event of an emergency.
- We will soon announce our first 911 Rapid Notify System, which could be a lifesaver in an emergency.
- We worked with the Woodside Fire Protection District and the town of Woodside to execute a high fire danger warning sign program.
- We adopted a balanced budget on time – which doesn't happen everywhere in San Mateo County.
- Due to our amazing Public Works Director, we rank as one of the highest jurisdictions in the whole Bay Area in terms of roadway conditions.
- We launched a newly configured committee, the Bicycle, Pedestrian and Traffic Safety Committee, which has been going full speed ahead.

In addition, Mayor Derwin said, after personally begging for years, we finally found some Safe Routes to School people from the School District, namely Cary Wiest and some community members from the new BP&TS Committee, namely Leslie Latham, to put in the hard work to apply – successfully – for grant money for Safe Routes to School.

Continuing with her list of Town Council activities over the past year, she said:

- We teamed up with schools and students and key SamTrans staff to work on bus issues in Town.
- We finally have a presence at the regional San Francisquito Creek Joint Powers Authority (JPA) and Ms. de Garreaux is attending meetings.
- We instituted a Catalog Choice program to reduce unwanted junk mail.
- We successfully developed and implemented the Energy Upgrade Program, with one of the highest participation rates per capita in the entire state.
- We worked with Acterra on High Energy Homes Program, and of the five participating communities, Portola Valley had the highest percentage of participants per capita and placed first in their Town challenge.
- We held a Tuesday Harvest Speaker Series with six speaker events to engage more residents in sustainability practices.
- We worked with the PG&E Community Energy Manager, Group Energy and the Bay Area Climate Collaborative on Green Towns SunShares to organize a solar group buy and energy assessment group buy with five other high-energy-using towns and again, Portola Valley had the highest number of participants.
- We did an inventory at The Sequoias, developing an energy and water inventory process for assessing residential units in the development, training students from Woodside High School Green Academy to work with staff to assess 40 residential units.
- We worked with Cal Water to promote a high-efficiency toilet replacement program to benefit local businesses.
- We had a very successful Earth Day, collaborating with a science teacher at Corte Madera to create an up-cycling art contest.

And, she added, we made it through the recent huge storm, thanks to the efforts of the Public Works Committee and specifically Steve Hedlund, Joe Fil, Bud Eisberg, Mark Paris and Wil Patterson. Mayor Derwin credited “our stalwart volunteers” for the fact that the Town “has been able to do more with less for almost 50 years.”

Mayor Derwin said Michael Barber, an aide to San Mateo County Supervisor Dave Pine, recently called Portola Valley the most efficient city in the county, citing the fact that we have the fewest employees, one of the lowest ratios of residents to employees, and one of the lowest average employee salaries – and yet manage to do more than many cities two or three times our size. It’s a real honor, Mayor Derwin said.

Regionally, she added, she’s been proud to bring Portola Valley’s voice to the City/County Association of Governments (C/CAG) Board, the Council of Cities, the Library JPA Board and Resource Management Climate Protection Committee, where the Town continues to receive wide acclaim for cutting-edge work in sustainability.

And while it hasn't always been pleasant, she concluded, it has been a privilege to serve as Mayor. She particularly thanked Vice Mayor Richards and Mr. Pegueros – with whom she met every single Monday morning, her “fiery Irish ancestry often bubbling to the surface, leaving nowhere for these two gentlemen to take cover.” She said that her colleagues on the Town Council – “who have struggled with me through 22 closed sessions and many difficult meetings” have each been “an inspiration, each a small profile in courage.” As former Planning Commissioner Leah Zaffaroni pointed out at the Volunteer Appreciation Party on December 4, 2012, Mayor Derwin said, there are no career politicians in Portola Valley government. We do it because we feel the call to service and a pull to community. We do it because we think it is the right thing to do.

To the members of the audience, whether in attendance tonight “to give us hell” or at the holiday party at the fire station with your kids, or home wrapping gifts, Mayor Derwin expressed her thanks for their “strong and clear voices, even when we don't agree, because you are the constant living reminder of our messy, painful, chaotic but ultimately beautiful system of government that is democracy.”

“And now,” Mayor Derwin concluded, “It's time to turn a new page and elect a new Mayor for 2013.”

Councilmember Wengert nominated John Richards to serve as Mayor for next year. Seconded by Councilmember Aalfs, John Richards was elected Mayor by a vote of 4-0.

(b) Election of Vice Mayor

Mayor Richards called for nominations for Vice Mayor.

Councilmember Derwin nominated Ann Wengert for Vice Mayor. Seconded by Councilmember Aalfs, Ann Wengert was elected Vice Mayor by a vote of 4-0.

(1) Presentation: Emergency Preparedness Committee (EPC) Report on Emergency Broadcast AM Radio System [7:45 p.m.]

EPC Chair Chris Raanes noted two firsts – he's first to address the new Mayor, he said, and “I've never seen such a crowd come out for an Emergency Preparedness meeting.” He introduced his EPC colleagues present, Craig Taylor, Bud Trapp, John Boice and Diana Koin. Thanking the Council for the its attention to the EPC, he said it's wonderful for volunteers not only to do what they like to do but to feel the support from the Council and staff. He said the EPC really feels that support: “We get a lot of interaction, we get your time.”

Mr. Raanes said he wanted to bring everyone up to speed on the emergency AM radio station system, discuss the next steps and give a demonstration. He explained that in April 2012, when the Town conducted a wildfire emergency evacuation exercise, it became clear that it's absolutely critical to have a way to get information to Town residents quickly, in real time. After a protracted emergency situation, such as an earthquake, it's equally critical to be able to issue updates.

The communication systems at the Town's Emergency Operations Center (EOC) enable the EOC to “know things that people will want to know,” Mr. Raanes said. The EOC can reach the authorities in Sacramento and San Mateo, talk to the Woodside Fire Protection District, local government service organizations and public safety organizations. “Getting that information to the Town residents is the problem we're trying to solve,” he said.

He explained that after a long process, the Town now possesses an FCC license – low-power AM radio station 1680. It will be housed at and run from Town Center most of the time, but it's completely portable. Thus, he said, if we can't get to Town Center, or something's happened to the building, or we've moved to an alternate emergency operation center, or the nature of the emergency is such that it would be better to

run it from maybe the intersection of Portola Road and Alpine Road due to a wildfire evacuation, this system is entirely portable.

He showed pictures, with the antenna on a tripod, the radio unit in one box, and another box with the power equipment that than run the system for days. The unit has been set up and tested to make sure it runs properly and to verify necessary coverage. He said coverage is excellent – not 100% but in the 90s and very good. Testers drove around and took measurements of signal strength from the top of Alpine Road to Ladera up to Vista Verde. They checked all the corners and have a complete map, he said.

Although the system is now basically functional, the EPC has a few things still to do in early 2013, including training staff to run it and establish policy and procedure as to how and when the system will be used. Mr. Raanes said that options include breaking out the box when the time comes to get information out, or leaving the system running 24/7 with a recorded message to the effect of, “This is an emergency radio station, in an actual emergency tune here but for now we’ll just remind you that there is a Town Council meeting next Wednesday night” – a public-service type announcement. The advantage of the 24/7 operation would be having residents become accustomed to tuning their radio to 1680 and checking in every once in a while, he said.

And then finally, he added, residents all need to know that we have this capability, that we have a radio station on AM Channel 1680. We need to announce it in the newsletter, talk about it at public events and possibly distribute refrigerator magnets to remind everyone at home to tune their radios to 1680 in times of emergency. He also encouraged everyone to have a battery-operated radio.

Demonstrating the unit playing a pre-recorded announcement, Mr. Raanes said computers make producing messages very easy. In response to Councilmember questions, he said he has used several software programs, including Quicktime on his Macintosh. Anything that creates an MP3 file would work, he indicated. For broadcast, the radio picks up the latest MP3 file uploaded to memory stick.

In response to an unidentified woman from the audience, Mr. Raanes said the radio station could be used for any non-commercial purpose by Town government, including public-service announcements. Resident, Virginia Bacon, said the Town should start using the radio now, because just in recent days, downed trees have taken down lines and many residents have had no way of communicating with the telephone company.

CONSENT AGENDA [7:58 p.m.]

(2) Approval of Minutes: Special Town Council Meeting of November 28, 2012 [*removed from Consent Agenda*]

(3) Ratification of Warrant List: December 12, 2012 in the amount of \$186,420.87

By motion of Councilmember Driscoll, seconded by Councilmember Aalfs, the Council approved Item 3 on the Consent Agenda with the following roll call vote:

Aye: Councilmember Aalfs, Driscoll and Derwin, Vice Mayor Wengert, Mayor Richards

No: None

(4) Approval of Minutes: Regular Town Council Meeting of November 28, 2012

Councilmember Driscoll moved to approve the minutes, as amended, of the Special Town Council Meeting of November 28, 2012. Seconded by Councilmember Derwin, the motion carried 5-0.

REGULAR AGENDA [8:01 p.m.]

- (4) Report from Sustainability Coordinator: Proposed Adoption of a Reusable Bag Ordinance for the Town of Portola Valley
- (a) First Reading of Title, Waive Further Reading, and Introduce an Ordinance of the Town Council of the Town of Portola Valley Adding Section 8.04.060 [Reusable Bags] to Title 8 [Health & Safety] of the Portola Valley Municipal Code (Ordinance No __)

Ms. de Garneau introduced Dean Peterson, Director of the Environmental Health for San Mateo County, to help answer any questions. She said staff is recommending that the Council adopt a reference to the County's reusable bag ordinance and agree to participate in the program Environmental Impact Report (EIR) and adopt the California Environmental Quality Act (CEQA) findings.

As Ms. de Garneau explained, this is a regional initiative that began when San Mateo County invited other jurisdictions in both San Mateo and Santa Clara Counties to participate in an effort to analyze the environmental effects of a reusable bag ordinance. San Mateo County serves as a lead agency for the EIR with 24 jurisdictions, including Portola Valley, participating as Responsible Agencies.

The intent of the effort and ordinance is to provide uniform, consistent regulations in a broad geographical area and avoid giving any one merchant an unfair advantage. The ordinance would reduce the environmental impacts associated with plastic bags, avoid litter, discourage the use of paper bags and encourage use of reusable bags. The County Environment Health Department would help in enforcement, which the Town would be unable to do on its own, Ms. de Garneau said. However, she added that the merchants who would be most affected by the ordinance support it.

For shoppers, she said the ordinance would mean no more single-use plastic bags distributed at the registers. The ordinance provides for a minimum 10-cent fee on paper bags made of recycled and recyclable materials until January 2015, when the fee would increase. Ms. de Garneau explained that the fee has a twofold purpose – to help reimburse merchants for potential additional costs of buying recyclable bags and to encourage consumers to bring their own reusable bags. The ordinance would allow protective bags for produce, meat and prescriptions, as well as small items in hardware stores.

The ordinance would be scheduled to take effect regionally on April 22, 2013 – Earth Day. That gives consumers ample time to locate reusable bags as alternatives to plastic and paper bags, and also gives merchants a chance to use up bags they have on hand, Ms. de Garneau said. Enforcement would be based on complaints and random check.

Showing the Council a map of the 24-community EIR study area, she pointed out neighboring communities that already have adopted some provisions of the ordinance, including Palo Alto, San Jose, Sunnyvale and an unincorporated area of Santa Clara County. After the Draft Program EIR was issued with public review from June 22, 2012 through August 6, 2012), the Final Program EIR was issued on August 31, 2012, with the public review period closing on September 10, 2012. No negative impacts were identified. Ms. de Garneau noted that the document incorporates comments of support from a number of Portola Valley residents.

According to Ms. de Garneau, residents of the 24 cities participating in this effort use an estimated 552 million plastic bags per year, 95% of which would be replaced by reusable and/or recyclable-content paper bags. Restaurant use would account for the remaining 5% of plastic bags still in use. In Portola Valley, she said, each resident accounts for about 531 plastic bags each per year, or about 2 million total.

Vice Mayor Wengert asked whether any local merchants resisted the proposed ordinance. Ms. de Garneau said the only merchant currently using plastic bags was reluctant to express anything to the Council and thought the move toward a ban on plastic bags was inevitable. She discussed some

options that could work with this merchant, such as saving boxes that merchandise came in and offering those to customers as an alternative.

Jeff Cristina, Berger Drive, San Jose, representing GreenWaste Recovery, said the organization is very supportive of the ban and likes the fact that Portola Valley would accept the County's ordinance instead of adopting its own. That approach would avoid any type of competitive disadvantages to the businesses, he said.

Ms. de Garmeaux showed photos to help explain the GreenWaste Recovery process. She also said it's been amazing working with the County on this effort, that the Town couldn't have done it alone, and that the regional approach also could work well with other initiatives.

Councilmember Driscoll pointed out that because almost all businesses in Town did not use plastic bags, we were pretty much on one side of this issue.

Councilmember Derwin moved to read the title, waive further reading and introduce an ordinance of the Town Council of the Town of Portola Valley adding Section 8.04.060 [Reusable Bags] to Title 8 of the Portola Valley Municipal Code, and to concur with County findings regarding CEQA. Seconded by Councilmember Aalfs, the motion carried 5-0.

PUBLIC HEARING [8:11 p.m.]

- (5) Report from Town Planner: Public Hearing for Town Council Review of November 7, 2012 Planning Commission approval of amendments to Blue Oaks PUD X7D-137 and Lot Line Adjustment X6D-214, Lots 23-26, 3 and 5 Buck Meadow Drive (59)
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley approving amendments to Blue Oaks PUD X7D-137 and Lot Line Adjustment X6D-214 (Resolution No. 2573-2012)

- (6) Report from Town Attorney: Public Hearing Concerning Sale of Town-Owned Property – Blue Oaks lots
 - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Taking Final Action on the Sale of Town-Owned Property Located at 3 and 5 Buck Meadow Drive (Resolution No. 2574--2012)

Mayor Richards had a statement to make before getting into these items. He said his family moved to Portola Valley in 1954 when he was four years old. His parents, both teachers, were looking for an inexpensive place and settled on Corte Madera Road, in a really vibrant community. The people, who were really involved in the community, were his mentors as he grew up, Mayor Richards said. They taught him civic engagement, gave him a real feeling for the core values of the Town, and impressed on him the fact that those values weren't only about the look of the Town but also an attitude, caring and a spirit of open dialog.

Mayor Richards said he's happy to say that spirit remains alive and well, judging by the number of people who turned out tonight. He said he knows it's been a hard road, and thanked the people from Keep PV Rural, who participated in brainstorming sessions over the past few weeks and some informal sessions where we were trying to get a handle on the complexities and the history of below market rate (BMR) housing issue. He said he's encouraged and hopeful about reaching a place together where "we can manage the inevitability of change while preserving our community values at the same time."

Mayor Richards said everyone on the Council is willing to do whatever necessary to keep the process as open as possible. Due to the size of the audience, he asked speakers to submit speaker cards, use the microphone, and try to limit comments to about three minutes each.

He then invited Mr. Vlastic to make his presentation.

Mr. Vlastic said that after consideration of programs in the Town's adopted Housing Element, the Council decided to pursue the sale of the four affordable housing lots in Blue Oaks. To accomplish that, staff and the Planning Commission were directed to consider amendments to the Blue Oaks Planned Unit Development (PUD) provisions to change those four lots into two lots and to remove the BMR provisions associated with them, so they could be sold and the funds generated from the sale could be used for affordable housing options in other locations, one of them being possibly 900 Portola Road.

On November 7, 2012, Mr. Vlastic continued, the Planning Commission found the proposed amendments to the Blue Oaks PUD categorically exempt from CEQA and determined that two alternative were possible regarding the lots. One alternative was for the PUD to be amended to accommodate two market-rate lots for sale, with specific provisions. The second – reflecting information developed by Blue Oaks residents who had indicated an interest in purchasing the lots – would reserve one lot for permanent open space and use the other lot for market-rate housing. The assumption with the second alternative was that a single entity would purchase both lots, Mr. Vlastic explained. At that point, the Council's intention was to sell both lots so the funds could be used at least initially in efforts to purchase 900 Portola Road.

On November 14, 2012, the Council considered the Planning Commission's action and chose to review it, largely to provide a forum for a number of the comments that were presented at the Planning Commission meeting to be heard by the Town Council. A number of people felt that they hadn't had an opportunity to share their feelings with the Council, Mr. Vlastic said, and Planning Commissioners felt they could not respond to a number of the questions raised. Consequently, the Council decided to set tonight's meeting, which was duly noticed. The actions before the Council are discussed in the staff report dated December 12, 2012. At this point, Mr. Vlastic said, staff's position is that the Council should uphold the actions of the Planning Commission.

He noted that several items identified at the November 7, 2012 Planning Commission meeting were echoed in comments offered at the November 14, 2012 Town Council meeting. The staff report summarizes those, he said, pointing out three fundamental issues:

- Whether the sale at Blue Oaks was premature
- Whether the Blue Oaks Subdivision's responsibilities for affordable housing would be deleted and that the Town wouldn't be complying with its own ordinances
- Whether broader environmental review should be associated with the sale of the Blue Oaks lots and the purchase of 900 Portola Road.

The staff report evaluates each one of those issues, he said, and there also are comments in the minutes from the November 7, 2012 Planning Commission meeting from staff, particularly the Town Planner and the Town Attorney, addressing the issues and the conclusions that in fact, over a number of years the Town has tried to develop the Blue Oaks lots with additional efforts made by the Town Attorney and then-Town Manager to reach out to the five affordable housing developers who had been contacted previously. This outreach did not generate any indication of a better opportunity to develop the Blue Oaks lots.

So after considerable time – over at least a decade of effort – he said, the Town has concluded that it is time to move ahead. The Town identified an opportunity to do so, and consider the purchase of 900 Portola Road and the opportunity to sell the lots in Blue Oaks. Our Housing Element requires us to show some progress in a program that's specifically related to the Blue Oaks lots, Mr. Vlastic said. At a

minimum, even if we do nothing but put the money in the bank, the sale of the lots would enable the Town to show the state that we've made an effort consistent with the Housing Element as we go through our next Housing Element update.

If the Town uses those funds to purchase 900 Portola Road, Mr. Vlastic said, there would still be a significant process to go through, which could lead to a conclusion that whatever an affordable housing developer needs may not be possible there. At that stage, we'd have to undertake a diligent review to determine how to channel those funds to generate the BMR units we had hoped for in Blue Oaks. In the meantime, he added, the responsibility of affordable housing for Blue Oaks under the Town ordinances has been met, the lots did come to the Town, the developer satisfied all of the requirements and so this will be fully consistent with Town ordinances.

Relative to the project definition and the possibility of it being considered piece-mealing, specifically that we make a decision on Blue Oaks with the intention to purchase 900 Portola Road, he emphasized that there is no project for 900 Portola Road and no certainty that there would be. With the soils issues that have been identified, the Town Council will have to determine when and if the property could be obtained, he said. If not, the funds would be banked, and as we work on the next Housing Element update, determine how best to use those funds to develop the required affordable-housing units.

Mr. Vlastic identified three possible options presented by Keep PV Rural during a recent meeting with staff.

- 1) Not sell the Blue Oaks lots. However, Mr. Vlastic said, unless the Town sells these lots, when the next Housing Element update comes around, we'd be back where we were when the last Housing Element was certified, with no idea how the state would react to the fact that we were unable to show any progress whatsoever. He said that showing progress is important.
- 2) Sell the Blue Oaks lots, bank the funds and go through a full and open Housing Element process to determine how best to spend those funds.
- 3) Sell the Blue Oaks lots, complete the purchase of 900 Portola Road, and then go through a full and open Housing Element process.

Mr. Vlastic stressed that no matter what the outcome – whether the lots are not sold or whether they're sold and the money goes in the bank, or whether 900 Portola Road is purchased with the funds, any of the options that we've talked about – the next Housing Element go-round will be a full and open effort. It will be a complicated process, but certainly with the public heavily involved to make sure no one misunderstands what is going on. Obviously, he added, some people did not necessarily understand the full provisions of the 2009 certified Housing Element.

Just as a follow-up to the staff report, Mr. Vlastic added, the Buck Meadow LLC has moved ahead and put together a purchase agreement with the Town for the Blue Oaks lots consistent with Alternative 2 in the Planning Commission's action of November 7, 2012, which would leave Lot A in open space and Lot B as a potential market-rate lot. So the PUD provisions have been drafted in that form and, depending on the Council's actions tonight, if the sale moves ahead, the provisions consistent with Planning Commission action would be confirmed with the sales agreement.

Ms. Sloan pointed out that Items 5 and 6 on tonight's agenda are separately noticed public hearings, one on PUD amendments and the lot line adjustment, and the second for final action on the sale of the Blue Oaks lots. To emphasize some of Mr. Vlastic's points, she said that it was in the late 1990s when the Blue Oaks developer was required to set aside four lots for eight for-sale moderate-income housing units. The developer had the choice of constructing these units or deeding the lots to the Town, and ultimately decided to deed them to the Town. From about 2000 to 2009, she continued, various Town Councils and Town staff talked with five different affordable-housing developers about the feasibility of the Blue Oaks

lots. They were Bridge Housing, Eden Housing, EAH Housing, Palo Alto Housing Corporation and Habitat for Humanity. And these companies were talked to in 2000, 2003, three of them again in 2009, and three of them again earlier in 2012, Ms. Sloan said.

She reiterated Mr. Vlastic's point that considering the sale of Blue Oaks lots was part of the discussion with the 2009 Housing Element, which involved several public hearings. By adopting that Housing Element in 2009, she explained, the Town Council specifically adopted the provision that an alternative to developing the Blue Oaks lots would be to sell them and use the money for an alternative location.

In September 2012, the Town entered into a listing agreement to offer these lots for sale, she continued. Three offers were received, and an agreement with the Blue Oaks LLC, a group of homeowners, was entered into in November 2012. That purchase agreement is conditioned upon two public hearings. The first, which took place on November 28, 2012, is covered in her staff report dated December 5, 2012. The second public hearing is tonight. And as Ms. Sloan's December 5, 2012 report points out, in the event of any protests to the sale of the Blue Oaks lots, the vote of the Council must be four-fifths to proceed with the sale, rather than a simple majority.

Although these public hearings concern Blue Oaks, Ms. Sloan noted that the Town also has entered into a purchase and sale agreement to buy the property at 900 Portola Road. One of the conditions to finalizing that sale is that all hazardous materials be cleaned up and the County issue a closure rider by December 19, 2012, she said. Since it is highly unlikely that this cleanup can happen by then, and because the Council will not meet again this year, in closed session before tonight's meeting adjourns, the Council will discuss extending that contract. Ms. Sloan said that public comments on that issue are also welcome during the public hearings on the Blue Oaks matters, before the Council goes into the closed session. In closing, Ms. Sloan emphasized that the Town has no project and no plan for 900 Portola Road. If the Town completes the purchase of that property, discussions with affordable-housing developers would begin to explore the possibilities for the site.

Mr. Pegueros said that subsequent to publication of the Town Council packet for this evening, Town staff met with Keep PV Rural representatives. Copies of meeting notes that were circulated to the Council are at the back table for members of the public, he said.

Mr. Pegueros characterized the meeting as very productive in the sense that it gave both sides the opportunity to express concerns about affordable housing at 900 Portola Road. The Keep PV Rural representatives outlined three possibilities for the Council to act on this evening, as Mr. Vlastic mentioned earlier in his report. The first would be to not sell the Blue Oaks lots at this time, which would leave us exactly where we were before the last Housing Element update. The second would be to sell the Blue Oaks lots and bank the funds rather than purchase 900 Portola Road, and then look at how these funds could be used as part of the next Housing Element update. And the third recommendation, which is the least desirable to the Keep PV Rural representatives, would be to sell Blue Oaks and purchase 900 Portola Road once the hazardous materials had been remediated.

According to Mr. Pegueros, one of the most productive outcomes of the meeting was a discussion of what would happen if the Town sells Blue Oaks and then has those funds to either purchase 900 Portola Road or use for other BMR housing purposes. While the Keep PV Rural representatives didn't prefer the option of selling Blue Oaks and using those funds for other purposes, they stated that it would be reasonable if the Town Council offered the following commitments:

- First and foremost would be to launch a comprehensive review of the 2014 Housing Element early in 2013.
- The second would be to establish an ad hoc committee on affordable housing, with a broad spectrum of community members to really study the details and the complexities surrounding affordable housing and provide input to the Housing Element preparation. Affordable housing is a

single piece of the Housing Element so there would be that benefit of a special group attending to that single issue.

- And then finally, if the Town purchased 900 Portola Road, that the Town assess development possibilities at the site and if development is feasible, that development not move forward until the Housing Element is certified by the State Department of Housing and Community Development.

If the site is not feasible for affordable housing, the Keep PV Rural representatives recommended that the Town consider selling the 900 Portola Road site as soon as possible and then using those funds as part of the next Housing Element review, Mr. Pegueros said. As Mr. Vlasic mentioned earlier, he stressed that the group preferred to not sell Blue Oaks. However, he added, the process outlined would address important issues and concerns that we've heard in the last several weeks.

Mayor Richards opened the public hearing.

George Comstock, Alamos Road, said he's pleased to see the Council taking serious action on the question of meeting a variety of obligations relevant to affordable housing in Portola Valley. Some years ago, when he was a Councilmember, he said the Council also went through a period in which it approached this matter but in a rather amateur (immature?) way. He said he's impressed by the diligence and care with which this Council is examining all the ramifications of the possibilities that are currently developing. He strongly urged carrying forward with all due deliberate speed.

As Mr. Comstock put it, the Town has a moral obligation to continue in the tradition of America. He said he felt a surge with the phrase "with liberty and justice for all" during the Pledge of Allegiance, because it bears on this topic. We are a nation of immigrants, he stated, with the onus of having expelled the original inhabitants and depriving them of liberty and justice, and we have a moral obligation to avoid repeating such morally unacceptable behavior. America could easily have been 13 countries expanding to 50 countries, a Balkan North America, but the fact that a great variety of immigrants came here over a period of 200 to 300 years has helped avoid that. He said the U.S. has been an example for the world with respect to liberty and justice and he thinks Portola Valley should play its own role in that regard.

Mr. Comstock said he views Jesus Christ as having been an outstanding teacher of mankind. He set moral standards that we should keep in mind as we approach problems of this sort. With respect to people who teach our children in this Town, he said most of them simply cannot afford to live where they work. In conclusion, Mr. Comstock said it's imperative to pay attention to state laws, and he's hopeful that the election that considered questions of this order in the past can serve as an encouragement for moving forward in a positive direction. He recalled a referendum gaining approval of 48% of the voters of the Town at the time, noting that if only 30 people had voted the other way, we'd be much further along the path of affordable housing than we are now.

Ruth Koehler, Portola Road, said she stepped up from her comfortable rocking chair at The Sequoias and come out on this cold, dark night to tell the Council she supports its efforts to implement the housing plan, the sale of the Blue Oaks properties, the banking of the money, and the purchase of 900 Portola as it is feasible. She said she has confidence that this Town can develop attractive affordable housing that will fit with the existing environment. And who will live there? The Town will have the ability to give priority to people who work in Portola Valley. She referred to "our local wonderful library" as an example. Only one person there, a part-time employee, lives in Portola Valley. The others commute from Pacifica and other environs. Ms. Koehler also offered an analogy. Fifty years ago, she said, the San Mateo County Board Supervisors imposed The Sequoias on rural Portola Valley. Many of the people who opposed that development now live in The Sequoias and are happy to spend the rest of their lives in such a comfortable environment.

Leslie Latham, Grove Drive, declared her support for this first major step in selling the Blue Oaks lots, but on a more tactical level, she said she's probably one of many people very confused about fact versus

opinion when she reads the *PV Forum*. The Town has a great website full of information on this, she said, but it would be useful to update the information so that people can keep up to speed in terms of separating fact from opinion.

Andy Browne, Santa Maria Drive, said he and his wife have lived in Portola Valley for 55 years and put four children through schools here. As a former teacher, he said, he's looked at the affordable housing issue from the point of view of education in the schools. We pride ourselves on our good schools, he said, and one of the best things any school can do is prepare students to deal with all kinds of possibilities, including all kinds of ways of making money. That's not the only goal in the world, he noted, but it's a valid one. Mr. Browne said he believes that a wider variety of people in Portola Valley would result in better schools, and students better able to compete in the real world rather than the fancy one we have in Portola Valley. It's a great place to live, he said, and "we can make it greater."

Mark Bronder, Wyndham Drive, said he protests the sale of the acreage at Blue Oaks and wants to see the original plan for eight BMR units there carried out. "What's wrong with this picture?" he asked. Instead of building the BMR units in a neighborhood of 32 homes on 280 acres, the Town wants to build the units on a property one-third smaller, more expensive but less desirable property next to our neighborhood. We have 29 homes on 10 acres, and face another already approved high-density development on a 1.5-acre parcel next to Sausal Creek. Mr. Bronder said it's an unfair double burden, and the Town is trying to construct a high-density corridor next to our homes.

According to Mr. Bronder, the Town hasn't made a rigorous attempt to build the BMR units at Blue Oaks. To make his case, he said five developers were contacted between 2000 and 2004, the time of tremendous housing boom in the U.S. Some builders said they wouldn't undertake the job for less than 20 units. So at most, three or four actually visited the site. Habitat for Humanity said they would build the units, but the Town rejected it because they work on weekends and would have been in violation of the Town noise ordinance. Mr. Bronder said the developers who visited the site told the Town that the slope of the property would increase construction costs, perhaps prohibitively. Remember, Mr. Bronder said, "this was during the feeding frenzy for construction resources." The Town seemingly relied on this intelligence for eight years, and since then has hardly done anything from what Mr. Bronder said he could ascertain. We were recently told they've contacted three BMR developers since then – three contacts in eight years.

So the Town wants to swap a superior, much more livable 2.6-acre parcel for a one-third smaller, less desirable property that was formerly Al's Nursery, Mr. Bronder continued, and in the process set what must be a new record price per acre for land in Portola Valley. The reasons given for the swap is that the nursery property is flat, easier to build on, he said, but how about the cost of the hazmat cleanup and the seven-figure extension of sewer system? If the Town uses a septic system, he added, there would be a lot to explain to the Douglases, who haven't been able to use their property for years because they don't want to pay \$800,000 or more a sewer hookup to their fairly modest building.

Other reasons Mr. Bronder cited for the Town's interest in the property at 900 Portola Road is the proximity of services and transportation. He said services include a pricey restaurant, a dry cleaners and feed store? As for transportation, he said he thought the BMR units were intended for people who already work in Portola Valley. He said he assumed these people already own cars and would keep them.

Another reason for choosing the 900 Portola Road property, Mr. Bronder said, was that building the units would be consistent with the density of nearby neighborhoods. Wyndham Drive is not a high-density neighborhood, with about one-third acre per home. To be consistent with that density, only five homes could be built at 900 Portola Road, and only four at Sausal Creek. Even then, Mr. Bronder said, it would be denser than the current zoning.

In closing, Mr. Bronder said that while he appreciates the recent conversations with the Town, he still has a problem with the fact that neighbors weren't consulted beforehand. The whole thing was presented as "a *fait accompli*," he said, and "I find that unacceptable."

Bud Eisberg, Wyndham Drive, spoke on behalf of Keep PV Rural, which was formed last summer by Wyndham Drive residents after the surprise announcement of the intention by the Town to purchase 900 Portola Road for eight or more affordable housing units. He stated that Keep PV Rural doesn't oppose affordable housing, and that in fact the 29 homes on Wyndham Drive represent the type of diversity that affordable housing laws promote. Since he's lived there, Mr. Eisberg said, neighbors have included five teachers, small business owners, a lawyer, contractors, Stanford professor, a baker, successful business people and retirees on fixed incomes. Mr. Eisberg said that being called elitist is far from the truth. "We have a history of volunteerism from this small neighborhood," he stated, citing a mayor, councilperson, Parks and Recreation Committee chair, members of the Trails and Paths Committee and Public Works Committee, ASCC members. He said that one of Portola Valley's founding fathers who lived in the neighborhood served on the Conservation Committee for many years.

Because answers were not forthcoming early on about the Town's efforts to develop BMR housing at Blue Oaks, Mr. Eisberg said that public records requests produced evidence of minimal interaction in all the documentation with developers and none since 2005. He said mistakes have been made with affordable housing at Blue Oaks, but his neighborhood became concerned because the burden was going to fall there. The Town states its intention to purchase 900 Portola Road specifically for affordable housing, he said, yet without a development plan anyone would be concerned about a nearby project with potential high density. Eight units would almost triple the area's 20M zoning, he said.

Noting that tonight's meeting is the first time residents have been officially able to address the Council on our concerns, he said, and tonight the Council will vote on the sale of Blue Oaks. He stated that the public should have been involved, instead of years in site evaluation and deal-making by Town officials behind closed doors. The Windmill School asked for neighborhood support for their project, which is exactly the process the Town recommends, he said, but the Town didn't share its intentions and the transaction involving 900 Portola Road was "sort of presented as a done deal," as Mr. Bronder mentioned.

Mr. Eisberg said that being public sometimes is messy but it's the right way to go. He concluded by protesting this resolution. He said it has not been proven that the public interest and convenience requires the sale. Further, he said he certainly does not approve of the Town's purchase of 900 Portola Road with no plan, and opposes extending the purchase contract.

Onnolee Trapp, Portola Road, said she's enjoyed just about every year she's spent in Portola Valley – and she's lived here since 1968. She said she appreciated Mayor Richards' remarks about the type of Town this is and has been for a very long time, and also appreciates the Council's efforts to comply with the state's requirements for the diversity of housing in every town in the state. She said Portola Valley has an obligation to help fulfill the requirement for housing for people who want to work in the Silicon Valley area and would like to be able to live in our Town, as well as people who serve in our Town. It's impossible to find a place to live in Portola Valley for those who ultimately become employed at The Sequoias, she said, which results in high turnover. "People just cannot continue to drive so far to get to work there," she stated, "and they are not paid just minimum wage, they are paid very well."

Ms. Trapp said she recognize that this is the beginning of a long process for the Town Council. "You're not going to solve your problem tonight," she said. "You're going to be working through a lot of issues over the next several months or possibly even years." She said she hopes it won't take that long, but every bit of the way the process will be open to the public and that we'll end up with a product that everybody can live with happily in Portola Valley."

John Pene, Wyndham Drive, said he supports Keep PV Rural, believes in what it's doing and appreciates those who volunteer the view of the Council and hearing us out. Because most points have been made

already, he said he'd want to avoid making the same mistake that was made with the Blue Oaks development, acquiring land that was useless for BMR needs. He said that he and his wife protest the purchase of any land without a well thought-out general BMR-compliance plan. Piecemeal is not the answer.

Annaloy Nickum, Grove Court, said she's lived in Portola Valley since 1976 as a renter. Having lived a number of places, she said she considers herself extraordinarily blessed. She said she loves Portola Valley and has followed many of the issues over the years, and was deeply involved in the whole Blue Oaks process, including attempts by the Blue Oaks Homeowners Association to relocate the BMRs up next to Los Trancos Woods in an area that was designated open space. Ms. Nickum said she supports the sale of the Blue Oaks lots, saying "it's time to move on to find a better use for those spots." In terms of the 900 Portola Road site, she said she doesn't think there's enough information yet to really justify purchasing the property. She posed two questions:

- How large a home the property could accommodate if it were to be used for a single family residence? If it were 6,000 square feet, she suggested perhaps it could be converted into four or five BMR units staying within the maximum square footage allowed for that lot and satisfying at least some of the numbers for BMR units.
- Have any of the affordable housing contractors have visited the site and provided an initial evaluation about its feasibility for developing BMR units? She said it would be a good idea to have at least some of that kind of information before moving forward with the sale.

Beverly Lipman, Favonio Road, said that she and husband have lived in Portola Valley 22 years and haven't seen many changes in Town except for bigger houses in their neighborhood. She said she agrees with both Ms. Nickum and Ms. Trapp, and it's imperative to comply with the state law. She also said she wanted to make certain that the audience understand the stress the Council is under. Ms. Lipman said that it might be helpful to get more of the community together, including those in Keep PV Rural, to work on a way to really solve this problem. She said she'd hate to see us start all over.

Louis Ebner, Wyndham Drive, said he's lived there with great delight for about 27 years, his in-laws' residency goes back about 50 years, and Herb Dengler was a long-time friend. Mr. Ebner addressed the 900 Portola Road purchase contract extension issue. He said part of the reason there's so much stress in this process is that maybe the Council has taken too much of it on its own shoulders and there hasn't been enough participation by the community. As Mr. Ebner put it, "there's plenty of blame to go around for why nobody's really happy with what's going on, but the remedy seems to be pretty easy at hand." That remedy, he said, is to develop what the California code calls a Specific Plan. It's a recommendation as a subset of the General Plan that has to do with approaching particular projects of this type. A Specific Plan would include text and diagrams and talk about the proposed distribution, location, extent and intensity of major components of public and private transportation, all these things that everyone has strong opinions about.

Mr. Ebner noted that the Wyndham Drive neighborhood predates the Town and is a model of diversity, peace and serenity, with people who are happy, open and inviting. Far from not wanting to provide for our local firefighters, he said, "we invite them for our picnic every year and try and get to know them." He said the tremendous diversity on his block ranges from "infants to storied ancients," and the reason for the "flinch reaction" of Wyndhamites is that they haven't been seriously considered. "To call us elitist is absolutely silly," he stated. "We are deeply concerned about the Town, its future, its direction. We are very deeply concerned about that little area over the fence from us, largely because we loved AI and his enterprise for so long, and in that spirit we're interested in seeing Windmill School occupy that property precisely because, as Karen, his daughter said, it's really what AI would have preferred. Forgive us if we don't give up so easily on that notion. Forgive our surprise when we discover that the Town has made tremendous efforts over a period of years to acquire that property and told us, the Wyndhamites, nothing about it."

Mr. Ebner said that any way you look at it, it's wrong. It's wrong for the Council because it puts too much on the Council if there is not success. "Let us share the responsibility for making these decisions," he said. His recommendation, he said, is a pretty simple and direct one – "Let's open this thing up. It's not a matter of starting over again. It's a matter of having the opportunity for a new beginning." Assuming the Blue Oaks sale goes through, he continued, the money could go a long way toward solving this Town's BMR difficulties but the Town ought to get professional help to do it. He recommended banking the money and launching almost immediately into an open bid process, inviting developers to take a look at all of these properties that have been identified, consider the funds available, and show us how the Town could get the most bang for the bucks. If that turns out to be 900 Portola Road, then so be it. We have questions about it but we can get into those questions later.

Mr. Ebner said he thinks that would be the right solution, which would relieve the Council of the onus and the stress of feeling you have to operate behind closed doors in order to get anything done, without ill will from the Wyndhamites. In closing, he urged the Council to bank the money, take advantage of the exit from the contract at 900 Portola Road, go to an open bid process, and do the right thing. The right thing, he added, is a common sense economic feasibility study for the use of 900 Portola Road, "and let us see it. Don't buy a pig in a poke, without any plan, without any economic study to justify the expenditure."

Katherine Terhune, who said she's shocked to hear herself say she's lived on Wyndham Drive 40 years, teaches at Woodside Elementary. She said that considering the Blue Oaks property needs to go by the wayside because economic feasibility didn't play out there, it makes no sense to buy the property at 900 Portola Road without having first established, as Mr. Ebner described, an economic feasibility study and some sort of plan.

She also said she's aware that the 2009 Housing Element listed a number of properties and believes the Ad Hoc Committee was supposed to examine the economic feasibility of some of them. "I'm not aware if that has happened," she said, noting that 900 Portola Road was still privately owned at that time so it wasn't on the list anyway. But then, she said, the focus shifted without explanation to that property without looking more broadly. She said she would love to see a map such as those used in some other presentations identifying all those properties, not just by Assessor's Parcel Numbers (APNs) but real locations so we could join forces to work on this together.

The sale of Blue Oaks may be inevitable, Ms. Terhune acknowledged, to fulfill the need to show movement forward. Banking the money "sounds really smart," she said, noting that the broader the community participation in the process, the more options we'll have to look at. She said that she opposes extending the contract to buy the 900 Portola Road property. She said she'd like to see that put on hold so we can move forward in a broad way to undertake affordable housing, which is an important cause.

Mike Deggelman, said that he and his wife, Yvonne, have lived in Portola Valley for more than 30 years, and raised their four children here. A volunteer on the Parks and Recreation Committee for more than 10 years, he said he's been Chair a number of times and understands the Town's volunteer spirit. He congratulated and thanked our new Mayor and all of those serving on the Council. According to Mr. Adelman, the great American philosopher Yogi Berra was once asked about a restaurant replied, "Nobody goes there anymore, it's too crowded." Like a lot of Yogi-isms, it takes a second to figure out what he means. Regarding affordable housing, we're faced with many possible outcomes which could result some day in people saying nobody lives in Portola Valley anymore, it's too crowded. "We who were fortunate enough to live here in the good old days will know what they mean," he said.

Focusing on the economics of the proposed transactions, Mr. Deggelman said some magical thinking is required "to pretend that these transactions make any economic sense." He indicated that Town has been careful to suggest that no taxpayer money would be used to purchase property for affordable housing. "This is subterfuge at best and deceit at worst," he said. Yes, the Blue Oaks lots were deeded to the Town and no cash changed hands. How are these properties and their value not critical to the Town's ability to comply with California's affordable housing mandates? And how are Blue Oaks lots not an asset of the Town, an asset of our residents, an asset whose value should be protected and maximized? The

Blue Oaks lots are to be sold to meet an artificial deadline, namely the simultaneous purchase of 900 Portola Road. How can a seller, seeking to optimize the selling price, accomplish this with buyers who know about the deadline and the need to sell? Under these conditions, Mr. Deggelman asserted, the Town cannot now that it's received fair market value for these properties. The proposed selling price of the Blue Oaks lots is \$2.88 million for a property that is about 2.68 acres in a development of 32 homes on about 280 acres of what could only be described as a spectacular rural setting.

In contrast, he said the proposed purchase price 900 Portola Road is up to \$3 million, more if the toxic remediation proves even more extensive, for approximately 1.5 acres located directly on Portola Road. This property was recently purchased by the current owners for \$2.575 million. It seems this property is worth whatever the Town can pay with Blue Oaks proceeds, along with money from the inclusionary housing fund, or even possibly money from private donors. In other words, there is no fair market economic reality being applied to this transaction.

When viewing these proposed transactions together, Mr. Adelman asked whether anyone can pretend to make any sense of their economics. How can 900 Portola Road be worth more than the Blue Oaks property when it's about 45% smaller and in a less desirable location? He said these transactions can only be considered insider transactions, and if completed as proposed, a serious breach of the Town Council's fiduciary responsibility.

He concluded with another Yogi-ism: When you get to a fork in the road, take it. The Town Council tonight has come to that fork in the road. You can justify what you've proposed to do as legal. Or you can – and should – restart this process, honor the legacy of the Councilmembers before you who founded Portola Valley and left us with this beautiful Town. And then you can feel proud about your legacy and your contributions. In conclusion, Mr. Adelman said he protests the sale of the Blue Oaks lots at this time for this price and also protests the purchase of 900 Portola Road and any extension of the current contract.

Cindie White, Portola Road, said she and her husband own Jelich Ranch. Her family has lived in Town since 1971. She officially protested the purchase of 900 Portola Road and urged the Town Council not to extend the purchase contract deadline. She said she doesn't believe anyone on Town Council wants high density, but because that's where the purchase 900 Portola Road would lead, it's important to stop the process now and take a better look at it.

Ms. White said she's talked with a lot of people who didn't even know this was going on because it's happened very rapidly. Also, Ms. White pointed out, while the issues are complicated for the Council, they are complicated to the community. She said that people she talks to end up saying, "Wow, I didn't know that. I need to wrap my head around these issues before I can come make a statement." She also said that while it may appear that the process has been open, "the projects are intertwined, the sale of this, the revision of this, the purchase of this, it just sort of kind of happened fast."

Ms. White said she's spent a lot of time in the last month "getting down into the bowels" of the Housing Element and the General Plan and what's happened at these meetings and Keep PV Rural, and it's a lot. She said she thanks the Councilmembers for all the time they put in, and while she has not been involved, she's here now and intends to remain involved.

Ms. White said she hoped the Council would not extend the contract to give this process more time, so we can educate the community and get everybody involved. She said she also feel as if "it's a risky proposition, there's not enough information to guarantee, it's expensive, there's a lot of potential problems and that would up the price for the developers, which would mean more units, which would to mean high density." Furthermore, if the residents of the BMR units have cars, will we need a stoplight?

She quoted from the Town's website: "Extensive residential development did not begin until after World War II. By the early 1960s many residents had become alarmed by increasing pressures for housing and business expansion. Therefore, in 1964, Portola Valley voted to incorporate in order to have local control

over development. The goals were to preserve the beauty of the land, to foster low-density housing, to keep government costs low by having a cadre of volunteers, and to limit services to those necessary for the locals." Ms. White said she heard a lot of talk today about liberty and freedom, but she said she feels as if she's losing liberty and freedom with government coming in and telling us what to do. She also heard about our responsibility to provide affordable housing, and she also feels we have a responsibility to the environment and to the land and to keep the balance between wilderness and civilization.

Phil White, Portola Road said he cannot understand how a buyer can guarantee a seller equal to or more than what they paid for a property several months ago. That's a big issue. Secondly, he said that most people he's talked to – and he put signs up at Roberts, at the coffee shop, at Tom Ramies' Portola Valley Garage, at Mark's Drug Store – said they don't know this is going on. They all favor affordable housing. "We all would like our kids to be able to afford to move to Portola Valley," he said, but "if you don't tell the developer how many units to build, density becomes a problem. If you don't dictate how many units, the developer will build as many units as he can, and then try to put a septic or sewer to service 20 or 30 units on that size lot." There are other ways to affordable housing, he said, citing the Woodside example of secondary units in other places.

Eleanor Noe said she's lived on Wyndham Drive 60 years, one year less than Eileen Schiel, who's lived there the longest – 61 years – and has seen a lot of changes in her 88 years. One of the changes that's upsetting and unfortunate, she said, is a change in the attitude of the Town's political officials. "Now we have closed sessions, ad hoc committees with secret agendas and poor communication with Town residents about Town issues," she said. "Of course it's all legal but that doesn't mean it is right or makes any sense or is in the Town's best interest." Ms. Noe said she remembers when the Town's elected officials made an effort to reach out to the people, and when residents knew what was going on. She recommended that the Town Council not sell the Blue Oaks lots at this time, and not to buy 900 Portola Road and exchange the same set of problems we faced for all these years for a smaller, less valuable, contaminated piece of land with zero plans about what you're going to do with it.

Eileen Schiel, Wyndham Drive, said she's lived here since January 1, 1951 and also has seen many changes. She said, "We strongly want to keep Portola Valley rural. We have lived right next door to Al's Nursery and had a very good relationship for all those years, but we do not want to see that purchased for affordable housing."

Susan Phelps, said living on Wyndham Drive since 1995 makes her "relatively new on the block." She said that although residents keep hearing the neighborhood isn't diverse, she said, but as Mr. Eisberg pointed out, it has retirees on fixed incomes, Eleanor Noe's husband was a steelworker, Eileen Schiel's husband had the Red Wing Boot and Shoe Repair shop in Redwood City. She listed more – college professors, teachers, nurses, office managers, a waitress who works at The Sequoias. Ms. Phelps said she's one of two single mothers on her block. She mentioned also volunteers at the schools, hospitals and in the community. "We are a well-established neighborhood and we're hardworking, contributing members of the community who will be adversely impacted by high-density housing. Ms. Phelps said, "When you talk about 'justice for all,' we'd like to be included in that."

Ms. Phelps said she doesn't know Geoff and Colleen Tate, but has heard them described as philanthropists who have been very generous to the community. She said she sympathizes with their desire to recover their costs of the purchase price of Al's Nursery, as well as the expense of soil remediation it required, and said it's understandable that the Town would want to help them. "But I question whether it's really in the Town's best interest to commit Town assets to the purchase of 900 Portola Road from the Tates," Ms. Phelps said. Is the property totaling 1.68 acres at 900 Portola Road actually worth \$3 million? She asked? She also noted that she hasn't heard any discussion of the high cost to hook up the proposed development to the sewer and whether it will be necessary to increase the number of homes in order to keep their prices in an affordable range.

According to Ms. Phelps, the owners of 888 Portola Road, who had rented their building to the SPUR Projects Gallery, are being forced to hook up to the West Bay Sanitary District sewer for an exorbitant

price, despite having a new, working septic system. She said she's heard the price is close to \$900,000 for them to connect to the sewer. She asked whether we know what it will cost to hook up the proposed houses at 900 Portola Road just next door to the former SPUR Projects Gallery. If it turns out that the housing at 900 Portola Road is not feasible, either because of the cost of hooking up to the sewer or because a developer for the project cannot be found, she asked how likely it would be for the Town to be able to resell 900 Portola Road and at least break even. Ms. Phelps said that money from the sale of the Blue Oaks lots should not be squandered on an uncertain outcome. She said she protests the resolution on the agenda this evening and urged the Council not to purchase 900 Portola Road and not to extend the purchase contract deadline.

Kerry Bratton, Wyndham Drive, said she chose to live in Portola Valley rather than Menlo Park or Palo Alto because she wanted to live somewhere rural. She said she's concerned that the Town is planning on spending \$3 million of taxpayer assets to buy 900 Portola Road without looking at the economic feasibility or having any plans at all. She said she's concerned that if the Town sells the property to a BMR developer, the developer will say that eight units are not feasible at 900 Portola Road. I'm concerned that the Town would lose control of this process and the next thing we'll know, there'll be high-density housing at 900 Portola Road. I protest the purchase of 900 Portola Road without any detailed plans.

Bob Dillon, Portola Road, said he and his wife have looked at the BMR process quite extensively. A credentialed high school teacher, he said he hasn't taught for a number of years but works as a contractor. In that capacity, he said he can see how contractors work when it comes to high-density housing, especially BMR-type projects, and the density at 900 Portola Road would be more than 12 units. He said he also fears the possibility of eminent domain where he lives. Mr. Dillon said that in a previous meeting Ms. Sloan had indicated to Ms. Douglas that probably wouldn't happen, but there are no assurances. He commended the Council for its efforts, the exhausting studies and input from the Town, but 900 Portola Road is not appropriate for BMR housing because it is not a transit corridor, he said. "It is not El Camino Real." Mr. Dillon said he opposes both the sale of the lots at Blue Oaks and spending money from that sale to purchase of 900 Portola Road because residents on Wyndham Drive and Portola Road haven't been given fair treatment and certainly not the extraordinary treatment extended to the Blue Oaks residents. Mr. Dillon acknowledged the need to "take care of the less fortunate in our society," but this (BMR housing mandate) is a bad law that emanates out of Sacramento. He said that if a law came down requiring liquor stores on every corner, we'd fight the law, not obey it just because it came out of Sacramento.

Paul Cushman, Portola Road, Woodside, said a couple of interesting narratives going on in this debate. One is around the role of government, the need for open and candid disclosure and dialogue. And it's centered on a 10-plus year struggle. He said he came to the meeting on behalf of Windmill School, which also for 10 years has been trying to find a home. In fact, Mr. Cushman said, he'd struggled for 10 years to get the support of the Town Council for Windmill School, an entity that not only enriches the lives of children but also our community. He said that he volunteers a lot at the school to help it "achieve its very noble gains." Mr. Cushman said it's important for the Council to think through where they are in this process, what's happening this evening, and navigate a path because they're "in one hell of a bonfire" now. He urged the Council to carefully look at the decision they'll make in a closed session and consider whether the commentary they've heard enables them to listen to what the residents are saying in their requests for open dialogue, for consideration of all options, and for support of other entities in the community that also serve the residents.

Mr. Cushman said the Council's decision would enable them to save face in a way that would protect them from litigious action. "You basically just let the contract drop and start the process and actually talk to the residents, talk to more developers, reconsider Blue Oaks and listen to what my fellow residents in the room have been really asking you to do this evening." In conclusion, he said he oppose the sale of the Blue Oaks lots and the purchase of 900 Portola Road, and thanked the Council for listening and his fellow residents for making their opinions very clear.

Marge DeStaebler, Santa Maria Avenue, has lived in Portola Valley since 1967. She said that she also lives in a very diverse community, which is a beneficial aspect of our neighborhoods and “we do support difference.” One doesn’t buy a home for \$50,000 now, she noted, so she favors affordable housing. Ms. DeStaebler said she wanted to speak primarily to the issue of selling the Blue Oaks lots. Many years ago, she said, the Conservation Committee looked at those lots, which are quite extraordinary – on a slope, with intermittent streams running through them, on land that’s never landscaped so native plants there are a treasure. Having some of this land as open space would be a benefit, said, so she encourages selling the lots. She said the Council is beginning to work around how to use the money to get below market housing.

Ms. DeStaebler said she was present when the Habitat for Humanity spokesperson talked to the Town Council about all of the difficulties of developing the Blue Oaks lots – the soil type, the slope, the difficulty of access. It’s not a place for BMR housing, she said. It’s up to the Council, she said, to find a place that works for BMR housing. In the meantime, she said she strongly favors selling the sites so that some of the land will be preserved.

Ms. DeStaebler said she also went through the charette process for the Town Center, which was very contentious, with equal numbers of people pro and con. Thanks to that process, she said that now there are very few people who dislike, do not use and are discouraged with the process by which the Town Center was developed. If the same kind of process can be used for wherever BMR housing is located, she said it would come out as a positive situation for everyone.

Guy Worthington, Portola Valley Ranch, said he’s lived in Portola Valley since 1995. He said he’s struck by the fact that there are an aggregate of about \$6 million worth of transactions being considered here tonight and as such, he would have expected more detail about the rationale behind those transactions. In particular, he said that although he’s heard and read about issues associated with developing the Blue Oaks lots, the information includes no specifics. Is it impossible or simply more expensive, he asked. If so, how much more expensive? The interviews with the developers should be available publicly so we can see in fact what it would cost, and what the impact would be.

If the decision must be made tonight, Mr. Worthington said he would oppose the sale of the Blue Oaks lots. Although he understands the lack of desire to delay, “two more weeks or a couple of more months on top of what sounds like a decade is not going to kill anything,” he would recommend a delay to allow time to make all this information that presumably is there available. If the information isn’t there, he continued, it needs to be because it’s a very large transaction and it is an asset to the community.

In terms of 900 Portola Road, Mr. Worthington said that from what he’d been able to glean tonight, there’s uncertainty as to whether a handful of units or many, and therefore also uncertainty about whether yet another project would have to be considered later to fulfill its affordable-housing obligation. Thus, Mr. Worthington said he can’t support one \$3 million transaction followed by another, without sufficient information about the specifics of the cost of development, of the potential prices of those houses if they become available. He said it’s not clear that there would be any resolution other than “kicking the can forward.” He recommended delaying the decisions and making this information available so that everyone can all consider it. If the Council must decide tonight, he said he hoped the Council would not sell the lots at Blue Oaks and not purchase the 900 Portola Road property. “It sounds like you’re just getting out of the frying pan and into the fire,” he concluded.

Norma Remke, Wyndham Drive, said she’s a retired teacher who taught in Portola Valley for 25 years and has lived here for 36 years, and volunteered with Girl Scouts, Cub Scouts, Little League, soccer and 4-H. She said she protests the sale of the Blue Oaks lots, the purchase of 900 Portola Road, and the extension of the purchase contract on 900 Portola Road. She said she has two main concerns. She said that she does not object to BMR housing at 900 Portola Road, but is worried about having 25 to 30 units there. She looked forward to having Windmill School there, but said she then started hearing rumblings about BMR housing, and every time she heard more, the numbers got higher and higher. She also

worries about how this situation came to be, because she thought she was quite aware of what's going on around Town.

Jon Silver, Portola Road, said that he's struck by how much he's heard tonight that he agrees with. He said he supports the Council moving ahead with the sale of the Blue Oaks lots. Having attended many meetings over the years, he said that's he's convinced the Town has diligently pursued development of those lots for BMR housing, and it's not realistic to pursue it any longer. He said that since his early 20s, he's worked to preserve rural Portola Valley. Having known many of the Town founders personally, he said they supported moving forward with affordable housing. He mentioned an early Councilmember, Eleanor Boushey, as a strong proponent of affordable housing, as was Bill Lane, he said, and Bob Anderson, who was among those who first adopted the Town's Housing Element.

According to Mr. Silver, well-designed, small affordable-housing units would have a nice impact on the environment, as opposed to large, unaffordable monster homes, and can actually be a benefit for the Town. He also referred to Mayor Richards early point about the range of incomes is part of what it means to be a rural town. Mr. Silver said the Town he grew up in had farm workers and ranch hands living alongside teachers and Nobel laureates. "Fortunately, we still have some of that," he said. "It would be nice to have more of it going forward."

Mr. Silver said it would be fantastic to do what the Council did in 1989, his last term as a Councilmember, which was to appoint an ad hoc housing committee. He said the Housing Element we have today came out of that committee's work. To do that again, bring people in and make them feel a part of the process, is important going forward, and to start the next review of the Housing Element early. He said it's also important to get answers to the questions Mr. Deggelman and Mr. Ebner asked about the relative value of the two lots.

In terms of closed meetings, Mr. Silver said the only ones he's aware of have related to sale and purchase of real estate. Under state law, he declared, it would be foolish not to have such discussions in closed sessions. "If the public is to get the best deal possible," he said, "you need to be able to have frank discussions that the buyers and sellers you're dealing with aren't privy to – just as any of us would do in a private business transaction." Thus, he said there is no basis for the criticisms that the Council has not acted in an open and public-spirited way. Mr. Silver urged the Council to move forward and take some of the suggestions that critics have made to get a broad-based committee together.

Lynn Eisberg, Wyndham Drive, said that she and her husband, Bud, have lived there since they were married in 1983. Thanking the Council for giving Bud "something to do in his retirement," she said the reason he has this retirement job is a phone call from former Mayor and Councilmember Steve Toben informing them that the Town Council was going to buy 900 Portola Road, and he was going to act as a mediator. She said she disagrees with everything the Council is planning to do. "I think you need to put the brakes on," she said, "open it to the public, get a committee going." She said, "We want to comply with the law, but we also want to be able to trust our Town government. . . We don't feel what you're doing is right."

Pete Chargin, Santa Maria Avenue, said he's lived in Town for about 20 years. He urged the Council to have a plan when making large transactions, because it's extraordinarily dangerous to do so without a plan. In addition to the negotiated prices, he said, there are also sizeable transaction fees for the various agents to consider. If it's standard in real estate, at about 6%, he said, it's \$360,000, which is substantial. He also pointed out that selling the Blue Oaks lots now would definitely eliminate a BMR housing option. "If you're able to move forward in a very open way in terms of community involvement," Mr. Chargin said, "how silly would it be if it turns out that the best option is Blue Oaks?" He also said that he's not heard a compelling reason to move forward on any of these transactions at this time. He said that he understands the need to show forward progress, and he has seen such progress in terms of the openness and involvement of the community. He said that if he were in the state's shoes, he would not view the sale of a property considered for BMR housing, which cuts out that option, a sign of forward momentum. Thus,

Mr. Chargin encouraged the Council to not move forward with any of the transactions being considered tonight.

Virginia Bacon, Golden Oak Drive, said that she's lived in Town long enough to see Blue Oaks become a subdivision, to see the Town wrestle through the Housing Element, sometimes with no one else in the audience. She said she was glad to see so many residents attending this meeting and expressing their views, because we so desperately need affordable housing. She said that a couple of years ago she researched the average size of homes in her neighborhood, and learned that it's about 3,000 square feet. New homes now are 5,000 to 6,000 square feet and larger, she said, and all these people who come in to service our homes need our help. And we need them, she said. "We employ them." She said she believes it's in the Town's best interest to sell the Blue Oaks lots, and to concur with the Planning Commission's decision, which would preserve one lot for open space and use the other for new development. "It makes a lot of sense to me," she said, "so I really hope the Town will go forward with it." She would want the Town to put the money in the bank and give second thoughts to buying 900 Portola Road until figuring out more what could be done with it, and consider what the people who need affordable homes really need. Would it be 750 square feet, 1,000 square feet? She said the Town has not looked at those issues. And "if you had to sell it for some reason," she asked, "could you sell it for what you bought it?" Ms. Bacon said that she wants very much to do something to move affordable housing forward, and second units aren't the answer. We have to find some more land, and consider re-zoning some properties. We have to consider transportation issues.

Uwe Horchner, Hidden Valley Lane, Woodside, said that he represents a family of five – three generations with more than 160 years in Portola Valley or Woodside. He strongly urged the Council to reject the resolution because it would set in motion a chain of events that would not be in the best interest of the Town's residents and would result in the waste of significant taxpayers' assets. He said that he believes the sale of the Blue Oaks lots is inevitable, and only makes sense inasmuch as these lots can never be developed for BMR use. They are located far from any services, and the high financial and environmental cost of building on those steeply sloped lots is too high to justify BMR housing.

Mr. Horchner said these lots should be sold with the goal of maximizing the financial and environmental benefits to the Town, but he does not support using the entire proceeds, plus money that's accumulated in the inclusionary housing fund, to buy 900 Portola Road. In preparation for this meeting, Mr. Horchner said he reviewed the General Plan and other documents, and wanted further information.

He quoted Action Plan, 2493.1 (Inclusionary Housing Program): *Establish an ad hoc committee to explore the possibility of selling the Blue Oaks lots and using the funds from the sale to build eight or more units in another location in Town. The committee will identify and explore alternative locations, including the feasibility and cost of each possible site.*

The Council has specifically acknowledged that they don't know whether the 900 Portola Road site is feasible for development of BMR housing, Mr. Horchner said, so purchasing that site would be inconsistent with the Housing Element. He referred to the adjusted Housing Needs Allocation table in the Housing Element (pages 28-30), which indicates that the Town meets its requirements in three of the four categories eligible for subsidized housing. In the extremely low income category, the group of the highest need, the Town's plan exceeds the requirement by 17 units, he said. It has been pointed out that failure to comply with the Housing Element could result in severe penalties, but he stated that it's inconceivable to think being short by only eight units in the least-needed category would represent reason enough to either penalize the Town or necessitate the Town's expenditure of \$3 million on a lot that hasn't even shown that it's feasible for development.

In conclusion, Mr. Horchner urged the Council to reject the resolution and separate the two issues in a revised resolution that should authorize the sale of the Blue Oaks lots as soon as possible. He also urged the Council to not extend the purchase agreement on the 900 Portola Road property and enter no new agreements until after the suitability of the property for BMR development has been established in keeping with provisions of the Housing Element.

Susan Dworak, who lives “way up” on Alpine Road, said that although the 900 Portola Road property transaction would not necessarily affect her family directly, affordable housing has directly affected them in three other counties. Ms. Dworak said that having been in Town a little more than a year, she may be Portola Valley’s newest resident and has been “very welcomed in this wonderful community.” She said that sometime she wants to share how affordable housing can very seriously tap the resources of communities. She said she does not oppose it, but it must be done well. “Change is good,” she said. “Variety is good, but you have to have the right kind of change and the right kind of variety.”

According to Ms. Dworak, once the government gets involved, state and federal – there is nothing anyone can do. “You would be shocked at human behavior,” she said, “and when it rears its ugly head in any kind of affordable-housing context, you lose control.” She said you can’t control whether a teacher lives in an “affordable housing” unit or whether four people live there. “There might be eight to 10 kids in every one of those houses,” Ms. Dworak said. The definition of a family today is not what it was before, she added, so “we’re not talking about density, we’re talking about super-density. We just don’t know.” She said the Town needs a committee and very public discussion, sharing all of the information so we can make an adequate decision.

Joe Dworak, Alpine Road, said that he’d been a lawyer in downtown San Jose, and had to surrender several buildings due to changes in downtown San Jose. He said it seems that the Town Council has a real problem on its hands because the rules and regulations are imposed by the state. “This issue would not come up on its own,” he said. “It’s the Council’s obligation to meet state law.” He said that rather than rush forward with a particular proposal integrating two different projects with substantial money at stake, it might be better – even with the risk of state sanctions – is to address the affordable housing issue with the next Housing Element review. That way, he stated, the people who have been so passionate about what they’ve said would have an open, clear forum in which to communicate their thoughts. In conclusion, Mr. Dworak said the matter said should be tabled for future review.

JoAnn Loulan, Los Trancos Circle, said she’s lived there for nearly 26 years. Regarding the question of selling the Blue Oaks lots for \$2.8 million, she asked who determined that price because it seems quite low. She also said she didn’t know how the Town could move forward on the purchase of the 900 Portola Road property considering the questions about toxic waste on that site. She said that she lives in Los Trancos Woods, which is a high-density community, and she loves it, so, “I’m all about let’s get some affordable housing.” However, she added, she is irritated by people talking about who would move into BMR housing. She said there’s no way she could afford to buy a home in Portola Valley now, but she doesn’t know what “affordable housing” means in terms of prices, because not many people can afford an \$800,000 house.

Don Jacobson, Farm Road, Hidden Valley, said that when this process began in August, the Town Council assured everyone that the Council would hold as many public hearings as necessary to satisfy public concerns. He said there should not be a vote tonight, because the process has been too short and needs to be opened up. “The more people who learn what’s going on, the more people are interested,” he said, “and a lot of people are just now learning about what we’re doing here.” Mr. Jacobson asserted, “There’s no harm in continuing this process so the people who would like to be here and want to speak to this Council” may do so. “Give the community some time to take a hard look at this, to learn from it, to ask questions,” he said. On the merits, he continued, the big question has never been answered: Will 900 Portola Road qualify for BMR housing? He asked, “Why isn’t that laid out in all the documents and papers? How many homes are going to be there? How many people? How long can they be there? What are all the circumstances that surround putting 10 or 12 units” on that site? “And what is the impact on property values? Has that been put in some equation and considered by the Town? Should (the people in the neighborhood) have to lose 20% of the value of their property?” Mr. Jacobson said it seems “we’ve got a bird in the hand here with Blue Oaks. Maybe more should be done there. Why are we giving up 2.6 acres of already established BMR homes for 1.4 acres we don’t even know if it’s going to work? From a simple, sound business proposition,” he said, “That does not make any sense.”

Mayor Richards closed the public hearing, and after a brief break, asked staff to respond to some of the questions that came up during the comment period.

In response to Ms. Sloan asking what the Council wished to address, Councilmember Aalfs suggested discussing the next cycle of the Housing Element. Mr. Vlasic said that in 2013, it would be appropriate to start getting something together to turn in to the state in 2014, for the Housing Element for the period 2014 to 2022.

Councilmember Derwin said Ms. Loulan asked about a definition of affordable housing. Mr. Vlasic said that for moderate-rate housing, the sale price would be based on income levels in the range of \$90,000 for a family of two to \$123,000 for a family of four. The formula would be based on 34% of income that could be used for housing expenses.

Vice Mayor Wengert brought up the issue of how the Blue Oaks lots price was set. In terms of the process, she said anyone who is selling a home, commercial property or land relies on experts to do that. She said that the Town interviewed three very experienced realtors who operate in Portola Valley and deal with raw land sales, and during those interviews, they discussed possible prices. Thus, Vice Mayor Wengert said, "you're really testing the market before you even go to the market." In selecting the realtor, she said, "We were aggressive in our pricing, and we priced it at what we thought was the top of the fair market value range." Of three offers, the one accepted was the highest, at the full asking price, she said, "so we're very comfortable, as you would be in any real estate transaction of this type, that we not only did our due diligence relative to how it was priced, but in fact have a very positive outcome relative to the offer that's currently on the table."

Ms. Sloan added that nothing in the law requires obtaining an appraisal before selling. "You just let the market speak," she said.

Mayor Richards said there was a question about the commissions on the transactions. Ms. Sloan said the agent representing the Town in the sale of Blue Oaks is charging a 4% commission – 2% for her, and 2% for the buyers' agent. If the sale proceeds, she has committed to giving half of her 2% commission – 1% - - to the Town for affordable-housing purposes. That is included in the listing agreement, Ms. Sloan added, which is a public document.

There are no agents involved in the 900 Portola Road transaction, she said.

Ms Sloan said that one speaker indicated that if the Town buys 900 Portola Road, a developer would be able to do whatever they wanted. In response, she said, "Just to emphasize, as anyone who's lived in Portola Valley knows, that is absolutely not true. Anybody that proposes any development goes through a very rigorous process. Any project would be very thoroughly vetted and have some public hearings."

Mayor Richards referred to a comment regarding the effect of affordable housing on property values. Ms Sloan explained that there are four categories of affordable housing under state law –extremely low income, very low income, low income and moderate income. She said if you look at the HCD website or talk to affordable-housing developers, the data indicate that affordable housing for moderate-income people – which is what was intended for Blue Oaks and would be at 900 Portola Road – does not affect neighboring property values. She said that moderate-income housing would be for residents whose income is between 80% and 120% of the county median income. So while the housing is below market rate, she pointed out, it can be and usually is above the median income.

Ms. Sloan said that affordable housing financing is complicated. Sometimes federal tax credits and grants, state grants, county grants are involved, but none of that money flows to moderate-income housing, so there are no governmental controls on it. Thus, she said, there's a lot more local freedom in terms of BMR housing for moderate-income people than there would be in the other categories.

Councilmember Derwin said that her friends in the affordable-housing community who advocate for low and very-low income housing don't even consider moderate-income BMR housing as affordable housing.

Mayor Richards suggested the Council move into deliberations.

Councilmember Aalfs said the Council has certainly received a lot of input over the last several months about the Blue Oaks lots and what happens with the money. He said that he has been convinced for some time that Blue Oaks was not feasible for BMR housing, so he favors moving forward. He characterized the offer for those lots as "very good" and are "really doing about as well as we can in terms of taking that next step." He said that he favors both resolutions.

Councilmember Driscoll said that he doesn't think the Blue Oaks property would ever be developed for BMR housing, so he'd like to get the cash out of it now and put the housing somewhere else that makes more sense.

Councilmember Derwin said she applauds her predecessors who had the vision and the wisdom to produce an inclusionary housing ordinance, but the plan for Blue Oaks was flawed from the time the developer gave the lots to the Town because he said economically it would not work. She said, "We've been trying to build those things for 14 years. I know a lot of you say we haven't," she said, "but the seven years I've been on the Council there's been a lot of activity trying to figure out how to get those damn things built, and they just aren't going to happen." She said that yes, Habitat for Humanity could build them. "That would be eight extremely modest units for low to very-low income people, plopped into the ritziest development in Town," she said. And they would be building them on the weekends, which would violate our own noise ordinance. "It really just doesn't make sense."

Vice Mayor Wengert said she agreed with her colleagues. "This has been a very difficult issue that we have struggled with for a number of years at a number of different levels and different Councils," she said. She said she appreciated hearing a lot of the community's input relative to how to take the next step, which is something the Council will be discussing. She said the issue in front of us at this junction is one we should absolutely take advantage of, which is the sale of Blue Oaks for a very fair price, and a price that will enable us to have capital. If we can't build in Blue Oaks – and I think all of us are convinced, having spent all this time, done a lot of work that has indicated pretty clearly to anybody who's been involved with it over any period of time, that it was not a good option. And in fact, with this acquisition of the group that potentially is going to buy it creates some opportunities that Ms. Trapp referred to – open space – that was an unintended benefit of these negotiations." She said it's a real "win-win" for the community to have the Blue Oaks lots sold and monetize this land as we planned to do in the last adoption of the Housing Element, and then to move forward." She said she's excited about that opportunity because it will give us some breathing room and bandwidth to move forward. As a first step, she said she favors the sale of the Blue Oaks lots, and therefore the lot line adjustment.

Mayor Richards said that he agrees with his colleagues that this is an opportunity we would be remiss in passing up at this point. The attempts to build BMR housing at Blue Oaks were probably doomed from the beginning, he said. It's become painfully clear that it's not going to work. He said that even if we'd brought in Habitat for Humanity, the main issue wouldn't be a weekend work problem – it would be very low-cost units that would be so out of place in Blue Oaks.

Mayor Richards said he appreciates all the input tonight regarding next steps, and now has some new thoughts planted in his head that will be discussed going forward. In the meantime, he said that it's time to move forward with Blue Oaks.

Councilmember Driscoll moved approval of a Resolution of the Town Council of the Town of Portola Valley Approving Amendments to Blue Oaks PUD X7D-137 and Lot Line Adjustment X6D-214. Seconded by Councilmember Derwin, the motion carried 5-0.

Vice Mayor Wengert moved approval of a Resolution of the Town Council of the Town of Portola Valley its finding and intention to sell 3 and 5 Buck Meadow Drive pursuant to Government Code Section 37420. Seconded by Councilmember Aalfs, the motion carried 5-0.

COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS 3:26:00.3

- (7) Recommendation by the Bicycle, Pedestrian & Traffic Safety Committee: Proposed revision to Committee Charter [10:50 p.m.]

Mr. Pegueros said the committee was requesting authorization to change the start time its meetings from 8:15 a.m. to 8:00 a.m.

Vice Mayor Wengert moved approval of the requested change to the BP&TS Committee Charter. Seconded by Councilmember Derwin, the motion carried 5-0.

- (8) Report from Town Manager: Recommendation to consider modification to the Meeting Schedule

Mr. Pegueros said he's recommending that the Council consider modifying the upcoming schedule of Town Council meetings to:

- Cancel the regular meetings on December 26 2012 and January 9, 2013.
- Hold a Joint Study Session with the Planning Commission to discuss the General Plan's Meadow Preserve provisions on either January 23 or January 30, 2013 (which would be the fifth Wednesday, traditionally the meeting with the EPC).

He said Commissioners Arthur McIntosh and Nicholas Targ would be unable to attend on January 23, and Commissioners Nate McKitterick and Denise Gilbert would be unable to attend on January 30.

Councilmembers agreed to:

- Hold a regular Council meeting on January 23, 2013
- Cancel the regular meetings on December 26 2012 and January 30, 2013.
- Meet with the EPC on January 30, 2013
- Have Mr. Pegueros find a new date for the joint meeting with the Planning Commission

- (9) Reports from Commission and Committee Liaisons [10:58 p.m.]

Councilmember Aalfs:

- (a) Architectural and Site Control Commission (ASCC)

Meeting on December 10, 2012, the ASCC made three afternoon site visits for preliminary reviews of proposed residential developments that were continued to the evening meeting. Members visited:

- 187 Bolivar Lane, a 3.1-acre Westridge Subdivision property
- 45 Tagus Court, a 1.9-acre Alpine Hills parcel

- 10 Sioux Way, a 1.09-acre Arrowhead Meadows property

Councilmember Derwin:

(b) Firewise

Councilmembers Derwin and Driscoll attended the Firewise meeting. She reported that:

- The high fire danger signs have been taken down
- Woodside Fire Protection District Fire Marshal: Denise Enea might be able to obtain a state grant from FEMA
- Los Trancos and Vista Verde are very interested in a Firewise class, and Ms. Enea is considering teaching it
- There was a discussion about fuel deliveries in the event of an emergency
- Members don't particularly like the Go Bags on the market, so will make their own; the Fire Protection District will make a prototype, possibly with a list on the outside of the bag indicating its contents.
- There is confusion and distress over \$150 bills from the State Department of Equalization going out to unincorporated areas from Cal Fire, with \$35 deductions for properties that are protected by a fire district

Councilmember Aalfs said that all the data from AT&T has been geo-coded for the Rapid Notify system.

(c) Sustainability Committee

At a special meeting on December 3, 2012, Sustainability Committee members discussed a variety of topics:

- Steve Schmidt will provide an Acterra High Energy Homes update in January 2013
- The Boy Scouts have Energy Merit and Sustainability badges
- Energy Upgrade PV rebates will continue into 2013
- Upcoming Tuesday Harvest Speaker Series events include:
 - February 12, 2013 – Lighting Technology Changes and Green Design with Linda Sanford
 - March 12, 2013 – Our Homes: Getting to Net-Zero Energy with Ann Edminster
- The Sustainability Committee mission for 2013; many members wanted to focus on water, but Ms. de Garmeaux says the push for energy upgrades should continue instead. They talked about developing sustainability monthly tips, similar to what the Conservation Committee does.

- A Green Homes Tour is slated for February or March and would include visits to a Net-Zero remodel by Chris Field and the George Salah house in Blue Oaks.

(d) City Selection Committee

Councilmember Derwin said the City Selection Committee would meet for elections on December 14, 2012. Although not required to do so, she said that Kevin Mullin is giving up his MTC seat to go on to serve in the California State Assembly. Five people are running for his seat, including Brisbane Mayor Cliff Lentz, Redwood City Mayor Alicia Aguirre, Half Moon Bay Vice Mayor Rick Kowalczyk, Millbrae Vice Mayor Gina Papan, and Burlingame Councilmember Jerry Deal. Councilmember Derwin said that at this point, she's leaning toward Ms. Papan because she's very strong, or Ms. Aguirre. Councilmember Driscoll said he could picture Ms. Papan doing a good job.

Vying for the San Mateo County Transportation Authority (SMCTA) Board seat to represent the southern cities are the incumbent, Redwood City Councilmember Rosanne Foust, and Atherton Vice Mayor Elizabeth Lewis. Vice Mayor Wengert said she spoke with Ms. Lewis at the Airport Roundtable Meeting.

Councilmember Derwin said she will be giving up her role as Chair, and her successor in that capacity will be either Half Moon Bay Councilmember Marina Fraser or Pacifica Councilmember Mary Ann Nihart. Councilmember Derwin said she advocates Ms. Fraser as Chair. With Ms. Nihart and Hillsborough Councilmember Marie Chuang seeking appointment as Vice Chair, Councilmember Derwin said she's leaning toward Ms. Chuang.

Mr. Pegueros asked Councilmember Derwin whether she's been representing Portola Valley as Mayor and voting as Mayor. Councilmember Derwin said she did a proxy. When Mayor Richards said he cannot serve on the City Selection Committee, Councilmembers agreed to give his proxy to Councilmember Derwin going forward.

Vice Mayor Wengert:

(e) Bicycle, Pedestrian & Traffic Safety Committee

Meeting on December 5, 2012, BP&TS Committee members voted on three bike-lane option recommendations:

- 1) To do nothing
- 2) To wider lanes only, with no official lane striping
- 3) To install standard, official bike lanes

By a 7-2 vote, they chose Option 2, to widen shoulders to five feet wherever possible, and to standardize the width to the maximum extent possible. The most compelling argument in favor was that this is most consistent with what neighboring communities are doing. There was a concern that Option 3 – which the two dissenting voters favored – would have created liability issues and a new set of problems.

As Public Works Director Howard Young had explained to the group, modification of Alpine and Portola Roads could take place over a 10-year period if it is planned to coincide with regular maintenance and repaving. The Committee voted 5-4 to go section

by section, but try to accelerate the schedule. Vice Mayor Wengert said the Committee is aware that the Town would have to approve the costs associated with that.

The Committee also discussed whether to recommend prioritizing sections of the roads that are the most troublesome – specifically along Alpine Road in the area where it intersects Arastradero Road and along Portola Road in the vicinity of The Priory.

In response to Councilmember Derwin, Vice Mayor Wengert said that she believes the Committee is looking for C/CAG money to help.

(f) SFO Airport Community Roundtable

Meeting on December 5, 2012, members were very interested that Portola Valley had sent another letter to Rep. Anna Eshoo. Roundtable Chair Jeff Gee (Redwood City Vice Mayor) also sent a very strong letter to the Federal Aviation Administration, particularly focused on the NextGen metroplex issues and pushing hard for an open EIR process. Vice Mayor Wengert reported pushback from some of the SFO representatives, but indicated that the Roundtable is very much moving in the right direction.

(g) Trails and Paths Committee

At its December 11, 2012 meeting, the Committee discussed plants around the bench that's being installed along the Dwight Crowder trail. There were some complaints about bicyclists riding northbound, cutting off onto the trail at Family Farm Road and having a number of close calls with equestrians.

The trail near The Priory is of concern to both Trails and Paths and the BP&TS Committee, so the Committees plan to make a joint site visit and come up with a combined recommendation on a potential new configuration.

WRITTEN COMMUNICATIONS [11:20 p.m.]

(10) Town Council November 30, 2012 Weekly Digest

(a) #4 – Agenda – Planning Commission – Wednesday December 5, 2012

Mayor Richards asked whether the Planning Commission addressed The Priory's turf issue. Mr. Pegueros said the Commission gave some preliminary feedback on issues related to the EIR, and a public hearing will be held on February 6, 2013.

(11) Town Council December 7, 2012 Weekly Digest

(a) #16 – Memo from Town Manager, Nick Pegueros re: – Weekly Update – Friday, December 7, 2012

In terms of the storm recap (Item #1), Mr. Pegueros called the Council's attention to the fact that the cleanup effort relative to the deluge on December 2, 2012, was costly. The estimated \$12,000 cleanup cost represents of 60% of the Town's adopted storm-response budget for the year. It would have been even worse except for the efforts of the Public Works Committee – Mr. Hedlund, Mr. Eisberg, Mr. Patterson, Mr. Paris and Mr. Fil. Mr. Pegueros said that he's also particularly concerned because it's so early in the season.

The storm caused significant damage to AT&T's vault on Alpine Road across from Ford Field, where flooding destroyed all of the electronics that provide telephone and data service to a

number of residents. AT&T worked around the clock to replace the equipment and service restoration began on Thursday, according to our contact at AT&T.

Councilmember Driscoll asked whether there's reason to believe the vault wasn't designed properly. Mr. Pegueros said the question seems to be whether it was properly inspected, and water got into cracks that opened up. He verified that the Town's outlay wasn't related to the AT&T facility issue.

Councilmember Derwin asked about the ABAG-PLAN insurance meeting (Item #4). In response, Mr. Pegueros said the Town purchased its liability and property damage insurance from the ABAG-PLAN, which is a Joint Powers Authority of 29 Bay Area communities. As a Board member, he attended the executive committee meeting on December 6, 2012, when some significant policy issues relating to the insurance group's long-term fiscal stability were discussed. One major issue, he explained, is the fact that some of the agencies are holding more insurance than they're paying premiums for, and the disparity is growing rather quickly. Part of the problem, too, is that the board's policies regarding premiums need approval of 100% of the JPA's 29 members.

CLOSED SESSION [11:28 p.m.]

(12) Conference with Real Property Negotiators

Government Code Section 54956.8

Properties: 900 Portola Road

Town negotiators: Town Attorney and Vice Mayor Wengert

Negotiating parties: Geoff and Colleen Tate

Under negotiation: price and terms of payment

REPORT OUT OF CLOSED SESSION: No Reportable Action

ADJOURNMENT [12:10 p.m.]

Mayor

Town Clerk