

PORTOLA VALLEY TOWN COUNCIL REGULAR MEETING NO. 853 JANUARY 23, 2013

Mayor Richards called the meeting to order at 7:30 p.m. and led the Pledge of Allegiance. Mr. Pegueros called the roll.

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

Absent: Councilmembers Jeff Aalfs

Others: Nick Pegueros, Town Manager  
Howard Young, Public Works Director  
Brandi de Garmeaux, Sustainability & Resource Efficiency Coordinator  
Karen Kristiansson, Senior Planner  
Tom Vlastic, Town Planner  
Leigh Prince, Town Attorney Representative

ORAL COMMUNICATIONS [7:31 p.m.]

Jenny Zhang came to invite Councilmembers to see the Shen Yun Performing Arts group when it comes to the Orpheum Theatre in San Francisco in March 2013. The group travels around the world, taking this cultural event that celebrates the 5,000 years of civilization in China, to millions of people. Audiences find the music and dancing not only beautiful and magnificent, Ms. Zhang said, but say that it evokes themes of dignity, loyalty, courage, love and compassion.

- (1) Presentation: Report from Jessica Stanfill Mullin, Regional Public Affairs Manager, Peninsula Division, League of California Cities with an Overview of the League and Division [7:33 p.m.]

Ms. Mullin said members of the League of California Cities work together to enhance their knowledge and skills, exchange information and provide resources so they may influence policy decisions that affect their cities. The League was formed in 1898 to advocate for the common interests of city governments, and its mission is to expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians. The League is divided into 16 divisions; the Peninsula Division includes San Francisco, San Mateo and Santa Clara Counties.

Among the services provided to cities include legal counsel, legislative ballot measure advocacy, opportunities for professional networking, information and research services such as Institute for Local Government, and educational opportunities via professional conferences and the League's annual conference.

In terms of legislative advocacy, Ms. Mullin described 2012 as a very active year. This month's League publication, *Western City Magazine*, highlights work to achieve substantial pension reform, the culmination of several years of internal work on policies as well as implementation issues such as AB 340. She said this legislation is a positive step toward restoring state and local fiscal stability over the long term.

The League also is working to develop policy to guide distribution of expected future revenues from Cap-and-Trade auctions. It supports AB 1532, which would send a significant portion of the proceeds to disadvantaged communities for investment in transportation and energy efficiency and help fund to implement SB 375, the Sustainable Communities and Climate Protection Act of 2008.

The League also supported several bills addressing issues with the State Water Quality Control Board, Ms. Mullin said. SB 965 addresses the Administrative Procedure Act, exemptions and prohibitions on ex parte communications between members of the state and regional boards and regulated communities.

Every year the League establishes strategic priorities. This year there are four:

1. **Build Lasting Partnerships.** Develop and strengthen long-term relationships and partnerships with new and returning state policy-makers and other stakeholders with common interests to better serve and enhance the quality of life for all Californians.
2. **Expand Community and Economic Development Tools and Funding Options for City Services.** Develop and advocate for new tools and funding options for community and economic development to support job creation, investment in public infrastructure, expansion of affordable housing and increased funding for essential local services.
3. **Continue Pension and Other Post-Employment Benefits (OPEB) Reform.** Continue and expand upon recent efforts at pension and OPEB reform to ensure the long-term affordability and responsiveness of public services for city residents.
4. **Implement an Effective League Branding Strategy.** Develop and implement a marketing and branding strategy that effectively communicates the League's identity along with the unique benefits that city officials, our partners and the public can expect from the League, its products and services.

In addition to the strategic priorities, Ms. Mullin said the League convened a task force last fall to examine advocacy options over the next several years, including ways to collaborate with the Legislature, the Governor, the counties, the schools and special districts, as well as be prepared to go to voters through the initiative process to prevent unreasonable state intrusion into local affairs if required, and using litigation when necessary to advance hard-fought League victories at the ballot box.

The task force has released its multi-year advocacy strategy to expand and protect local control. The strategy was sent to all councilmembers and city managers for review. Ms. Mullin requested feedback regarding the strategy, whether the recommendations make sense, whether any of those proposed should be eliminated, or whether any should be added.

Ms. Mullin also encouraged member engagement in League activities, pointing out several options. Those who are interested in developing policy can serve on the League's Board of Directors or one of its eight policy committees. These communities offer a great opportunity to evaluate state and federal legislation and assist in setting new policy direction for the League, she said.

The Peninsula Division also offers opportunities for involvement. Members may want to serve on its Executive Committee, which organizes events and outreach to educate members on local government issues and mobilize with state committee events and advocacy efforts. The Peninsula Division also hosts quarterly meetings at which members can network with one another and with guest speakers, discussing issues relating to cities. Last year the programs at the division meetings focused on immigrant and permanent residents, engagement services, pension reform and an overview of the state budget by State Legislative Analyst Mac Taylor. This year, as part of the League's efforts to build relationships with legislators, the Peninsula Division will be arranging for meetings with legislators in their district offices throughout the year. These meetings will provide opportunities to educate these legislators about League priorities as well as to discuss local issues of concern.

Vice Mayor Wengert asked when the Peninsula District's next event would be coming up. Ms. Mullin said it would be on January 24, 2013 – the Peninsula Division Annual Reception at the San Mateo History Museum in Redwood City, with League Executive Director Chris McKenzie the featured speaker. Division quarterly meetings are held on the fourth Thursdays in March, June and October:

March 28, 2013

June 27, 2013

October 24, 2013:

In conjunction with the Peninsula Division's yearly election of officers, it also hosts a breakfast on the last day of the League's Annual Conference in Sacramento. This year's date will be September 20, 2013:

CONSENT AGENDA [7:40 p.m.]

- (2) Approval of Minutes: Regular Town Council Meeting of December 12, 2012 [*removed from Consent Agenda*]
- (3) Ratification of Warrant List: January 9, 2013 in the amount of \$194,302.01
- (4) Ratification of Warrant List: January 13, 2013 in the amount of \$79,281.91
- (5) Recommendation by Acting Administrative Services Director: Disposal of Surplus Property
  - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Approving and Authorizing the Disposition of Surplus Property (Resolution No. 2575-2013)
- (6) Recommendation by Sustainability Coordinator: Second Reading and Adoption of a Reusable Bag Ordinance for the Town of Portola Valley
  - (a) Second Reading of Title, Waive Further Reading, and Adopt 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. 2013-398)
- (7) Recommendation by Sustainability Coordinator: Proposed revision to Committee Charter
- (8) Appointment by Mayor: Request for Appointment of Member to the Emergency Preparedness Committee
- (9) Appointment by Mayor: Request for Appointment of Member to the Trails and Paths Committee
- (10) Appointment by Mayor: 2013 Commissions and Committees

By motion of Councilmember Driscoll, seconded by Councilmember Derwin, the Council approved Items 3-10 on the Consent Agenda with the following roll call vote:

Aye: Councilmembers Driscoll and Derwin, Vice Mayor Wengert, Mayor Richards

No: None

- (2) Approval of Minutes: Regular Town Council Meeting of December 12, 2012

Councilmember Driscoll moved to approve the minutes, as amended, of the Regular Town Council Meeting of December 12, 2012. Seconded by Vice Mayor Wengert, the motion carried 4-0.

REGULAR AGENDA

PUBLIC HEARING [7:43 p.m.]

- (11) Recommendation by Public Works Director: Revise and Reestablish an Underground Utility District on Alpine Road from Nathhorst Avenue to 150 Feet North of Hillbrook Drive
  - (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley to Revise and Reestablish an Underground Utility District on Alpine Road from Nathhorst Avenue to 150 feet North of Hillbrook Drive (Resolution No. 2576-2013)

Mr. Young summarized the background. At the October 10, 2012 Council meeting, the Cable and Undergrounding Committee reported on the status of the undergrounding project that the Council approved on May 20, 2010. Since the time of the approval, PG&E implemented some rule changes that required refining the project and thus also requiring a new resolution.

The new resolution would establish the PG&E Rule 20A Undergrounding District. The California Public Utilities Commission (PUC) requires PG&E to set aside funds for financing undergrounding of overhead utilities. Currently, there is \$408,000 set aside for such work.

Two projects were discussed at the October 10, 2012 Council meeting, Mr. Young said – Phase 1 and Phase 2. The resolution the Council is asked to consider, which addresses only Phase 1, is required to get this project into the queue so that PG&E can start the design process. Construction could potentially begin in 2016. Mr. Young noted that subsequent projects (e.g., Phase 2) could be added at a later date because it is a “conditional” resolution.

The Councilmembers’ packets included a map of the proposed undergrounding district. Some Municipal Code provisions, in addition to those in the resolution, require holding public hearings and notifying affected residents. Mr. Young said none of the five affected property owners contacted by representatives of the Cable and Undergrounding Committee had a negative response, and no overhead service laterals exist along the proposed undergrounding district go to those properties that would be affected.

Vice Mayor Wengert asked whether the resolution includes a cost estimate and timeline, or if the purpose of the resolution is merely meant to get the process with PG&E underway. Mr. Young said the resolution is required for PG&E to get the Town into the queue, authorize PG&E to start design, and set aside the Portola Valley funds. Vice Mayor Wengert asked to what extent the \$408,000 that Portola Valley has accumulated in Rule 20A funds would cover this Phase 1 work. Mr. Young said that PG&E would let the Town know what they think they can design for \$408,000.

Does PG&E charge for the design – is that part of the cost? How would the Town control what’s spent on pre-construction work? The charges for design do come from the Town’s Rule 20A allocation. The process, which would involve requesting invoices to identify specific expenditures from the Town’s account, from PG&E, is established by the PUC.

A fair amount for design would account for between 10% and 15% of the total, he said, but 30% to 40% would be suspicious. He said he would ask for those invoices and specifics about time charged to ensure that the money is well-spent.

Councilmember Derwin asked for clarification about operative clause number 6 in the draft resolution. It indicates that PG&E would use underground conversion allowance allocation, up to \$1,500 per parcel, but also that beyond \$1,500 the parcel owner would be responsible.

Mr. Young said that this is standard language that PG&E requires, but the initial investigation revealed that there are no affected property owners in any case. If there were, he explained, if a pole in front of a residence has wires going to the house, the Town would receive up to a \$1,500 credit out of its Rule 20A funds for undergrounding that lateral. The Rule 20A would probably be enough to cover a 100-foot lateral, he said, but if the residence were more like 600 feet away from the pole, the \$1,500 wouldn’t be enough.

Councilmember Derwin asked whether someone could be in a situation where they’re forced to underground their lines to a pole and bear that expense. Mr. Young said yes, but that doesn’t apply to any of the properties because no laterals are affected in the Phase 1 area’s existing infrastructure.

Councilmember Derwin asked whether Mr. Young has met PG&E’s new Government Relations Representative, successor to Jim Cogan, who joined Menlo Park as Business Development Manager in December 2012. Mr. Young said he has not.

Vice Mayor Wengert asked whether the Phase 1 area was determined by the estimate that PG&E provided in the context of the Rule 20A funds that would be available in Portola Valley's account. Mr. Young said PG&E would not commit to an estimate for the cost of the Phase 1 stretch until the new Alpine Road Portola Valley Underground Utility District is established and they do a design. However, he added, the first time through, the area along Alpine Road was much longer than it is now.

Mr. Young said that Cable and Undergrounding Committee member Bob Bondy, who retired from PG&E and was in the audience, helped select an area that seemed appropriate to include in the new undergrounding district so that it would be covered by the Town's Rule 20A funds. In addition, Committee member Dar Hay, also in the audience, helped reach out to the community.

Mayor Richards pointed out that the Town's Rule 20A funds would keep accruing during the design period, so somewhat more money will be available than exists now. Mr. Young said yes, but the balance isn't growing at the rate it did in the past. Historically the Town accrued \$30,000 annually in Rule 20A funds, he said, but PG&E last year got PUC approval of a rules change that reduced it to \$15,000 annually.

Mr. Bondy said PG&E would become the master trench design partner, working with the cable and telephone companies to make sure all the construction is coordinated. Mr. Young emphasized that the project is a partnership that brings together the Town, PG&E and the other utilities.

Mayor Richards opened the public hearing. No speakers came forward and he closed the public hearing.

Vice Mayor Wengert asked whether those who have worked on this project see any risk of the Town getting to a point where the Rule 20A funds wouldn't be sufficient to cover the best estimates for project costs. She wanted to ensure that the Town wouldn't be liable for any mismatch or overruns. Mr. Young said the construction cost is PG&E's and the other utility companies; the Town's cost is in staff time and inspection.

Councilmember Driscoll moved approval of the Resolution of the Town Council of the Town of Portola Valley to Revise and Reestablish an Underground Utility District on Alpine Road from Nathhorst Avenue to 150 feet north of Hillbrook Drive. Seconded by Vice Mayor Wengert, the motion carried 4-0.

(12) Recommendation by Karen Kristiansson, Senior Planner: Request to Approve Towns Participation and Allocation in the Regional Housing Needs Subregion and Allocation [7:58 p.m.]

- (a) Adoption of a Resolution of the Town Council of the Town of Portola Valley Recognizing the Participation of the Town of Portola Valley in the San Mateo County Subregion for the Regional Housing Needs Allocation (RHNA) Process and Accepting the Allocation Assigned by the Subregion for the Town of Portola Valley (Resolution No 2577-2013)

As Ms. Kristiansson explained, all the communities in San Mateo County form a Subregion for Housing Element cycles and, within the requirements of state law, develop their own methodologies for distributing the allocation given to the County by the Association of Bay Area Governments (ABAG). The next Housing Element would cover the years 2014 through 2022.

The overall number of units assigned to the Subregion for the upcoming cycle increased from 15,738 units to 16,419 units, she said, and the distribution methodology changed to reflect SB 375 requirements. This resulted in significantly higher allocations of a number of jurisdictions, particularly along the CalTrain/El Camino Real corridor. Portola Valley's allocation was reduced, however, from 74 to 64 units. She referenced a table in the staff report dated January 23, 2013 showing the Town's numbers by income category:

Very Low	21
Low	15
Moderate	15
Above Moderate	13

Total 64

The average number of affordable units for the Town is similar to the last Housing Element cycle, she said, noting that Portola Valley's is the second-lowest allocation in the Subregion. Ms. Kristiansson said this is appropriate considering the Town's location, minimal public transportation and rural character, especially in the context of SB 375.

Ms. Kristiansson noted that during Town Council meeting discussions about affordable housing, some residents asked whether the Town could trade some units with other jurisdictions. There's no specific mechanism in place to do so, she said, but it might be technically possible if the Town could find a willing partner and if the Town Council wants to, that possibility could be explored. However, she noted that:

- The Town's proposed allocation is as reasonable as could be expected, especially given the increase in the County-wide allocation
- In order to move forward with the Housing Element process, the Town would have to accept the Subregion allocation

Because the idea of trading units means different things to different people, Vice Mayor Wengert asked whether Ms. Kristiansson was talking about trading units at one income level for another, or something else that other jurisdictions may have done. From her perspective, judging from discussions at discussed at RHNA meetings she's attended, Vice Mayor Wengert said she hadn't heard of any program that would allow for trading. She asked if there's a mechanism for changing allocations once they've been adopted.

In response, Ms. Kristiansson said that because the issue has been discussed at Council meetings, she said that if the resolution is approved, the allocation is "on the books" as something that could be explored. She said that the trades she's aware of have been between communities where there's been a project underway and discussions focused on how a trade would benefit both communities. For example, Community 1 would put funding toward a project and Community 2 would be providing housing that would benefit Community 1's schools. Ms. Kristiansson said she's not sure how something like that could work could work in Portola Valley, or whether it could work for the coming Housing Element cycle. One of the issues raised involved funds from the sale of the Blue Oaks lots, she said, but that funding is earmarked for the eight units the Town committed to in its 2007-2014 Housing Element cycle.

Vice Mayor Wengert said she wanted to make sure that all Councilmembers are clear about realistic possibilities for moving forward, versus programs that may emerge over time, and to focus on what's in front of us now. She said the RHNA numbers are very low, and the Town is fortunate to have its obligation reduced by 10 units.

Ms. Kristiansson said we could look at other options, but she thinks we need to move forward the number we have, and it is a reasonable number, all things considered.

In response to Mayor Richards, Ms. Kristiansson said there are several layers to the allocation issue. The regional approach is allowed by state law, she explained, as well as under ABAG and Subregion rules, but it's all filtered. If something came up whereby Portola Valley could make a trade with another community, it would have to be approved at all three levels. In other words, she said, there are hoops.

Mr. Vlastic said the Housing Element is a state requirement for the General Plan. The methods in it are very significant, and the allocation across the state is a state allocation. The first cut was to give that to the regional governments on the premise that the regional governments know better than the state how to distribute it within the region. In our area, San Mateo County in effect said its cities could distribute its allocation more effectively than ABAG, so a program has been developed whereby ABAG authorized San Mateo County to form a Subregion for that purpose.

In regard to the trading issue, Mr. Vlasic said that although it's technically possible and because it came up in relation to recent activity involving Blue Oaks, staff thought it important to keep the subject at least visible. However, he added, the likelihood of that being something we could do in Portola Valley – particularly given all the constraints and the challenge of finding a willing partner – is very low.

Councilmember Derwin said the only trade she knows about involved Woodside and Redwood City, and she sees no possibility of similar circumstances that might involve Portola Valley. She also asked if the Portola Valley allocation of 64 units excludes the eight units that had been committed at Blue Oaks. Ms. Kristiansson confirmed that those eight units are not included among the 64 units.

Mr. Vlasic elaborated, explaining that the Blue Oaks units were part of the certified Housing Element for the 2007-2014 cycle, so in the next cycle, the Town will have to tell the state what we've done in terms of that commitment. We made progress in terms of funds, but we will be obligated to articulate programs on how we would proceed with fulfilling that commitment in the upcoming Housing Element.

Councilmember Driscoll said the words "trade" and "reduced" have been used frequently. He asked whether the Town is required at this time to put 64 units on the ground, in the Town – not in another community. Mr. Vlasic said the Town is obliged to make the opportunity for those units to be provided; we don't have to put them on the ground. Encouraging second units is part of providing that opportunity. If the units do not exist at the time of the next Housing Element cycle, we must do an accounting and say what we will do to move ahead.

In response to Councilmember Driscoll's further question about using funds from the sale of the Blue Oaks lots to build the same level of housing in another community. Mr. Vlasic said the Town could satisfy the requirements from the 2007-2014 Housing Element by saying, for example, that the next program to finish that commitment would be to look to another community – but it wouldn't do anything in terms of meeting obligations for the 64 units required for the 2014-2022 cycle.

Councilmember Driscoll asked whether the Town could build those eight units somewhere else at the Town's expense. Mr. Vlasic said that would be a possibility if we could find a project that would accomplish that and the state would approve it. He said that's something we would have to look at in developing the 2014-2022 Housing Element. For instance, he said it could turn out that we could go into the upcoming Housing Element and say, "We have someone who will take those units and develop them if we provide the funding." Particularly if those units would be along a transit corridor, Mr. Vlasic said, there would be a good chance the state would approve. Still, he said, it would not affect the 64 units in the new (2014-2022) allocation.

Ms. Kristiansson said if the Town were to come up with a project to build eight units in a different community, or make an arrangement such as the one between Woodside and Redwood City, in addition to state requirements, it would be subject to certain findings by the local jurisdictions as well.

Councilmember Driscoll pointed out that the communities along the transit corridors already have significantly larger requirements for the 2014-2022 cycle, and if a developer is planning a 264-complex, it would not be a stretch to make it a 272-unit complex instead, and include the eight Portola Valley units. In that scenario, he said that Portola Valley could contribute funds to facilitate that.

Ms. Kristiansson said it's something we could certainly explore.

Councilmember Derwin said she knows people in the affordable-housing advocacy community who are aware of Portola Valley's affordable-housing fund, and would be happy to build those units in East Palo Alto, for example. At the same time, she said, other affordable-housing advocates feel very strongly that rich communities shouldn't be able to buy their way out of the obligation. Personally, she doesn't believe that the idea meeting the obligation in another community is in the spirit of the law.

Councilmember Wengert said we've seen the complexities involved in even purchasing small properties in Portola Valley for affordable housing. The idea of broadening the idea of what we're trying to do – which will dovetail with Item 13 on tonight's agenda – to establish an Affordable Housing Ad Hoc Committee to step back, look at our processes and criteria – is a much better allocation of resources at this point. She said she agrees with Councilmember Derwin that by spending time, energy and effort on ways to offload our obligation subverts what the law requires us to do. For that reason, she said she favors pursuing the idea of consensus agreement in the community about how to proceed in a way that meets the state's allocation for each community.

Mayor Richards invited comments from the audience.

Louis Ebner, Wyndham Drive disagreed with the characterization that Portola Valley would necessarily be "offloading" by meeting its obligation in another community. He said it's unfortunate to see a rich community buy its way out of an obligation, "but now you have an extraordinary asset," he said, observing that sooner or later, you have to look at the objective – affordable housing in a workable location.

Among the points made at the December 12, 2012 Town Council meeting, Mr. Ebner said, was to look at all of Portola Valley to figure out the most effective and efficient places to put affordable housing. If the objective is to build affordable housing, he continued, it's important to consider the most efficient use of that money. This raises another point, too, he added. How fungible, in fact, are the Blue Oaks funds – what's the flexibility of the application of those funds? That topic needs to be addressed specifically. He said he doesn't think those funds are necessarily earmarked to build eight units; the thinking must reach more broadly.

Part of the reason for looking carefully and systematically at how we approach affordable housing, looking at all the options and weighing them one against the other, Mr. Ebner continued, is to figure out the best solution. It may involve some trades, it may involve assisting people with building elsewhere, or it may involve taking on more units in a different place – a different kind of unit. He said it seems unfortunate to slam the door on possibilities and options by declaring that it looks bad in this light or that light. He said he's assuming the Council will do what it said it would at the December 12, 2012 meeting – take a hard look at affordable housing and how to solve the problem best for everyone involved, not to break into bits of arbitrary decision-making that involve turf wars or preferences, but open the whole thing up, to figure out how to do affordable housing right – which maybe a new model for this area, where the momentum seems to be – and to make sure that the whole effort is economically viable and rational.

Dick Eckstein, Wyndham Drive, said he goes along with Mr. Ebner in his concern about where the affordable housing money would best be spent. If the objective is for low-income and moderate-income units, where would they do the most good for the people who need that housing? He said Portola Valley's "image" is secondary; the most important thing is finding the best play for that money to help people with low and moderate incomes. They need access to public transportation and access to jobs, etc., he said. "Just because it would look good" is the wrong way to look at it, Mr. Eckstein said.

M. J. Lee, Meadowbrook Drive, said that last semester she did a small study for Steve Padovan (Interim Planning Department Manager), who asked her to look at second units being built in communities with land-use densities similar to Portola Valley's. She said she spoke with planners in Burlingame, Los Altos Hills, Hillsborough, Monte Sereno, Atherton and Woodside. She said that Hillsborough satisfies all of its RHNA requirements through second units, built at a rate of about 15 units per year. Los Altos Hills meets its RHNA requirements also, largely through second units.

Ms. Lee said there's a big difference between what those two communities do and what Portola Valley does. Basically, she said, Portola Valley does nothing to encourage second units, although we still build five to eight of them per year. The total doesn't quite meet our RHNA requirement, but if the Town were to adopt more of the procedures followed in Hillsborough and Los Altos Hills, we could probably meet our RHNA requirement.



Councilmember Derwin said she's completely open to that approach in Portola Valley. She noted that Hillsborough makes sure that its second units are rented and not just used to house exercise equipment. A deputy person goes out to check, she said, and everything is registered. She described the enforcement process as "pretty intrusive."

Ms. Lee said she talked to Hillsborough's planner, and that person monitors rather than enforces, and every year Hillsborough surveys to determine how many second units are being rented, and how many are being used for household help, horse trainers and caretakers, and other purposes. She also said that whether the unit is rented or not, it still counts toward the RHNA allocation.

Councilmember Derwin, who said she'd spoken about second units with the Hillsborough mayor, said that differs from her understanding.

Mayor Richards said the Portola Valley Affordable Housing Ad Hoc Committee would likely be looking at opportunities to encourage more second units as one of the options.

For clarification, Ms. White, Portola Road, asked whether Portola Valley would be in violation of state law if it doesn't accept the Subregion's proposed distribution of its allocation. Ms. Kristiansson said state law requires each community to plan for a certain number of units – the RHNA allocation – so if the Town didn't accept the Subregion's numbers, ABAG would step in and give the Town a number instead. She said the Town's situation would not improve by not accepting the 64-unit figure.

Mr. Vlastic said a number of factors come into play, but basically the state determines the Housing Element is the vehicle where the various interests, including the building industry, ensure the housing is produced. Considerable lobbying has been associated with the Housing Element requirements, he added, both from the building industry and the planning community, to make it a realistic requirement under state law and guidelines. Ultimately, the amount of money jurisdictions have spent in producing Housing Elements – and initially challenging some of the RHNA numbers – has been onerous.

At this point, Mr. Vlastic said, while the Town isn't required to accept the Subregion's numbers, but spending time trying to deal with other numbers wouldn't be worth the time and effort, because the number is so low. It might make sense, he said, if Portola Valley were dealing with a large number. (San Mateo's allocation, for example, is 3,100 units, and Redwood City's is 2,789 for the 2014-2022 Housing Element cycle.) Rather than wasting that time and effort, he said the Town would be better served by putting it into programs to continue a proactive approach to solving the local housing need.

Mr. Vlastic said, too, that we could look at placing affordable housing in other jurisdictions, but at the same time, a need in the community has been identified. The Affordable Housing Ad Hoc Committee would provide an opportunity to look at that need and consider what we could do locally. He said the Town Council's commitment all along has been is to serve the needs of the local community, and that's still an appropriate approach.

Considering that Portola Valley's allocation is so low, Ms. White asked whether the real risk in failing to meet those requirements is not so much from state sanctions but that affordable housing advocates would file suit. For instance, she said Menlo Park was sued and threatened with Internet blogging and Facebook campaigning. She said Pleasanton got sued, spent \$2 million to fight the suit, which it lost, and the state revoked its ability to issue building permits until it addressed the issue. She said a suit has been filed against Monte Sereno, too.

Vice Mayor Wengert moved approval of the Resolution of the Town Council of the Town Of Portola Valley Recognizing the Participation of the Town of Portola Valley in the San Mateo County Subregion for the Regional Housing Needs Allocation Process and Accepting the Allocation Assigned by the Subregion for the Town of Portola Valley for the 2014-2022 Housing Element Cycle. Seconded by Councilmember Derwin, the motion carried 4-0.

(13) Recommendation by Town Manager: Consideration of Draft Affordable Housing Ad-Hoc Committee Charter [8:26 p.m.]

At its meeting on December 12, 2012, Mr. Pegueros said, the Town Council directed staff to return with a plan to form an Ad-Hoc committee to investigate issues surrounding affordable housing. In response, staff has prepared a draft Affordable Housing Ad Hoc Committee charter that outlines its objectives, duties and functions, membership, meetings and required reports to the Town Council. With Council approval, staff would begin solicit applications for members to serve on the Committee within a few days. The Mayor would review all applications and a recommendation to make appointments would be provided to the Council at its meeting on February 13, 2013, when the Council also would vote on whether to adopt the proposed charter.

Summarizing the Committee's duties and functions, Mr. Pegueros said it would focus its efforts on:

- Considering the need for affordable housing in Portola Valley
- Articulating a mission statement for the provision of affordable housing that addresses all programs identified in the certified Housing Element (Sections 2479-2493a of the Portola Valley General Plan) and possibly proposing additional programs
- Identifying options to reconcile the Town's density restrictions with the economics of affordable housing construction
- Defining and prioritizing criteria to use for evaluating potential affordable housing programs and sites

In response to a question from Councilmember Derwin, Mr. Pegueros said the applicant recruitment process would be consistent with what's been done with all other committees, including postings on *PV Forum* and announcements in the *Almanac*. He recommended appointing at least five members to the Committee, but no more than nine because experience has taught us that it's very difficult to get more than nine individuals together for meetings. He added that membership on the Committee as a whole should represent the entire Town, because various areas have their own interests.

Councilmember Derwin asked whether the Mayor would bring a list of proposed applicants back to the Town Council for approval. Mr. Pegueros said yes.

Councilmember Derwin asked what the Committee's end product would be. Mr. Pegueros said the first product would be a progress report delivered at the Council's meeting on March 27, 2013. The Committee Chair would have the opportunity to provide an update and solicit feedback or further direction from the Council. Then, he said, at the May 22, 2013 meeting, the Committee would present a written report that addresses each of the tasks outlined in the charter.

Vice Mayor Wengert asked about thoughts regarding having a Town Council member serve on the Committee – whether it makes sense to have a Council representative, or to have no Councilmembers present when the Committee meets. In this case, she said it probably would be best if no Councilmembers were present for discussions. Councilmember Driscoll said there would be a liaison in any case.

Councilmember Derwin asked whether a staff member attend the meetings. Mr. Pegueros said he would, and someone from the Town Planner's office would be on hand also to provide technical support.

Vice Mayor Wengert said earlier comments about the Town Council not keeping an open mind regarding affordable housing are probably not accurate. She said it comes down to priorities, because staff size, time and availability are limited, as is volunteer time. Thus, she said, the Town Council is looking to this Committee as a group that will help prioritize the Town's affordable-housing goals and make a strong recommendation based on how Committee members as a group view the situation. The Council is

committed to listen to a broad and representative group of citizens who haven't been directly involved in these discussions and the related transactions, and we'll look to them to articulate the statement that defines the Town's affordable-housing objectives and assess how we best meet them.

There has been no predetermination of the outcome, Vice Mayor Wengert continued, and nothing set in motion at this point. The Town Council has listened to what residents have been saying about affordable housing, and decided to create a diverse citizen panel that doesn't represent just one or two neighborhoods. At the same time, she said it's important that this group is focused, because its members will have to do "a lot of heavy lifting."

Mayor Richards said there's really nothing that's not on the table.

Ms. White said she'd understood from the way it was written that non-residents could in fact serve on the Committee. Ms. Kristiansson said because institutions such as The Sequoias and the Priory may have employees who'd want to live in Town and would qualify for affordable housing, it might be good to have them represented on the Committee.

Ms. White also asked how far along has the Town come to determining how much of the Town's 2007-2014 Housing Element cycle commitment has been met. In response, Ms. Kristiansson said the Planning Department prepares a report every November. Explaining that the information on which those annual reports are based is always being updated as building permits are issued, she added that the last time she checked, the Town's second-unit numbers were a little below the goal. However, she added, those numbers do fluctuate throughout the year. Ms. Kristiansson also pointed out that the certified Housing Element includes other programs, such as housing The Priory was considering. Reiterating Mr. Vlastic's earlier point about the state requiring that the Town make affordable housing possible, not that the Town build the units. Thus, she said, even though The Priory has put that proposal on hold, the report would reflect that we've made it possible for those units to be built, which should satisfy the state.

In response to a further question from Ms. White, Ms. Kristiansson said that she believes the state also takes economic conditions into account.

Mr. Vlastic said representatives from The Sequoias and The Priory wouldn't be on the Committee to talk about their particular needs, but they are both facilities that have opportunities to provide additional affordable housing to help meet Portola Valley's obligation. Accordingly, he said that whether they are represented as Committee members, it's important to reach out to those institutions.

On the matter of second units, he added, contrary to what was said earlier, the Town has done quite a bit to encourage second units. The economic downturn has had an impact on the number of permits processed, he said, but over the last six months in particular, almost every new project for a new residence that's coming in includes a second unit as part of the proposal. He believes it reflects both the need for second units and the Town's efforts to encourage them.

Vice Mayor Wengert said that such information would be provided to the Committee for background, to help them become as knowledgeable as they can as quickly as possible, so they can take an objective approach to the issue.

Ms. White, apparently concerned about limiting Committee membership to nine people, said there are brilliant minds out there that can come up with brilliant ideas. In response, Mayor Richards pointed out that Committee meetings would be open to the public, and Ms. Prince said the agendas would be published, too.

Mr. Vlastic said the process used to deal with cell phone towers paralleled this ad hoc committee approach in some respects. A number of very vocal residents served on the Wireless Task Force, he said, and others provided input. The process resulted in the issues and concerns being well-articulated, with Task Force members respecting the broader concerns in the overall community. Members were able to

become informed relatively quickly, he added, and came up with a proposed ordinance that enjoyed broad support.

(14) Recommendation by Town Manager: Approval of new Job Descriptions and Salary Ranges [8:40 p.m.]

- (a) Assistant to the Town Manager
- (b) Administrative Technician Series
- (c) Planning Director
- (d) Assistant Planner

Mr. Pegueros said this item follows up on his October 24, 2012 report to the Town Council, when he provided an update on planned staffing changes in the Town's Administration and Planning Departments. Job descriptions of the above-captioned positions were included with his staff report of January 23, 2013 in the Council packets.

The first two will fill the needs in the Administration Department, Mr. Pegueros said. The former Assistant Town Manager position's duties would be split between current Administrative Services Officer, Stacie Nerdahl, and Sustainability & Resource Efficiency Coordinator, Ms. de Garreaux. The recommendation is for them to share the Assistant to the Town Manager title, with each position to have a functional title also. Ms. Nerdahl would become the Administrative Services Manager and Ms. de Garreaux would become the Sustainability and Special Projects Manager.

Mr. Pegueros said there's also a need to fill a counter position approved in the budget but vacant for the past seven months. A temporary employee currently serves in this position, which now carries the title Office Specialist, and Cindy Rodas, a full-time employee, currently serves as Accounting Technician. If the Council approves the Administrative Technician Series class, he explained, Ms. Rodas would be reclassified to Administrative Technician II and recruitment for an Administrative Technician I would begin in February 2013. In addition, he said, the Administration Technician Series class would simultaneously create an entry-level position with a career path.

As for the Planning Department, Mr. Pegueros said that he and Mr. Vlastic – who serves as Town Planner as a consultant through Spangle Associates – have had extensive conversations regarding his (Vlastic's) plans to retire and the Planning Department's transition from consultant services to an in-house Planning Director and Town Planner.

As Mr. Pegueros explained, the Planning Director and consultant Town Planner would work closely together, under his (Pegueros') direction, to coordinate the transition. As early as July 1, 2013, the Planning Director would be designated Town Planner and Spangle Associates would transition to Planning Consultant. In that capacity, Spangle would continue to provide services to project applicants and assist with long-range planning needs such as the next Housing Element.

Mr. Pegueros also is recommending authorization of an Associate Planner position to give the new Planning Director technical backup, provide an opportunity for succession planning and a career path, and allow for promotion of a Planning Technician II – a position currently occupied by Carol Borck.

The salary schedule associated with these proposals reflects a philosophy that works well in the public sector, Mr. Pegueros said, which is to identify bands of salaries. The Assistant to the Town Manager would be a salaried position in a range equivalent to the Town Clerk, the Planning Director would be a range equivalent to the Public Works Director, and the Administrative Technician Series would be in the same range as the Planning Technician Series. To some extent, he said, the specific salary within any

range would reflect an individual's prior service and experience and be set at a level appropriate to recruit and retain qualified, talented employees.

Mr. Pegueros also pointed out a revised organization chart in the Councilmembers' packets that incorporates the proposed changes.

Vice Mayor Wengert noted that she didn't see any reference to Housing Elements in the Planning Director's job description. Mr. Pegueros said that because most Housing Elements work usually takes place every eight years, common practice among municipalities is to engage consultants for that work at those times. It's not typically an in-house staff person who bears the lion's share of the duty, he added.

Councilmember Derwin asked whether the incumbents in the positions being affected are okay with the proposals. Mr. Pegueros said staff has gone through a tremendous amount of change in recent months, but he understands them to be satisfied with what is proposed. He added that he believes the proposals provide stimulating career opportunities for existing staff as well as an opportunity to attract staff.

Mr. Vlasic said that during the stress of the past year, Planning Department staff has pulled together to keep things together and "navigate the waters fairly well in a complicated time." Speaking from a personal standpoint, he said he wanted to give the Town enough time to plan a transition after he retires. Spangle Associates, and Ms. Kristiansson in particular, he said, offer considerable experience in terms of long-range planning items such as the General Plan and the Housing Element, and those areas could provide an opportunity to continue to use Spangle's consulting services in the future. He said that working with Portola Valley has been among the most satisfying professional experiences any planner could have. Each individual on the ASCC, the Planning Commission and the Town Council have been bright, involved and respectful of the values established in the General Plan, he said, and the Town's founders would be really pleased that what they sowed has grown into one of the best communities to work with.

That said, Mr. Vlasic added, he doesn't take the transition process lightly, and wants to help ensure that the individual who comes in as Planning Director and Town Planner is not only the best candidate possible but also understands the situation in Portola Valley.

Mayor Richards said the Town has been fortunate to have Mr. Vlasic for all these years, and also fortunate to have him help during the difficult transition.

Councilmember Driscoll moved to approval of the Town Manager's recommendation for new Job Descriptions and Salary Ranges. Councilmember Derwin seconded, and the motion carried 4-0.

#### COUNCIL, STAFF, COMMITTEE REPORTS AND RECOMMENDATIONS

- (15) Recommendation by Town Manager: Adoption of Revised Commission/Committee Handbook  
[8:54 p.m.]

Mr. Pegueros said the primary recommendation in the proposed update would make it clear that the handbook provides a framework and guidance for Town Commissions as well as Committees. In addition, it addresses the application and selection process for Commission/Committee service, clarifies attendance requirements, speaks to conflict-of-interest issues and updates the thank-you letters section.

Councilmember Derwin asked about a proposed addition to the conflict-of-interest section: "Committee members are asked to actively avoid taking on projects or activities that would impact the Committee member's economic interests and create a conflict of interest with their role on the Committee." Mr. Pegueros said it's up to the Council how to proceed on that issue. Currently there's a process whereby the Mayor, the Committee Chair and the Council liaison would discuss whether such a situation presents a problem, he said, and it may be advisable to continue to rely on that structure. As it stands, if those three parties agree that a conflict exists that affects the Committee or economic interests, it would be grounds for removing the member from the Committee.

As for meeting attendance, Councilmember Derwin asked whether there's a roll call at most Committee meetings or whether anyone monitors attendance. Mr. Pegueros said Committee meeting agendas list Committee members, but in practice, no one monitors attendance. The Committee Chair would be the one to monitor attendance, he added.

Councilmember Derwin asked whether recusals would count as absences. Discussion ensued about whether a recusal would prevent a Committee/Commission from being able to have a quorum. Vice Mayor Wengert asked whether the handbook should address recusals specifically, establish a conflict formula that governs such situations and whether a recusal affects the 75% attendance requirement, and whether there's any benefit to allowing a certain aggregate number of recusals/absences.

Mayor Richards said the way it's written could indicate that recusals or absences affect the Committee's ability to perform more than an actual number. Councilmember Driscoll said he'd prefer using something clear and objective as the basis for a decision. He also said one of the Council's questions would relate to the reason for the recusal – for instance, whether it's economically driven.

Vice Mayor Wengert said that if there are several agenda items on the Priory and you live within a certain proximity to the Priory, recusal would be appropriate.

Mr. Pegueros said the current language doesn't provide a test. He said he would work on it and bring it back to the Council in February 2013.

Councilmember Derwin said that for the most part, the proposed revisions are good ones.

Councilmember Driscoll said he spoke with a councilmember from another community who indicated having frequent conflict problems resulting from real estate agents becoming elected councilmembers.

(16) Appointment by Mayor: 2013 Commission and Committee Council Liaisons [9:03 p.m.]

Councilmembers agreed to the liaison assignments.

(17) Reports from Commission and Committee Liaisons [9:05 p.m.]

Councilmember Derwin:

(a) Council of Cities

The City Selection Committee elections took place during the Council of Cities meeting on December 14, 2012. After two rounds of voting for the MTC seat vacated by new Assemblymember Kevin Mullin and not enough votes for any of the candidates remaining, in her capacity as Chair, Councilmember Derwin said voting would continue in January 2013 if the election remained undecided after the third round. They remained undecided. The final three candidates are Redwood City Mayor Alicia Aguirre, Burlingame Councilmember Jerry Deal and Millbrae Vice Mayor Gina Papan.

The San Mateo County Transportation Authority (SMCTA) Board seat to represent the southern cities was contested also, Councilmember Derwin reported, with incumbent Redwood City Councilmember Rosanne Foust winning the seat in a close vote.

New Council of Cities officers for the will be Half Moon Bay City Councilmember Marina Fraser as Chair (succeeding Councilmember Derwin), Pacifica Mayor Pro Tem Mary Ann Nihart as Vice Chair, and Atherton Mayor Elizabeth Lewis as Secretary.

Councilmember Derwin said she still recommended election of Ms. Papan for the MTC, saying that she's the strongest candidate and she's responsive when it's necessary to

talk with someone at MTC. Ms. Aguirre would be Councilmember Derwin's second choice, and Redwood City already has a presence on the SMCTA and Redwood City Councilmember Jeff Gee serves on the SamTrans Board of Directors.

(b) City/County Association of Governments (C/CAG)

Councilmember Derwin didn't attend the December 13, 2012 C/CAG meeting, but reported that Deputy Director Sandy Wong has been named to succeed Richard Napier as Executive Director.

(c) Community Events Committee

Councilmember Derwin asked what's happening with the Community Events Committee, which has only three remaining members. In response, Mr. Pegueros said he's been working with Nancy Lund, members of the Community Events Committee and Parks and Recreation Committee. He indicated some options for distributing the Community Event's Committee's three major events:

- Blues & BBQ: Ms. Lund is approaching the Open Space Acquisition Committee to see if it would assume responsibility, and there's been discussion about holding the event every two years
- Town Picnic: Have either the Parks and Recreation Committee or the Cultural Arts Committee handle the event
- Volunteer Appreciation Party: Have staff provide support

Councilmember Driscoll:

(d) Planning Commission

The Planning Commission had only one item on the agenda at its January 16, 2013 meeting – reorganizing the Zoning Ordinance, which Commissioners discussed for almost two hours. They also set up a subcommittee to work on it further and come back to the Commission.

Councilmember Wengert:

(e) Trails and Paths Committee

Meeting on January 8, 2013, talked about a volunteer event and/or community hike, tentatively in April 2013, plantings along the Dwight Crowder Trail and signage along the Portola Road Trail near the Priory to address hazards to equestrians presented by bicyclists in that area.

Committee members also discussed trail work completed in 2012, welcomed new member Terry Lee, and voted to have Judith Hasko and Susan Gold continue as Chair and Vice Chair, respectively.

(f) Bicycle, Pedestrian & Traffic Safety Committee

Meeting on January 9, 2013, the BP&TS Committee:

- Reviewed traffic reports from September, October and November 2012, analyzing details to see whether bicycles were involved and determine any trends

- Discussed concerns about the intersection of Alpine and Corte Madera Roads; with follow-up discussions planned for an ad hoc meeting on January 23, 2013
- Discussed the possibility of consolidating the crosswalk at Alpine Road and Golden Oak Drive with the Los Trancos Road crosswalk instead of at Alpine Road

Mayor Richards:

(g) Emergency Preparedness Committee

Meeting on January 10, 2012, EPC members discussed:

- The new emergency broadcast (AM) radio status
- The possibility of participating in meetings via videoconference
- Goals for the year
- The upcoming joint meeting with the Town Council

(h) Emergency Services Council

Mayor Richards reported attending a lengthy Emergency Services Committee meeting in Redwood City. He noted that the Council has a number of new members, and there was discussion about improvements coming in hazmat operations.

(j) Conservation Committee

Meeting on January 22, 2013, the Conservation Committee discussed redwood guidelines, native plant gardens and a backyard habitat award program (with a brochure being developed).

WRITTEN COMMUNICATIONS [9:28 p.m.]

(18) Town Council December 14, 2012 Weekly Digest

- (a) #14 – Agenda – Memo from Steve Padovan, Interim Planning Manager to the Town Council re: Affordable Housing Survey – December 14, 2012

Mr. Pegueros explained that the survey, similar to one done in the early 2000s, was undertaken to help quantify the need for affordable housing in Portola Valley. He said data are still being analyzed, but the majority of the responses suggested that a substantial number of households would meet the moderate- or below-moderate income qualifications. When the analysis is complete, a report will go to the Town Council and the Affordable Housing Ad Hoc Committee.

(19) Town Council December 21, 2012 Weekly Digest – None

(20) Town Council January 4, 2013 Weekly Digest

- (a) #8 – Memo from Town Manager, Nick Pegueros re: – Weekly Update – Friday, January 4, 2013

In response to Councilmember Derwin, Mr. Pegueros said the combination of storms on December 23, 2012 and one about three weeks earlier resulted in cleanup and repair efforts that



exhausted the \$20,000 budgeted for the fiscal year. Repairs to trails have not been completed, so the additional work will mean going over budget significantly, he said.

With respect to the damage on upper Alpine Road, he said staff has been monitoring the situation, and there's been no significant movement in the past two weeks. Further up on Alpine Road, which is under San Mateo County jurisdiction, also has damage. According to Mr. Pegueros, Mr. Young said the contractor would probably recommend draining into the hillside, rather than creating walls to support the slide, at a much lower expense.

(21) Town Council January 11, 2013 Weekly Digest

(a) #6 – Letter from resident Marilyn Walter to the Town Council – Bicycles on Alpine & Portola Roads – January 8, 2013

In response to Mayor Richards, Mr. Pegueros said the letter had been shared with the Bicycle, Pedestrian and Traffic Safety Committee.

(22) Town Council January 18, 2013 Weekly Digest – None

ADJOURNMENT [9:36 p.m.]

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Mayor

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Town Clerk