



Town of Portola Valley

Draft Housing Element Update

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Prepared by
Spangle Associates
Menlo Park, CA

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Housing Element

Introduction

- 2400 The housing element of the general plan examines the success of the previous housing element, the need for and status of housing in the town, constraints on the provision of housing, and sites available for housing. Building on this foundation, the element sets forth the goals and policies of the town with regard to housing and establishes programs to increase the supply of housing, and especially affordable housing, in the town. This version of the housing element is an update and revision of the housing element which was first adopted by the Town of Portola Valley in 1969 and last amended on December 19, 1990.
- 2401 The element also responds to the state requirements for housing elements as set forth in Government Code Section 65580 *et seq.* Accordingly, this revision of the element addresses Portola Valley's share of regional housing need as determined by the San Mateo County subregion allocation process for the 2007-2014 planning period. In addition, because the town did not have a certified housing element in the previous housing element cycle, this element also addresses the housing need that was assigned to the town for 1999-2007.
- 2402 The element begins with an evaluation of the 1990 housing element. Many programs from the 1990 element have been continued into the current housing element. Most of the continued programs have been updated and changed in response to situations the town has encountered over the years in trying to implement the programs.
- 2403 Next is a detailed examination of population, employment and housing conditions and trends in Portola Valley. The primary findings of this section are that there is a need for additional affordable housing for the elderly and for people who work in town.
- 2404 The constraints analysis looks at both governmental and nongovernmental constraints. While there are a number of relatively minor constraints, the main constraint on the provision of affordable housing in town is the

extremely high cost of land. This high land cost makes it unlikely that any nonprofit housing developer would be able to produce affordable housing, or even a mixed income development, if the developer had to pay the full land cost. As a result, this element includes programs that are intended to mitigate or work around this constraint.

2405 In the site inventory section, information is provided on sites available for development in town. This section demonstrates that there are sufficient sites available for housing to meet the town's share of the regional housing need.

2406 The town's goals and policies for housing development in town are then presented, followed by detailed descriptions of the programs and quantified objectives included in the element. The action plan then summarizes the actions the town will need to take to implement the programs and describes the expected results.

2407 Ten programs are included in the element:

- 1) Inclusionary Housing;
- 2) Multifamily Housing;
- 3) Second Units;
- 4) Waiver of Fees;
- 5) Shared Housing
- 6) Emergency Shelters;
- 7) State-Required Density Bonus;
- 8) Fair Housing;
- 9) Removal of Constraints to Housing for People with Disabilities; and
- 10) Housing Impact Fee.

Finally, an Action Plan at the end of the element spells out the steps that need to be taken in order to implement the program, and when each step should occur during the remainder of the 2007-2014 planning period.

Public Participation

2408 During the housing element update process, the town has posted information on the town's website, mailed information to nearly 30 housing advocacy groups and organizations in the area, and held two community meetings. The draft housing element has been available at Town Hall and at the library, as well as on the website, and town residents and others interested in housing in Portola Valley have had the opportunity to comment

both at meetings and in writing. *<This section to be completed at the end of the review of this proposed revised element>*

Consistency with Other General Plan Elements

2409 This element and the adopted elements of the General Plan have been compared for consistency, and no conflicts have been found. *<This analysis will be done once the draft element is complete.>*

Evaluation of 1990 Element

- 2410 Portola Valley's current housing element was adopted in 1990. The element has ten programs, which are described and analyzed below. Five of the programs were intended to directly increase the amount of housing in the town and five of which addressed other housing issues.

Program 1: Inclusionary Lot Requirements

- 2411 This program requires that 15% of the lots in new subdivisions be deeded to the town for affordable housing. Each lot can be developed with two to four housing units. The lots are to be improved and ready for development as an integral part of the subdivision. As an incentive, a density bonus of 10% is also provided. Subdividers of sites with fewer than seven lots pay a fee in lieu of providing a lot, while subdividers of sites with seven or more lots pay a fee for fractional lots. These in-lieu fees are placed in an affordable housing fund.
- 2411a The quantified objectives for this program discuss two potential subdivisions for the previous planning period: Portola Valley Estates (now Blue Oaks), which was expected to occur, and the Stanford Wedge, which could possibly occur. Each of these subdivisions was expected to provide eight moderate income units and eight low income units.

Status

- 2411b The town established this program through an interim urgency ordinance on January 9, 1991 and permanently amended the Municipal Code to include the program with Ordinance 1991-262 in March of that year. Since then, there have been four subdivisions in the town, which are listed in the table below along with the number of lots, the in-lieu fee, and the number of below market rate (BMR) lots provided.

Fees, Lots and Units from the Inclusionary Housing Program				
Subdivision	Market Rate Lots	In-Lieu Fee	BMR Lots	BMR Units
Van Linge	2	\$38,009	0	0
Platt*	2	\$74,997	0	0
Priory	3	\$0	0	1
Blue Oaks**	26	\$0	4	8
Interest***	--	\$41,869	--	--
TOTAL	33	\$154,875	4	9

* The dollar amount shown for the Platt subdivision is for one of the two lots; the fee for the other lot will be paid at the time that lot is developed.

** The number of market rate lots does not include the 6 lots that were part of the Portola Glen Estates subdivision which was established by development agreement in the 1980s (prior to the establishment of the inclusionary lot requirement) and later merged with the Blue Oaks subdivision.

*** Interest is as of February 2009.

Below Market Rate Lots & Units

- 2411c Two subdivisions, the Priory and Blue Oaks, have provided below market rate lots or units to the town. One existing unit at the Priory was placed under contract with the town guaranteeing that the unit would be occupied by a household in the low income category for 59 years. The unit is to be used for an employee of the Priory School, although the town has the right to choose another resident if the unit is unoccupied for three months or more. This arrangement conserves the affordability of this unit.
- 2411d Four lots have been deeded to the town at the Blue Oaks subdivision (formerly called Portola Valley Estates), each of which can accommodate a duplex. However, these lots have not yet been developed. The town held extensive discussions with the Palo Alto Housing Corporation (PAHC) in an attempt to develop below market rate units on these lots. However, PAHC decided that even with the lots provided at no cost and utilities provided to the property line, the cost to build housing on these lots would be prohibitive. Under current economic conditions, however, building these homes may be more feasible. The town therefore intends to start discussions with several other housing developers. In addition, the town will explore the possibility of creating “green” affordable housing on these lots. Finally, the town will also examine the possibility of selling these lots and developing affordable housing at another location in town where development costs would be lower.

In-Lieu Fee

- 2411e Any fractional inclusionary lots required but not included in a subdivision must be paid for with an in-lieu fee based on the value of the land and

improvements as determined by an independent appraiser. Although most subdivisions in Portola Valley are small (two to three lots), the value of land and improvements is usually quite high, resulting in a significant fee. The fees that have been calculated for each subdivision are shown in the table above.

- 2411f The town has not spent any of the in-lieu fees collected for affordable housing and currently has \$154,875. These funds could be used to promote affordable housing in town in a variety of ways, including paying fees or deposits for affordable housing, paying connection fees, or other uses.

Program 2: Multifamily Affordable Housing

- 2412 This program includes two sub-programs. First, the town amended the planned unit development regulations to permit multifamily housing on two sites, the Woodside Priory and the Stanford Wedge properties. Second, the town allowed the construction of additional multifamily units on the Sequoias site through the conditional use permit for that project.

- 2412a The quantified objectives for this program presented in the adopted 1990 housing element projected that 50 additional units would be constructed at the Sequoias, of which 10 would be for moderate income families, 20 for low income families, and 20 for very low income families.

Status

- 2412b The planned unit development regulations were amended by Ordinance 1991-261 on March 27, 1991 to allow affordable multifamily housing on the Priory and Stanford Wedge properties. Some institutional multifamily housing has been constructed at both the Sequoias and the Priory, as described below. The Stanford Wedge property continues to be a potential site for affordable multifamily housing.
- 2412c At the Sequoias, which is located between two traces of the San Andreas fault, geologic investigations confirmed that the Trancos and Woodside Traces of the San Andreas Fault appear to be active. The setback requirements established in the Alquist-Priolo Fault Zoning Act for an active fault trace made a development plan for an addition at the Sequoias untenable. Instead, the Sequoias added four duplexes (eight units) and a long-term care facility.
- 2412d The Priory has built seven new multifamily units on their school property to house faculty and staff. In addition, the Priory adopted a new master plan

for their campus in 2005, which includes eleven additional housing units to be built as funds become available.

- 2412e This update of the housing element continues the multifamily housing program with a few modifications.

Program 3: Second Units

- 2413 This program allows second units to be constructed on lots one acre or larger in size. As part of this program, owners are required to report to the town about the type of occupancy and payment for the second units. A total of 15-20 second units were expected to be constructed under this program: 3-5 in the above moderate income category, 4-5 in the moderate income category, 4-5 in the low income category, and 4-5 in the very low income category.

Status

- 2413a The town's zoning ordinance was amended by Ordinance 1991-263 on July 10, 1991 to permit second units on lots of one acre or larger. Prior to that time, second units were allowed only on lots over two acres. Between 1991 and 1998, a total of 33 second units were built in Portola Valley, for an average of 4.1 second units per year. Another 47 second units were constructed between 1999 and 2008, for an average of 4.9 second units annually. The quantified objectives for this program suggest an average of three to four units per year. For this program, then, the town has surpassed its objectives in terms of the total number of units provided.
- 2413b The town estimates the affordability of these units based on a report prepared by San Mateo County on the distribution of rents in second units ("Affordability of Second Units in San Mateo County" October 24, 2008). That report used information from a 2001 survey in Portola Valley, as well as surveys completed in other communities in the County, together with other sources of data such as current advertised rental rates. That report concludes that about 40-70 percent of second units in San Mateo County are affordable to extremely low income households; an additional 5-15% are affordable to very low income households; and an additional 10-30% are affordable to low income households.
- 2413c Based on that data, the town has conservatively assumed that second units are distributed as follows: 50% extremely low income, 5% very low income, 10% low income, 15% moderate income, and 20% above moderate income. Using that allocation methodology, out of the 80 new second units there should be 16 available at rates affordable to above moderate income

households, 12 for moderate income households, 8 for low income, 4 for very low, and 40 for extremely low income households.

- 2413d Second units appear to be a very effective way of providing affordable housing in Portola Valley. This is probably due to a couple of reasons. First, second units are generally smaller and therefore more affordable. Second, second units are often used as housing for elderly relatives who may have low incomes, or for staff who work at the primary residence. Second units are also the only type of affordable housing that is likely to be provided in Portola Valley by market forces, without a significant subsidy. This housing element therefore continues the second units program and adds components to the program to further encourage second units in the town.

Program 4: Amnesty for Second Units

- 2414 This program was designed to legalize existing qualified second units. The program was to run for 6-12 months, with staff issuing permits to units that met liberalized requirements for parking, setbacks, and submittal of plans. The quantified objective for this program was legalization of a total of 47-71 units, divided equally into the above moderate, moderate, low, and very low income categories (12-18 units per category). Of these, approximately half would be assumed to be “new” units, i.e., units that were not counted in the 1980 Census.

Status

- 2414a The program began on August 10, 1991 when Ordinance 1991-263 took effect. Although the program was originally intended to run for a year, it was extended several times in order to encourage legalization, finally terminating on August 10, 1995. A total of 38 second units were legalized, less than the 47-71 units anticipated. Using the San Mateo County study findings, this would divide into 1 above moderate income unit, 3 moderate income units, 5 low income units, 10 very low income units, and 19 extremely low income units.

Program 5: Shared Housing

- 2415 The town has encouraged residents to participate in the Human Investment Project (HIP) shared housing program for many years. This program matches people looking for housing with people who wish to rent rooms in houses they own. The quantified objective for this program was to place two to three low or very low income persons in houses in the town each year, for a total of 10-15 persons placed.

Status

- 2415a The town continues to encourage participation in the shared housing program. HIP Housing has conducted some outreach in town, including sending information to churches, schools, and Town Hall. The organization also presented information about the program at a Town Council meeting in December 2008. Approximately 3-5 town residents call HIP Housing each year to ask about the program.
- 2415b Information on participation was available starting in 1995. Two housing providers signed up to participate in the program in the four years from 1995 to 1999 and were matched with housing seekers. During that same time period, five other town residents who were looking for shared housing signed up with the program and were placed in housing outside the town. Between 2000 and 2008, two housing providers signed up for the program, and one was matched with a housing seeker. In addition, seven residents from Portola Valley were assisted with finding housing.
- 2415c Because of the relatively high number of older residents living in town who may have homes larger than they need, this program seems like a good match for the town. The town will continue this program and will work with HIP Housing to provide information about the program to residents. Even though participation is low, this program does appear to address a need in the town.

Program 6: Emergency Shelter & Transitional Housing

- 2416 This program states that three churches in town provide emergency shelter, and that the town participates in countywide efforts to provide this type of housing and related services.

Status

- 2416a Telephone conversations with representatives of the churches indicate that homeless people have not requested shelter in recent years, but have occasionally provided shelter in the past. The town's churches are involved with regional efforts to address homelessness and related problems, such as through the Urban Ministry program.
- 2416b The Town of Portola Valley has been involved in several regional housing efforts, including HEART (Housing Endowment and Regional Trust) of San Mateo County.

Program 7: State-Required Density Bonuses

2417 For this program, the town was to provide incentives to developers of affordable housing, including the state-mandated density bonus and at least one other concession or incentive.

Status

2417a This density bonus was never codified into the town regulations, although the town was aware of the bonus requirement and willing to provide the bonus to subdividers who requested use of the bonus. No such requests were made. This program will be included in this housing element, with a plan for implementation soon after the housing element is adopted.

Program 8: Fair Housing

2418 Project Sentinel handles all fair housing complaints per a contract with the county.

Status

2418a Staff at Project Sentinel say that there have been minimal inquiries about fair housing issues in the town, and that discrimination and landlord-tenant problems are probably not big issues in Portola Valley.

Program 9: Energy Conservation

2419 The town supports energy efficient design and subdivision design that protects solar access. Ordinances permit solar installations. Most new development is clustered, which is energy efficient, and the town requires native landscaping, which reduces both water and power consumption.

Status

2419a Since adoption of the last housing element in 1990, the town has continued its energy conservation practices and added new components. Most recently, the town adopted a Sustainability Element of General Plan on January 28, 2009, which states that "A major goal of the community is to ensure the sustainability of our environment." The element addresses six subsidiary goals that address the following topics: community education and involvement, existing building stock, new buildings, transportation, water resources and the living environment. Accordingly, the sustainability element provides policy guidance for actions that will help ensure the sustainability of the town's environment, including energy conservation.

- 2419b The town has been and is currently studying application of the “Build It Green” point system. Applicants are currently encouraged to analyze their projects under this system, and the town is considering making this analysis a requirement for new building projects.
- 2419c Last year the town hired a Sustainability and Resource Efficiency Coordinator. This person is developing information and outreach programs to help residents and developers use sustainable building practices.
- 2419d Subdivision requirements and design guidelines continue to support energy efficient design and subdivision design that protects solar access. Solar installations are permitted and most development is clustered. The town continues to require native landscaping, which reduces both water and power consumption.

Program 10: CDBG Funds

- 2420 The town is part of the urban county and therefore increases the county’s share of Community Development Block Grant funds. The town has not submitted applications for these funds, preferring the money to go to areas with greater needs.

Status

- 2420a The town continues to be part of the urban county and to not submit applications for CDBG funding.

Summary

- 2421 The town has implemented all but one of the programs (Program 7, to adopt an ordinance establishing the provisions for the state-mandated density bonus) provided for in the previous housing element. Most of these programs were in place within six months of the adoption of the previous element.
- 2421a One program has been completed, seven of the programs are proposed to continue into the current planning period and have been updated as needed, one program has been converted to goals and policies, and one program has been dropped:
1. Inclusionary Lot Requirements (continued and updated)
 2. Multifamily Affordable Housing (continued and updated)

3. Second Units (continued and updated)
4. Amnesty for Illegal Second Units (completed)
5. Shared Housing (continued and updated)
6. Emergency Shelter and Transitional Housing (continued, updated and also added as Policy 4B)
7. State-Required Density Bonuses (continued and updated)
8. Fair Housing (continued and updated)
9. Energy Conservation (changed to Goal 3 and related policies)
10. Community Development Block Grant Funds (dropped)

Population, Employment and Housing: Conditions & Trends

- 2425 This section provides information on population trends, employment trends, housing characteristics, and special housing needs in Portola Valley. The information is required by state law and provides a context in order to assist the town in planning for suitable housing in the future.
- 2426 The analysis shows that there is a particular need for housing that is affordable to the elderly and to people who work in the town. The proportion of the town's population over 64 has risen from about 14 percent in 1980 to 21 percent in 2008, and senior citizens comprise the majority of lower income households in town. A survey of the town's largest employers reveals that most of the people who teach the town's children, work for town government, and provide services for the town's senior citizens cannot afford to live in Portola Valley.

Population Trends

- 2427 The California Department of Finance estimates Portola Valley's population to total 4,639 as of 2008. According to the 1990 and 2000 Censuses, Portola Valley's population increased 6.4 percent between 1990 and 2000. The table below compares the total population, the population in group quarters, the population in households and persons per household in 1990 and 2000. The population in group quarters likely consists primarily of people residing at the Priory School, and does not include the Sequoias.

Population Growth: 1990 and 2000				
Year	Total Population	Population in Group Quarters	Population in Households	Average Persons per Household
1990	4,194	47	4,147	2.54
2000	4,622	70	4,552	2.58

Source: 1990 and 2000 U.S. Census.

- 2427a Changes in the age distribution from 1960 to 2000, as reflected in the U.S. Census, are shown in the table below. The percentage in all the major age groups increased slightly between 1990 and 2000 except for people under age five and between the ages of 20 and 44. The percentage of people age 65 and over continues to grow.

Percentage Distribution by Age Group 1960, 1970, 1980, 1990, 2000, 2008						
Age Group	1960	1970	1980	1990	2000	2008
Under 5	11.3	5.1	3.5	5.6	5.0	5.8
5-19	29.2	30.1	22.4	15.2	19.2	19.6
20-44	35.4	32.3	30.5	32.4	21.4	16.4
45-64	17.4	22.3	29.2	28.1	33.5	36.7
65+	6.7	10.2	14.4	18.7	21.0	21.5
<i>Totals</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>

Source: U.S. Census for 1960, 1970, 1980, 1990 and 2000. Claritas, 2008. Note: Claritas data breaks age groups into under 5, 5-20, 21-44, 45-64, and 65+.

Employment Trends

2428 Portola Valley had 2,085 residents 16 years of age and older who were employed in 1990 according to the 1990 Census. The 2000 Census showed 2,008 employed Portola Valley residents 16 years of age or older. There has been, therefore, little change in the number of employed residents in the town in the last decade.

2428a In 2000, 1,974 employed Portola Valley residents reported place of employment. Fifty-one percent worked in San Francisco, San Mateo, Alameda or Contra Costa counties. Most of the others worked outside of the San Francisco-Oakland-Fremont Metropolitan Statistical Area (MSA), probably in northern Santa Clara County. The place of employment of all employed residents in 2000 is shown in the table below.

Portola Valley Residents' Places of Employment, 1990 and 2000				
Location	1990	%	2000	%
Portola Valley	358	17%	362	18%
Rest of San Mateo County	565	27%	484	25%
Rest of MSA	165	8%	160	8%
Outside of MSA	990	48%	968	49%
<i>Total</i>	<i>2,078</i>	<i>100%</i>	<i>1,974</i>	<i>100%</i>

Source: 1990 and 2000 U.S. Census.

2428b The number of jobs in Portola Valley is under debate. The town is very small, with a limited amount of office and retail development, and the Town Planner estimates that there are likely approximately 1,250 – 1,500 jobs in town. This is based on a combination of information from surveys of employers and census data on the number of self-employed residents, plus a margin for household staff. However, the Association of Bay Area Governments' (ABAG) *Projections 2007* publication estimated a total of 2,480 jobs in Portola Valley in 2000 and 2,560 jobs in 2005. Although the number of

jobs is not precisely known, it is clear that the number of jobs is fairly steady and is unlikely to increase significantly by 2014.

2428c Only 12,000 square feet of office space has been added to the town since 1990 and little new office and commercial development is anticipated. Only 18 acres of land are planned and zoned for commercial and office uses, and most of that land is developed. The town continues to provide housing for people who work elsewhere, helping to relieve the jobs/housing imbalance in other Peninsula cities that have more jobs than employed residents.

2428d Non-residents work in many of the jobs provided in town, in part because employees often cannot afford to live in Portola Valley. A survey of the four largest employers in town (the town government, the school district and two institutional employers) revealed that most of their employees do not earn enough to afford market-rate housing in San Mateo County, let alone in the town. As summarized in the table below, the four institutions cited above employed 257 full-time and 86 part-time people, of whom 46 lived in town. Only 13 of the employees receive incomes classified as “above moderate” by the state for a family of three in San Mateo County. Information from the survey is summarized below:

Employees and Incomes (a)									
	Employees			Employees Living in Town		<\$50,900 (Very Low)	<\$81,450 (Low)	<\$102,600 (Moderate)	>\$102,601 (Above Moderate)
	Full Time	Part Time	Total	Full Time	Part Time				
Town (b)	13	2	15	0	0	2	7	0	4
School District	65	22	87	4	10	21	39	22	5
Sequoias	99	52	151	3	2	135	11	3	2
Priory	80	10	90	27	0	39	36	13	2
Totals	257	86	343	34	12	197	93	38	13

(a) Income limits are for a family of three in San Mateo County as defined by California Department of Housing and Community Development, February 2004.

(b) Income information for Town of Portola Valley employees does not include data for the two part time employees. Source: Spangle Associates Survey, March 2004; updated information was received for town employees in February 2009.

1. The Town of Portola Valley employs thirteen people full-time and two people part-time. Salaries for the full-time people range from \$38,500 to \$122,000. Part-time workers receive between \$25 and \$43 per hour.
2. The Portola Valley School District employs 87 people: 65 full-time and 22 part-time. The lowest full-time salary is \$28,496 and the highest is \$148,000. Four full-time and ten part-time employees live in Portola Valley. However, the majority of school district employees

live elsewhere. Sixty of the 87 workers earn low or very low incomes based upon the income limits set by HCD.

3. The Sequoias, a retirement community with approximately 316 residents, has a total of 151 employees: 99 are full-time and 52 are part-time, including teenagers from town who work in the dining hall. Salaries for nurses, health care professionals, administrators and other full-time employees range from \$22,363 to \$94,100. Part time employees earn between \$10.82 and \$40.61 per hour. All but two employees are below the limits for above moderate housing in San Mateo County, and only three full-time employees live in town.
4. Woodside Priory, a Catholic school with about 300 students, employs 80 full-time and 10 part-time people. The salary for full-time employees ranges from \$17,300 to about \$175,000. Two employees have above moderate incomes, 13 have moderate incomes and 36 have low incomes. Thirty-nine employees have very low incomes, including the five members of the monastic order who run the school. The Priory provides dormitory-style housing for the five monks as well as 19 housing units for 23 other employees and their families. The monthly rents for these units range from \$0 to \$1,092, with 17 of the 19 units renting for less than \$1,000. Three other Priory employees live elsewhere in Portola Valley.

2428e To summarize, the survey indicates that only 13 employees of the four largest employers in town earn enough income to qualify as above moderate income households. In contrast, 197 employees earn incomes that would fall into the very low income category. Unless these employees have other household members who earn significantly more, it appears that those who administer the town's affairs, teach its children and care for its elderly, by and large, cannot afford to live in the town.

Housing Characteristics

2429 Portola Valley is a community of single family residences, mostly on lots ranging from one to two-and-a-half acres or more. The exceptions are in the older part of the town that has some lots as small as 4,000 square feet, and three other small areas with minimum lot sizes of 15,000 or 20,000 square feet. Under conditions specified in the general plan and land use regulations, the town permits cluster development, second units on single-family parcels one acre or larger, shared living arrangements and manufactured (mobile) homes. The location and density of housing development is controlled largely by natural conditions, particularly the San

Andreas Fault, which crosses through the town, steep and potentially unstable slopes, and flood hazard areas along creek channels.

2429a According to the Department of Finance, the number of housing units increased by 38 from 1,772 in 2000 to 1,810 in 2008, an average of 4.75 units per year. Portola Valley's record of building permits issued notes a slightly higher gain of 40 housing units during the same time period. In contrast, the average number of units added per year between 1990 and 2000 was 6.7 units. The recession, the difficult conditions affecting the remaining vacant lots, and the increased cost of housing may account for some of the decrease in production.

2429b Portola Valley's housing supply during the 2000s is summarized in the table below, as estimated by the Department of Finance. According to this data, 67 single family homes were added. Although permitted, no manufactured homes were added. These estimates show that Portola Valley has 235 multifamily units. Portola Valley does not have a significant number of multi-family units other than the housing at the Sequoias and the Priory. The Sequoias has 316 residents, and 197 students, monks, faculty, staff and their families board at the Priory. The annual housing unit count reported by the Department of Finance seems to include the senior housing at the Sequoias and some housing at the Priory as multi-family units.

Housing Units, 2000-2008							
	Total Units	New Units	Single Family	Multifamily		Mobile Homes	Occupied Units
				2-4	5+		
2000	1,772		1,479	0	260	0	1,700
2001	1,772	0	1,479	0	260	0	1,700
2002	1,783	11	1,490	0	260	0	1,711
2003	1,787	4	1,494	0	260	0	1,715
2004	1,804	7	1,496	8	267	0	1,731
2005	1,806	2	1,498	8	267	0	1,733
2006	1,810	4	1,502	8	267	0	1,737
2007	1,814	4	1,506	8	267	0	1,752
2008	1,810	-4	1,502	8	267	0	1,768

Source: State of California, Department of Finance, City/County Population and Housing Estimates, 2000-2008, Report E-5.

Tenure

2429c According to the 2000 Census, owners occupied 1,441 (83%) of the housing units and renters occupied 296 (17%) of them. This has not changed significantly since 1990, as shown in the following table of the number of housing units and percentages by tenure.

Tenure of Housing Units: 1980, 1990 and 2000					
	Renter-Occupied Units		Owner-Occupied Units		Total Occupied Units
1980	97	(8%)	1,142	(92%)	1,239 (100%)
1990	303	(19.6%)	1,327	(81.4%)	1,630 (100%)
2000	296	(17%)	1,441	(83%)	1,747 (100%)

Source: 1980, 1990 and 2000 U.S. Census.

Overcrowded Households

- 2429d The U.S. Census defines "overcrowding" as 1.01 or more persons per room in a housing unit. Under this definition, Portola Valley had 10 overcrowded units in 2000. This is an increase from zero overcrowded units in 1990. The Census indicates that all of the overcrowded units are owned by residents 75 years of age or older who are all above the poverty level. One possibility is that these 10 units could be studio units at the Sequoias or guest houses. Given this information, as well as the small number of units affected, overcrowding does not appear to be a significant problem in Portola Valley.
- 2429e Most houses in Portola Valley are large. The 2000 Census reports that 71 percent of the housing units had six or more rooms ("rooms" do not include bathrooms, storage areas, or areas separated by less than a floor to ceiling partition). New units constructed between 1985 and 1990 averaged about 5,000 square feet. In the 1990s, new housing usually ranged in size from 5,000 to 6,000 square feet with basements adding an additional 500 to 2,000 square feet in some cases. Housing sizes have been similar since 2000, with most homes between 5,500 and 6,000 square feet plus basements. In the past six fiscal years (2003 – 2008), Portola Valley has issued 196 building permits for additions, indicating that the existing housing stock is also getting larger. As a result, overcrowding is unlikely to be a significant issue.

Housing Condition

- 2429f Most housing in Portola Valley is in good condition. The 2000 Census shows that all units have complete plumbing facilities and lists only 152 housing units built before 1940. Renters occupied 40 of these. Older houses appear to be a significant source of rental housing in town, providing approximately 14 percent of the rental stock. Some of these may be converted accessory structures on single-family parcels.
- 2429g Many houses in town are not visible from public roads, making "windshield" surveys of housing conditions difficult. However, building permit records indicate a consistently high volume of remodeling and additions. The town issued 720 permits for remodels or additions between 1993 and 1999, and another 759 permits between 2000 and 2008. In addition,

many older homes have been torn down and replaced with newer homes. Between Fiscal Year 1998-99 and Fiscal Year 2007-08, a total of 53 homes were torn down and replaced with new homes.

- 2429h The high value of properties in the town leads to a high level of maintenance, and over any significant period of time, the private market appears to be effective in eliminating substandard conditions. None of the information available to the town indicates a significant problem with housing conditions.

Housing Affordability

- 2430 As shown in the table below, the average sales price of homes in Portola Valley has increased significantly over time and is now very expensive. The average home cost about \$1 million in 1996 and over \$2 million in 2008. For comparison, the average sales price in 1989 was \$860,948, which was itself a significant increase from the average price of \$511,957 in 1986. It is interesting to note that the number of sales per year in 2008 was less than half what it was in 2000.

Average Sales Prices in Portola Valley, Selected Years		
Year	Average Sales Price	Number of Sales
2008	\$2,144,085	28
2007	\$2,046,093	47
2006	\$1,872,269	39
2000	\$2,723,868	61
1996	\$1,035,603	65
1989	\$860,948	Not known
1986	\$511,957	Not known

Source: Multiple Listing Service (MLS) for areas 261, 262, 263, and 265.

- 2430a In the February 11, 2009 *Almanac*, there were 11 homes mentioned for sale. Another seven homes were listed on craigslist.com at the same time. Asking prices ranged from \$1.1 million to \$3.95 million, and averaged \$2.1 million. This is slightly lower than the prices from 2001, when the February 7, 2001 *Almanac* listed six homes for sale in Portola Valley with asking prices between \$1.8 million and \$3.9 million, and averaging \$2.5 million. Both sets of prices are significantly higher than in 1990. The February 14, 1990 *Almanac* listed 12 homes for sale in Portola Valley with asking prices between \$429,500 for a two-bedroom, one-bath home and \$2,350,000 for a five-bedroom, seven-bath home. The average was \$1,310,600.
- 2430b Home prices in Portola Valley approximately doubled between 1990 and 2009. Prices in 2009 are slightly lower than those from 2000, but none of the

housing for sale in February 2009 would be considered affordable by households with moderate incomes or less under typical financing terms.

- 2430c Rental housing in the February 11, 2009 Almanac and listed on craigslist included 13 homes for rent. Rents ranged from \$1,200 for a one-bedroom second unit to \$16,500 for a 5 bedroom, 4 bathroom home. Three homes were listed with rents over \$10,000 per month. The remaining rents averaged \$4,003 per month. These rents are similar to the rents shown in the February 7, 2001 *Almanac*, which listed four units. Those rents ranged from \$1,500 for a one bedroom apartment to \$5,000 for a three bedroom home.
- 2430d Some of the most affordable rental units in town are second units. All of the rental units listed in the Almanac and on craigslist in early February 2009 under \$2,000 per month were second units. This fits with the findings of a study conducted in late 2008 of the affordability of second units in San Mateo County, which found that most second units are affordable to low and moderate income households.
- 2430e The federal government defines “affordable housing” as housing that costs 30 percent or less of a household’s income. The table below shows average salaries for selected professionals in San Mateo County, together with the affordable monthly housing cost. Many of these professionals would not be able to afford a home in Portola Valley.

Average Salaries and Affordable Monthly Housing Costs in San Mateo County		
	Annual Salary	Affordable Monthly Housing Cost
Single Wage Earner		
Senior on Social Security	\$15,000	\$375
Retail Sales Person	\$26,852	\$671
Middle School Teacher	\$62,079	\$1,552
Dental Hygienist	\$86,981	\$2,175
Lawyer	\$144,291	\$3,607
Two Wage Earner Households		
Retail Sales Person & Graphic Designer	\$90,583	\$2,265
Accountant & Middle School Teacher	\$132,572	\$3,314

Source: the Employment Development Department data for San Francisco – San Mateo - Redwood City MD

- 2430f Housing costs include rent or mortgage payments, utilities, and necessary maintenance. Households with above moderate incomes have numerous housing choices. The primary concern is for households with moderate, low and very low incomes that have few choices in the housing market.

- 2430g One measure of the affordability of housing is whether households, especially low income households, are overpaying for housing. The 2000 Census reports that Portola Valley had 250 households with less than a \$49,999 household income in 2000, including 181 homeowners and 69 renters. As shown below, the 2000 Census indicates that 99 of the low income households (less than \$49,999) in Portola Valley were paying more than 30 percent of their income for housing.

Low Income Households Overpaying for Housing, 2000				
	Total Reported Households	Low income Households (a)	Low income HH's Overpaying (a)	Percentage of Low income HH's Overpaying
Owner	1,441	181	79	44%
Rental	296	69	20	29%
Totals	1,737	250	99	40%

(a) The number of low income households and low income households overpaying is estimated based upon the ranges provided by the 2000 U.S. Census. Although the low income range is below \$56,655, the Census reports income data below \$49,999. Therefore, the numbers in the chart are for households with incomes less than \$49,999 and do not include households making between \$49,999 and \$56,655.

Source: 2000 U.S. Census.

- 2430h The proportion of low income renters overpaying is lower than the proportion of low income owners in Portola Valley. This is not the case in most cities and counties. This may be explained by the increase in the number of elderly in Portola Valley, who may now be homeowners on limited incomes. In 2000, 85 householders with ages 75 years or older were paying 30 percent or more of their incomes on their rent. As a result, 86 percent of low income households overpaying are 75 years or older.

Special Housing Needs

- 2431 In addition to being affordable, suitable housing also must meet households' other needs. Some special housing needs are defined in the following sections.

Elderly

- 2431a The proportion of Portola Valley's population over age 65 continues to increase, as shown in the table below. During the last forty years, the percentage of the town's population that is over age 64 has increased almost fivefold, from 6.7 percent to 21 percent. While this is partly due to the natural aging of the population, the percentage change is also in part likely due to the high cost of housing, which may prevent younger people who have not accumulated as much capital or reached their earnings peak from being able to afford to live in Portola Valley.

Percentage of People Over Age 64 in 1960, 1969, 1980, 1990, 2000, 2008			
Year	No. of People over Age 64	Total Population	Percent of Total Population
1960	145	2,163	6.7
1969	458	3,849	11.9
1980	567	3,939	14.4
1990	786	4,194	18.7
2000	938	4,462	21.0
2008	1,028	4,768	21.6

Sources: 1960 U.S. Census as adjusted by William Spangle & Associates and reported in the 1982 Housing Element; State Department of Finance Special Census for 1969 as reported in the 1982 Housing Element; U.S. Census for 1980, 1990 and 2000, Claritas 2008.

- 2431b Some of the residents over the age of 64 may be living in houses that are bigger than they want or need. Long-term older residents often have paid-up mortgages or low mortgage payments and, under Proposition 13 provisions, low property taxes. Some literally cannot afford to move. As they grow older, some residents will have difficulty maintaining their properties due to physical or financial constraints. Despite their long-standing ties to the community, these people may be forced to move out of the area by the shortage of suitable senior housing in town, in any price range.

Income Distribution for Households Over Age 64, 2000			
Income	Total Households	Householders Over Age 64	% of Households Over Age 64
<\$10,000	16	0	0
\$10,000-\$14,999	38	26	68.4
\$15,000-\$19,999	15	15	100.0
\$20,000-\$24,999	36	5	13.8
\$25,000-\$34,999	54	16	29.6
\$35,000-\$49,999	90	70	77.7
\$50,000-\$74,999	104	55	52.8
\$75,000-\$99,999	146	96	65.7
\$100,000+	1154	290	25.1
Total	1653	573	34.6

Source: 2000 U.S. Census.

- 2431c The table above shows the income distribution for households over the age of 64. Sixty-eight percent of the total households earning between \$10,000 and \$14,999 and 100 percent of the households earning between \$15,000 and \$19,999 are over the age of 64. On the other hand, 50 percent of the total elderly households earn \$100,000 or more. The fact remains, however, that

twenty-three percent, or nearly a quarter, of the town's elderly households are low income households.

- 2431d Even more significant is the fact that most low income households (53%) have a householder 64 years of age or older, as shown in the table below. The Census data clearly shows that many elderly households have low incomes, and the majority of low income households in town are headed by an elderly householder.

Low Income Households by Age of Householder		
Age	Number of Householders	Percentage of Low Income Households
< 34 years old	0	0%
35 to 64 years old	117	47%
> 64 years old	132	53%
Total	249	100%

Source: 2000 U.S. Census.

- 2431e The Sequoias, a buy-in retirement community in town operated by Northern California Presbyterian Homes and Services, was home to approximately 316 senior citizens in January 2009. The minimum age to enter is 65, but most people are in their mid-70s when they enter. The facility provides common dining and medical care geared to various levels of need. In 2008, the cost to enter ranged from \$89,000 to \$804,800 for housing, three daily meals and medical care for life. This cost varies depending on the size and type of unit. In addition, monthly costs range from about \$2,884 for a single up to \$6,872 for a two-bedroom unit. The monthly cost includes rent, utilities, meals, housekeeping, and access to on-site nursing and physician services. One hundred eighty-six people are on the waiting list for a place at the Sequoias, indicating a strong demand for this type of senior housing.
- 2431f While the costs to live at the Sequoias are significant, the Sequoias does have a financial assistance program for residents. People whose incomes and assets are depleted while living at the Sequoias receive aid so that they can continue to receive housing and medical care. Approximately five residents receive this aid per year.
- 2431g The Sequoias is an important housing option for seniors in the community. Second units and shared housing provide other options for seniors who need affordable housing but would prefer a non-institutional setting.

People with Disabilities

- 2431h According to the 2000 Census, 791 people living in Portola Valley suffered a disability. Of those aged 16-64, 213 were working and 108 were not. Of the total number of disabled people in Portola Valley, 435 were over the age of 65, equaling 55 percent of the disabled population. The Center for Independent Living in Belmont provides services for disabled people in San Mateo County. According to its records, the Center has no clients in Portola Valley. The town has no data to indicate that housing for disabled persons is a significant unmet need in town, although the need for accessible housing can be anticipated to grow as the population ages.

Large Households

- 2431i According to the 2000 Census, Portola Valley had an average household size of 2.58, which is a slight increase from 2.54 in 1990. In 1990, only 137 households had five or more persons, comprising 8.4 percent of all households. In 2000, there were 159 households with five or more persons (9.4%), of which 150 lived in owner-occupied housing. Most of the housing in town is well-suited to large families. In 2000, about 71 percent of the housing units had 6 or more rooms. The mean number of rooms per unit was 6.9. During the 1990s and since 2000, new construction added larger houses to the town, with most ranging in size from 5,000 to 6,000 square feet.

Single-Parent Households with Children

- 2431j The concern for “families with female heads of households” could be more accurately described as a concern for households consisting of a single parent and one or more children under 18. These households often have fewer financial resources and greater needs for day care and other services.
- 2431k The 2000 Census data on single-parent households is limited. However, the Census does report that 77 children in Portola Valley (6.7% of children) live in a family other than a married-couple family, of which 64 live with a female householder with no husband present, and 13 live with a male householder with no wife present. The Census also reports that there are 25 households in Portola Valley with two or more people that include a female householder and her own children under 18 years of age, and none with a male householder and his own children under 18 years of age. This is a total of about 1.5% of households. None of these households had incomes below the poverty level.
- 2431l Housing in town is large and often suitable for families with children. Further, schools, day care, a library, and recreation facilities are all provided in Portola Valley. There is no information available to indicate an unmet

need for housing for single-parent households with children. However, these households are likely to benefit from an increase in affordable housing options, including second units.

Farm workers

- 2431m The 2000 Census shows that only seven Portola Valley residents list their occupation as farming, forestry and fishing, equaling only 0.3 percent of the population. ABAG's *Projections 2007* estimates that Portola Valley and its sphere of influence had 130 jobs in agriculture and mining in 2005 which is a decrease from the 1990 estimate of 190 jobs in agriculture and mining listed in *Projections 2002*. Webb Ranch, on unincorporated land owned by Stanford University, is the major employer of farm workers in the area. Farm worker housing is provided on the Ranch. No need for farm worker housing has been identified within Portola Valley.

Extremely Low Income Households

- 2431n Households with extremely low incomes are those with incomes at or below 30% of the Area Median Income. For San Mateo County, including Portola Valley, that means that a family would need to have an income of \$33,950 or below to be considered extremely low income. Households with extremely low incomes include those who receive public assistance, such as disability insurance or social security. However, people with full-time jobs can also have extremely low incomes. The annual income for a full-time minimum wage job is currently \$16,640 in California, and a single person household earning \$23,750 or less is considered extremely low income.

Existing Needs

- 2431o In 2000, there were 82 extremely low income (ELI) households in Portola Valley, representing 5% of the total households. About half of ELI households have housing problems, and nearly a quarter are paying more than half of their incomes for housing. ELI households are at risk for homelessness if there are unexpected expenses, such as medical bills, or with the loss of a job.

Extremely Low Income Households			
	Renters	Owners	Total
Total ELI Households	40	42	82
Percent with Housing Problems	50%	57%	54%
Percent with Cost Burden*	25%	57%	42%
Percent with Severe Cost Burden**	25%	24%	24%
Total of All Households	300	1,445	1,745

* A cost burden is defined as a household paying more than 30% of its income for housing.

*** A severe cost burden is defined as a household paying more than 50% of its income for housing. Sources: CHAS Data Book, accessed at <http://socds.huduser.org>, data current as of 2000.*

- 2431p ELI owners are more likely than renters to have a cost burden, although approximately the same percentage of both groups have severe cost burdens. Because such a high percentage of income goes to housing, ELI homeowners are at a very high risk for foreclosure.

Projected Needs

- 2431q To calculate the projected housing needs, the town assumed that 50 percent of its very low income regional housing needs are extremely low income households. This results in a projected need for 16 housing units for ELI households. The main program to provide housing for these households is the town's second unit program. In addition, the shared housing program could provide some housing for this income level, and the housing impact fee could eventually provide funding for ELI households.

Homeless

- 2431r According to the 2007 San Mateo County Homeless Census and Survey, there were 13 homeless people counted in the town. Of these, seven were in vehicles or encampments. This is a significant change from past years, in which there have been no homeless people found in the town. Town staff were surprised and questioned these findings as they were unaware that this number of homeless people could be found in town. A new Homeless Census was taken in January 2009, but results were not available in time to incorporate them into this housing element. Until those results become available, there is no way to tell if the 2007 results were anomalous or represent the start of a trend.
- 2431s Because Portola Valley is a rural community with little access to transit or services, homeless people may not find the town as attractive as more urbanized areas of the mid-Peninsula. In the past, homeless people have occasionally visited one of the churches in town for assistance, which they offer on an as-needed basis.
- 2431t The town believes that homelessness is a regional problem which needs to be addressed on a regional basis, and continues to work toward that end.

Rehabilitation and Replacement.

- 2432 The needs analysis identifies no need for rehabilitation or replacement of existing housing units. As described above, the condition of housing units in town is very good and maintenance occurs privately, with no known need for government involvement.

Affordability for Assisted Housing Developments

- 2433 The town currently has no housing units subsidized with public funds and therefore no need to protect the affordability of such units.

Regional Housing Needs Allocation

- 2434 Approximately every five years, the state determines how much housing for each income level is needed in the region. The Association of Bay Area Governments (ABAG) then usually allocates shares of the regional housing need to the cities and counties in the region. In the current housing element cycle, all of the jurisdictions in San Mateo County banded together to form a subregion, which allowed the cities, towns and county to allocate the county's share of housing among themselves. The table below shows the total housing required in both the previous housing cycle and the current cycle. Because Portola Valley did not have a certified housing element in the last housing element cycle, the town now needs to plan for both sets of numbers.

Portola Valley's Regional Housing Need Requirements, 1999-2014						
	Ex Low	Very Low	Low	Moderate	Above Moderate	Total
Previous Cycle	7	6	5	13	51	82
Current Cycle	9	8	12	14	31	74
TOTAL	16	14	17	27	82	156

- 2434a State regulations allow the town to adjust the housing needs numbers based on housing that has been constructed in the town during the relevant planning period. There have been three types of housing built in Portola Valley in that time: market rate homes, multifamily housing at the Priory School, and second units. To adjust the housing needs numbers, however, the town needs to determine how many new units were provided in each income category.
- 2434b Given housing prices in town, all market rate homes are counted in the above moderate income category. The Priory School provides an annual report to the town on the affordability of the new multifamily homes, and which income categories are being housed. The second units are divided into income categories based on an October 2008 report prepared by San Mateo County on the affordability of second units. That report found that about 40-70% of second units are affordable to extremely low income households; about 5-15% are affordable to very low income households; and about 10-30% are affordable to low income households. To be conservative,

the town assumes that 50% of second units are affordable to extremely low income households, 5% are affordable to very low income households, 10% are affordable to low income households, 15% are affordable to moderate income households, and 20% are affordable to above moderate income households.

- 2434c The table below shows how many new market rate units, multifamily homes and second units have been built by income category, and adjusts Portola Valley's share of the regional housing need accordingly. The adjusted housing needs numbers apply the extra units provided in the extremely low income category to the units needed in the very low income category. The adjusted numbers shown below are therefore the number of housing units which Portola Valley needs to plan for by 2014.

Adjusted Regional Housing Need for Portola Valley through 2014						
	Ex Low	Very Low	Low	Moderate	Above Moderate	Total
Required	16	14	17	27	82	156
Provided						
<i>Market Rate</i>	0	0	0	0	44	44
<i>Multifamily (Priory)</i>	0	0	2	3	2	7
<i>Second Units</i>	23	2	5	7	10	47
Total Provided	23	2	7	10	56	98
Extra Provided	7	--	--	--	--	--
Units Needed	--	12	10	17	26	65
Adjusted Need	0	5	10	17	26	58

- 2434d The table below shows current (February 2008) income limits used to qualify for assistance from federal and state housing programs. The income limits vary with household size. The table lists the limits for one-, two-, three-, and four-person households. The maximum income to qualify for housing assistance in San Mateo County ranges from \$79,800 for a person living alone to \$114,000 for a four-person household and higher for larger households.

Income Limits (a) and Affordable Monthly Housing Costs (b)				
Number in Household	Maximum Income & Housing Cost	Income Categories		
		Very Low	Low	Moderate
1	Income Limit <i>Housing Cost</i>	\$39,600 \$1,155	\$63,350 \$1,847	\$79,800 \$2,328
2	Income Limit <i>Housing Cost</i>	\$45,250 \$1,319	\$72,400 \$2,111	\$91,200 \$2,660
3	Income Limit <i>Housing Cost</i>	\$50,900 \$1,484	\$81,450 \$2,375	\$102,600 \$2,993
4	Income Limit <i>Housing Cost</i>	\$56,550 1,649	\$90,500 \$2,639	\$114,000 \$3,325

(a) From California Department of Housing and Community Development, income limits for San Mateo County, February 2008.

(b) Assumes affordable housing costs no more than 35 percent of monthly income.

2434e The amount a household can afford to pay for housing is generally expressed as a percentage of the household's income. The percentage itself varies from source to source, however, ranging at least from 25 percent to 42 percent. In general, the trend has been for the percentage to increase as housing costs have increased. The table above uses an estimate of 35 percent of income as a guide to affordability and shows the resulting maximum monthly payment a household in each income category can afford for housing. The range is from \$1,155 for a one-person, very low income household to \$3,325 for a four-person, moderate income household. These maximums include all housing costs, such as rent, utilities, insurance, and taxes. The policies and programs in this element are designed to provide affordable housing within these income limits, which are updated annually by the California Department of Housing and Community Development (HCD).

Constraints on Housing

Governmental Regulations and Constraints

2440 Portola Valley is a low density, rural town on the fringe of the San Francisco Peninsula's urban area. The physical environment of the town is challenging, with many steep slopes, unstable landslides, and the presence of the San Andreas fault. Portions of the town lack the infrastructure to support much additional development. The town's development regulations are based on these facts. These development regulations are analyzed below to determine if and how they constrain the provision of housing. The section also describes the ways in which the town is working to mitigate constraints.

Context for Portola Valley's Development Regulations

2441 The town's low-density development is consistent with the policies of the Association of Bay Area Governments that foster a "city-centered" pattern of urban development with an emphasis on in-filling. ABAG's Regional Plan 1980 contains this statement relevant to the Portola Valley area:

Throughout this planning area there are relatively limited opportunities to support added population growth. Most vacant residential land is located in hillside areas which lack urban services and where environmental conditions may preclude all but very low density and high cost units (p. Sub-area 1-2).

2441a The town's low density nature is consistent with and was partially based on the San Mateo County Master Plan that was in place at the time the town incorporated. This plan included the following principles:

- a) The highest population densities should occur in relatively level areas close to major centers of commerce and industry where coordinated development is possible and where transportation and other necessary public facilities can readily be provided.
- b) Population density should decrease as the distance from district centers, industrial areas, and employment centers increases.
- c) Population density should decrease as distance from local service facilities increases.
- d) Population density should decrease as steepness of terrain increases.
- e) The lowest densities and largest lots should occur on steep hillsides or in mountainous areas where it is necessary to limit storm runoff, prevent erosion, preserve existing vegetation, protect watersheds, and maintain the scenic quality of the terrain.

- 2441b The town's geologic setting is another major determinant of its policies. Starting in 1965, the town has evolved an innovative and systematic approach to regulating the development of lands crossed by the San Andreas fault and encumbered with extensive areas of steep and unstable slopes. The regulations, which have been used as models for ordinances adopted by other jurisdictions in California and in other states, control the uses of land and the intensity of development according to slope and geologic characteristics. The base regulations include a slope-density system, setbacks from the San Andreas fault and land use limitations based on landslide hazards. The town has detailed slope, fault and landslide potential maps to support the regulations. The maps can be changed as more accurate and detailed information from site investigations becomes available.
- 2441c As the town reaches buildout, the development potential is increasingly affected by geologic regulations. Most of the remaining vacant land is in steep and often hazardous terrain. The Upper and Lower Western Hillsides, which contain most of the undeveloped land in the town, are very steep: approximately 70 percent of the land has slopes greater than 30 percent and 25 percent has slopes greater than 50 percent. Slope density provisions encourage concentration of development on flatter portions of the large holdings in these areas. These provisions lead to safer, more easily accessible and more efficiently served development than might occur otherwise.
- 2441d The town also has an important and growing role in providing open space for the region. The Midpeninsula Regional Open Space District now owns over a thousand acres of public open space within the town limits. The district lands are available for hiking and other low-intensity recreation uses and attract people from all over the region. In addition, the land preserved provides a significant conservation benefit to the region by providing habitat for wild animals and plants and protecting water and air quality. The low density housing pattern and the clustering of development in the town serves to protect this important regional resource.
- 2441e The town's development policies have evolved over the years in direct response to the town's beautiful and varied natural environment. A major goal of all planning in the town is to permit development in a way that preserves the natural environment, protects natural drainage, ensures safe development given the town's geology, and maintains the rural character of the town. The resulting low density, rural character and the provision of large expanses of open space within the town do constrain affordable housing. To mitigate this constraint, the town has designed its housing programs so that the housing constructed will be largely consistent with the rural and open space character of the town.

Zoning Regulations

- 2442 The policies set forth in the general plan are implemented through the town's zoning ordinance. There are three residential zoning districts in town: Residential Estate (R-E), Single-Family Residential (R-1), and Mountainous Residential (M-R). The table below summarizes the uses permitted in each of these districts. Sections 18.12, 18.14, and 18.16 of the town's zoning ordinance contain the full text and detailed information concerning these regulations.

Uses in Residential Zoning Districts			
Use	R-E	R-1	M-R
Streets, utilities, etc.	P	P	P
Single-family dwellings	P	P	P
Temporary voting places, festivals, signs, etc.	P	P	P
Public buildings located in conformance with the general plan	P		
Public school located in conformance with the general plan	P	P	
Major utilities, signs, wireless communications facilities	C	C	C
Crop and tree farming and truck gardening	C		C
Nurseries and greenhouses, with no retail sales allowed	C		C
Churches, schools, group living accommodations for seniors, and nursery schools: only when located on an arterial or expressway	C		
Recreation facilities and boarding stables: only when located on an arterial or expressway	C		C
Residential planned unit developments	C	C	C
Multiple single family homes on parcels of 10 or 100 acres or more	C		C
Horticulture and grazing of cattle	C		C
State-authorized group home serving six or fewer people	C	C	C
Wineries	C		C
Publicly owned recreation and open space areas located in conformance with the general plan	C	C	C
Landscaping, growing of plants and similar uses attendant to adjoining uses in the CC district		C	
Fences, lights, parking, signs, etc.	A	A	A
Second units on parcels 1 acre or more	A	A	A
Equestrian facilities	A		A
Renting of rooms to no more than one paying guest	A	A	A
Home occupations	A	A	A
Swimming pools, tennis courts	A	A	
Garages, signs, pets	A	A	A
Sale of agricultural products grown on the premises	A	A	A

P = Permitted, C = Conditional, A = Accessory

- 2442a Because multifamily housing is not generally permitted in the town, Portola Valley has developed a special program to allow multifamily housing on certain sites. To that end, the municipal code allows multifamily affordable housing to be constructed with a Planned Unit Development (PUD) permit on properties designated in the general plan for such uses (Section 18.44.050.I). This provision is one of the programs of the housing element,

and a detailed description can be found in the program section of the element.

2442b The town does not currently have provisions for emergency homeless shelters. Therefore, to comply with SB 2, this housing element proposes a program to allow emergency shelters as a permitted use at all religious institutions in the town.

2442c The town's site development criteria are set forth in the town's zoning ordinance, site development ordinance, and design guidelines. In the zoning ordinance, many of the criteria are established within combining districts. These include a Design Review (D-R), a Floodplain (F-P), a Historic Resources (H-R), and a Slope Density (S-D) combining district, as well as a number of residential density combining districts. The requirements established by each of these combining districts are explained below.

Design Review (D-R) combining district.

2443 This district does three things: 1) requires all building permits to be approved by the Architectural and Site Control Commission (ASCC); 2) prohibits certain uses within 100 feet of Skyline Boulevard in order to protect the scenic nature of that corridor; and 3) requires all subdivisions of parcels 10 acres or larger to be treated as a planned unit development.

2443a Seven areas of town are in this district: the Upper Western Hillside, the Lower Western Hillside, the Stanford Wedge, the Woods property, the Corte Madera School facility, an inholding in the Portola Valley Ranch development, and Blue Oaks. All of the large, undeveloped properties in town are included in this district.

2443b These requirements are not a significant constraint on the provision of housing, including affordable housing, in Portola Valley. This is demonstrated by Blue Oaks, a recently developed subdivision which was built despite these conditions. Blue Oaks includes four lots for below market rate housing, indicating that the requirements of this combining district do not preclude the provision of affordable housing.

Floodplain (F-P) combining district.

2444 This district establishes conditions for development in floodplain areas, including requiring residential structures to be elevated above the base flood level and requiring new construction to be anchored to withstand flooding. Such conditions are standard and required by the federal government in communities that participate in the National Flood Insurance Program.

- 2444a This district includes all land within the floodplain as shown on the federal Flood Insurance Rate Maps. This land is generally that which borders the major streams in town: Los Trancos Creek, Corte Madera Creek, and Sausal Creek.
- 2444b The F-P combining district is not a constraint on the provision of market rate and below market rate housing in town. The areas which fall under this district are generally expected to develop with market rate housing, which can usually accommodate these requirements within the normal price range for market rate housing in Portola Valley. The only sites for below market rate housing that are covered by this district are a few potential sites for second units. Because the majority of sites for below market rate housing are located in other areas of town, this is not expected to be a constraint.

Historic Resources (H-R) combining district

- 2445 This district requires all properties that contain historic resources to conform to the principles and standards of the historic element of the general plan. There are 41 historic resources in town as identified in the general plan. These resources are scattered throughout town, as shown on the historic element diagram.
- 2445a The H-R combining district does not constrain the provision of housing in Portola Valley, including affordable housing. The principles and standards of the historic element simply prevent the removal of resources that are designated “to be preserved.” No maintenance or restoration is necessary, although if it does occur, certain guidelines must be followed. Therefore, this district may affect the design of a development but does not necessary increase the cost of a development.

Residential density combining districts

- 2446 The residential density combining districts determine the development standards that apply to the particular lot. These standards include required front, rear and side yards; height limits; floor area limits; and impervious surface limits. There are nine combining districts:
- 7.5M: 7,500 square feet
 - 15M: 15,000 square feet
 - 20M: 20,000 square feet
 - 1A: 1 acre
 - 2A: 2 acres
 - 2.5A: 2.5 acres

- 3.5A: 3.5 acres
- 5A: 5 acres
- 7.5A: 7.5 acres

2446a The exact locations of these combining districts are shown on the town's zoning map. In general, the smaller-lot districts are found in the more densely developed, older subdivision areas of town while the larger-lot districts are found in the less densely developed, newer areas. This makes sense given the fact that only since town incorporation has there been a more complete understanding of the complex geological conditions and steep slopes that affect the remaining undeveloped lands in town.

2446b The Upper Western Hillsides are the only part of town in the 7.5 acre combining district. There are no lands in the five acre combining district, but the Lower Western Hillsides, Blue Oaks, the Woods property, and the Stanford Wedge are in the 3.5 acre combining district. Westridge is in the 2.5 acre combining district. The other, smaller-lot districts cover the remainder of the town.

2446c The development standards governed by these combining districts are summarized in the table below.

Residential Density Combining District Development Standards								
District	Min. Lot Area (sf)	Front Yard	Rear Yard	Side Yard	Height Limit ¹	Max Height ²	Max Floor Area ³	Max Imperv Surface ³
7.5M	7,500	20	20	5	15-28	34	3,019	2,231
15M	15,000	20	20	10	15-28	34	3,623	3,877
20M	20,000	20	20	10	15-28	34	3,910	5,090
1A	43,560	50	20	20	28	34	5,260	7,808
2A	87,120	50	20	20	28	34	7,013	11,358
2.5A	108,900	50	20	20	28	34	7,514	13,177
3.5A	152,460	50	25	25	28	34	8,065	15,566
5A	217,800	50	25	25	28	34	8,766	17,370
7.5A	326,700	50	25	25	28	34	9,581	19,822

¹ The height limit restricts the height as measured parallel to the ground surface.

² The maximum height restricts the height as measured from the lowest point of contact between the building and the ground to the highest point of the building.

³ The maximum floor area and maximum impervious surface are based on the total net lot area after geology, flood hazard areas, and steep slopes are taken into consideration. The numbers shown in the table indicate the maximum for a lot with the given lot area and no environmental constraints.

2446d The development standards established through the residential density combining districts are appropriate given the town's rural, single-family residential character. The maximum floor area requirements can restrict the size of a residence, which is a constraint to the development of housing. However, a parcel's geology, flood hazard areas and steep slopes limit the

maximum floor area, and the requirements have been established to ensure safer and more environmentally sustainable development. The minimum lot area requirements in particular do act as a constraint on the provision of housing by keeping the density of development low. Many of the programs set forth in this housing element are intended to address this constraint while preserving the character of the town. For example, the multifamily affordable housing program allows higher density residential development in specified areas of town. The second unit program also increases density by allowing an additional housing unit to be built on lots that are one acre in size or larger located within zoning districts requiring at least one acre per parcel.

Slope Density (S-D) combining districts

- 2447 Most of the residential land in town is under an S-D combining district as well. These districts modify the minimum lot size to require larger minimum lots in areas with steep slopes. As shown in the table below, there are six slope-density combining districts. The table also provides selected examples of the required minimum parcel areas at given slopes under each of the S-D districts.

Slopes and Minimum Parcel Areas in S-D Combining Districts						
	Required Minimum Parcel Area in Acres					
Slope	SD-1	SD-1a	SD-2	SD-2a	SD-2.5	SD-3
1% and under	1.02	--	2.03	--	--	3.05
15% and under	1.36	1.00	2.60	2.00	2.50	3.99
25%	1.79	1.34	3.25	2.56	3.14	5.12
40%	3.42	2.72	5.21	4.44	5.10	8.85
50% and over	8.70	8.73	8.70	8.70	8.73	17.24

- 2447a In general, the flatter parts of Portola Valley fall into the SD-1 and SD-1a districts, with the remaining districts used in steeper areas. The only part of town in the SD-3 district is the Upper Western Hillside, and the only area in the SD-2.5 district is Westridge. Areas in the SD-2 district include the Lower Western Hillside, Blue Oaks, the Stanford Wedge, and the Woods property.
- 2447b As with the residential density combining districts, the S-D districts do constrain the provision of housing by restricting the density of development. This restriction is necessary, however, given the hazards of developing steep slopes. Some of the town's housing programs work to mitigate this constraint while still providing adequate protection. For example, the multifamily affordable housing program allows for increased density in specified areas. In addition, the second unit program allows a second unit to

be constructed on lots over one acre, thereby increasing potential residential density.

Open Space and Landscaping Requirements.

- 2448 The town's residential density combining district development standards specify front, side and rear yard requirements for residential parcels. These requirements vary depending on the district, with smaller yard requirements for smaller lots. The requirements can be altered based on certain scenarios, such as if a property is located in a special setback district or if a property is adjacent to a future right-of-way. These open space requirements are applied consistently to all residential development based on the district they are located in and are not a constraint to housing development.
- 2448a The Portola Valley zoning ordinance sets forth minimal landscaping requirements for residential parcels. For example, the regulations specify that parcels adjacent to the Community Commercial and Administrative-Professional districts are required to have consistent landscaping with the adjacent non-residential property. There are few parcels in Portola Valley with residences adjacent to these districts. The landscaping regulations also stipulate that for parcels with frontages along Alpine Road and Portola Road, trees and shrubs must be approved by the town's conservation committee within seventy-five feet of the road right-of-way. These two provisions are not constraints to the development of housing because they do not require significant costs or alterations for new housing developments.
- 2448b The town's zoning ordinance contains minimal regulation for residential landscaping, but the town's Design Guidelines provide more comprehensive landscaping policies, including a Native Plant List and Landscaping Guidelines. The Guidelines state that "The fundamental approach of the ASCC is to encourage architectural solutions that blend with the natural conditions of the site and area, and at the same time require only minimum landscaping." Typical guidelines include: "Use native plants," "Create a simple rather than elaborate landscape solution," and "Consider the future height of trees and shrubs such that major views on- and off-site will not become obstructed." ASCC consideration of applications is limited to the issues set forth in the guidelines.

Parking Requirements

- 2449 The town's zoning ordinance includes off-street parking provisions. The minimum number of off-street residential spaces for dwelling units is: one space for each dwelling having zero or one bedroom, and two spaces for each dwelling with two or more bedrooms. In residential districts with a minimum lot size of one acre or more, two additional guest parking spaces

are required. In addition, convalescent homes must have one space for each five beds and retirement homes must have one space for each apartment, double room or family unit. As mentioned previously, second units require only one uncovered space per bedroom.

- 2449a Most residential parking spaces must be located in a carport or garage and all spaces have to be located on the same site as the building unless authorized by a conditional use permit. Uncovered or tandem parking spaces may be permitted with approval from the Architectural and Site Control Commission (ASCC) if there is no reasonable location for a second required covered parking space in larger parcel districts. Additionally, on parcels of 20,000 square feet or less, an uncovered parking space may occupy required yard areas with approval from the ASCC and after notification of the affected neighbors.
- 2449b The town requires up to four parking spaces at residences in districts requiring one acre or more, but allows exceptions if the requirements cannot be met on the parcels. In smaller parcel districts, only one to two spaces are required based on the number of bedrooms in the dwelling unit, and the location of the parking space can be changed if needed. Overall, the off-street parking requirements for larger parcels do not constrain the development of housing given the ample amount of space typically available on those properties. Additionally, the alternative provisions enable smaller parcels with space constraints to meet reduced requirements.

Inclusionary Lot Requirement

- 2450 Since 1991, Portola Valley has required all subdividers in town to provide 15% of their lots (for subdivisions with seven or more lots) or an in-lieu fee (for smaller subdivisions and fractional lots) to the town for affordable housing. The cost of providing this land or fee is offset by a 10% density bonus that the town also provides to all subdividers who are subject to this requirement.
- 2450a Some analysts believe that inclusionary housing requirements can sometimes act as a constraint on housing by either substantially raising the price of market rate housing or making housing too expensive to build. However, housing has been produced under the inclusionary lot program in Portola Valley, including in the Blue Oaks subdivision which contains four below market rate lots. In addition, the selling prices for market rate lots at Blue Oaks, which ranged from approximately \$1 million to over \$2 million, were comparable to the prices for market rate lots elsewhere in town. Land prices in Portola Valley are high, so that the development of affordable

housing would be very difficult unless the land could be provided at no cost through a program such as the inclusionary lot requirement.

Second Unit Provisions

- 2451 Portola Valley revised its zoning ordinance provisions for second units in July 2003 to comply with California law requiring ministerial review of second unit permit applications. Government Code Section 65852.2 requires that applications for second units be processed without discretionary review or a public hearing. In addition, the law enables jurisdictions to designate areas where second units are permitted based on reasonable criteria, such as adequate infrastructure. Jurisdictions may also establish development standards, such as those for height, setback, lot coverage, architectural review and the maximum size of the unit. The law requires parking for second units to be no more than one space per unit or bedroom and permitted in setback areas as tandem parking.
- 2451a The town's second unit ordinance allows second units on residential parcels one acre or more in all zoning districts. The areas in Portola Valley with those size parcels tend to have sufficient infrastructure and traffic capacity for additional units. The ordinance complies with the state's requirements because a second unit, as an accessory use, does not have to go through discretionary review to be approved. However, if the unit is detached, more than 200 square feet in size, or above the ground floor, it is subject to Architectural and Site Control Commission (ASCC) review. In addition, all second units on parcels that front onto one of the two scenic corridors in Portola Valley are required to obtain approval from the ASCC.
- 2451b The zoning ordinance limits the floor area of a second unit to 750 square feet. The town also requires the vehicular access and address for the second unit to be the same as those for the primary residence. Like single family homes, second units are also subject to development standards for height, exterior color, roof reflectivity, exterior lighting and landscaping. The ordinance requires second units to have the same color, materials and architecture as the principal residence. The parking standards for second units also comply with state law because only one space is required per bedroom. Spaces do not have to be covered and can be tandem.
- 2451c Overall, the zoning ordinance provisions for second units are in compliance with state law because standards for second units are clearly set forth and are permitted as of right and can be administered ministerially as long as they do not exceed certain criteria. Given the costs of land and construction in Portola Valley, the requirement for architectural review and the associated cost is unlikely to be a significant constraint on the construction of second

units. However, to further encourage second units within the town, a couple of changes to the second unit program are proposed in this housing element.

Summary of Analysis of Land Use Controls

- 2452 Portola Valley's land use controls were developed to fit the town's situation on the edge of the urban San Francisco Peninsula area, with complex and unstable geology, steep terrain, and the San Andreas fault bisecting the town. Within this context, the controls the town has adopted allow for flexibility to fit development to the land. For instance, development intensity is conditioned by steepness of slope, unstable geology, areas subject to flooding and remoteness from major roads. The development approval process results in development that is appropriate to the environment. The town allows and encourages cluster development and planned developments whereby designs fit to sites rather than creating "cookie cutter" developments.
- 2452a These natural constraints, including a location well removed from public transportation and significant employment centers, have led to low density development. The low densities permitted are appropriate for the environment and location, and to ensure the safety of residents.
- 2452b Despite these constraints, the town recognizes that higher density, attached housing can be appropriate in certain locations. Therefore, the town allows multifamily housing in specified locations as set forth in Program 2 of this housing element, and expects 11 multifamily homes to be built at one of those sites during the planning period.

Building Code

- 2453 Portola Valley adopted the 2007 California Building Code. There have been no amendments or additions made to the building code by the town that present a constraint to housing development. The building code is enforced by the town's building official.

Permit and Processing Procedures

- 2454 The town's processing and permit procedures protect the community interest while permitting safe and responsible construction, additions and remodeling on private property. A key aspect is the requirement for geologic investigations to ensure safe development in areas of the town mapped as potentially hazardous.

Subdividing

2455 The town's subdivision regulations reflect the complicated and unique features of the land such as soils, land movement potential and drainage capacity. A subdivision proposal includes the following steps:

1. Review of a preliminary map by town staff and planning commission
2. Review and approval of the tentative map by the planning commission, and
3. Review and approval of the final map by the town council.

2455a It is difficult to estimate the time needed for review and approval of a typical subdivision proposal because the factors that impact timing are unique for each proposal. The Blue Oaks development, a 30-lot hillside subdivision on a site bisected by the San Andreas Fault, took about 10 years to move from the conceptual phase to final map review and approval. Approximately five to seven years of that time were spent by the applicant challenging the town's geologic information and related regulations and pursuing design proposals that were inconsistent with town plans and regulations. Eventually, a reasonable design was developed and formal application filed for processing. The project then faced delays during CEQA review, and significant measures were needed to mitigate potential adverse impacts on the environment. After final approval, three more years passed during construction of subdivision improvements.

2455b Two smaller subdivisions took significantly less time to obtain approval. The Priory, a three unit subdivision, took six years for approval and Platt, a two unit subdivision, required two and one-half years for approval. These subdivisions required more time than may be typical because there were significant design difficulties in both cases, including access issues. In addition, the complexity of the land on these sites slowed the approval process. Staff estimates that approval of a subdivision on any of the remaining larger sites in town, all of which are very complex, would take at least two to four years.

Lot by lot construction

2456 Most residential development occurs on a lot-by-lot basis. All homes, including those in approved subdivisions, require individual permits. The process for residential development includes:

1. Preliminary design review at the staff level.
2. Architectural review by the Architectural and Site Control Commission (ASCC). Some projects are also subject to homeowners' association

architectural review. These reviews are usually concurrent with ASCC review.

3. Review by the Planning Commission (for proposals with grading exceeding 1,000 cubic yards only).
4. Site development permit approval.
5. Building permit approval.

2456a The review, including the first four steps listed above, takes from four months to one year. Another eight to twelve weeks are then usually needed to process a building permit application. Prior to approving a building permit, town staff and consultants review the plans, as well as outside agencies.

2456b The town's processing and permit procedures may take longer than in typical Bay Area communities because of the complexity of the environment and the level of scrutiny directed at development proposals. However, many developers, architects, and engineers who work in Portola Valley do not find the processing and permit procedures a constraint. In fact, they find that building in Portola Valley can be easier because the requirements are clearly explained from the start of a project. Staff and consultants work closely with developers to explain the process, the expectations, and the requirements necessary for approval. This attention given early in the process avoids delays in the long run by ensuring that the most appropriate project for the site is presented for approval.

ASCC Review Process

2457 All new residential structures must be reviewed and approved by the Architectural and Site Control Commission (ASCC), whose decisions may be appealed to the Planning Commission. The ASCC process begins with a preliminary meeting with staff to discuss the applicant's initial ideas and outline the town standards, regulations and design guidelines that would apply. The applicant then has the opportunity to revise the design before submitting the application to the ASCC. In general, the ASCC considers an application at the meeting closest to two weeks after the application was filed. Simple projects, such as second units, are usually decided at that meeting. Most projects are acted on in no more than two meetings, although occasionally a complex project may take additional time. As a result, ASCC review takes no more than one or two months from the time that the applicant comes in for the preliminary meeting. Measured from the filing of the application, the ASCC review would take even less time.

- 2457a All staff reports for the ASCC follow a standard format and address the same topics, that are set forth in the zoning ordinance and the design guidelines. Both the zoning ordinance and the design guidelines are written documents which applicants can consider in putting together their applications. The town uses a standard format for the ASCC staff reports in order to give consistency to the review process and ensure that each application is considered in the same way as all others.
- 2457b While the criteria are the same for each project, the specific physical conditions on an individual parcel of land may be unique. Given the prevalence of slope, geology, drainage and other physical issues throughout Portola Valley, individual consideration of each project is necessary. The ASCC provides this individual consideration along with consistent application of state standards and guidelines.
- 2457c The ASCC review process is fast, is based on written standards and guidelines, and uses a standard format to ensure consistency in its decisions. The cost is discussed below in the section on fees, deposits and exactions, is similar to the cost in other, similar communities, and is a very small percentage of the cost of a project given the high costs of land and construction in the town. For all of these reasons, ASCC review does not act as a significant constraint to the provision of housing in Portola Valley.

Site Development Permit

- 2458 The Site Development Ordinance establishes the framework for the removal of vegetation, including significant trees, and excavation and fill on a site. Persons conducting those activities are required to apply for a site development permit. Depending on the amount of grading, the application is acted on by either the staff, the Architecture and Site Control Commission, or the Planning Commission. Applicants can appeal a decision to the town council in a public hearing. This process is necessary to protect both the environment and the applicants, especially in steep and unstable areas. The process is the same for all applicants and does not act as a constraint to the development of housing.

Conditional Use Permit and Planned Unit Development Permit Processes

- 2459 Most residential development in town is not required to obtain either a conditional use permit (CUP) or a planned unit development permit (PUD). Subdividers who would like flexibility in the development standards may apply for a PUD, and most subdivisions in recent years have used PUDs. Since Portola Valley treats PUDs as a type of CUP, the process is similar for both. The ASCC first reviews the application as an advisory body, and then the application moves to the Planning Commission for a decision. Neither

CUPs nor PUDs require action by the Town Council unless the Planning Commission action is appealed.

- 2459a While multifamily housing is not generally allowed, the town has developed a program to allow multifamily housing on specific sites with a CUP or PUD. At existing institutional developments such as the Priory and the Sequoias, multifamily housing can be accommodated through amendments to the existing CUPS for those projects. If, however, a new multifamily housing project were proposed that was separate from existing uses, a PUD would be needed.
- 2459b For example, at the Woodside Priory School, seven multifamily units were approved and built as workforce housing. To build these units, the Priory needed to amend its conditional use permit, a process that took approximately four months. At the Sequoias, the conditional use permit was amended in 2001 to allow the development of eight duplexes on the site. The Sequoias originally proposed these duplexes as part of a proposal to also build a larger facility on another portion of the site. Because issues related to the scope of the larger building and its uses were holding up the project, the duplexes were eventually approved separately. The timing for this project is not clear because the original proposal was much larger and more complex. Once the town considered the duplexes separately, they were approved quickly.
- 2459c The town approved the housing projects at both the Priory and the Sequoias quickly, taking only four months at the Priory, for example. The cost for the permits is a very small percentage of the cost for the project as a whole, and is not significant given the high costs of land and construction in Portola Valley. For these reasons, the CUP/PUD requirements for multifamily housing do not appear to be acting as a constraint on the provision of housing in the town—in fact, these permits make multifamily housing possible in Portola Valley.

Fees, Deposits and Exactions

- 2460 The town sets fees to cover the actual costs of processing development applications. For the typical house constructed in Portola Valley, the fees are a minor part of the applicant's costs and a very small percentage of the value created by approvals.
- 2460a In February 2001, the Town Council approved a resolution adopting new Planning, Building, and Engineering Department fee schedules. These new fees were based upon an extensive study of actual costs to the town to administer and process permits. The study also included a comparison of the town's fees with fees charged by nearby jurisdictions, including

Woodside, Los Altos Hills and Atherton. This comparison showed that the new fees are comparable to the fees in these other communities. Additional research into the fees charged in other cities in 2004 revealed that the Portola Valley fees remain comparable to other cities overall. A comparison of those fees is provided in the table below. While some of the costs to process development applications might be considered high, they are necessitated by the costs to provide the services.

Comparison of Selected Filing Fees				
Service	Portola Valley	Atherton	Los Altos Hills	Woodside
Zoning Permit	310	750	150	--
Zoning Ord Interp	290	--	275	--
Zoning Appeals	890	500	--	400
Street Address/Name Change	30	750	150	300
Variance	890	750	1,350	1,900
Conditional Use Permit-PUD	900	750	1,150	1,790
CUP Amendment	140	--	400	850
Committee/Commission Review	480	--	2,125	--
Architectural Design/Review: New House	910	--	--	900
Guesthouse	910	--	--	900
Additions	580	--	--	900
General Plan Amendment	190	--	1,025	2,340
Preliminary Subdivision Map	980	--	--	6,060
Tentative Map	1,070	1,000/lot	1,350	--
Lot Line Adjustment & Merger	620	1000	1,025	1,080

Sources: MuniFinancial "Comprehensive Fee Study Report for the Town of Portola Valley" January 2001, Atherton Resolution No. 02-06 "Recommended Public Works Fees" February 2002, Los Altos Hills "Proposed Schedule of Fees, Deposits, Charges for Service and Other Assessments" January 2004 and Woodside Resolution No. 1995-4990 "User Fees and Licenses for Planning, Building and Miscellaneous Services" June 1995.

2460b The town has a Construction and Demolition Debris Recycling and Diversion Ordinance. This ordinance requires recycling of construction material and debris from demolitions and new construction in response to a state mandate to reduce the waste stream. Large construction trucks and vehicles used to haul these materials off-site, together with trucks bringing in construction materials, have substantial impacts on town roads. As a result, the town has approved construction traffic road fees that in some cases can increase the fees by \$10,000 to \$20,000. Fees are based on the amount of grading required and the size of the proposed structure. These fees, needed to offset the cost of repairing the damaged roads, may be a constraint on affordable housing.

- 2460c Deposits are also charged for planning, engineering and geologic review, which are provided by consultants, such as the town engineer, town geologist, town planner and town attorney. These deposits can be substantial for complicated projects and are passed on to applicants. Selected fees and deposits for services required to evaluate applications are listed in the table below.

Selected Housing Development Fees and Deposits in Portola Valley		
	Filing Fees	Deposit for Services
Consultation Meeting	\$ 280	\$ 250
Architectural Review		
New Residence	\$ 910	\$ 2,500
Second Unit	\$ 910	\$ 1,500
Additions	\$ 580	\$ 1,500
Amendment	\$ 200	
Site Development Permit		
50-100 cubic yards	\$ 1,240	\$ 2,000
100-1000 cubic yards	\$ 1,760	\$ 3,000
1000+ cubic yards	\$ 2,300	\$ 4,000
Conditional Use Permit		
Standard	\$ 420	\$ 7,500
PUD	\$ 900	\$ 7,500
Amendment	\$ 140	\$ 3,500
Variance	\$ 890	\$ 3,500
Geology Review		
Building Permit	\$ 170	\$ 2,500
Map Modification	\$ 560	\$ 2,500
Deviation	\$ 560	\$ 2,500
Building Permit Review (Planner)	\$ 140	\$ 300
Building Permit Review (Engineer)	\$ 110	\$ 500
Zoning Permit	\$ 310	\$ 1,000
Subdivision (total for preliminary, tentative and final maps)		
1 - 4 lots	\$ 2,210	\$ 7,500
5 - 14 lots	\$ 2,210	\$11,800
15 - 24 lots	\$ 2,350	\$15,000
24 - 40 lots	\$ 2,350	\$25,000
Over 40 lots	\$ 2,440	\$30,000
Traffic Road Fees		
New residential or major remodel (>400 sq ft)	\$ 1.90/sq ft	
Residential alteration/remodel (<400 sq ft)	\$ 0.70/sq ft	
Hauling (Grading, Import & Export)	\$15.80/cy	
Swimming Pool	\$ 1,900	
Tennis Court	\$ 950	

Source: Town of Portola Valley, "Planning/Engineering Fee & Deposit Schedule" February 2001 and Town Council Resolution 1896-2001 approving "Construction Traffic Road Fees" on May 9, 2001

- 2460d Like other residential developments, second unit applications are charged fees for a building permit and plan check. In addition, detached second

units, second units with more than 200 square feet, and second units located above the ground floor are required to go through architectural review and must pay the associated fee and deposit for service, which is the same amount as for architectural review of a new residence. However, second units that are built at the same time as the main house on the lot do not have to pay a separate fee for architectural review for the second unit. Building permit and plan check fees are essential to ensure that a building complies with local and state requirements and are not considered a constraint to the development of second units.

- 2460e It will be difficult for the town to waive fees and deposits entirely for affordable housing projects because of the routine use of outside consultants and the reliance on the fees to cover the cost of town services provided. However, the town is prepared to use money collected as in-lieu fees for below market rate units to mitigate the constraints of fees. Also, a new program in this housing element is to amend the town's fee ordinances to allow all or part the fees to be waived, at the discretion of the Town Council, for projects with at least 50% of units for households with moderate incomes or below.
- 2460f Exactions are required in the form of drainage fees, easements or in-lieu fees for parks and open space, and off-site improvements made necessary by the development. The exaction amounts depend upon the specifics of each project. Drainage fees are only charged to subdivisions and on a per-acre assessment. These fees pay for the cost to construct drainage facilities listed in the town's master drainage plan, which is designed to protect lots and streets from flood hazards. The additional cost is a minor fee compared to the costs of the entire subdivision. These fees are essential to ensure that the town is protected from flood hazards and is developed with adequate drainage infrastructure.
- 2460g Portola Valley also charges subdivisions a fee in-lieu of the dedication of land for park or recreational purposes, as permitted by state law. On subdivisions of 50 lots or less, the subdivider is required to pay a fee determined by multiplying .005 times the land value per acre times the projected number of new residents in the subdivision. The subdivider may dedicate 5 percent of the total area for open space rather than pay the fee upon approval from the planning commission. Subdivisions with 50 lots or more are required to dedicate land of an amount determined by multiplying .005 times the number of acres times the projected number of residents. An in-lieu fee may be paid instead with approval of the planning commission. Residential developments that are not part of a subdivision are not required to pay this exaction. Like the drainage exaction, the additional cost is minor compared to the overall cost to develop a subdivision.

- 2460h Historically, drainage and open space exactions have not been cited as a constraint to the development of multifamily housing. The requirements do not hinder the provision of below market rate units in the subdivision, and the subdivision ordinance promotes the development of below market rate units overall. Based on experience, the exactions required for subdivisions are not a constraint to the development of below market rate housing in Portola Valley.

Infrastructure and Public Service Constraints

- 2461 The infrastructure and level of public services in town is geared to a small dispersed population. Many of the roads are narrow and winding with restricted capacity. Limited bus service is provided by SamTrans along Portola and Alpine Roads (Bus 85). Only a portion of the town is served by sanitary sewers. On-site disposal systems are used in much of the town, and in many areas, successful disposal requires large sites because of adverse soils and drainage conditions. Most local public services are provided by special districts or San Mateo County under contract. The Woodside Fire Protection District provides fire protection services. Police services are provided by the private Woodside Patrol and the County Sheriff. The town has limited control over the quality and quantity of these services.
- 2461a The town government operates on a minimal budget with a staff of only thirteen full-time people and two part-time employees. The town's ability to undertake major programs to provide housing is severely constrained by fiscal realities and limited staff time. As a result, housing programs with high administrative demands are not practical for the town and have been avoided.
- 2461b To mitigate the constraints pertaining to public services, this element provides for affordable housing on sites with current access to services or in new subdivisions that will provide services. In-lieu fees collected through the inclusionary housing program may also be used to help cover costs when no other source is available.

Nongovernmental Constraints

- 2462 Nongovernmental constraints that can affect a community's ability to provide suitable sites for affordable housing include the price of land, the cost of construction, and the availability of financing.

Price of Land

- 2463 The extremely high cost of land in Portola Valley is the most significant constraint on the development of affordable housing in the town. Land often costs around \$1 million per acre or more, a price that is probably too high to allow the development of affordable housing under market conditions. Land prices for single parcels in the similar neighboring communities of Woodside, Palo Alto, and Atherton are comparable to Portola Valley prices.
- 2463a There were two undeveloped parcels listed for sale in mid-February 2009. One was asking \$4.4 million for a 4.5 acre parcel, and the other was asking approximately \$2.4 million for a parcel in the Blue Oaks development.
- 2463b The challenge from the town's perspective is to provide affordable housing opportunities in the face of extreme market pressure, while at the same time preserving the characteristics that make Portola Valley a desirable place in which to live. The town's housing programs attempt to mitigate the effects of these market conditions. To offset the high cost of land, the inclusionary housing program provides affordable housing, including land. The multifamily affordable housing program allows increased density, reducing costs per unit. The second unit program provides the opportunity for construction of second units by the private market with essentially no land cost.

Construction Cost

- 2464 The cost of construction can also constrain housing production, particularly for affordable housing. According to a Bay Area developer, construction costs in Portola Valley generally are not higher than in San Mateo County or Santa Clara County. However, the cost to build housing on the Peninsula can be as much as 15 to 20 percent higher than in Contra Costa County and Alameda County.
- 2464a Residential construction in Portola Valley is comparable to the neighboring communities of Woodside, Palo Alto, and Atherton. The costs average around \$300 per square foot as opposed to \$150 per square foot for the other areas of San Mateo County. These high costs, however, are often a result of homeowners' choices to use unique designs and expensive materials.
- 2464b The inclusionary housing program will provide land for affordable housing on sites that have been improved to serve market rate development, thereby reducing the cost of subdivision improvements for the affordable units. In addition, developers can select relatively simple and straightforward designs as well as less expensive construction materials to further reduce the cost of construction.

Availability of Financing

- 2465 Most homes in Portola Valley are custom-built homes funded by individual households. Financing for this type of construction is more difficult to obtain now that banks have increased their requirements. Given the current economic uncertainties, people may also be less willing to take on a significant new financial commitment. However, financing is no more of a constraint in Portola Valley than in other communities in the Bay Area. In fact, loans for individual homes may currently be easier to obtain than loans for speculative housing developments.

Constraints on Housing for People with Disabilities

- 2466 The California Legislature amended the housing element law in 2001 with AB 520, which requires all housing elements adopted after January 1, 2002 to include an analysis of constraints on housing for people with disabilities. This section reviews both governmental and nongovernmental constraints, and identifies actions that can be taken to mitigate the constraints.

Governmental Constraints

Zoning Ordinance

- 2467 Currently the town's Residential Estate Districts, Single-Family Residential Districts, Mountainous Residential Districts and Planned-Community Districts allow family care homes, foster homes and group homes with six or fewer persons as a conditional use (Section 18.12.030.H). This provision needs to be changed, both because it may act as a constraint to housing for people with disabilities and because it is inconsistent with state law. California Health and Safety Code Section 1566.3 requires local towns and cities to treat these types of facilities in the same way that single family homes are treated. Only permits that are also required for single family homes can be required for residential facilities serving six or fewer people; no additional permitting requirements are allowed.
- 2467a Program 8 of this housing element provides for the town's zoning ordinance to be amended to allow residential facilities for six or fewer people by right, and to ensure that the standards for these facilities are the same as for single family homes. At the same time, the definitions for these facilities will be updated based on the state's definition for residential facilities and its new definition for disability. The new definition will be based on the provisions of Section 1502 of the Health and Safety Code, which states that a residential facility is "any family home, group care facility or similar facility . . . for 24-hour care for persons in need of services, supervision, or assistance essential

for sustaining the activities of daily living or for the protection of the individual.”

- 2467b Portola Valley’s zoning ordinance does not currently provide for family care homes and group homes with seven or more people. This is likely because there have been few, if any, requests in the town’s history to develop these types of facilities. In addition, only approximately 10% of Portola Valley’s population has disabilities according to the 2000 Census. To provide for this type of use, Program 10 of this housing element calls for an amendment to the town’s zoning ordinance to allow group homes with seven or more people in the C-C and A-P (commercial and office) districts with a conditional use permit.
- 2467c With respect to yards, the zoning ordinance states that a covered stair or landing cannot extend into a yard more than six feet from a structure, cannot be higher than the entrance floor of the building, and cannot have a railing that exceeds three feet from the entrance floor of a building (Section 18.52.070.B). The California Code of Regulations' Title 24 provisions allow handrails to be up to 38” in height and guardrails to be a minimum of 42 inches tall. In cases such as this where there is a discrepancy between Title 24 and the zoning ordinance, the Title 24 provision is given preference by the town. To clarify this, however, Program 8 of this element calls for Portola Valley to amend its zoning ordinance to be consistent with Title 24 by increasing the allowable railing height, and to allow access ramps to extend into required yards beyond the standard provision.
- 2467d All dwelling units are subject to the same standards for elements such as building heights, setbacks and floor area within the district in which they are located (Section 18.48.010). Because these standards may present a constraint to housing for disabled people in certain cases, the town will add a provision for reasonable accommodations to its zoning ordinance through Program 8 of this housing element. This provision will allow zoning regulations to be flexible in specific instances when a reasonable and demonstrated need appears for a person with a disability.
- 2467e All new residential structures must be reviewed and approved by the Architectural and Site Control Commission (ASCC), whose decisions may be appealed to the Planning Commission. The ASCC bases its review upon clearly stated standards and applies these standards consistently from project to project. This process is an essential part of enforcing the zoning code and provisions in the General Plan. Because of the standard nature of the review and the ability to appeal a decision, the ASCC review process is not a constraint to housing for people with disabilities.

Site Development Ordinance

- 2467f The Site Development Ordinance establishes the framework for the removal of vegetation, including significant trees, and excavation and fill on a site. Persons conducting those activities are required to apply for a site development permit. Depending on the amount of grading, the application is acted on by either the staff, the Architecture and Site Control Commission, or the Planning Commission. Applicants can appeal a decision to the town council in a public hearing. This process is necessary to protect both the environment and the applicants, especially in steep and unstable areas. The process is the same for all applicants and does not act as a constraint to the development of housing for people with disabilities.

Building Code and Building Permit

- 2467g Portola Valley adopted the 2007 California Building Code. There have been no amendments or additions made to the building code by the town that present a constraint to the development of housing for persons with disabilities. The Town also follows Title 24 of the California Code of Regulations. Title 24 regulations govern a building's access and adaptability for persons with disabilities in commercial and multi-family buildings. When there is a discrepancy between the zoning ordinance and a Title 24 provision, the Title 24 provision prevails.
- 2467h A building permit is required for the construction or alteration of a structure. Standard application forms and filing processes are used for all applicants and are not considered a constraint to the development of housing for persons with disabilities. A building permit is required for access ramps and other special building modifications on commercial buildings or residential multi-family buildings. These types of buildings are required by law to be accessible to the disabled.

Nongovernmental Constraints

- 2468 The nongovernmental constraints that could affect housing for people with disabilities include the price of land and the cost of construction. In addition, the lack of public transportation and support services in town could constrain housing for people with certain types of disabilities. There is little the town can do to mitigate these types of constraints.

Sites Suitable for Housing

2469 State law requires the town to demonstrate that sufficient residential housing sites exist in town to accommodate the town's share of total regional housing need. The town's adjusted housing need, including housing needs from the current (2007-2014) and previous (1999-2007) planning periods and adjusted based on housing that has been built, is shown in the table below. A more complete explanation of the numbers in the table below can be found on the section on the Regional Housing Needs Allocation, starting with paragraph 2434 of this housing element.

Adjusted Regional Housing Need for Portola Valley through 2014						
	Ex Low	Very Low	Low	Moderate	Above Moderate	Total
Required	16	14	17	27	82	156
Provided						
<i>Market Rate</i>	0	0	0	0	44	44
<i>Multifamily (Priory)</i>	0	0	2	3	2	7
<i>Second Units</i>	23	2	5	7	10	47
Total Provided	23	2	7	10	56	98
Extra Provided	7	--	--	--	--	--
Units Needed	--	12	10	17	26	65
Adjusted Need	0	5	10	17	26	58

2469a This site inventory goes through three steps to determine how much housing could be built in Portola Valley during the current planning period. First, areas that are not suitable for development are identified and removed from consideration. Second, the vacant land in the remainder of the town is identified, and the realistic development capacity for this land is determined. Finally, the suitability of the vacant land for development is described, together with the likelihood of development during the planning period.

A Process of Elimination

2470 Portola Valley faces different constraints on development than any other community on the Peninsula, with the possible exception of Woodside. Much of Portola Valley is unsuitable for development for one or more reasons. The major constraints on development are the presence of the San Andreas fault, large areas of landslides, the steepness of slopes, and the fire hazards due to natural conditions.

Physical Limitations

- 2470a The San Andreas Fault runs through the center of the town. The fault poses problems of fault offset as well as intense ground shaking. The fault separates the North American Plate from the Pacific Plate. The nature of the geology on the two sides of the fault is very different. By and large, the area to the east of the fault possesses largely stable land devoid of landslides. The area to the west of the fault, however, is composed of large areas of active and potential landslides. These landslides can be triggered by rainfall, grading as well as earthquakes.
- 2470b Portola Valley has been a national leader in planning for land use that recognizes geologic instabilities. See for instance, "A Model for Effective Use of Geology in Planning, Portola Valley, California" which was included in Landslide Hazards and Planning, Planning Advisory Service Report Number 533/534, published by the American Planning Association in 2005. Portola Valley has mapped the geology of the entire town at a scale of 1" = 500'. The town geologist reviews all proposed development in geologically hazardous areas. The town's geologic map is far too detailed to include in the housing element; however, two State of California geologic maps are included in the element that describe the hazards in some detail. First, the state map of the San Andreas fault is shown on Exhibit 1 and the legend for the map on Exhibit 2. The town boundaries have been added to the map. The map clearly indicates how the central part of the town is affected. Second, the state map of seismic hazard zones is shown on Exhibit 3 and the legend on Exhibit 4. A brief look at the map confirms that the western part of the town is almost entirely subject to earthquake induced landslides. A somewhat lesser hazard is depicted by substantial areas that are subject to liquefaction. In most instances, there are geotechnical solutions to liquefaction provided a project can bear the high cost of a solution.
- 2470c Another major limitation are the extremely steep slopes in the western part of the town. These are shown on Exhibit 5. It is clear that there are large areas of 50% or greater in slope and significant areas in the 30% to 50% range. Development is extremely difficult in areas with slopes in excess of 50% and very difficult in areas with slopes in excess of 30%.
- 2470d Fire hazards pose another limitation on development. The town recently contracted for a fire study made by Mortiz Arboricultural Consulting Inc, a nationally recognized authority and the map in reduced form is shown on Exhibit 6. A review of the map with the aid of the legend makes it clear that much of the western part of the town is exposed to very high fire hazards.

- 2470e In sum, the combination of the San Andreas Fault, large areas of landslides, very steep slopes and high fire hazards form a major basis for the town's general plan and zoning regulation that permit only a very limited amount of development in the western hillsides. Further limitations include a lack of public roads and water supply, both of which, in addition to the hazards listed above, require that the town protect the public interest with strict limitations on development in the western hillsides.
- 2470f The eastern part of the town is completely different from the western part. In the eastern part of the town, landslides are few, slopes less steep, fire hazard less and the area is served by public roads and a public water supply developed to meet fire fighting requirements. It is no wonder that the historic development of the town started in the eastern part and has continued in this part in the years since the town incorporated in 1964.

Sanitary Sewer Limitations

- 2470g As a "rural" community Portola Valley was developed with lots served by septic tank and drainfield systems. The town does not have a sewer system. The sewers that do exist are provided by the West Bay Sanitary District. The district does not install sewers, but developers and homeowners are responsible for annexing their properties to the district and paying for the cost of extending and hooking-up to sewers. Since most of the town has lots in excess of 1 acre, septic tank systems have in general worked well. New subdivisions including Portola Valley Ranch and Blue Oaks do have sanitary sewers. Also, in some areas individual property owners or groups of owners have banded together to annex to the district. Very few vacant properties are served by sewers, and those properties are vacant lots in new subdivisions where changes in zoning would not be expected and would likely result in incompatible development.

Inventory of Vacant Parcels

- 2471 The table that starts on the following page lists the 95 vacant or largely vacant parcels in the town, shows the zoning and General Plan designations, summarizes environmental constraints, and estimates the realistic new unit capacity for each. Keys for the abbreviations used in the table are provided at the end of the table. Some sites have significant geologic problems and would be particularly difficult to develop; these sites are marked with an asterisk(*) and would be unlikely to develop during the planning period.

Inventory of Land Suitable for Residential Development in Portola Valley

Site	APN	Zone	Density District	Allowable Density (Dwelling Units / Acre)	GP Designation	Acres	Realistic New Unit Capacity**	Infrastructure Capacity	Environmental Constraints
1*	076-181-070	R-E	1A	1	Low	0.1	1	No sewer	Md
2*	076-181-090	R-E	1A	1	Low	0.4	1	No sewer	Md
3*	076-182-020	R-E	1A	1	Low	0.6	1	No sewer	Pd
4*	076-184-040	R-E	1A	1	Low	1.0	1	No sewer	Md
5*	076-192-100	R-E	1A	1	Low	0.5	1	No sewer	Md
6*	076-192-120	R-E	1A	1	Low	1.8	1	No sewer	Md
7*	076-192-130	R-E	1A	1	Low	0.2	1	No sewer	Md
8*	076-192-140	R-E	1A	1	Low	0.1	1	No sewer	Md
9	-not used-								
10	076-212-100	R-1	20M	2	Low-Medium	0.1	1	No sewer	-
11	076-231-070	R-1	20M	2	Low-Medium	0.1	1	No sewer	-
12	076-234-050	R-1	20M	2	Low-Medium	0.1	1	No sewer	-
13*	076-238-030	R-E	1A	1	Low	0.8	1	No sewer	Pd
14*	076-244-030	R-E	1A	1	Low	1.1	1	No sewer	Md
15*	076-244-070	R-E	1A	1	Low	0.7	1	No sewer	Md
16*	076-244-080	R-E	1A	1	Low	0.3	1	No sewer	Pd
17*	076-251-090	R-1	20M	2	Low-Medium	2.1	2	No sewer	SA Fault
18	-not used-								
19	076-261-120	C-C	PD	5	Local Shopping /Service	1.3	5 (55+yrs) 1 BMR in process	Sewer	SA Fault
20*	076-330-030	R-E	3.5A	0.3	Cons Res	14.0	1	No sewer	SA Fault, Williamson Act
21*	076-330-075	R-E	3.5A	0.3	Cons Res Open Res	356	25	No sewer	Md,Pd,Sbr
22*	076-340-060	R-E	3.5A	0.3	Cons Res Open Res	229	29	No sewer	Md,Pd,Sbr
23*	076-350-280	M-R	7.5A	0.13	Open Res	23	1	No sewer	Steep slopes
24*	076-380-110	R-E	1A	1	Low	5.9	1	No sewer	Md
25	077-040-080	R-E	2.5A	0.4	Cons Res	2.5	1	No sewer	-
26	077-040-090	R-E	2.5A	0.4	Cons Res	2.8	1	No sewer	-
27	077-040-100	R-E	2.5A	0.4	Cons Res	2.7	1	No sewer	-
28	077-050-190	R-E	2.5A	0.4	Cons Res	2.5	1	No sewer	-
29	077-070-110	R-E	2.5A	0.3	Cons Res	4.0	1	No sewer	-
30	077-011-050	R-E	2.5A	0.3	Cons Res	2.6	1	No sewer	-
31	077-060-290	R-E	2.5A	0.4	Cons Res	7.4	1	No sewer	-
32	077-070-070	R-E	2.5A	0.4	Cons Res	3.1	1	No sewer	-
33	077-090-140	R-E	2.5A	0.4	Cons Res	2.5	1	No sewer	-

Site	APN	Zone	Density District	Allowable Density (Dwelling Units / Acre)	GP Designation	Acres	Realistic New Unit Capacity**	Infrastructure Capacity	Environmental Constraints
34	077-101-170	R-E	1A	1	Low	2.7	1	No sewer	-
35	-not used-								
36	077-225-080	R-E	1A	1	Low	1.2	1	No sewer	-
37	077-232-030	R-E	2A	0.5	Cons Res	2.7	1	No sewer	-
38	077-232-040	R-E	2A	0.5	Cons Res	2.8	1	No sewer	-
39	077-232-060	R-E	2A	0.5	Cons Res	2.0	1	No sewer	-
40*	077-242-120	R-E	1A	1	Low	4.7	1	No sewer	Steep slopes; Partial OSE
41	077-242-210	R-E	1A	1	Low	3.6	1	No sewer	Partial OSE
42	077-261-210	R-E	2.5A	0.4	Cons Res	2.7	1	No sewer	-
43	077-261-250	R-E	2.5A	0.4	Cons Res	2.5	1	No sewer	-
44	077-281-020	R-E	3.5A	0.4	Cons Res	75.4	29	No sewer	-
45	077-290-010	R-E	1A	1	Low	1.0	1	No sewer	-
46	077-310-210	R-E	1A	1	Low	1.1	1	No sewer	-
47	077-372-070	R-E	1A	1	Low	1.0	1	No sewer	-
48	079-053-160	R-E	1A	1	Low	3.0	2	No sewer	-
49	079-053-170	R-E	1A	1	Low	3.0	2	No sewer	Steep slopes
50	079-053-340	R-E	1A	1	Low	1.2	1	No sewer	-
51	079-060-940	R-E	1A	1	Low	1.0	1	Sewer	-
52	079-060-980	R-E	1A	1	Low	1.0	1	Sewer	-
53	079-080-050 079-080-080 079-080-090	R-E	3.5A	0.4	Cnsvtn Res	67.8	1	No sewer	-
54	079-092-480	R-E	1A	1	Low	1.1	1	No sewer	-
55	079-101-390	R-E	1A	1	Low	2.5	1	No sewer	Steep slopes
56	079-140-230	R-E	1A	1	Low	1.2	1	No sewer	-
57*	079-140-280	R-E	1A	1	Low	1.1	1	No sewer	SA Fault
58	079-151-050	R-1	15M	2	Low-Medium	0.4	1	No sewer	Narrow lot and creek setback
59	079-220-010	R-E	1A	1	Low	4.5	1	Sewer	-
60	079-220-020	R-E	1A	1	Low	4.7	1	Sewer	Narrow lot
61	079-220-030	R-E	1A	1	Low	5.8	1	Sewer	-
62*	080-010-020	M-R	7.5A	0.13	Open Res	13.6	1	No sewer	OSE
63*	080-010-030	M-R	7.5A	0.13	Open Res	33.4	1	No sewer	Pd, Sbr OSE
64*	080-010-040	M-R	7.5A	0.13	Open Res	44.0	1	No sewer	Pd, Md OSE
65*	080-020-010	M-R	7.5A	0.13	Open Res	18	1	No sewer	Md, Sbr OSE
66*	080-020-020	M-R	7.5A	0.13	Open Res	14.8	1	No sewer	OSE
67*	080-020-030	M-R	7.5A	0.13	Open Res	20.2	1	No sewer	OSE
68*	080-020-040	M-R	7.5A	0.13	Open Res	25.0	1	No sewer	Md, Ps, Sbr
69*	080-020-050	M-R	7.5A	0.13	Open Res	46.0	1	No sewer	Ms, Ps, Sbr OSE
70*	080-020-080	M-R	7.5A	0.13	Open Res	4.6	1	No sewer	Md, Ps
71*	080-020-100	M-R	7.5A	0.13	Open Res	20.6	1	No sewer	Pd

Site	APN	Zone	Density District	Allowable Density (Dwelling Units / Acre)	GP Designation	Acres	Realistic New Unit Capacity**	Infrastructure Capacity	Environmental Constraints
72*	080-020-110	M-R	7.5A	0.13	Open Res	4.4	1	No sewer	Pd
73*	080-040-010	M-R	7.5A	0.13	Open Res	8.0	1	No sewer	Pd
74*	080-040-040	M-R	7.5A	0.13	Open Res	33.7	1	No sewer	-
75*	080-040-060	M-R	7.5A	0.13	Open Res	16.4	1	No sewer	Md,Pd,Sbr
76*	080-040-080	M-R	7.5A	0.13	Open Res	10.0	1	No sewer	Pd
77*	080-040-110	M-R	7.5A	0.13	Open Res	10.7	1	No sewer	Pd
78*	080-040-120	M-R	7.5A	0.13	Open Res	31.0	1	No sewer	Pd, Sbr
79	080-241-020	R-E	3.5A	PD	Cons Res	2.2	1	Sewer	-
80	080-241-030	R-E	3.5A	PD	Cons Res	2.3	1	Sewer	-
81	080-241-070	R-E	3.5A	PD	Cons Res	2.6	1	Sewer	-
82	080-241-100	R-E	3.5A	PD	Cons Res	2.5	1	Sewer	-
83	080-241-110	R-E	3.5A	PD	Cons Res	2.1	1	Sewer	-
84	080-241-130	R-E	3.5A	PD	Cons Res	2.0	1	Sewer	-
85	080-241-150	R-E	3.5A	PD	Cons Res	1.4	1	Sewer	-
86	080-241-180	R-E	3.5A	PD	Cons Res	2.6	1	Sewer	-
87	080-241-230	R-E	3.5A	PD	Cons Res	0.4	1	Sewer	-
88	080-241-240	R-E	3.5A	PD	Cons Res	0.7	1	Sewer	-
89	080-241-250	R-E	3.5A	PD	Cons Res	0.6	1	Sewer	-
90	080-241-260	R-E	3.5A	PD	Cons Res	0.5	1	Sewer	-
91	080-241-280	R-E	3.5A	PD	Cons Res	1.7	1	Sewer	-
92	080-241-340	R-E	3.5A	PD	Cons Res	2.9	1	Sewer	-
93	080-241-360	R-E	3.5A	PD	Cons Res	3.0	1	Sewer	-
94	080-471-030	R-E	2A	PD	Cons Res	0.5	1	Sewer	-
95	080-500-030	R-E	2A	PD	Cons Res	0.6	1	Sewer	-

* Sites marked with an asterisk have greater than average geologic hazards or other environmental constraints and would be particularly difficult to develop

** The "Realistic New Unit Capacity" is based on the number of vacant lots and potential new lots that could be created through subdivision

Zones

R-E= Residential Estate, R-1 = Single Family Residential, M-R = Mountainous Residential, C-C= Community Commercial

Density District (Residential Density Combining District) sets the minimum lot size

15M= 15,000 sf, 20M= 20,000sf, 1A= 1 acre, 2A= 2 acres, 2.5A= 2.5 acres, 3.5A= 3.5 acres, 7.5= 7.5 acres, PD = set by Planned Development

Allowable Density

PD = set by Planned Development

GP (General Plan) Designation

Cons Res = Conservation Residential, Open Res = Open Space Residential, Low = Low Intensity Residential, Low-Medium = Low-Medium Intensity Residential, Local Shopping/Service = Local Shopping and Service Commercial

Environmental Constraints

SA Fault = a trace of the San Andreas Fault passes through the property

Sbr = Stable bedrock, Ps = potential shallow landslide, Pd = potential deep landslide, Md = moving deep landslide

OSE = Open Space Easement

Williamson Act = Land is under Williamson Act contract, which limits development potential

- 2471a In addition to the table, a map entitled “Inventory of Land Suitable for Residential Development,” has been prepared and can be found on the following page (Exhibit 7). The map shows all the land included within the West Bay Sanitary District, the parcels described in the table, and areas preserved as open space by means of open space easements.

Analysis of Suitability for Development

- 2472 This analysis looks at four different types of potential new residential development: single family homes on existing lots; large parcels that could accommodate a number of new homes; potential locations for multifamily development; and second units. Each of these types is discussed below.

Single Family Homes

- 2472a As the inventory shows, an estimated 75 new single family homes could be accommodated on existing lots or through small (2-3 unit) subdivisions (Sites 1-18, 23-43, 45-52, 54- 61, 70, 73-86, and 91-95). Of these, there are 24 lots that have significant environmental issues and are unlikely to develop within the planning period (Sites 1-9, 13-17, 23, 24, 57 and 73-78). Therefore, there are 51 existing lots for single family homes remaining in town that could reasonably be developed by 2014.
- 2472b There have been 48 homes built during the past ten years, for an average of 4.8 new homes per year. In the six fiscal years left in the planning period (July 2008-June 2014), a total of 29 new homes would be built if construction rates continue. This estimate appears to be reasonable given that it represents only about 60% of the existing capacity for this type of development. All 29 of these homes would be expected to be affordable only to households with above moderate incomes.

Large Parcels

- 2472c There are 7 sites or groups of sites listed on the site inventory that could accommodate larger amounts of housing. Each of these is discussed briefly below. One site, Site 19, is expected to develop prior to 2014.

Site 19 is a 1.3 acre parcel that has been proposed for development with five single family homes for residents age 55 and older, plus one below market rate unit. This development was on hold for the duration of a lawsuit filed by a neighbor, which was resolved in last 2007 in favor of the proposed development. There is a new financial partner involved, and work is now proceeding to move this development forward. The owners have said that

they anticipate constructing the BMR unit, which will be controlled with a deed restriction, during 2009. The other five units will be built after that, and all are expected to be completed before 2014.

Site 20 is a 14 acre parcel crossed by the San Andreas Fault. There is currently one home and a producing orchard located on the site. The property could theoretically accommodate 3 new homes, but new residential development there is unlikely during the planning period. The property is under a Williamson Act contract, which prevents subdivision.

Site 21 is one of the largest privately owned parcels in town, with 356 acres in the western hillsides. Because of steep slopes, deep canyons, and landslides on much of the property, as well as the presence of the San Andreas Fault, development on this site would likely need to be clustered in a 10 acre area located near Portola Road. The property does not have sewer access, which also limits potential density. Given all of the constraints on the land, probably no more than 25 homes could be built on this property. However, the current property owners have stated that they intend to hold the property as open space. Therefore, no new residential development is anticipated for this site by 2014.

Site 22 is located next to Site 21 and faces many of the same challenges: steep slopes, landslides, the San Andreas Fault, and a lack of sewer service. New development on this site would likely also need to be clustered, and a maximum of 29 units could probably be built here. Much of the parcel is now being used to grow grapes for the winery on the property. Property owners have indicated that they might be interested in developing the land but that they are not in a hurry to do so. No new residential development is anticipated on this site by 2014.

Site 53 is a parcel approximately 50 acres in size that the town had previously suggested could accommodate new homes in a cluster development. The owner of the property passed away recently and placed a condition on the estate that the property should remain in permanent open space; if this happens, perhaps one additional unit would be built on the site. No residential development is anticipated here by 2014.

Sites 62-69, 71-72 are occupied by an award winning winery including vineyards, storage and bottling facilities and an event center. The remote site is located in the western hillsides and includes many steep slopes and landslide hazards. In addition, an open space easement covers much of the winery. There is no sewer service or public water supply. Although these

sites together could theoretically eventually accommodate some number of new homes in the future, additional development is not anticipated by 2014.

Sites 87-90 are four vacant parcels within the Blue Oaks subdivision that were deeded to the town for below market rate units under the town's inclusionary lot requirements. Based on the Planned Development Agreement for the subdivision, each parcel could accommodate two new homes. The town discussed these parcels with the Palo Alto Housing Corporation and offered to donate the land to the PAHC if they could build the BMR units there. After much study, the PAHC decided that, because of steep slopes and related conditions, the costs to develop the lots would be too high. The town plans to explore three avenues to ensure that these eight homes are built by 2014. First, the town will discuss potential development with other housing developers. With today's lower construction costs, development may now be more feasible. The town will also explore the possibility of developing the lots as "green" affordable housing. Finally, the town will also consider the possibility of selling the lots and using the proceeds to develop below market rate housing at another location in town where the development costs would be less.

Multifamily Development

- 2472d Portola Valley is a rural community with a history of single family development on large lots. To accommodate some multifamily development, however, the town developed a multifamily housing program in the early 1990s. This program allows affordable multifamily housing on three designated sites in town, each with a planned development permit. These sites are discussed below
- 2472e The Stanford Wedge is an 89 acre site owned by Stanford University. Shown as **Site 44** on the Site Inventory Map, the land consists of a relatively flat portion along Alpine Road surrounded by steep hillsides to the sides and rear of the property. Development on this site would need to be clustered in the land by Alpine Road, and could consist of multifamily housing under the multifamily housing program of this housing element. There is approximately 4 acres of usable land on the parcel once all of the steep slopes, unstable areas and required setbacks are subtracted.
- 2472f Under the town's regulations, 27.625 single family dwelling units would be allowed on the parcel overall, and Section 2106e of the General Plan allows this density to increase by a factor of three for multifamily affordable housing. Therefore, a maximum of 82.9 units could be provided on this site.

This would work out to a density of approximately 21 units per acre on the developable portion of the site.

2472g This site could potentially be developed with faculty or graduate student housing; because of the distance from the university campus, undergraduate housing is unlikely. Town officials and staff have discussed this possibility with Stanford officials over many years, but the University has not indicated any intention to either sell or develop this land.

2472h The second site for multifamily housing is The Priory School site. In 2001, the town approved an application to construct seven multifamily units for faculty and staff on the site. These units were approved with the following condition:

"The Priory shall make every effort reasonably possible, to the satisfaction of the planning commission, to ensure a majority of the units are occupied so as to achieve the below market rate town housing element objectives. These objectives anticipate at least one unit would be for a very low income household, one unit for a low income households, and three units for moderate income households. Relative to this condition, the Priory shall file a report with the planning commission on the projected unit occupancy prior to initial occupancy and annually thereafter. The report shall advise the commission how occupancy relates to the housing element objectives."

2472i The housing element goals set forth in this condition were based on the draft housing element that was under discussion at the time the project was approved in 2001. The Priory School reports annually to the town on whether these income targets are being met, and usually does meet the requirements. In 2008, two units were occupied by low income households, three units were occupied by moderate income households, and two units were occupied by above moderate income households. This met all of the targets except that for the very low income unit, where the income of the tenants had recently increased into the low income range. Each unit is being provided at rents at or below 30% of the household income.

2472j In 2005, the town approved a Master Plan for the school property that includes eleven additional housing units to be built in the future. School officials anticipate pursuing additional housing on the site during the planning period, and are required to work with the town to provide a portion of those homes at affordable rates. Because the Priory has had difficulty maintaining units at the very low income level, the 11 new units are more realistically divided between the low, moderate and above moderate income categories. Dividing these units approximately equitably

between these categories would result in 4 low income units, 4 moderate income units, and 3 above moderate income units.

- 2472k The Sequoias has added four duplexes (eight units) at their existing site and a longer term care facility. The duplexes are larger units and are in the above moderate income category. An earlier development plan for an addition at the Sequoias was found to be untenable when geologic investigations at the site showed that an active trace of the San Andreas fault passes through that part of the property. The entire site is severely constrained by geology and probably will not be able to accommodate many more homes, if any.

Second Units

- 2472l Between January of 1999 and June of 2008, 47 new second units were approved in Portola Valley, for an average of 4.9 new units per year. This level of construction has been fairly level over the past decade and could be expected to continue.
- 2472m This housing element also includes provisions to encourage increased production of second units, including improved information for residents, a streamlined review and permit process for certain types of second units, and a potential reduction in second unit fees.
- 2472n These measures are anticipated to increase the number of second units built in the town from 4.9 units annually to approximately 6 units annually. The town therefore anticipates the construction of 4.9 second units per year in the second half of 2008 and through 2009, with 6 second units per year from January 2010 through June 2014. Total second unit production is therefore estimated to be 34 units by 2014.

Summary of Site Inventory

- 2473 As described above, there are four types of housing sites in Portola Valley: single family home sites, large parcels, multifamily housing sites, and sites for second units. The table below shows the number of existing sites that the town would expect to develop by 2014 in each category under current town policies, as set forth above. The table then compares these results with the town's adjusted Regional Housing Needs Allocation (RHNA) numbers.
- 2473a The table below shows that the Town of Portola Valley would provide more than enough housing for households with extremely low incomes and with moderate and above moderate incomes, but not enough for very low or low

income households. However, state policies allow the extra housing for extremely low income households to be counted towards housing needed for very low and low income households. When that housing is taken into account, there are sufficient sites to accommodate all of the housing need for Portola Valley. Altogether, twelve more sites are provided for extremely low, very low, and low income housing than called for by the Regional Housing Needs Allocation for Portola Valley.

Existing Sites for New Homes by 2014, Compared with Adjusted Housing Need						
	Ex Low	Very Low	Low	Moderate	Above Moderate	Total
Adjusted Need	0	5	10	17	26	58
Sites for Housing Expected by 2014						
Single Family	0	0	0	0	29	29
Inclusionary	0	0	1	8	5	14
Multifamily	0	0	4	4	3	11
Second Units	17	2	3	5	7	34
Total Sites	17	2	8	17	44	88
Additional Sites	17	--	--	--	18	35
Sites Needed	--	3	2	0	--	5
Unmet Need	0	0	0	0	0	0

- 2473b In addition, there is a vacant site that could be developed with multifamily affordable housing under the town's regulations (Site 44). Because the property owner has not expressed any interest in developing the site, it has not been included as a site that is expected to develop by 2014. However, some development could potentially occur on that site during the planning period.

Goals & Policies

Goal 1

- 2475 Maintain and enhance the character and quality of Portola Valley's residential neighborhoods and the condition of its housing.
- Policy 1A: Accommodate new residential development in a manner compatible with the rural character of existing residential development.
- Policy 1B: Continue to control the location, design and density of new residential development in order to preserve regional open spaces, avoid areas of seismic and geologic hazards, and ensure the adequate provision of safe and convenient access and public services.
- Policy 1C: Require all housing units in the town to conform to the principles and standards set forth in the general plan and town regulations.

Goal 2

- 2476 Endeavor to provide opportunities for people of all income levels and with special housing needs, particularly elderly residents and those employed in Portola Valley, to live in the town.
- Policy 2A: Accept and fulfill responsibility for a reasonable share of the regional need for affordable housing.
- Policy 2B: Encourage the creation of a diversity of housing options to meet the needs of people in different stages of the life cycle and with different income levels.
- Policy 2C: Work to make land available for affordable or mixed income housing developments.
- Policy 2D: Allow in-lieu funds to be used to reduce town fees for affordable or mixed income housing developments, as well as for the purchase of land and the construction of below market rate units.

Policy 2E: As possible, waive some fees, or portions of fees, for housing developments with a majority of below market rate units.

Policy 2F: Continue to encourage the provision of affordable housing that can be produced in association with market rate housing.

Goal 3

2477 Encourage energy conservation and green building practices to reduce costs of living and protect the environment.

Policy 3A: Continue to support energy efficient building and subdivision design that protects solar access, and to allow solar installations.

Policy 3B: Continue to encourage energy-efficient cluster development.

Policy 3C: Continue to require native landscaping, which reduces both water and power consumption.

Policy 3D: Allow and encourage green building practices.

Goal 4

2478 Work to address housing issues on a regional basis.

Policy 4A: Continue to participate in regional and county efforts to increase the availability of affordable housing in the region and county, including housing for people with special needs.

Policy 4B: Support regional efforts to address the need for emergency and transitional shelter.

Programs, Quantified Objectives, and Action Plan

Programs

2479 Based on the background data, analysis, housing needs requirements, and town goals set forth in the previous sections of this housing element, the Town of Portola Valley has developed a number of housing programs. These programs are designed to meet the town's housing needs and implement the town's housing goals. Each program is described in detail below.

Program 1: Inclusionary Housing Requirements

2480 As a result of the 1990 housing element, the town adopted an ordinance requiring developers to provide 15 percent of new lots to the town for below market rate housing as part of every subdivision. The town currently holds title to four lots in the Blue Oaks subdivision for below market rate housing as a result of this program. While there have been difficulties in building housing on those lots, the town will put new effort into creating this housing, with the goal of building the homes by 2014. To that end, the town will begin by talking with more housing developers, exploring the possibility of creating "green" affordable housing, and examining potential alternative housing locations.

2480a Because of difficulties the town has experienced in getting housing built on lots that have been set aside, the town also intends to revise the inclusionary housing program to make the program more effective.

2480b Objective: Eight BMR homes will be built on or funded by the Blue Oaks BMR lots during the planning period. To do this, the town will talk with additional housing developers, explore "green building" options for the homes, and analyze potential alternative locations for the housing. In addition, one BMR unit has been approved as part of the subdivision of Site 19, as described in the Site Inventory section of this housing element. This unit is expected to be built in 2009, with the five market rate units constructed soon thereafter. No other new subdivisions are anticipated in town before 2014.

During the planning period, the town will also study the inclusionary housing program and revise it as necessary to make the program more effective.

Program 2: Multifamily Housing

2481 As established in the previous housing element, multifamily housing projects are permitted on three sites – The Sequoias, Priory School and the Stanford Wedge – shown on Exhibit 8. This program has the following features:

1. **Planned Unit Developments and Conditional Use Permits.** The town's regulations permit multifamily housing on the Stanford Wedge with a PUD. Multifamily housing on the Priory School site and the Sequoias have and can be permitted through amendments of the CUPs and/or PUDs governing those projects. Development on the Stanford Wedge could be accomplished pursuant to a CUP and a PUD . The PUD or CUP for a multifamily housing project shall control the siting and design of projects, the mix of units by income category of eligible occupants, methods of controlling rents and/or resale prices, provisions for ongoing management of the project and other matters deemed appropriate by the town.
2. **Inclusion of Market Rate Units.** The purpose of this program is primarily to provide affordable (below market rate) housing. The town may permit the inclusion of market rate units in a project if it determines they are necessary to make a project feasible. However, substantially over half of the units in any multifamily affordable housing project must be affordable to moderate, low and very low income households according to guidelines issued annually by the U.S. Department of Housing and Urban Development (HUD). With the approval of the Planning Commission and Town Council, an exception to this requirement may be made for housing that is ancillary to the primary use of the site.
3. **Floor Area.** The floor area in multifamily housing projects shall not exceed that total floor area which would be permitted for the total number of single family houses which would be allowed on the property under existing zoning. The town expects that most projects will include considerably less floor area than this maximum.
4. **Floor Area Potential for Affordable Housing at the Stanford Wedge.** The Stanford Wedge site (Site 44 in the Site Inventory section) is the only multifamily site that is largely vacant. A small stable is located on the site, which could be removed if the site were developed. A small portion of the site is located on the south side of Alpine Road. Altogether, the Stanford Wedge includes 89 acres of land, most of which is extremely steep with slopes in excess of 30%. The only

developable portion that has access is a relatively flat area adjacent to Alpine Road. Under current regulations, up to 28 market rate homes could be clustered together on this flat land. The town allows densities to increase up to three times when affordable multifamily housing is to be built, so that up to 84 units could then be built.

4. **Development Conditions.** All multifamily housing projects are expected to meet all the normal general plan, zoning, subdivision and site development requirements that pertain to all residential development in the town, including Resolution No. 2279-2006 as amended. Particular care is expected to ensure the compatibility of the projects with adjacent neighborhoods and the town's rural environment.
5. **Occupancy.** The town considers this program particularly suited to providing housing for senior citizens and rental housing for households with incomes in the very low to low categories. If units are provided for sale, resale controls to preserve affordability will be required.

2481a Objective: Fifteen new units have been built under this program in the past decade. At the Sequoias, eight new duplex units were constructed in 2003. Because these units are large, they are all considered to be in the above moderate income category. The Priory amended its use permit in 2001 to allow construction of seven new units for staff. These attached units were constructed in 2002. According to the 2008 report on these units, they are now occupied by two low income, three moderate income and two above moderate income households.

In addition, the town has approved a master plan for the Priory School that would allow 11 additional units. School officials state that they anticipate constructing the homes within five years, and the provisions of their use permit mandate that the school work with town officials to ensure that these units meet the town's affordability guidelines. These units will be distributed roughly evenly between three income categories: four low income units, four moderate income units, and three above moderate income units.

Program 3: Second Units

2482 Second units provide most of the affordable housing in town, and are the only type of affordable housing that can be produced in town by market forces without a significant subsidy. Town regulations allow second units in

most of the town, as shown in Exhibit 9. Surveys of second unit rental rates show that most second units are affordable, both within Portola Valley and in San Mateo County as a whole. Second units are particularly appropriate for Portola Valley because of their compatibility with the rural nature of the town. In addition, as Portola Valley's population becomes older, more residents are faced with the dilemma of wanting to remain at their house, but needing assistance or having a home that is too large. Some of these residents may be interested in either converting a portion of a large home into a second unit or building a second unit on their property, either for them to move into or as housing for a caregiver. Therefore, the town will continue this program and make a couple of changes to encourage increased production of new second units.

- 2482a One change will be to amend the design review process for second units to allow first floor second units created by converting space within an existing home to be approved at the staff level rather than requiring review by the Architectural and Site Control Commission. Applications could be referred to the ASCC for their review at the judgment of staff. The town will also explore whether the process for second unit applications could be streamlined further. As an added incentive for the construction of second units, the town will study the possibility of reducing fees for second units and implement a reduction if possible.
- 2482b The town will also publicize the second unit program and provide practical assistance to residents interested in constructing second units. This effort will include providing information about where second units can be built and what criteria will be applied. In addition, the town will make a special effort to inform residents that they can convert floor area within an existing home to a second unit as long as certain requirements are met. This option would be easier and less expensive than constructing a new, separate second unit, and older residents may be particularly interested in this approach. Information will be provided on the town's website as well as at town hall.
- 2482c Objective: Currently, an average of 4.9 second units are constructed in Portola Valley each year. By providing information and allowing staff-level approval of certain second units to streamline the application process, this rate is expected to increase to 6 units per year starting in 2010. The rate could potentially be higher once a fee reduction program is in place. As a result, a total of 34 new second units are expected to be built between July 2008 and June 2014.

These are likely to provide housing for the same income categories as shown in the San Mateo County study completed

in November 2008. Based on a conservative reading of that study, the 34 new second units will result in 17 units for extremely low income households, 2 for very low income, 3 for low income, 5 for moderate, and 7 for above moderate income households.

Program 4: Waiver of Fees

2483 As identified in the constraints analysis section of this element, the fees required for new development in Portola Valley may constrain the provision of affordable housing in town. To mitigate this constraint, the town will amend the fee ordinances to allow fees to be waived for projects with at least 50% of units for households with moderate incomes or below. The Town Council will determine which fees, if any, will be waived for a particular project and whether they will be waived in whole or in part, based on the following criteria:

- The mix of units by income level;
- The extent to which the units are anticipated to serve populations in town with a particular need for affordable housing, such as senior citizens and people who work in town;
- The expected financial impact on the town of waiving fees; and
- The financial feasibility of the project if the fees are not waived.

2483a Because fees are used to cover the town's costs, it is anticipated that most projects will receive only a partial fee waiver at best. Monies from the in-lieu fee fund may be used to pay some or all fees that cannot be waived.

2483b Objective: No housing units are expected to result directly from this program. Instead, the program helps to mitigate a constraint that may affect the provision of affordable housing in town. The town's objective for this planning period is to amend its fee ordinances to allow fees to be waived for projects with at least 50% of units for people with moderate incomes or below, as described above. This ordinance amendment will take place during 2010.

Program 5: Shared Housing

2484 As discussed in the section on housing characteristics, homes in Portola Valley tend to be large. For older residents who want to remain in their homes, maintaining a large home while living on their own may be difficult. One option, as discussed above, would be to convert a portion of a home to a second unit. Another option would be to simply find someone else to share

the house. The Human Investment Project for Housing (HIP Housing) is a nonprofit organization that conducts a program in San Mateo County to match housing “providers” with housing “seekers.” Rents are established on a case by case basis and can sometimes be partly defrayed by services. Although Portola Valley is currently in the area served by HIP Housing, there is no formal arrangement with the organization. Between 1995 and 2008, three people were matched with homes in Portola Valley, and twelve residents explored the possibility of sharing a home in another jurisdiction.

- 2484a Portola Valley will continue to work with the organization to publicize its service in the town. Publicity efforts could include running annual information pieces in the town newsletter, making materials available at town hall and the library, and posting information on the town web site.
- 2484b Objective: Participation in this program is likely to continue at the same rate, which would result in one more placement in the town by the end of the planning period in 2014.

Program 6: Emergency Shelters

- 2485 As is now required by state law, each jurisdiction with unmet homeless need must allow homeless shelters by right in at least one zoning district, so that new shelters could be provided to meet the need. Portola Valley lacks many of the services, including public transportation, that are often used by homeless people. For that reason, the most logical place in the town for emergency shelters would be at the religious institutions, where additional services could more easily be provided. Portola Valley will therefore amend its zoning ordinance to allow emergency homeless shelters to locate on any of the three religious institution properties in town as a permitted use accessory to the religious institution use.
- 2485a Objective: Develop and adopt this zoning ordinance amendment by the end of 2009.

Program 7: State-Required Density Bonus

- 2486 In accordance with the requirements of Government Code Section 65915, Portola Valley will adopt procedures to provide a density bonus and at least one other concession or incentive to developers of affordable housing. This program will be separate from the town’s inclusionary lot program described above. Developers will be able to choose the program in which they wish to participate, as long as their development meets the required minimum standards.

2486a State law requires local governments to adopt an ordinance specifying how the governments will provide incentives to developers who set aside a certain percentage of units, as specified in state law, for households that meet specified income restrictions. The incentives must consist of a density bonus and at least one of the following concessions, or other financial incentives of equivalent financial value:

- Modification of standards such as setback, square footage limits, and parking requirements;
- Approval of mixed use zoning if compatible with development in the area and doing so would reduce the cost of the housing development; or
- Other incentives or concessions that result in identifiable cost reductions.

Only developments of five or more housing units may qualify for this program, and the affordability of all units provided under this program must be preserved for at least 30 years.

2486b The town will determine the details of how this program will work as part of the process to develop and adopt the mandated ordinance.

2486c Objective: Develop and adopt these procedures and incentives during 2010.

Program 8: Fair Housing

2487 Project Sentinel handles complaints of discrimination in the sale or rental of housing and in the mediation of tenant/landlord disputes in Portola Valley under the terms of a contract with San Mateo County. Information on this program will be posted or otherwise made available at Town Hall and the library, and on the town's website.

2487a Objective: No housing units are expected to result from this program. The town's objective is to provide brochures or post information sheets at Town Hall, the library and on the town's website to publicize this program.

Program 9: Removal of Constraints to Housing for People with Disabilities

2488 Several constraints on housing for people with disabilities were identified in the "Constraints" section of this housing element. To remove these constraints, the town will need to change its zoning ordinance in four ways, to:

1. Allow residential facilities for six or fewer people by right, and ensure that the standards for these facilities are the same as for single family homes, as required by state law;
2. Allow group homes with seven or more people in the C-C and A-P zoning districts with a conditional use permit;
3. Update the definitions for residential facilities, group homes, and similar uses based on the state's definitions for these uses and the state's revised definition of "disability;"
4. Allow access ramps to extend into required yards beyond what is currently permitted, and allow associated railings to be at least 42 inches in height to be consistent with Title 24; and

In addition, the town will add a reasonable accommodations provision to the municipal code to allow regulations to be altered in specific instances when a reasonable and demonstrated need appears for a person with a disability.

2488a Objective: Adopt these amendments during 2010.

Program 10: Housing Impact Fee

2489 To provide more resources for housing, the town will consider developing and adopting a housing impact fee. In a large sense, residents of Portola Valley benefit from the provision of affordable housing in town and throughout the region. This housing provides for those people who work in businesses, services and government, all of which are important to the needs of town residents and to the maintenance of property values in the town. The funds collected could be used to develop affordable housing in any suitable locations in the town. Having funds available could also open the possibility of providing funds to near-by jurisdictions in exchange for their assistance in meeting the town's housing needs. These funds could also potentially be used for participation in regional housing efforts, such as the Housing Endowment and Regional Trust of San Mateo County (HEART), which invests in affordable housing developments and provides homebuyer assistance.

2489a More study would be needed to determine whether a housing impact fee would make sense for Portola Valley, and what types of development should most logically be charged the fee. As part of this program, the town would start the process of examining approaches that have been taken to this type of fee in other communities, exploring the amount of funds that could realistically be produced, and determining what could be done with the funds. If the town then decides to proceed with developing a housing

impact fee, a nexus study would need to be completed setting forth the basis for the fee in accordance with state law. The fee would need to be proportional to the impact.

- 2489b Objective: The town will begin studying the possibility of a housing impact fee in 2010, and could adopt a fee by 2011.

Quantified Objectives

- 2490 Based on the programs outlined above, and the housing trends explained earlier in this housing element, the Town of Portola Valley has established the following quantified objectives. The objectives focus on new construction rather than rehabilitation or conservation, because the need in Portola Valley is clearly greatest for new construction. By meeting the quantified objectives shown below, the town will provide for its share of the Regional Housing Needs Allocation.

Quantified Objectives for Portola Valley			
	New Construction	Rehabilitation	Conservation
Extremely Low	17	0	0
Very Low	2	0	0
Low	8	0	0
Moderate	17	0	0
Above Moderate	44	0	0
Total	88	0	0

- 2490a The quantified objectives shown in the above chart are based on the information provided in the Site Inventory. More details can be found in that section of the housing element, including the summary table at the end of that section.
- 2490b The new units will be provided through three programs. First, the town's strengthened second units program will provide many of the expected new affordable homes. Multifamily housing to be constructed at the Priory School will provide 11 new units, of which at least eight will be required to be provided to low and moderate income households. Finally, the inclusionary housing program will provide housing at two locations: at Site 19, where development has already been approved and a below market rate home is expected to be built by the end of 2009, and at Blue Oaks. The town holds title to four lots in the Blue Oaks subdivision for below market rate housing, and has set a goal of building housing on or funded by those lots by 2014. To reach that goal, the town will talk with housing developers to try to find an entity willing to construct the homes. The town will also explore the

possibility of producing “green” affordable housing on the lots, and will assess potential other locations for below market rate homes. Market rate housing will also provide new homes for households with above moderate incomes.

Action Plan

2491 In order to achieve the quantified objectives and implement the programs described above, a number of actions will be required. These are listed below by program, along with the estimated timing for each:

1. Inclusionary Housing Program

- Amend Section 17.20.215 of the subdivision ordinance to change and strengthen the program as described above. Timing: By the end of 2010. Responsible party: Town Planner.
- Talk with developers about the BMR lots in Blue Oaks, explore the possibility of building “green” affordable housing on the lots, and assess other possible locations for below market rate homes, with the goal of building eight or more BMR homes by 2014. Responsible party: Town Planner.

2. Multifamily Housing Program

- Work with the Priory School to encourage development of the eleven multifamily housing units to be provided under the approved master plan for the school. Units should be roughly equally distributed between the low, moderate, and above moderate income categories as described above. Timing: Units to be built before 2014. Responsible party: Town Planner.

3. Second Unit Program

- Amend the zoning ordinance to allow second unit approval at the staff level for certain types of second units, and determine whether the application process for second units could be streamlined in other ways. Timing: By the end of 2009. Responsible party: Town Planner.
- Study the possibility of reducing fees for second units. Timing: By the end of 2009. Responsible party: Planning Department with the assistance of the Town Planner.
- Publicize information about second units, including the process to convert a portion of an existing home into a second unit. Timing:

Ongoing. Responsible party: Planning Department with the assistance of the Town Planner.

4. Waiver of Fees

- Amend the town's fee ordinances to allow some or all fees to be waived by the Town Council depending on certain conditions. Timing: By the end of 2010. Responsible party: Planning Department.

5. Shared Housing Program

- Work with HIP Housing to publicize their program for matching housing "providers" with housing "seekers." Timing: Ongoing. Responsible party: Planning Department with the assistance of the Town Planner.

6. Emergency Shelters

- Develop and adopt a zoning ordinance amendment to allow emergency homeless shelters to locate on any of the three religious institution properties in town as a permitted use accessory to the religious institution use. Timing: By the end of 2009. Responsible party: Town Planner.

7. State-Required Density Bonus Program

- Develop and adopt density bonuses and other incentives in accordance with Government Code Section 65915 *et seq.* Timing: In the first half of 2010. Responsible party: Town Planner.

8. Fair Housing

- Post information and/or provide brochures at Town Hall, the library, and on the town's website about the services offered by Project Sentinel concerning discrimination and tenant/landlord dispute. Timing: Ongoing. Responsible party: Planning Department with the assistance of the Town Planner.

9. Remove Constraints to Housing for People with Disabilities

- Amend the zoning ordinance to allow residential facilities for six or fewer people by right, and ensure that the standards for these facilities are the same as for single family homes. Timing: By the end of 2009. Responsible party: Town Planner.
- Amend the zoning ordinance to allow group homes with seven or more people in the C-C and A-P zoning districts with a conditional

use permit. Timing: By the end of 2009. Responsible party: Town Planner.

- Update the definitions in the zoning ordinance for residential facilities, group homes, and similar uses based on the state's definitions for these uses and the state's new definition of "disability." Timing: By the end of 2009. Responsible party: Town Planner.
- Amend the zoning ordinance to allow access ramps to extend into required yards beyond what is currently permitted, and allow associated railings to be at least 42 inches in height to be consistent with Title 24. Timing: By the end of 2009. Responsible party: Town Planner.
- Add a reasonable accommodations provision to the zoning ordinance to allow zoning regulations to be altered in specific instances when a reasonable and demonstrated need appears for a person with a disability. Timing: By the end of 2009. Responsible party: Town Planner.

10. Housing Impact Fee

- Study the possibility of creating a housing impact fee for new development in Portola Valley. Funds collected through a fee could potentially be used to assist affordable housing development, both in and near town, and for regional housing efforts. Timing: Complete the study by the end of 2010, and, if appropriate, develop a fee ordinance by the end of 2011. Responsible party: Town Planner.